



Te Kaunihera o Papaioea  
Palmerston North City Council

# PŪRONGO Ā-TAU ANNUAL REPORT 2023/24





# He Mihi

**Kei te rere ngā mihi maioha ki te iwi kainga ki a Rangitāne o Manawatū i runga i te ahua o te mahitahi me te Kaunihera o Papaioea, te whai ngā mātāpono o te Kawenata ki waenganui i a tātou.**

**No reira he tika te whakatairanga ake i ngā moemoea o te Iwi me te Kaunihera tae atu ki ngā hāpori whānui o tēnei Taonenui.**

**Kia kaha tātou ki te hāpai ake ngā ohaki o ngā tipuna me ngā moemoea o ngā tamariki mokopuna kei te haere mai.**

**Tini whetu ki te Rangi, Ko Rangitāne nui ki te whenua.**

**Mauri tū mauri ora ki a tatou katoa.**

The Palmerston North City Council respectfully recognises the local iwi Rangitāne and their customary relationship to this area and appreciates the ongoing support of the iwi in the development of this City and all of those people who have made it their home.

Council remains committed to fostering and strengthening our relationship with Rangitāne.

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# Wāhanga tuatahi

## Section one

### Whakarāpopoto

### Overview

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Year in review

# Kia ora,

As the global economic downturn and cost of living situation continues to be felt deeply for our community, the need to strike the right balance continues to be our top priority in all we do. These pressures have been key to decision making over the past few years, and our recent Long Term Plan consultation shows that will continue to be the case for the coming years.

The past year we've been looking at every project we do to assess the impacts on the cultural, social, economic and environmental wellbeing of our community. While there have been many challenges, we continue to make good headway in ensuring our city lives up to our vision of He iti rā, he iti pounamu -

Small city benefits,  
Big city ambition'.

Over the past year we've invested 19 million dollars into renewing our water and transport infrastructure – this is 59% more for transport and 7% more in water compared to 2022/2023 FY.



**Grant Smith JP**  
Mayor  
30 October 2024

We've also spent tens of millions more on new assets and our maintenance programme too. Our community told us these were important areas to invest in and it's great to be able to share that we've done just that. In the coming years we've also increased our renewal budgets significantly in these important infrastructure areas.

We also celebrated the completion of some major projects. The social housing and new tenants lounge at Papaioea Place is now complete. Construction on our Animal Shelter is finished and will be operating in the coming weeks. Our seismic strengthening work has also hit big milestones, with both the work on the Fresh Water Treatment Plant and the Crematorium complete. We've also completed work on the new Cloverlea Park playground, made some upgrades to the Chippendale Park playground and opened the new Ruahine Reserve and Albert St entrance along the river pathway.

One of the big highlights of the past year has been the rebuilding of Conferences and Events sectors in our city. Council facilities and our CCO partners are finally seeing events back and exceeding their pre-covid levels, and our community is reaping the benefits socially and economically. The benefits of these events throughout employment, retail spend, overnight stays and hospitality cannot be understated – they help bring tens of millions of dollars to our city each year and are key to ensuring we live up to our visions and goals.

We've been working closely with NZ Transport Agency on our Palmerston North Integrated Transport Initiative (PNITI) programme. Over the past year we received significant funding for roading, cycleway, pedestrian, and public transport work, however future funding for these activities is not as fluid. We work on our future programmes such as the freight regional ring road. This road is a pivotal part of Te Utanganui Central NZ Distribution Hub and over the coming year, our preparatory work on the ring road will be a key project. We know our community are keen to see this progress, and it's great we're going to be able to get some more thorough planning underway.

Our community partners and funding recipients continue to do us proud, serving our community through a variety of ways to help make sure Palmerston North continues to be a great place to live- with people at the heart of everything we do.

We're also continuing to make big strides in the sustainability space. From new initiatives like tetrapak and polystyrene recycling to trialling a food waste collection and moving to a hybrid fleet for some council vehicles. This work will only continue to strengthen year on year.

Our recent Long Term Plan consultation saw more than 1400 submissions and thousands more people having their say through engagement events. It's been great to see our community engaging with council more and helping to shape our city's future. Like other cities in the country, we have some obstacles ahead of us to work through. But an engaged and passionate community will help ensure we make the right decisions for our city as we move forward.

This annual report demonstrates how hard our elected members, staff, partners and funding recipients work to make Palmerston North a city we can all be proud of. Our commitment to you, is we will keep doing all we can to make you proud of our City over the coming years.

Ngā mihi nui,



**Waid Crockett**  
Chief Executive  
30 October 2024

# Financial Overview

The financial performance shows that we continue to be in good shape and operating within our financial strategy.

Financially, the year has seen us finish in a strong position, with debt within manageable levels, capital renewals meeting targets, and total assets exceeding \$2.3 billion.

<b>Net Operating Cost of Activity</b>	<b>\$1.9m more than budget.</b>	Exceeded budget due to writing off of prior year capital expenditure and carry forward of work associated with Council ERP and digital transformation programmes from 2022/23.
<b>Renewal capital expenditure to maintain capabilities</b>	<b>\$31.7 spent, \$3.6m higher than budget and \$4.3m higher than 2022/23.</b>	14% more than budget was spent on renewals, with a major focus being on roading renewals
<b>New capital expenditure for growth and to increase capabilities</b>	<b>Spend of \$59.3m, \$3.3m lower than budget, and \$10.9m higher than 2022/23.</b>	91% of the budget was achieved, with the unspent amounts being carried forward to future years through the Long Term Plan process.
<b>Increase in net debt</b>	<b>Actual net debt increased by \$47.7m, higher than the budgeted increase of \$36.1m.</b>	Net debt has increased by more than budgeted. This is mainly due to higher receivables at year-end than budgeted, as well as higher debt-funded capital expenditure.

Council sets rates and fees to achieve the income necessary for funding community services.

Our financial strategy is to make sure we have allocated adequate funds for key projects from rates. This will allow us to maintain our services and allow for repayment of both existing and new debt. Calculation of these is detailed in the Groups of Activities section of the 2021-31 10 Year Plan and reported against in Section Two of this report.

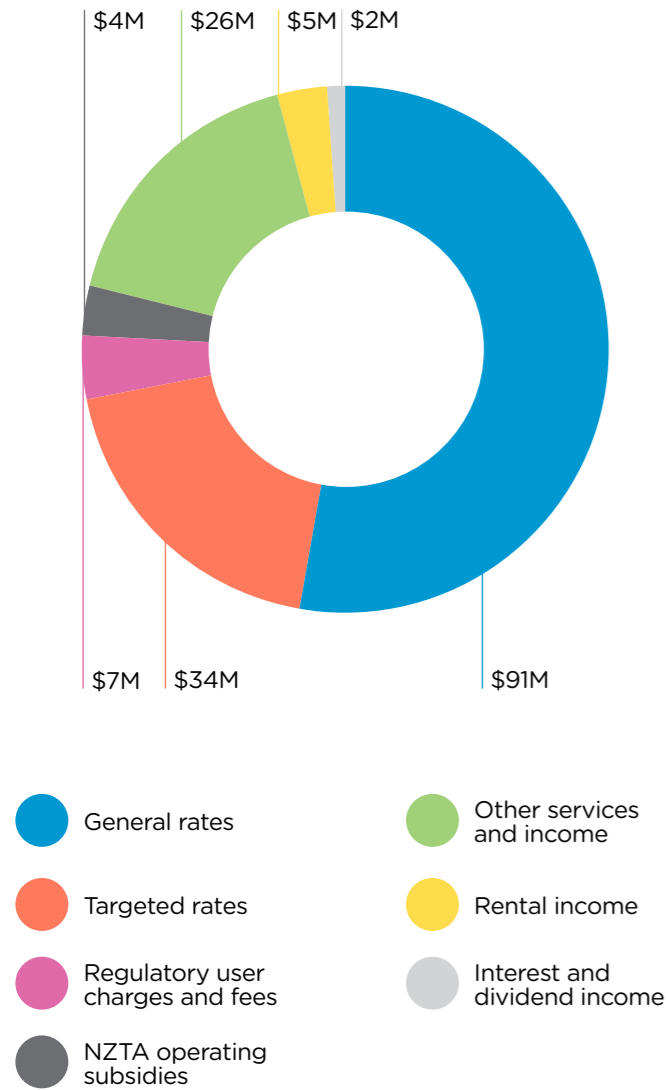


## Operating Revenue and Expenditure

### Operating revenue

Many of the services required and appreciated by the community are primarily funded by rates. Council also aims to charge the users of services directly where practical. Sources of operating revenue are summarised below in the chart.

### Sources of revenue



General rates are Council's primary revenue source accounting for 54 per cent. This is followed by targeted rates for water, wastewater, rubbish and recycling, business improvement district, and metered water to recover specific service delivery costs.

When compared to budget:

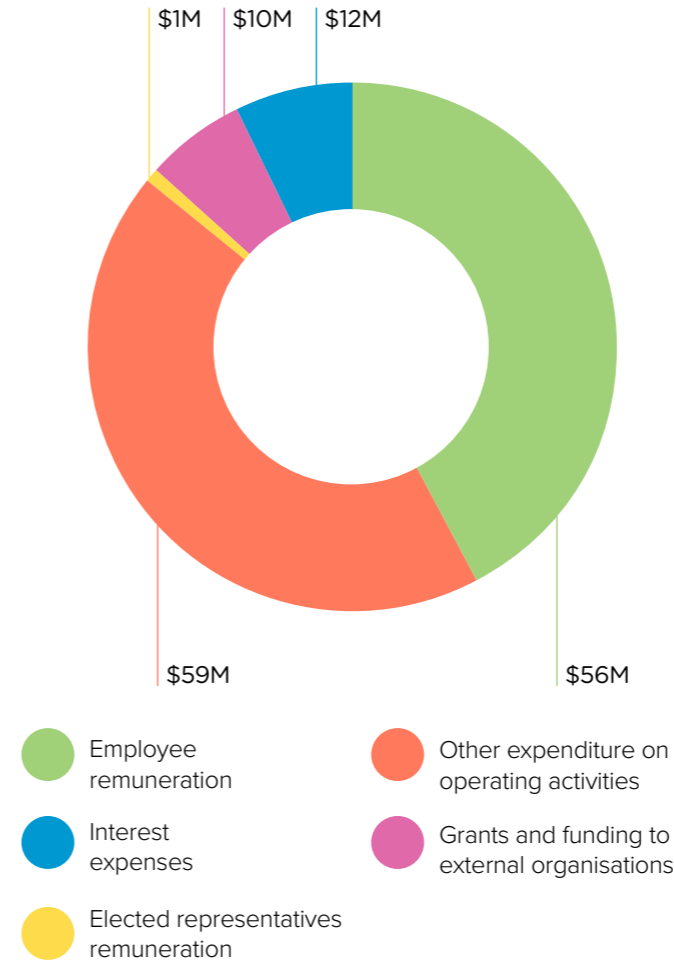
- Overall operating revenues were \$3.6m higher than budget.
- Rates received, including penalties, were \$0.5M more than budget.
- Finance revenue was \$1.8M higher than budget due to term deposits.
- Operating revenue generated from activities was \$2.8M more than budget.
- Operating subsidies and grants were \$1.7M lower than budget.
- Other gains were \$0.2M higher than budget.
- Other non-operating capital revenues relating to capital expenditure from government transport subsidies, grants, development contributions, and vested assets, were also received.

The Council Revenue and Financing Policy in the 10 Year Plan 2021-31 includes information on how services are set to recover their operating expenses. This can be recovered through rates, fees/charges, and other sources. A table summarising the actual performance compared to the targets is included in Section Two of this report.

## Operating Expenditure

Council services and facilities need to achieve a range of objectives to meet the Council's vision of small city benefits, big city ambition. The following chart shows the operating expenditure (excluding depreciation and other losses) required to help achieve that vision.

### Types of expenses incurred

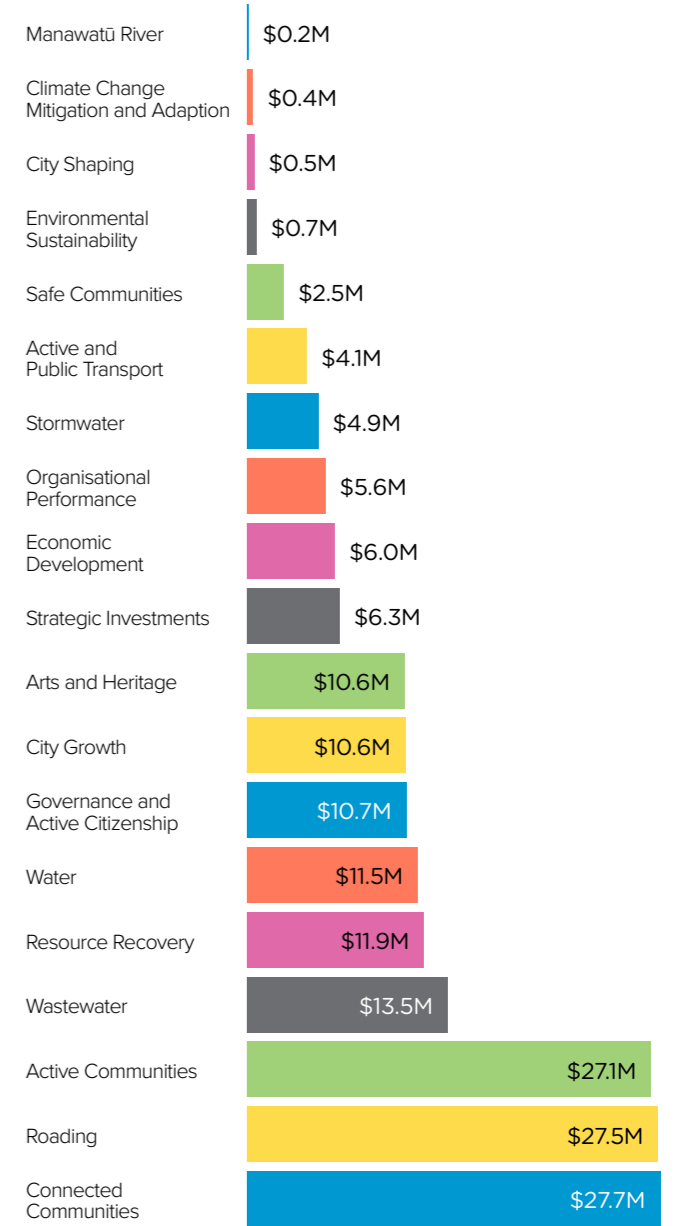


When compared to budget:

- Employee and elected representatives benefit expenses were 4.2M less than budget due to a change in accounting treatment of capitalised remuneration during the financial year.
- Finance costs, excluding financial instruments, were 1.9M more than budget. This was offset by term deposits being held to draw down against future debt during the year, and interest revenue from a loan to the Palmerston North Airport.
- Overall operating expenses, excluding depreciation, financial instruments and other losses, were \$1.1M less than budget.

Total operating expenditure from activities was \$182.1m. This is detailed in Section Two by the services provided, known as Activities. The below chart summarises the operating expenditure, including depreciation, by Activity.

## Operating expenditure by activity



Activities include the provision of infrastructure and services such as:

- water supply;
- wastewater;
- road maintenance;
- sport and recreation facilities;
- arts and cultural facilities;
- events and festivals; and
- provision of building and resource consents to assist in city development.

### Capital expenditure

Capital expenditure is required for the well-planned growth of the city and sustainable management of existing infrastructure.

This year, Council completed works totalling \$91.0m compared with \$75.9m in the previous year. This was a significant achievement and for the second consecutive year the highest level of capital expenditure by Council was achieved. Some major projects could only be commenced and not completed or were deferred without being started.

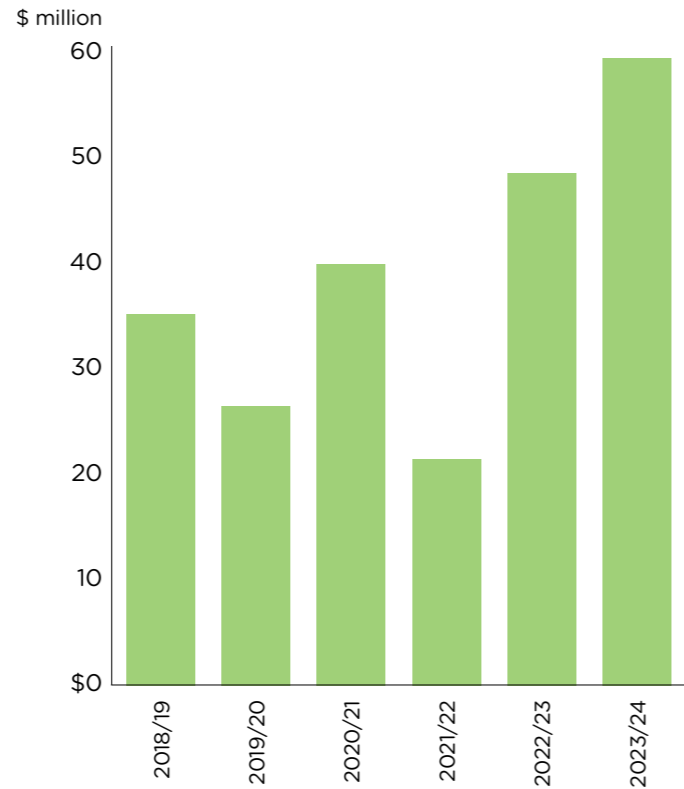
Many of these projects will be completed in 2024/25.

\$ MILLION	ACTUAL 2023/24	BUDGET 2023/24	ACTUAL 2022/23
Renewal capital	31.7	27.9	27.4
New capital	59.3	65.4	48.5
Total	91.0	93.3	75.9

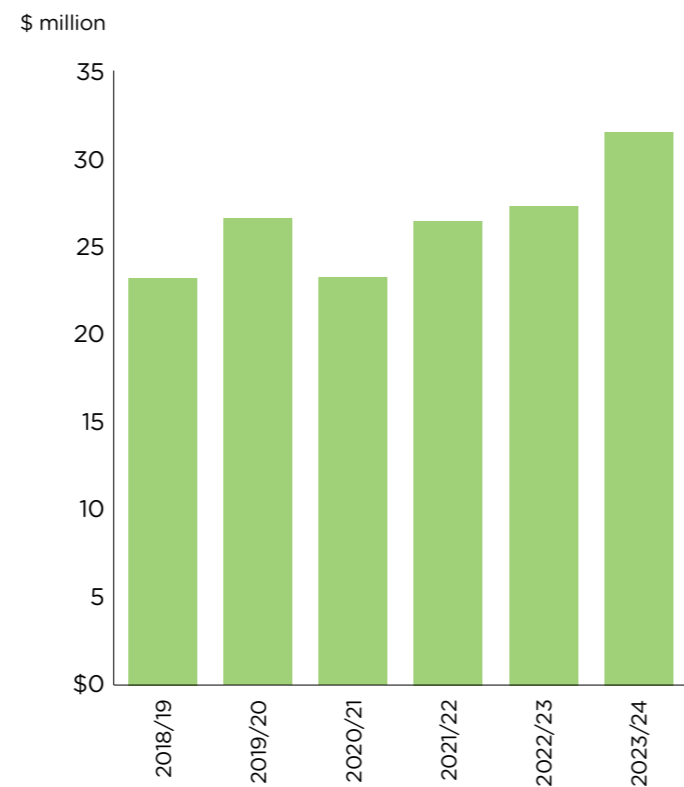
The following charts show how much capital has been spent in recent years for both new (including growth) and renewal expenditure.

New capital expenditure increased by 22% compared to the previous year and increased by 69% compared to 5 years ago. Renewal capital expenditure increased by 16% compared to the previous year and by 36% compared to 5 years ago.

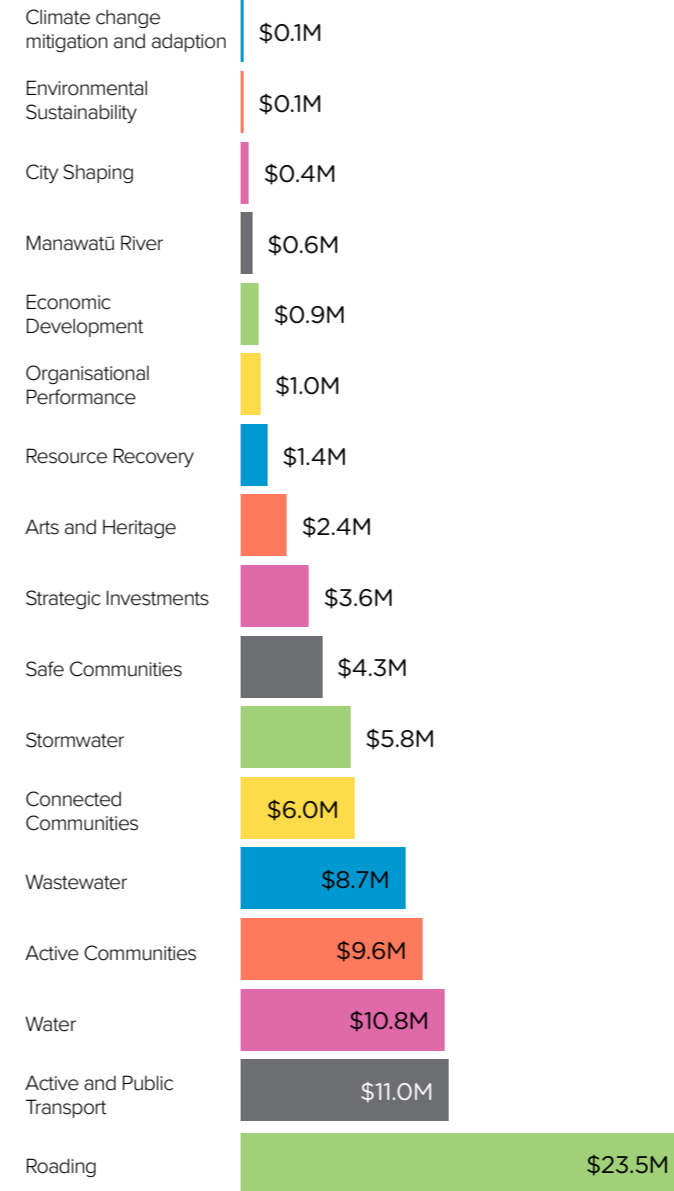
### New capital expenditure spent



### Renewal capital expenditure spent



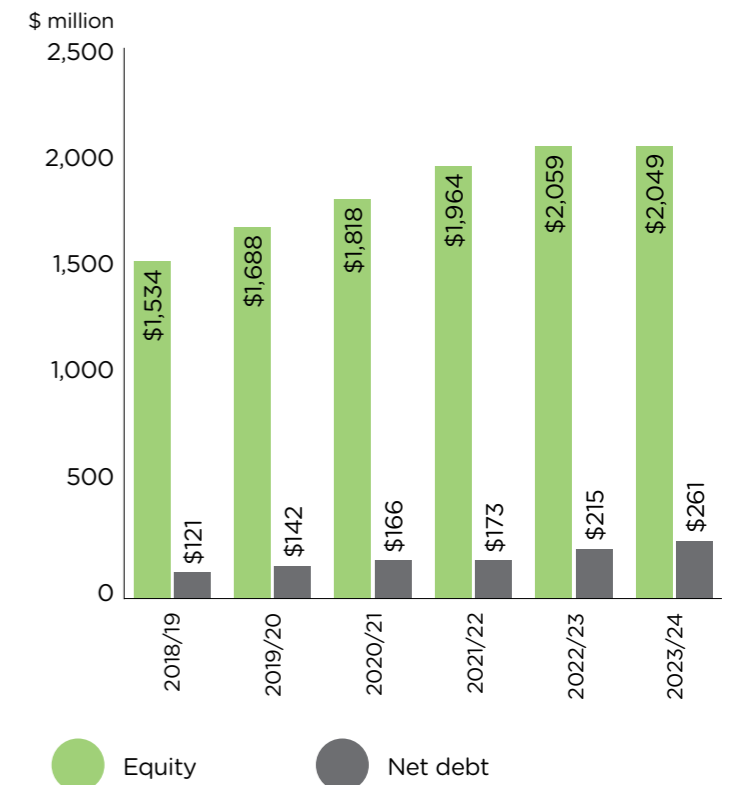
### Capital expenditure by activity



### Equity and debt

Over the past 5 years, Council has increased its equity by 34% due to asset revaluations and accumulated surpluses. Council is mindful that there is a significant increase in debt forecast to fund infrastructure relating to forecast city growth and other activities such as earthquake-prone buildings. To remain within the prudential debt limits, future commitments to unplanned projects will have to be carefully managed.

### Equity and debt of the city



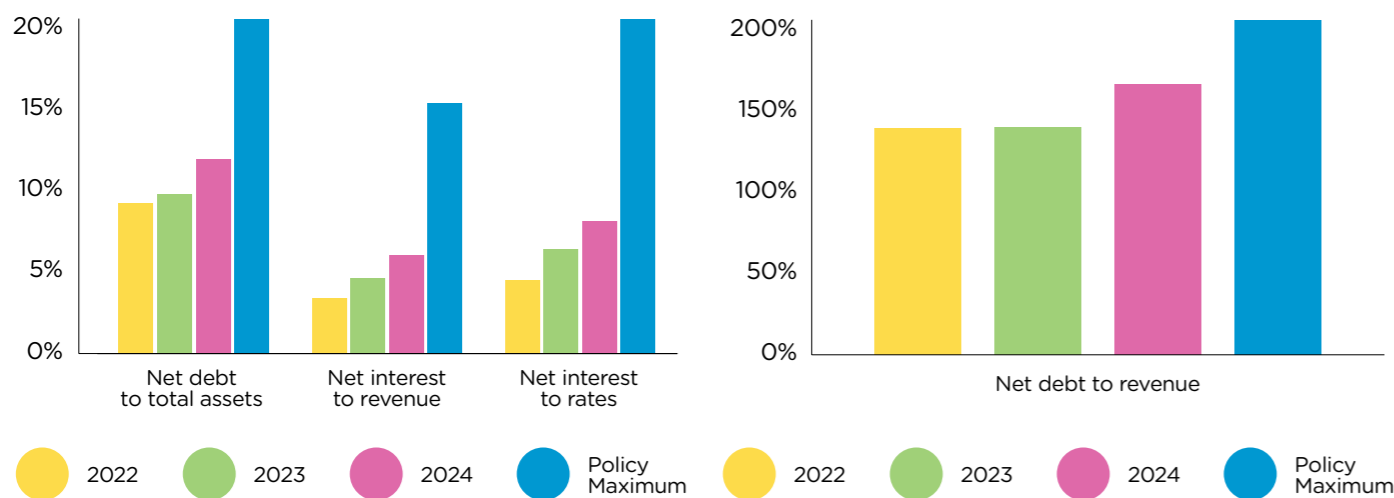
Statistics on equity and net debt per rateable property and per resident are provided in the following table. Equity increases compared to 2021/22 are due to roading valuations, which resulted in increases in revaluation reserves. Net debt increases are due to increases in capital projects being achieved.

	2022/23	2023/24	% change last year (unfav)
Equity per rateable property	\$59,893	\$58,935	(1.6%)
Equity per resident	\$22,778	\$22,316	(2.0%)
Net debt per rateable property	\$6,376	\$7,883	(23.6%)
Net debt per resident	\$2,425	\$2,985	(23.1%)



The financial strategy adopted by Council details the maximum level of borrowing considered sustainable, along with other practical limits. These graphs compare these limits in the 10 Year Plan 2021-31 budget to the actual amounts at financial year end.

**Borrowing ratios at 30 June**



Council debt has increased due to the increased capital spending. With significant projects planned in coming years, this is likely to continue to increase. There is uncertainty in coming years due to the 3 waters reform and how this would impact Council debt. Currently, the debt and interest ratios are below those set by the Council’s Treasury Policy. This policy contains conservative prudential ratios of borrowing permitted against several benchmarks, as detailed in the graphs.

# The Role of Council

**The purpose of Palmerston North City Council is set out in the Local Government Act 2002. The Act states that local government has two purposes:**

- a. to enable democratic local decision-making and action by, and on behalf of, communities; and
- b. to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.

It’s the role of the elected mayor and councillors to determine how to achieve this for Palmerston North. The mayor and councillors set goals through the Long-Term Plan and then oversee and monitor performance against those agreed goals for service provision, timing, and budget. In their decision-making, elected members consider the local context, the lived experience of the community, and expert advice and evidence.

Council also has a regulatory role, where it implements the requirements of other legislation, such as the Dog Control Act, Liquor Licensing Act, Resource Management Act, and applies them on behalf of central government. Council can also set its own policies and bylaws to improve the well-being of our communities.

A Long-Term Plan is completed every three years to help outline how Council will achieve its goals, with a focus on the first three of ten years. This is a major exercise for determining what will be prioritised towards meeting the city’s wants and needs. It involves consulting with the community on proposed future services, the planned renewal of infrastructure, and new projects. In April Council consulted the community on the Long-Term Plan 2024-34. Over 1400 submissions were received. Elected Members read these submissions, hearing from more than 150 people over three full days of hearing in May. Subsequent deliberations took the feedback received from the community into account, with changes being made to the proposed budget, and finalised on 26 June 2024. Further details are available on Council’s webpage ‘Long-Term Plan 2024-34’.

Council’s Infrastructure Strategy is a key long-term planning document, which covers the city’s key infrastructure assets. The first ten years of this 30-year strategy are incorporated into the Long-Term Plan as a part of resourcing considerations. The Strategy sets out an assessment of requirements, issues, and the estimated costs of maintaining and renewing existing infrastructure over that period. Protecting past investments in core infrastructure is important. It ensures that people and businesses can rely on the city’s roads, water, stormwater, and wastewater services. The Infrastructure Strategy also examines how the city’s infrastructure will meet growth requirements and new legislative requirements. Planning for city growth is a constant challenge. Council has a development framework that encourages city development and renewal and ensures the costs are allocated reasonably between developers funding new growth and the community funding capability maintenance.

Alongside the Long-Term Plan 2024-34 consultation, Council also asked for community comment on our Development Contributions Policy. The first Future Development Strategy was also developed in coordination with Horizons Regional Council to set out the City’s growth priorities to inform infrastructure investment over the next 30 years.

The Long-Term Plan also includes Council’s Financial Strategy. This provides an overview of Council’s attitude towards how we use debt to fund growth and the types of activities funded by rates. In this update of the Financial Strategy, we’ve also included an intent to review the assets we own and whether we are getting the best return on these. The plan outlines the nature of the services provided by Council and how performance is measured. Elected Members looked carefully this year at how they could remain committed to Council’s debt ceiling, paying off debt for future generations and smoothing the impact on rates of debt repayment for current ratepayers. The Revenue and Financing Policy was also reviewed with an eye to cost recovery through balancing the public good and user pays components of fees and charges.

As part of the Long-Term Plan process, Elected Members review the strategic framework which guides its budget priorities and in turn the levels of service it provides to the community.

Council adopted the Oranga Papaioea City Strategy, which takes an integrated cross-generational view of social, cultural, economic, and environmental well-being, and developed 15 plans under 4 goals of: An innovative and growing city, A creative and exciting city, A connected and safe community, a sustainable and resilient city. The Strategy reaffirms Council’s commitment to partnership with Rangitāne o Manawatū.

Council services are all set out in the Long-Term Plan, and include:

- Parks, Sports fields and Pathways
- Libraries
- Cemeteries
- Social housing
- Building services
- Animal Control
- Community events

These and the many other services provided allow Palmerston North to be a city where residents enjoy the benefits of small city living, while also having the opportunities found in a big city. The Council updates its Long-Term Plan (10-year horizon) budget through the Annual Plan (called Annual Budget) process for the next two years and then a new long-term plan in three years’ time. Each year a detailed audited Annual Report is produced showing Council’s actual performance against plans, budgets, and measures.



**Left to right:** Rachel Bowen, Karen Naylor, Pat Handcock, Kaydee Zabelin, Brent Barrett, Leonie Hapeta, Roly Fitzgerald, Mayor Grant Smith,

William Wood, Deputy Mayor Debi Marshall-Lobb, Vaughan Dennison, Billy Meehan, Orphée Mickalad, Lorna Johnson, Lew Findlay, Mark Arnott

## Council Structure

Local decision-making authority is set out under the law, which gives decision-making powers to elected members. Following an election, the Mayor will set out how they wish to organise their decision-making bodies (“committees”).

## Council Representation

Residents of Palmerston North elect a Mayor and 15 Councillors to represent them at Council. All councillors represent the whole city. 2 members are elected by residents and ratepayers on the Mōari roll, for Te Pūao Māori Ward and 13 members are elected by residents and ratepayers on the General roll, for Te Hirawanui General Ward.

The Council appoints the Chief Executive to oversee Council operations, and certain management powers are delegated to that position. The Chief Executive implements and manages Council’s policies and objectives within the budgetary constraints and timeframes established by Council.

## Elections

Local elections take place every three years, with the most recent being held in October 2022. The next election will take place on 11 October 2025.

## Council and Committee Structure

Our committees cover the strategic foci and legislative roles of Palmerston North City Council.

For the 2022-2025 term of Council, the following committees have been established. Unless otherwise advertised, most committees meet on Wednesdays at 9am or 1pm in the Council Chambers.

### Monthly:

- Council

### Six-weekly:

- Community
- Culture and Sport
- Economic Growth
- Strategy and Finance
- Sustainability

### Quarterly:

- Rangitāne o Manawatū (Elected and Appointed members)
- Risk and Assurance (Appointed independent Chair)

Committees are made up of elected members and appointed members who bring specific knowledge and skills. There are currently four appointed members on committees, as noted above.

Meetings are usually held in public and Council advertises the issues it will be considering. Agendas are available on the Council Meetings webpage, at least two working days before the meeting. Hard copies are available from the Central Library and Customer Services.

Interested residents are welcome to attend and observe. Most meetings also have a section for public comment. If you wish to speak to an item on the agenda, please make yourself known to an administrator upon arrival. There may also be an opportunity to make a presentation to the relevant committee. Please get in touch with the Governance Support Team ahead of time, should you wish to make a presentation. You can also watch a meeting online on the PNCC Youtube channel, either live or following the event.

If Council is talking about something confidential, the public may be excluded from that part of the meeting. If this happens, the topic and the reason for public exclusion will be given under the Local Government Official Information and Meetings Act, having weighed the public interest against the relevant grounds for exclusion under the Act. As confidential decisions are made available, they can be accessed on our website.

## Governance documents

Council’s Local Governance Statement is available on our website. It is a guide for the community on Council processes and how to be involved in local decision-making.

Also on our website are all Governance Publications which govern elected members: Code of Conduct, Policy on the Appointment of Directors and Trustees, Standing Orders (Meeting Processes), Expenses and Allowances Policy and the Delegations Manual. The Delegations Manual sets out which authorities the elected Council has delegated to the Chief Executive to manage on its behalf. This is to ensure Council operations are efficiently managed, while Council retains its right and responsibility to full oversight.

In 2023/24 the Appointment of Directors and Trustees Policy and Delegations Manual were reviewed.

## Māori involvement in decision-making process:

A report on the involvement of Māori in the decision-making process of Council can be found on page 143 under the heading Enduring Partnership with Rangitāne o Manawatū.



**COUNCIL + 7 COMMITTEES**

<b>Strategy and finance</b> Chairperson: Vaughan Dennison	<b>Community</b> Chairperson: Lorna Johnson	<b>Culture and sport</b> Chairperson: Rachel Bowen
<b>Economic growth</b> Chairperson: Leonie Hapeta <sup>JP</sup>	<b>Sustainability</b> Chairperson: Brent Barrett	
<b>Risk and assurance</b> Chairperson: Steve Armstrong	<b>Rangitāne o Manawatū</b> Chairperson: Mayor Grant Smith <sup>JP</sup>	

**COUNCILLORS AND THEIR PORTFOLIOS**

Go to [pncc.govt.nz/council](http://pncc.govt.nz/council) for contact info

<b>Grant Smith <sup>JP</sup></b> Mayor	<b>Leonie Hapeta <sup>JP</sup></b> Culture and Sport	<b>Low Findlay <sup>QSM</sup></b> Community	<b>Karen Naylor</b> Community
<b>Debi Marshall-Lobb</b> Deputy Mayor	Economic Growth (Chair)	Culture and Sport	Rangitāne o Manawatū
<b>Billy Meehan</b> Community	Risk and Assurance	Strategy and Finance	Risk and Assurance (Deputy Chair)
Culture and Sport (Deputy Chair)	Strategy and Finance	<b>Vaughan Dennison</b> Culture and Sport	Strategy and Finance (Deputy Chair)
Economic Growth	Sustainability	Economic Growth	Sustainability
Rangitāne o Manawatū	<b>Rachel Bowen</b> Community	Rangitāne o Manawatū	<b>William Wood</b> Community
<b>Brent Barrett</b> Community	Culture and Sport (Chair)	Risk and Assurance	Culture and Sport
Economic Growth	Economic Growth	Strategy and Finance (Chair)	Economic Growth (Deputy Chair)
Risk and Assurance	<b>Patrick Handcock <sup>ONZM</sup></b> Community	<b>Lorna Johnson</b> Community (Chair)	Risk and Assurance
Strategy and Finance	Culture and Sport	Economic Growth	Strategy and Finance
Sustainability (Chair)	Strategy and Finance	Risk and Assurance	<b>Kaydee Zabelin</b> Community
<b>Roly Fitzgerald</b> Culture and Sport	Sustainability	Strategy and Finance	Culture and Sport
Economic Growth	<b>Mark Arnott</b> Culture and Sport	<b>Orphée Mickalad</b> Community	Rangitāne o Manawatū
Rangitāne o Manawatū	Economic Growth	Economic Growth	Risk and Assurance
Sustainability	Risk and Assurance	Risk and Assurance	Strategy and Finance
	Strategy and Finance	Strategy and Finance	Sustainability (Deputy Chair)

**Management and Employees**

Council appoints the Chief Executive to oversee Council operations. Certain powers of management are delegated to that position in accordance with Section 42 and clauses 33 and 34 of Schedule 7 of the Local Government Act 2002. The Chief Executive is responsible for the day-to-day operation of the Council's activities and acting within delegated authority from the Council, as detailed in the Council's Delegation Manual.

The Chief Executive implements and manages Council's policies and objectives within the budgetary constraints established by Council, and employs all other staff members.

The managers of business units report to the Chief Executive. Important areas of focus for management are compliance with legislation, Council policy, management of risk, and acting in a sustainable manner while delivering agreed services within budget.

The Council is committed to ensuring that all staff have the capability to deliver the 10-Year Plan and Annual Budgets as agreed with the community. This involves training Council staff and providing an environment where its employees can work to their full potential. Council makes career development training frameworks that are linked to New Zealand Qualifications available across the organisation.

**Palmerston North City Council Organisational Chart**



# What's happening in the City?

## City Demographics

In June 2023, Statistics NZ estimated the city's population to be 91,800, increasing by 1.7% compared with the previous year. National population growth has also been strongly driven by elevated demand for labour and high net international migration into New Zealand. Over the year to March 2024, the New Zealand population is estimated to have increased to 5,338,900, up 2.5% from the previous year.

Population growth was impacted by border closures due to COVID-19 over the period 2020 to 2022, with population growth estimated to have stalled in the city over this period. Since the opening of the borders in July 2022, the number of people migrating to New Zealand versus the number of people leaving has hit record highs with elevated demand for workers serving as a driver of population growth both nationally and in the city. While net migration remains well above long-term averages, easing labour demand is reducing the pace of population growth in New Zealand as the economy slows and fewer work visas are issued. Net international migration is expected to decline from elevated levels in 2024 as labour demand falls due to weaker economic conditions.

The 2023 Census shows how our population has changed over time.

The population of Palmerston North is becoming more diverse, with a greater proportion of the population identifying as Māori, Pacifica, Asian, and Middle Eastern/Latin/American/African (MELAA) compared with previous Censuses.

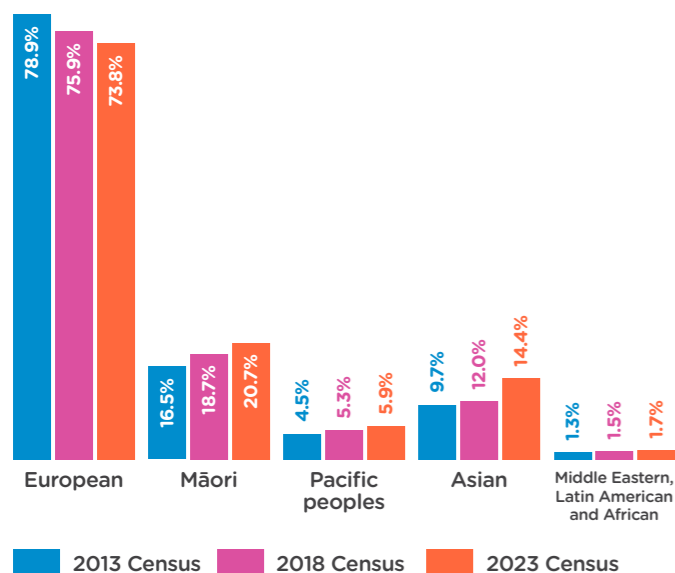
This compares with the New Zealand ethnic make-up of 67.8% European, 17.8% Māori, 8.9% Pacific people, 17.3% Asian, and 1.9% MELAA, in 2023.

From the New Zealand Census<sup>1</sup>, the number of people identifying as Māori in our community increased by 2,235 from 2018 to 2023, to reach a total of 18,042. This is an increase of 14.1% between 2018 and 2023. Pacific people and Asian residents have also increased strongly, up by 693 (+15.5%) and 2,355 (+23.2%) respectively between 2018 and 2023. Residents of MELAA ethnicity also increased, rising 252 (+20.3%) over the same period. There was a total of 1,494 residents of MELAA ethnicity living in the city in 2023.

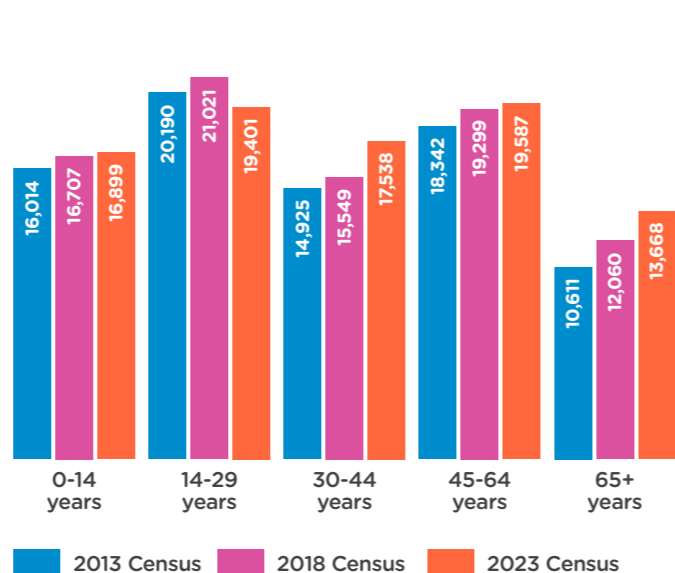
In contrast, the number of European residents remains unchanged compared with 2018, with a total of 64,239 residents of European ethnicity living in Palmerston North.

The 2023 Census also provided an update on the age distribution of our population. The number of people increased in all age groups except for those aged between 15-29 years. This decline was driven by a fall in the number of people aged between 20-24 years in the city, down by 1,101 between the 2018 and 2023 Censuses.

Palmerston North population by ethnic group



Palmerston North population by age group



The percentage of the population by age group has also changed with residents aged between 30-44 years and +65 years increasing, and all other age groups decreasing.

This table compares the proportion of the Palmerston North population by age group with the New Zealand population overall. The data is from the 2023 Census.

Area	0-14 years	15-29 years	30-44 years	45-64 years	65+ years
Palmerston North	19.4%	22.3%	20.1%	22.5%	15.7%
New Zealand	18.7%	19.4%	20.7%	24.5%	16.6%

The population of Palmerston North is expected to continue to grow, reaching almost 118,000 by 2054.

## Youthful population

While the number of people in the city aged between 15-29 years, eased between 2018 and 2023, Palmerston North continues to boast a comparatively youthful population.

The projected median age of the city's population was 35 years in 2023, compared to the national median age of 38 years in 2022. This means Palmerston North is New Zealand's third youngest territorial authority after Hamilton and Wellington. This is influenced by tertiary students and New Zealand's largest army base located within the city boundary at Linton Military Camp. With the large-scale investment in the defence force recently announced, we would expect the age of our population to remain youthful compared with much of New Zealand.

Our population is ethnically diverse with 20.7% of the population projected to be Māori in 2023, compared with 17.8% nationally. Our city is one of New Zealand's recognised refugee centres and prides itself on being a welcoming, diverse, inclusive, and safe place for all its residents, with more than 152 different ethnic communities calling the city home in March 2018.

## Social, Cultural and Leisure Environment

The 2023 Residents' Survey showed that the top strengths of our city are that it is great for walking; has lots of opportunities to be physically active; has great parks, sports fields, and recreation; embraces different cultures. At least three-quarters of residents are very satisfied or satisfied with these areas (and most others are neutral, rather than dissatisfied).

Three areas had dissatisfaction greater than 15%: Palmy is safe (26%), we have a vibrant city centre (23%), and Palmerston North has a great sense of community spirit (18%).

## Housing continues to be relatively affordable

The city's average house value increased by 2.5% over the year to April 2024 and is now \$653,223, which sits well below the national average of \$933,633. Nationally, average house values inched up by 0.5% over the year. While house prices are now stabilising, the average house price in the city remains -13.4% lower than the peak average value of \$754,212 in January 2022. National house prices are -10.5% lower than their peak average value of \$1,043,261 in March 2022 (CoreLogic).

Earnings from salaries and wages increased by 9.3% in Palmerston North over the year to March 2024, driven by elevated wage inflation. Rising household incomes alongside lower and stable house prices are supporting housing affordability.

Housing affordability in the city improved from 7.2 times the average household income in December 2021 to 5.2 times the average household income in March 2024. This compares with an average house price equal to 7.0 times the average household income in New Zealand.

Due to the lower median age of the city's population, in 2018, only 62.7% of Palmerston North households lived in a house they owned (with or without a mortgage). This is slightly lower than the proportion of people nationwide who own their own houses (64.5%). The average median weekly rent was \$481 compared with the national median of \$562 in April 2024. Average rents in the city increased by 5.4% over the April 2024 year compared with a 6.8% increase nationally. (MBIE private sector rental bond data, the year ended April 2024).

Our city is well-provided with reserves and spaces for recreation. There are more than 10 hectares of recreation parks and or other recreation space per 1,000 people. The national benchmark is 4 hectares per 1,000 people.

Active recreation opportunities are provided throughout our reserves via 6 large destination city reserves, 24 sports fields, 84 suburb and neighbourhood reserves, 3 swimming pools, and a 196 hectares of outdoor adventure park.

## Environmental Sustainability

Council's strategic direction is for Palmerston North to be regarded as an environmentally concerned and caring eco-city.

There's a commitment to developing our shared pathway and cycleway network and we work with key partners to progress off-road walking and cycling infrastructure. We continue to encourage alternative means of transport and commuting through land use planning and capital programme, and work with strategic partners such as Waka Kotahi and Horizons Regional Council.

The Green Corridors programme continues to create open green spaces from the Tararua Ranges to the Manawātū River. Since 2001 more than 170,000 trees have been planted in the Turitea Valley and Summerhill areas. This has restored wonderful habitats for native birds, improved the water quality for native fish, and resulted in a scenic network of public tracks through the bush.

## Wastewater discharge

As a result of a formal review of our existing discharge consent in 2012, Council agreed with Horizons Regional Council to apply for new consents for the treatment and discharge of wastewater from the Wastewater Treatment Plant in Awapuni by June 2022, six years before the current consents end in June 2028. The Best Practicable Option (BPO) for treating and disposing of the city's wastewater was determined by Council in September 2021 after two rounds of community consultation and extensive stakeholder engagement. The city's future treatment and discharge will see significant upgrades to the existing treatment plant, producing highly treated water, which will then be disposed of between land or river, depending on river flow conditions.

Work on the consent application was finalised and the consent application was submitted on the 19th of December 2022, a date that was agreed upon with Horizons Regional Council.

As a result of deliberations for the new Long Term Plan, we are now taking another look to see if there is a new or more affordable option for our treatment and discharge for the future.

In terms of our fresh air, Palmerston North has clean fresh air and the risk of exceeding New Zealand Air Quality Standards is low. Horizons do not require the city to have an air quality monitoring programme.

**Citywide Emissions**

Through the 2021-31 Long Term Plan, Council set a target of a 30% net reduction in tonnes of CO2 equivalent emissions (tCO2e) in Palmerston North by 2031, compared to the 2016/17 baseline. Emissions categories include Stationery energy, Transportation, Waste, Industry, Agriculture and Forestry. This includes carbon absorbed by forest growth and emissions from harvesting, but precludes the purchase of carbon offsets. This 2023 inventory has been prepared to measure progress against this target (2023 sat within the 2021-31 Long Term Plan period). Total net emissions for 2023 were 647,252 tCO2e. This is a 21,880 tCO2e reduction compared to the previous year, and an 11,929 tCO2e increase since the 2016/17 baseline.

The city-wide target was revised as part of the 2024-34 Long Term Plan and is currently set at a 44% reduction in per capita emissions by 2034 compared to the 2016 baseline. However, on a per capita basis, citywide emissions have declined 9% over the 2016-2023 period.

**Economy, Visitor Numbers, Business Development and Employment**

Economic growth in Palmerston North has been relatively strong over the last five years with Gross Domestic Product (GDP) increasing by 12.6% in the city compared with 10.4% nationally. Economic activity is easing at present with high interest rates and elevated living costs weighing on consumer spending and driving down demand for goods and services across the economy. This is reflected in data for the city which indicates that GDP has fallen by -0.7% over the year to March 2024, compared to an increase of 0.2% nationally.

Challenging economic conditions are forecast to continue in 2024, with economic activity expected to improve as inflation falls back into range later this year. Lower inflation will enable interest rates to fall, reducing living costs for our families and whanau and releasing money to be spent on goods and services across the economy. This will support our businesses to be profitable, supporting an increase in investment and employment across the city. Central government investment in key local industries, such as defence and scientific research, as well as a focus on raising export opportunities for our producers, will also support the regional economy as we emerge from the current economic downturn.

Despite economic challenges, salaries and wages increased strongly over 2022 and 2023 as competition for a limited pool of workers, drove earnings higher. Median annual salaries and wages in the city have increased above the rate of growth for New Zealand, up 27.8% over the five years to March 2023 compared to an increase of 27.6% nationally. Total income (salaries and wages and income from self-employment) was \$3.54 billion in the year to March 2023, 39.2% higher than the year to March 2018 compared with national income growth of 39.5% over this period. Wage growth is easing in 2024 as demand for workers falls in response to weak demand for goods and services across the economy. On the upside, labour market indicators remain relatively positive with the rate of unemployment remaining below the longer-term trend despite economic challenges.

Tourism spending is also being impacted by the economic slowdown with domestic tourism spending in the city falling by 1.7% in the year to May 2024. This compares with a 3.1% fall nationally. In contrast, international tourism spending has strengthened due to the removal of economic restrictions in place in response to COVID-19, increasing by 23.8% in the city over the year to May 2024 compared with the previous year. This compares with a 20.8% increase nationally. Global economic recovery alongside the easing of domestic interest rates, are expected to support tourism spending in New Zealand into 2025.

Electronic card retail spending is following the same trend with annual growth in spending falling below the rate of annual inflation both in the city and nationally. Over the year to May, retail spending in the city increased by 1.3% to reach a total of \$1.506 billion. This compares with 2.5% growth in spending nationally. Core spending is holding up while spending on big-ticket and discretionary items are falling, as household and business spending pulls back in response to higher costs.

Palmerston North has industry strengths that add to the resilience of the city economy. Our economy is buffered by a large and diverse government, health and education sector, contributing 31.2% of GDP and 36.0% of total employment. This compares with 17.1% of GDP and 23.1% of employment, nationally. 'Public administration and safety' is the largest sector in Palmerston North by contribution to GDP and the third largest employer, adding \$704.4m (13.1%) to GDP and 6,105 (10.8%) jobs to the city economy. 'Defence' is the largest sub-sector, generating \$293.8m in GDP over the March 2023 year and employing 2,369 personnel. 'Health care and social assistance' continues to be the largest employer, contributing 8,008 jobs to the city economy. The city also has a high growth scientific research sector, which is set to benefit from increased investment into agricultural emissions reduction.

The signalled boost in funding to key industries in the city, as well as expansion of our high-growth sectors such as logistics and distribution, will support the Palmerston North economy to recover from the current broad based economic challenges.

**Conclusion**

Times are challenging in 2024, but the longer-term outlook remains positive as inflation tracks lower and interest rates look set to fall later in the year. For now, we expect the current economic challenges to continue as high interest rates and elevated costs continue to dampen demand for goods and services across the economy in 2024.

On the upside, inflation is easing with annual CPI projected to fall back to 3.0% per annum in the September 2024 quarter, alongside further easing of price pressure affecting business and government costs in 2024.

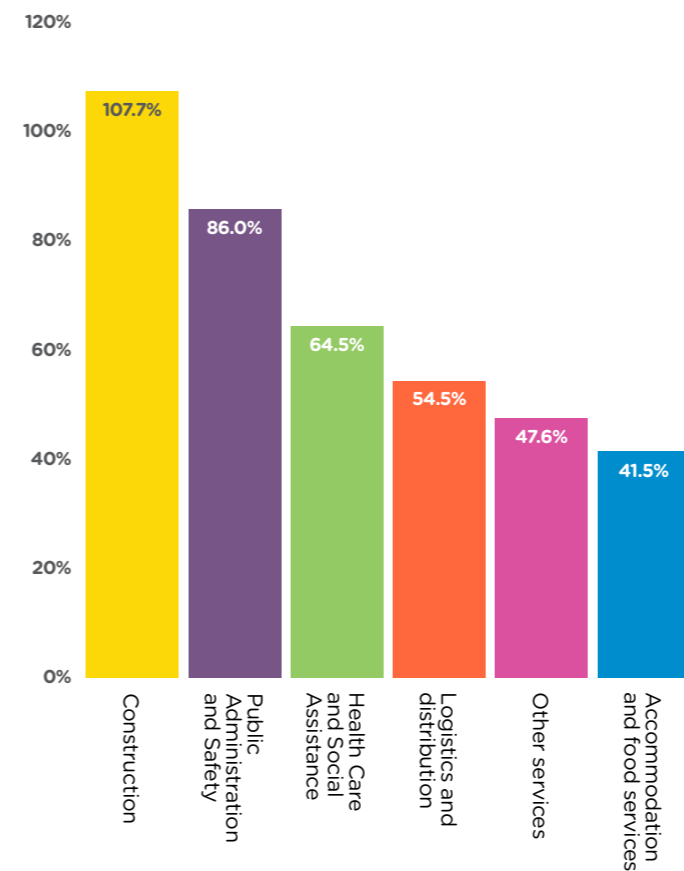
Lower inflation will enable interest rates to fall in 2025, reducing living costs for our families and releasing money to be spent on goods and services across the economy. This in turn, will support our businesses to be profitable, enabling an increase in investment and employment across the city.

Factors such as significant investment in the expansion of defence force activities as well as a boost to agricultural research in the region, also support the longer-term economic outlook for the city.

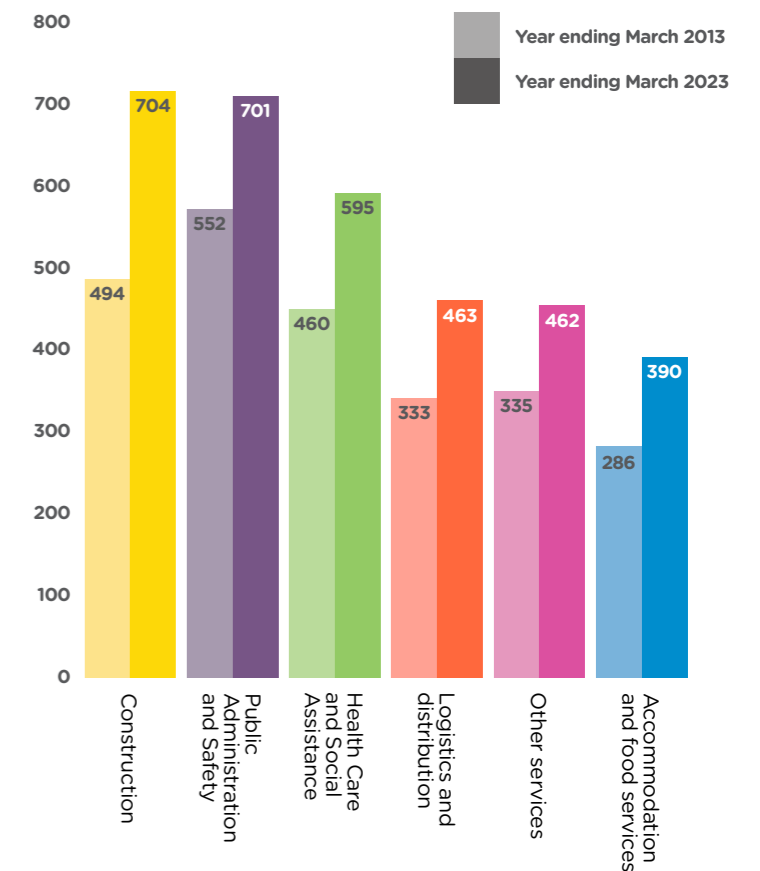
The Palmerston North economy also benefits from a large proportion of big business in the city that are less vulnerable to economic cycles and the contraction of government spending on public sector services. These attributes of the Palmerston North economy will support economic activity relative to parts of New Zealand with greater dependency on consumer demand and higher exposure to central government public sector cuts.

Challenges to our business community and households are expected to continue throughout 2024 with relief in the form of lower interest rates widely anticipated in late 2024, early 2025.

**Palmerston North increase in workforce between 2000 and 2023:**



**Palmerston North annual GDP by sector (\$m)**



Jasper checking out one of our Palmy recycling trucks



# Wāhanga tuarua

## Section two

### Ngā mahi a te Kaunihera

### What the Council does

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#### Whāinga 1

He tāone auaha,  
he tāone tiputipu

#### Goal 1

Innovative  
+ Growing City

City Growth	42
Economic Development	49
Active and Public Transport	55
Strategic Transport (Rooding)	60

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#### Whāinga 2

He Tāone whakaihihi  
tapatapahi ana

#### Goal 2

Creative + Exciting City

Active Communities	68
Arts and Heritage	76
City Shaping	82

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#### Whāinga 3

He hapori tūhonohono  
he hapori haumarū

#### Goal 3

Connected + Safe Community

Connected Communities	88
Safe Communities	99

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#### Whāinga 4

He Tāone Tautaiāo

#### Goal 4

Eco-City

Climate Change	106
Environmental Sustainability	110
Manawatū River	115
Resource Recovery	119
Stormwater	124
Wastewater	129
Water Supply	134

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#### Whāinga 5

He kaunihera ahunui  
whakamana i te iwi

#### Goal 5

Driven + Enabling Council

Good Governance and Active Citizenship	142
Organisational Performance	148
Strategic Investments	154

# What the Council does

(Statement of Service Performance)

## Overview

Our vision for Palmerston North is to embrace the benefits of small city living while still offering our residents and region the lifestyle, education and business opportunities of much larger metropolitan cities. Council's vision is 'Small city benefits, big city ambition'. To achieve this our residents require Council to provide appropriate levels of services and facilities.

The Long-Term Plan and Annual Budgets (Plans) provide more detail on these services and how our performance can be measured. The council develops a vision and goals in consultation with the community. These are called community outcomes. Many of the community outcomes also require collaboration and involvement from other organisations in the community to achieve them.

Council's goals as set in the Long-Term Plan for 2021/31 were:

### Whāinga 1 - He tāone auaha, he tāone tiputipu

#### Goal 1 - Innovative + Growing City

A city that is clever about the way it uses its natural advantages to encourage and support innovation, entrepreneurship and new industries, and positions itself to take advantage of the change to fuel sustainable growth, prosperity and wellbeing.

### Whāinga 2 - He Tāone whakaihiihi tapatapahi ana

#### Goal 2 - Creative + Exciting City

A city that draws inspiration from the diversity within its culture and creates a vibrant urban environment that attracts creative and clever people and nurtures creative talent.

### Whāinga 3 - He hapori tūhonohono he hapori haumarū

#### Goal 3 - Connected + Safe Community

A city that includes, supports, connects and uses the talents and advantages of the whole community in the pursuit of prosperity and wellbeing. A city that has an international reputation as a safe city in which to live, study, work and play. A city that embraces its lwi heritage and partnership, and where people connect with the city's past, celebrating its history and heritage.

### Whāinga 4 - He Tāone Tautaiāo

#### Goal 4 - Eco-City

A future-focused city that plans for and cares about the future, enhancing its natural and built environment. Our city will realise the benefits to society from creating clean energy, lowering carbon emissions, and reducing our ecological footprint.

### Whāinga 5 - He kaunihera ahunui whakamana i te iwi

#### Goal 5 - Driven + Enabling Council

A Council and organisation that works as one team with its communities and is a catalyst and enabler for change in the city.

## Activities summary information

The following tables summarise the following activity and service information:

- Operational requirement and funding
- Funding sources
- Capital expenditure
- Non-financial performance measures

Activity pages containing more detail can be found immediately after the tables within the relevant activities. Since the budget was prepared, circumstances have changed in some areas. Explanation of significant variances is included in the activities sections that follow.



# Council’s Service Performance Framework and Rationale for KPIs

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.

The Long-Term Plan (LTP) pulls together Council's Strategies and Plans, and the LTP Activities align with these Plans. Hence Council's LTP KPIs are part of its overall strategic monitoring framework. Service performance measures in the LTP are mostly process- and output-based as they are audited and can be more closely linked to Council actions. Measures in the Plans are more outcome-based and might be the result of more than just Council's actions. They might also be less frequently measured. Council publicly reports the LTP measures as part of Section 2: What the Council Does (Statement of Service Performance) in the Annual Report. Residents need to look at these reports and Council's Plan monitoring through the City Dashboards ([pncc.govt.nz/dashboards](https://pncc.govt.nz/dashboards)) to get a good overall understanding of how well Council is performing.

## Survey Measures

The Council uses the Residents Survey to measure resident satisfaction with some of its day-to-day services. The Residents Survey is carried out by KeyResearch. The sample is randomly drawn from the Palmerston North Electoral roll. Around 500 people are surveyed each year, in four quarterly batches to avoid the results being influenced by particular one-off events. The responses are weighted to match the PN demographic structure. The margin of error for this survey is 4.35%.

Other surveys are used for Council's Parks users and Social Housing tenants. Parks users surveys are completed using ParksCheck, a YardStick measurement tool through Recreation Aotearoa. The Housing survey is performed in-house by Council officers.

## Rationale for LTP Measures

The Department of Internal Affairs sets some mandatory KPIs that all Councils need to include in their LTPs. These are marked as "mandatory measures" in the LTP.

Some of the other KPIs were set through Council's Plans. This means they are integrated with Council's wider strategic direction and monitoring.

Some of Council 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 more useful than strictly quantitative measures. E.g. in the KPI for Council decrease the 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 and 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 measures the Council acknowledges that a small number of applications will not be processed in the statutory timeframes. This is because some complex consent issues cannot be resolved within these timeframes. Also consent applications come in peaks and troughs and, although the Council continually monitors resourcing needs and works with other Councils to help manage peak demands, it is not always possible to meet these peaks without over-resourcing for more normal demand.

## Other Key Judgements:

For the performance measure 'percentage of real water loss from the water reticulation network', the methodology used is referenced on page 137.

Note that the service performance information contained in Section 2 of the Annual Report relates to Council only. The CCO service performance information is contained in Section 4 of the Annual Report.

## Summary of Non-Financial Performance Measures

The following table records a summary of the non-financial performance achievements for each activity group. More details of the measures are found after each activity within this section.

	# of measures	# targets met
<b>Whāinga 1</b> He tāone auaha, he tāone tiputipu <b>Goal 1</b> Innovative + Growing City		
City Growth	5	2
Economic Development	2	2
Active and Public Transport	N/A*	N/A*
Strategic Transport	5	2

## Whāinga 2

He Tāone whakaihiihi tapatapahi ana  
**Goal 2** Creative + Exciting City

Active Communities	5	4
Arts, Culture and Heritage	5	4
City Shaping	2	1

## Whāinga 3

He hapori tūhonohono he hapori haumaruru  
**Goal 3** Connected + Safe Community

Connected Communities	9	8
Safe Communities	3	3

## Whāinga 4

He Tāone Tautaiiao  
**Goal 4** Eco-City

Climate Change	3	3
Environmental Sustainability	2	2
Manawatū River	1	1
Resource Recovery	2**	1
Stormwater	5	5
Wastewater	5	5
Water Supply	9	7

## Whāinga 5

He kaunihera ahunui whakamana i te iwi  
**Goal 5** Driven + Enabling Council

Good Governance and Active Citizenship	1	0
Organisational Performance	N/A*	N/A*

<b>Total Measures</b>	<b>64</b>	<b>50</b>
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\* This area does not have external measures of Levels of Service that are reported on.

\*\* One target not measured. See page 121 for further information





### Financial Results

Operational Summary by Activity

#### All Activities

	Actual 2024 \$000	Annual Plan Budget 2024 \$000	Variance 2024 \$000	Actual 2023 \$000
<b>REVENUE</b>				
<b>Innovative and Growing City</b>				
City Growth	6,016	7,467	(1,451)	10,408
Economic Development	1,517	1,231	286	1,701
<b>Creative and Exciting City</b>				
Active Communities	3,948	3,406	542	3,971
Arts and Heritage	344	724	(380)	244
City Shaping	-	-	-	-
<b>Connected and Safe Community</b>				
Connected Communities	5,552	5,746	(194)	4,821
Safe Communities	996	948	48	1,126
<b>Eco-City</b>				
Climate change mitigation and adaption	-	-	-	-
Environmental sustainability	3	-	3	2
Manawatū River	-	10	(10)	1
Resource Recovery	4,190	3,844	346	4,039
<b>Transport</b>				
Roading	10,672	10,088	584	9,865
Active and Public Transport	597	1,157	(560)	1,082
<b>Stormwater</b>	65	7	58	6
<b>Wastewater</b>	1,160	1,303	(143)	1,665
<b>Water</b>	19	101	(82)	17
<b>Driven and Enabling Council</b>				
Governance and Active Citizenship	215	230	(15)	280
Organisational performance	1,790	530	1,260	1,219
Strategic Investments	4,562	4,394	168	4,317
<b>TOTAL REVENUE</b>	<b>41,646</b>	<b>41,186</b>	<b>460</b>	<b>44,764</b>

	Actual 2024 \$000	Annual Plan Budget 2024 \$000	Variance 2024 \$000	Actual 2023 \$000
<b>EXPENSES</b>				
<b>Innovative and Growing City</b>				
City Growth	10,642	11,900	1,258	11,162
Economic Development	5,956	5,821	(135)	6,236
<b>Creative and Exciting City</b>				
Active Communities	27,051	26,802	(249)	24,987
Arts and Heritage	10,615	11,363	748	9,798
City Shaping	547	562	15	482
<b>Connected and Safe Community</b>				
Connected Communities	27,719	27,606	(113)	24,769
Safe Communities	2,549	2,442	(107)	2,407
<b>Eco-City</b>				
Climate change mitigation and adaption	396	242	(154)	249
Environmental sustainability	702	641	(61)	826
Manawatū River	192	282	90	326
Resource Recovery	11,916	10,900	(1,016)	10,737
<b>Transport</b>				
Roading	27,543	26,446	(1,097)	25,880
Active and Public Transport	4,078	5,130	1,052	4,852
<b>Stormwater</b>	4,870	5,384	514	4,773
<b>Wastewater</b>	13,499	12,900	(599)	12,769
<b>Water</b>	11,495	12,476	981	10,961
<b>Driven and Enabling Council</b>				
Governance and Active Citizenship	10,749	10,285	(464)	9,807
Organisational performance	5,349	3,313	(2,036)	5,684
Strategic Investments	6,250	5,279	(971)	6,018
<b>TOTAL EXPENSES</b>	<b>182,118</b>	<b>179,774</b>	<b>(2,344)</b>	<b>172,723</b>

**Funding of activities and services**

	Actual 2024 \$000	Annual Plan Budget 2024 \$000	Variance 2024 \$000	Actual 2023 \$000
<b>NET OPERATING COST OF ACTIVITY</b>	<b>(140,472)</b>	<b>(138,588)</b>	<b>(1,884)</b>	<b>(127,959)</b>
<b>RATING ALLOCATION</b>				
Add back depreciation	43,141	43,042	99	42,152
Less Transfers To/(From) Reserves	-	4,181	(4,181)	-
Less Renewal capital expenditure	(31,910)	(27,930)	(3,980)	(27,396)
Add/(Less) borrowing effect of renewal 3 year averaging	(3,447)	(3,447)	-	1,438
Add external revenue for renewal capital	3,517	3,180	337	1,473
Add proceeds from sale of assets	2,512	479	2,033	209
Less provision for debt reduction	1,945	(5,162)	7,107	(5,804)
Add targeted rates allocation	32,831	32,794	37	29,515
Add general rates allocation	91,883	91,451	432	86,522
<b>FUNDING SURPLUS/(DEFICIT)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>150</b>

The funding surplus represents funds generated from operations by the Activities and variance in renewal capital expenditure incurred. This is used to fund the movement in working capital over the year and for additional debt reduction. Part of the renewal capital expenditure budgeted and not incurred will be incurred in the future when this will effectively reduce the funding surplus.

The following table separates the operating requirements above to show the balance and variance from rates-funded operating activities. This balance funds renewal capital to maintain the standard and quality of assets and debt reduction.

	(140,472)	(138,588)	(1,884)	(127,959)
<b>NET OPERATING COST OF ALL OPERATING ACTIVITIES</b>	<b>(140,472)</b>	<b>(138,588)</b>	<b>(1,884)</b>	<b>(127,959)</b>
Add back non-cash depreciation	43,141	43,042	99	42,152
Add targeted rates allocation	32,831	32,794	37	29,515
Add general rates allocation	91,883	91,451	432	86,522
<b>NET RATES-FUNDING AVAILABLE FOR RENEWAL CAPITAL EXPENDITURE AND DEBT REDUCTION</b>	<b>27,383</b>	<b>28,699</b>	<b>(1,316)</b>	<b>30,230</b>

	General rates/targeted rates		User fees and charges		Other	
	Policy target	Actual	Policy target	Actual	Policy target	Actual
<b>Innovative and Growing City</b>						
<b>Economic Development</b>						
City Marketing	80-100%	-	-	-	0-19%	100%
Economic Development	80-100%	-	-	-	0-19%	-
Economic Events	80-100%	100%	-	-	0-19%	-
Conference & Function Centre	20-39%	43%	60-79%	57%	-	-
International Relations	80-100%	87%	-	-	0-19%*	13%
<b>City growth</b>						
Building Services	20-39%	34%	60-79%	66%	-	-
Housing and Future development	80-100%	-	-	-	0-19%*	100%
Planning Services - Private	0-19%*	45%	80-100%	55%	-	-
Planning Services - Public	80-100%	100%	0-19%	-	-	-
Urban Design	80-100%	100%	-	-	-	-
<b>Transport</b>						
<b>Roading</b>						
Parking	-	-	80-100%	100%	-	-
Roads	80-100%	80%	-	-	0-19%	20%
Street Facilities	80-100%	100%	-	-	0-19%	-
Street Lighting	80-100%	69%	-	-	0-19%	31%
Traffic Services	80-100%	89%	0-19%	-	0-19%*	11%
<b>Active and public transport</b>						
Footpaths	80-100%	100%	-	-	0-19%	-
Active Transport	80-100%	80%	-	-	0-19%	20%
Public Transport	60-79%	45%	-	-	0-19%	55%
<b>Creative and Exciting City</b>						
<b>City Shaping</b>						
City Centre	80-100%	100%	-	-	-	-
Place activation	80-100%	100%	-	-	-	-
Placemaking	80-100%	100%	-	-	-	-
<b>Arts and Heritage</b>						
Heritage Management	80-100%	100%	-	-	-	-
Other Cultural Facilities	80-100%	100%	-	-	-	-
Support to arts, culture & heritage groups	80-100%	93%	-	-	0-19%*	7%
Te Manawa	80-100%	96%	-	-	0-19%	4%
<b>Active Communities</b>						
Central Energy Trust Arena	60-79%	76%	20-39%	24%	-	-
City Reserves	80-100%	74%	0-19%	26%	0-19%*	-
Local Reserves	80-100%	98%	0-19%	2%	0-19%*	-
Sportsfields	80-100%	96%	0-19%	4%	-	-
Support to recreation groups	80-100%	100%	0-19%*	-	-	-
Swimming Pools	80-100%	100%	0-19%*	-	-	-

**Capital expenditure summary by activity**

	General rates/targeted rates		User fees and charges		Other	
	Policy target	Actual	Policy target	Actual	Policy target	Actual
<b>Connected and Safe Community</b>						
<b>Connected Communities</b>						
Cemeteries	20-39%	41%	60-79%	59%	-	-
Community Centres	80-100%	84%	0-19%	16%	-	-
Libraries	80-100%	99%	0-19%	-	0-19%*	1%
Public toilets	80-100%	100%	0-19%	-	-	-
Social Housing	0-19%	35%	80-100%	65%	-	-
Support to community groups	80-100%	96%	-	-	0-19%*	4%
Central Energy Trust Wildbase	80-100%	95%	0-19%	-	0-19%	5%
Community & Commemorative Events	80-100%	86%	0-19%*	-	0-19%	14%
Public Health	60-79%	56%	20-39%	44%	-	-
<b>Safe Communities</b>						
Animal Control	0-19%	27%	80-100%	73%	-	-
Civil Defence	80-100%	98%	0-19%	-	0-19%*	2%
Safer Community Initiatives	80-100%	100%	-	-	-	-
<b>Eco-City</b>						
<b>Climate change mitigation and adaption</b>						
	80-100%	100%	-	-	-	-
<b>Resource recovery</b>						
Landfill Management	80-100%	80%	0-19%	20%	-	-
Waste Management	0-19%	55%	80-100%	45%	-	-
Waste Minimisation	80-100%	63%	0-19%	37%	0-19%	-
<b>Environmental sustainability</b>						
Biodiversity	80-100%	99%	-	-	0-19%*	1%
Support to environmental groups	80-100%	100%	-	-	-	-
Sustainable Practices	80-100%	100%	-	-	-	-
<b>Manawatū river</b>	80-100%	100%	-	-	-	-
<b>Stormwater</b>	80-100%	99%	0-19%	1%	-	-
<b>Wastewater</b>	80-100%	91%	0-19%	-	0-19%*	9%
<b>Water</b>	80-100%	100%	0-19%*	-	0-19%*	-
<b>Driven and Enabling Council</b>						
<b>Governance and active citizenship</b>						
Councillor Meetings and Administration	80-100%	98%	-	-	0-19%*	2%
Direction Setting	80-100%	98%	0-19%*	2%	-	-
Elections	80-100%	100%	-	-	0-19%	-
Mayoral and Chief Executive's Office	80-100%	99%	-	-	0-19%*	1%
<b>Organisational performance</b>	0-19%*	67%	-	-	80-100%	33%
<b>Strategic investments</b>	0-19%*	55%	-	-	80-100%	45%

\*No targets were listed in LTP 2021-31 for these measures, but since there was funding from this source, it is assumed that it is a low funding target.

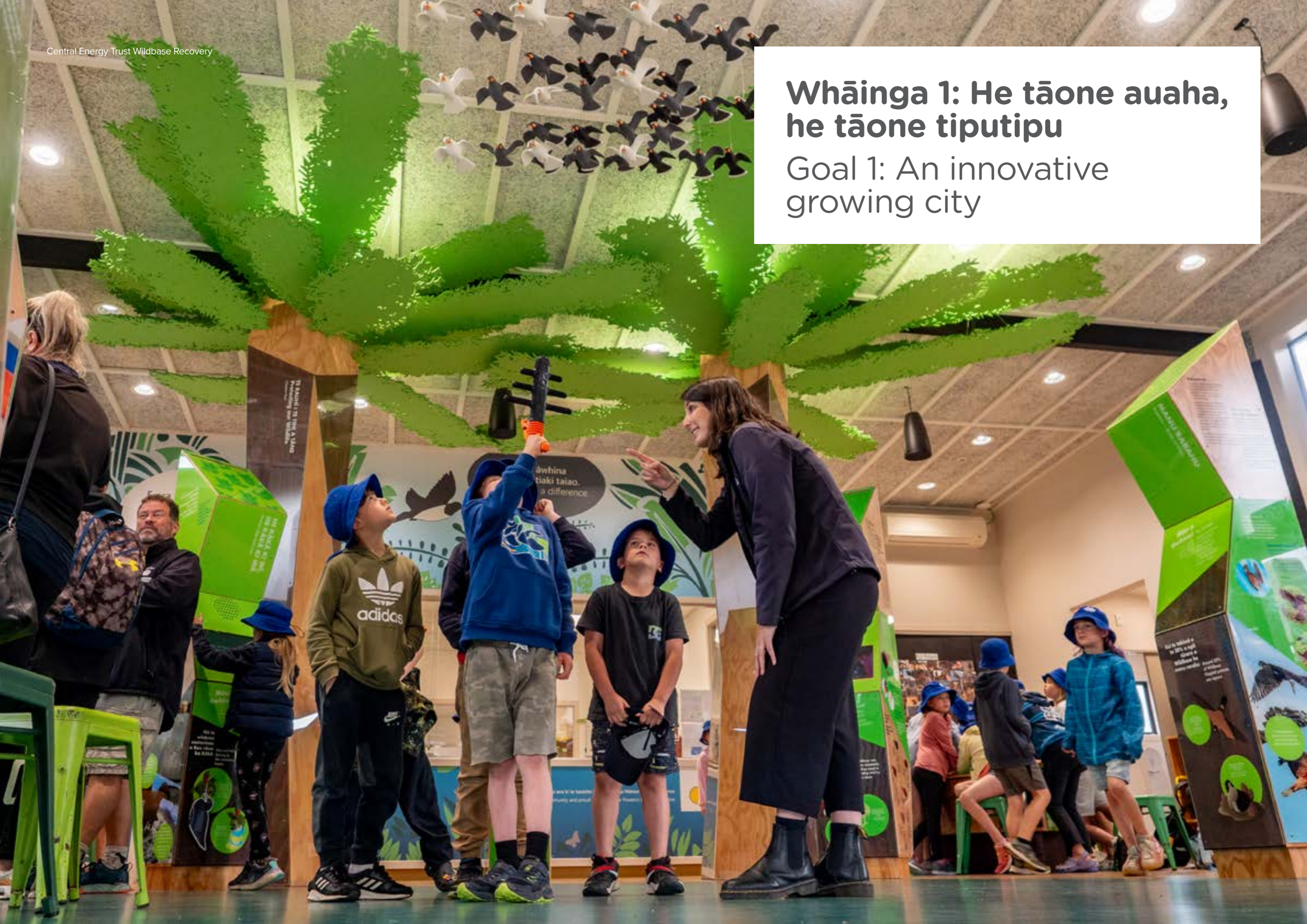
	Actual 2024 \$000	Annual Plan Budget 2024 \$000	Variance 2024 \$000	Actual 2023 \$000
<b>CAPITAL RENEWAL</b>				
<b>Connected and Safe Community</b>				
Connected Communities	2,572	2,825	254	2,332
Safe Communities	134	85	(49)	503
<b>Creative and Exciting City</b>				
Active Communities	3,912	3,939	26	3,884
Arts and Heritage	615	565	(51)	678
<b>Driven and Enabling Council</b>				
Organisational performance	915	1,137	221	2,099
Strategic Investments	3,392	1,983	(1,409)	1,862
<b>Eco-City</b>				
Manawatū River	30	29	(1)	64
Resource Recovery	364	535	171	310
<b>Innovative and Growing City</b>				
Economic Development	547	566	19	485
<b>Transport</b>				
Active and Public Transport	1,157	1,103	(54)	400
Roading	8,126	5,375	(2,751)	5,435
<b>Stormwater</b>	273	230	(43)	996
<b>Wastewater</b>	4,187	4,384	197	3,802
<b>Water</b>	5,431	5,380	(52)	4,546
<b>TOTAL CAPITAL RENEWAL</b>	<b>31,656</b>	<b>28,135</b>	<b>(3,522)</b>	<b>27,396</b>

	Actual 2024 \$000	Annual Plan Budget 2024 \$000	Variance 2024 \$000	Actual 2023 \$000
<b>CAPITAL NEW</b>				
<b>Connected and Safe Community</b>				
Connected Communities	3,453	2,591	(862)	4,526
Safe Communities	4,154	4,024	(130)	2,670
<b>Creative and Exciting City</b>				
Active Communities	5,700	3,077	(2,623)	1,675
Arts and Heritage	1,786	3,784	1,999	2,214
City Shaping	400	443	44	2,764
<b>Driven and Enabling Council</b>				
Governance and Active Citizenship	226	138	(88)	-
Organisational performance	98	113	15	245
Strategic Investments	159	157	(1)	301
<b>Eco-City</b>				
Environmental sustainability	106	112	6	208
Manawatū River	562	635	74	123
Resource Recovery	1,036	1,171	135	1,156
Climate change mitigation and adaption	80	1,092	1,011	339
<b>Innovative and Growing City</b>				
City Growth	595	955	360	-
Economic Development	326	-	(326)	-
<b>Transport</b>				
Active and Public Transport	9,822	12,455	2,633	2,893
Roothing	15,417	14,627	(790)	12,540
<b>Stormwater</b>	5,528	3,264	(2,264)	6,485
<b>Wastewater</b>	4,501	6,963	2,462	4,744
<b>Water</b>	5,399	6,987	1,588	5,600
<b>TOTAL CAPITAL NEW</b>	<b>59,349</b>	<b>62,590</b>	<b>3,241</b>	<b>48,483</b>
<b>TOTAL CAPITAL PROGRAMMES</b>	<b>91,005</b>	<b>90,724</b>	<b>(281)</b>	<b>75,879</b>



# Whāinga 1: He tāone auaha, he tāone tiputipu

Goal 1: An innovative  
growing city



Papaioea Place



# City Growth

## What the council does

City Growth covers our plans for housing and future development and urban design. For more information see our City Growth Plan.

## Housing and Future Development

The National Policy Statement for Urban Development requires us to provide enough land to meet the expected demand for development. Well-designed and connected city development helps contribute to more affordable housing and long-term prosperity. Housing and Future Development also provides direction on where and how the city will develop to meet strong projected growth.

## Urban Design

Where and how we develop and grow has a direct impact on both the competition for space and the function and quality of the places and spaces we create, like neighbourhoods, streets, buildings and open spaces. Good urban design is both the process and the outcome of creating connected, attractive, vibrant and prosperous places and spaces for people. This is a fundamental consideration in all elements of our city's growth and is a key tool to encourage development, attract and retain talent, promote the health and wellbeing of individuals and communities; and enhance our city's reputation.

## Key Achievements



Consultation with, and **notification to owners of earthquake-prone buildings (EPB) has been completed**, with all identified EPBs having now been issued notices and entered into the national register.



Council is currently in the process of working with two developments that will provide an **additional 70,000m<sup>2</sup> of warehousing space for the city**.



The Future Development Strategy (FDS), which sets out **how the city will grow over the next 30 years to meet our business and industrial land needs**, was adopted by the Council in June 2024.



**The Former Post Office, a prominent city centre site, now has resource consent** and development is expected to commence in early 2025.

## What happened in the year

### Building Services

The general election in late 2023 and the change in government affected the number of building consent applications due to consumer confidence levels. These have slowly increased on average for the remainder of the financial year.

The measures taken in previous years to enhance recruitment and retention have seen the team stabilise and develop further in capability and capacity.

The number of building consent applications dropped by 18% over the previous year (910 received in 2023/24 down from 1,109 received in 2022/23). Council did not meet its target with 93% processed within the statutory time frames. This shortfall is largely due to resourcing levels as a result of some long-term absences. There has been a national decline in building consents by approximately 23%, particularly in residential, and although this has been slightly less in Palmerston North, the region's growth in major construction projects has stabilised due to local economic drivers. There remains a sizeable forward projected workload in the commercial and industrial area, particularly in Defence Force projects at Linton Camp and Ohakea Base.

The team continues to build strong relationships with key industry professionals, particularly owners, designers, builders, and developers through the Build Palmy initiative.

Consultation with, and notification to owners of earthquake-prone buildings (EPB) has been completed, with all identified EPBs having now been issued notices and entered into the national register. The Minister of Housing and Construction has also said there will be a four-year extension to current notice deadlines being applied to all EPBs not already remediated.

### Business

The city's land-use strategies for business and industrial development are well-embedded. Our strategy to prioritise pedestrian-based retail in the city centre and destination vehicle-orientated retail in the outer business areas fronting key city entrance roads is working well. Retail growth in the city has been solid over the last 12 months with the city's role as a regional shopping hub strengthening.

Following the completion of the KiwiRail Regional Freight Hub designation and ongoing investigations by Waka Kotahi regarding the Regional Freight Ring Road, CEDA, and the Council continue to work collaboratively to advance Te Utanganui (Central New Zealand Distribution Hub). This work seeks to ensure the KiwiRail Regional Freight Hub contributes to the development of a nationally significant, integrated multi-modal freight and distribution hub that offers more than just co-location benefits for freight operators. The Te Utanganui Masterplan was adopted in 2023 and was developed in partnership with Rangitāne and key stakeholders. The purpose of the master plan is to develop a land-use planning framework to respond to the region's future needs for freight and distribution activities and give local, central government, institutional, and private stakeholders the confidence to invest in the city.

Early work has commenced on the Stage 1 rezoning of industrial land identified in the Masterplan. The rate of planned development within Te Utanganui is increasing. Council is currently in the process of working with two developments that will provide an additional 70,000m<sup>2</sup> of warehousing space for the city. The Future Development Strategy (FDS), which sets out how the city will grow over the next 30 years to meet our business and industrial land needs, was adopted by the Council in June 2024. The Strategy reinforces the city's existing land-use strategies that provide for business and industrial development.

### Housing

A series of District Plan changes are underway to deliver on our City Growth Plan. Significant District Plan work was progressed throughout the year that focused on additional land for housing at:

- Kākātangiata
- Aokautere
- Roxburgh Crescent
- Medium Density Residential Zone

Plan changes for Aokautere, Roxburgh Crescent, Intensification, and Kākātangiata are well underway. A decision approving housing at Aokautere was issued in May 2024. Intensification planning and Roxburgh Crescent are well advanced and expected to be notified by the end of 2024. Master planning for Kākātangiata is at an advanced stage and is informing the development of a proposed plan change, which is expected to be notified in 2025. Ashhurst growth planning has been placed on hold due to flooding assessments showing extensive natural hazard risk. A private plan change to rezone land at 160 Napier Road was lodged in January 2024 but is currently on hold at the request of the developer.

The former bowling club land in Summerhayes Street is being rezoned as part of a plan change to develop the Medium Density Residential Zone. The plan change is scheduled to be publicly notified in November 2024. This plan change was funded by the Better Off fund from the Department of Internal Affairs (DIA), and although it has been discontinued the transition has been ongoing into the current financial year.

### Planning services

This was a year marked by general uncertainty in the development industry. In addition, with a change in Government, the previously expected direction of new legislation to replace the dated Resource Management Act 1991 did not eventuate. Instead, a period of 'wait and see' prevails.

473 consents were received and we issued 381 consents during the 2023/24 year. While the consents lodged number was up on 2022/23 (432), the consents granted was significantly lower than 2022/23 (495). A similar processing speed of 51% for 2023/24 was achieved compared to 2022/23 which was 53%. While efforts were made during the year to improve this performance, the loss of key staff members and the complexity of consents in general meant that gains were unable to be made in this area.

A feature of the year has been that the general complexity of consents has increased, especially in relation to multi-unit proposals from Kāinga Ora. For example, the large-scale consents for the Crewe Crescent site (38 units), the Rugby/Raleigh Street site (58 units), and the Church Street site (65 units) have consumed a significant amount of time, working through various design, servicing and planning related elements.

By the same token, small to medium-scale multi-unit housing design-related issues have created processing difficulties. These issues arise from detailed criteria in the District Plan that often require specialist external advice to work through. While good solutions have ultimately been achieved, and impacts on neighboring properties properly considered, this detailed work extends the time taken to process consents and often leads to disputes over fees or discounts being required to be offered. Similarly, the previously straightforward rural-residential subdivision proposals have become significantly complicated by stricter requirements in the National Policy Statement for Highly Productive Soils.

We continued to provide planning advice to members of the public. We received on average 122 queries per month during 2023/24 (compared to 146 for 2022/23) with the lower rate attributable to a downturn in market conditions. In addition, 49 pre-application or feasibility meetings were held during the year, assisting with improving the quality of applications being lodged.

On the outreach front, three Build Palmy Forums were held in July and November 2023, and April 2024, with all focused on the local development industry. This was alongside the monthly newsletter being sent to a growing list of recipients. The forums continue to be well supported with 50-60 external parties attending each event and positive comments being made about the topics such as government sector spending, economics, and multi-unit housing. A one-off development sector session for the LTP was also held during the consultation period.

### Urban Design

The city continues to face many urban issues other cities face globally impacting overall well-being. These include mitigating and adapting to the effects of climate change, changes in the business landscape (e.g. working from home and online shopping), housing, increased living costs, inequity, and safety. We continue to promote, advocate, and collaborate to ensure good urban design principles and practices are being applied across many projects at varying scales to address such challenges and seek outcomes that provide greater benefits.

There is an increasing need to work collaboratively and creatively at all levels to confront and find local solutions. There is a greater presence of higher density, multi-unit housing developments with 2-3 storey duplexes, terraced housing, and walkup apartment proposals being more commonplace across our residential areas. A new mixed-use development has also been completed close to the City Centre. This is assisting to provide a much-needed boost in housing choice and supply to the market, though current economic and market conditions are impacting on developers' confidence and ability to deliver more.

The Former Post Office, a prominent city centre site, now has resource consent and development is expected to commence in early 2025. Improvements to other commercial sites in and around the business zones and NEIZ continue to occur. Design review and pre-application processes for commercial and residential developments continue as part of the administration of the District Plan. The Delivering Change Fund continues to be used to support strategically aligned developments.

### Ongoing considerations

#### Building Services

Previous changes in the structure and remuneration in the Building Services division have bedded in and continue to be effective in supporting the recruitment, retention, and development of technical staff. This past year has also seen several initiatives implemented, enhancing building inspection booking processes and ensuring efficient resource allocation. Further digitisation of services is scheduled for the building compliance team in the coming months and is expected to create efficiencies and increase data integrity.

A Building Consent Authority (BCA) accreditation assessment was carried out by International Accreditation NZ from 15 to 18 April 2024. The findings of the assessment were complimentary of Building Service's continuous improvement processes and acknowledged the team as engaged, well-prepared, and motivated to achieve a good outcome. General non-compliances identified during the assessment are currently under action and due for completion by early August 2024.

#### Business

The city continues to give effect to a centre-based retail strategy where pedestrian-based retail activity is promoted in the city centre and vehicle-based destination retail is provided for in the Outer and Fringe Business Zones that front city entrance roads. Providing regulatory settings to promote investment in office development in the city centre is becoming an important resource management issue as out-of-centre office investment continues to be preferred by the market. The regulatory requirement to remedy earthquake-prone buildings over the next decade provides an opportunity to promote investment in city centre office development over this period. Local suburban centres continue to meet the needs of their communities, however, as housing density increases over time there will be a need to look at expanding some local business centres. The promotion of residential intensification within walkable distances to suburban centres will further strengthen the commercial and connected community function these suburban centres play.

A shortage of industrial land for small-to-medium scale industrial development is being addressed in part by Plan Change H, Kākātangiata, and Urban Growth Plan Change. However, further work is needed to identify additional land for industrial development. Large-scale industrial development for the fast-growing logistics and distribution sector is provided for at the North East Industrial Zone (NEIZ) and has been further supported by the proposed co-location of the KiwiRail freight distribution hub in the area. The Te Utanganui Master Plan and Future Development Strategy set out the opportunities to rezone additional land to provide opportunities to further develop a multi-modal freight and distribution hub at the NEIZ.

### Housing

A key focus for Council will be improving residential land supply and assessing the distribution of retail and office activities in the city. These priorities have been determined by the Housing and Business Needs Assessment. Plan Change I - Residential Intensification, is being developed in response to NPS direction and will provide an additional planning tool to enable housing supply in a timelier manner. The promotion of minor dwellings to assist with enabling affordable rental housing stock in the city will continue to be supported. Council also needs to begin aligning its District Plan with new National Planning Standards. Significantly more land for housing will be rezoned to provide for sufficient short, medium, and long-term growth requirements.

### Planning

The focus in the next 12 months will be to build upon this year's uptick in team-wide performance processing consents within statutory timeframes while ensuring those consents secure good quality outcomes for the City.

It is expected that the roll-out of team-wide initiatives targeted at improving the culture of the team, with a focus on locking in some efficient processes, will be the primary method to improve performance.

A review of workloads found that there was a tranche of low-end, low-risk consent work being handled by experienced Planners, this work is now being directed to the Planning Technicians, in order to free up Planners for more complex work.

Overall, it is expected these efforts will improve customer service and experience whilst still meeting the legislative requirements of the District Plan and Resource Management Act 1991.

### Urban Design

Council will continue to advocate and promote good 'city making' practices and share the value and benefit of good urban design outcomes with both the private development community and council staff delivering key capital projects. The 'Delivering Change' fund will continue to be used to co-create and shape good urban design outcomes across a variety of key city developments, especially in assisting in delivering more medium-density housing and other community-led projects. The Creative City Conversations programme will continue to provide opportunities for those seeking a deeper understanding of good 'city making' to build greater civic discussion and understanding amongst citizens, interest groups, professionals, organisations, and city leaders.



Hopwood Clock Tower

**How did we perform**

What we do	How we show we are doing a good job	Result	Comment
<b>Provide enough development capacity to meet expected demand for housing and business in the short, medium and long term.</b>	<p>1. Enough land is zoned, infrastructure enabled and feasible to develop, to meet growth demand.</p> <p>Target: At least three years of housing and business land with services is immediately available.</p>	<p>✔ Target met</p>	<p>Based on uptake analysis of building consents across the city and our most recent Housing and Business Development Capacity Assessment, we currently have available capacity for:</p> <ul style="list-style-type: none"> <li>➤ 1,408 dwellings in our current residential zone. This is an 867-dwelling surplus compared to our 3-year demand.</li> <li>➤ 203 dwellings in our greenfield areas have services available. This is a 190-dwelling shortage compared to our 3-year demand.</li> <li>➤ 117 dwellings in our rural zone for rural-residential dwellings. This is a 68-dwelling surplus compared to our 3-year demand.</li> <li>➤ 5 hectares of land available in our business zones. This is a 3.6-hectare surplus compared to our 3-year demand.</li> <li>➤ 164 hectares of land available in our industrial zones. This is a 164-hectare surplus compared to our 3-year demand.</li> </ul>
<b>Perform the regulatory planning role under the Local Government Act and Resource Management Act.</b>	<p>2. Resource consent applications are processed within statutory frameworks.</p> <p>Target: 95%</p>	<p>✘ Target not met</p>	<p>381 consents were issued during the 2023/24 year, with 51% 'on time'. The consents granted was significantly lower than 2022/23 (459). The loss of key staff members impacted the performance.</p> <p>(2022/23 – 53% - 243 of 459)</p>
	<p>3. Building consent applications are processed within statutory frameworks.</p> <p>Target: 95%</p>	<p>✘ Target not met</p>	<p>Of 897 consents processed for the year, 833 (93%) were within the statutory timeframe. This year has been influenced by the continued downturn in consumer confidence in the economy, and the target was ultimately not achievable due mostly to temporary resource constraints.</p> <p>2022/23 – 93% - 1,028 of 1,096)</p>

What we do	How we show we are doing a good job	Result	Comment
<b>Provide public spaces (streets, open spaces, civic and community buildings, and infrastructure) that are sustainable, connected, diverse, integrated, adaptable, interesting, comfortable and safe.</b>	<p>4. City-wide urban design principles are reflected in planning advice and decision-making. (met through projects at Manawatū River, City Centre, Esplanade and Central Energy Trust Arena)</p> <p>Target: Narrative measure outlining how urban design principles are being implemented.</p>	<p>✔ Target met</p>	<p>Urban design expertise is informing Council-led District Plan changes under development including residential intensification to meet National Policy Statement on Urban Development, and other greenfield growth areas. Urban design continues to support and guide most medium-density housing proposals through a pre-application proposal to gain resource consent. The 'Delivering Change' fund provides support to this process as well as other strategic developments seeking consent such as the commercial developments along Rangitikei St, a key city entrance. Many medium-density housing developments consented over the last 24 months are now being built and occupied around the city. A good proportion of these developments now being 2-3 storeys high, multi-unit duplexes, or terraced typologies (34 Linton St, 124 Roy St, 9 Wellesbourne St, 101 North St). All deliver positive street frontage, high-quality residential and streetscape amenities, landscaping, and private living spaces with good solar access. Current and future District Plan Changes will be reviewed and carefully considered for which design controls are used.</p>
<b>Work with the development community to increase knowledge and influence urban design outcomes.</b>	<p>5. There is an increase in range of building types being built in the city centre and local neighbourhoods (e.g. different densities, co-housing, CBD residential, green buildings). (Currently there is little innovation in the type of houses being built to meet changing demographics and needs)</p> <p>Target: Narrative measure outlining trends in the range of building types.</p>	<p>✘ Target not met</p>	<p>Despite proposed redevelopments of the Former Post Office site and recent upgrades at 260 Church St and 73 Queen St, interest in city centre commercial property development remains relatively low. Housing across the residential zone continues to be a mix of both low density greenfield, and medium-density infill development. Medium-density housing developments consented over last two years are still in construction, with others now completed or occupied (34 Linton St, 101 North St, 57 West St). Private sales of multi-unit developments are slow in this current economic context, with feedback from the development community continuing to indicate that multi-unit developments are a less attractive option to many buyers compared to standard residential options. This has led to some developers to rent out completed projects and slow down on doing more, however many are still positive about the future of multi-unit housing in the future when development and market conditions improve.</p> <p>(2022/23 - Target met)</p>



### Financial Results

Activity Operational Requirement and Funding Summary

#### City Growth

	Actual 2024 \$000	Annual Plan Budget 2024 \$000	Variance 2024 \$000	Actual 2023 \$000
<b>Revenue</b>				
Building Services	4,418	4,950	(532)	4,409
Housing and Future development	277	1,050	(773)	4,651
Planning Services - Private	1,321	1,467	(146)	1,348
<b>TOTAL REVENUE</b>	<b>6,016</b>	<b>7,467</b>	<b>(1,451)</b>	<b>10,408</b>
<b>Expenses</b>				
Building Services	6,704	7,380	676	6,338
Housing and Future development	500	1,160	660	1,174
Planning Services - Private	2,407	1,621	(786)	2,249
Planning Services - Public	860	1,432	572	999
Urban Design	171	307	136	402
<b>TOTAL EXPENSES</b>	<b>10,642</b>	<b>11,900</b>	<b>1,258</b>	<b>11,162</b>
<b>NET OPERATING COSTS OF ACTIVITY</b>	<b>4,626</b>	<b>4,433</b>	<b>(193)</b>	<b>754</b>
<b>RATING ALLOCATION</b>				
Add back depreciation	-	1	(1)	-
Add proceeds from sale of assets	2,013	-	2,013	-
Less provision for debt reduction	(2,013)	-	(2,013)	-
Add general rates allocation	4,626	4,432	194	754
<b>FUNDING SURPLUS/(DEFICIT)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Significant Activity Capital Projects

#### City Growth

	Actual 2024 \$000	Annual Plan Budget 2024 \$000	Variance 2024 \$000	Actual 2023 \$000
<b>CAPITAL NEW</b>				
2234 - BOF - Construction of Summerhays	595	955	360	-
<b>TOTAL CAPITAL NEW</b>	<b>595</b>	<b>955</b>	<b>360</b>	<b>-</b>
<b>TOTAL CAPITAL PROGRAMMES</b>	<b>595</b>	<b>955</b>	<b>360</b>	<b>-</b>

# Economic Development

### What the Council does

#### Economic Development

Community wellbeing and increasing living standards are supported by a productive and sustainable local economy. A strong local economy will bring higher incomes and greater wealth to share throughout the community. The purpose of economic development is to support local industries and encourage investment in our city. Many of the actions for this Plan and Activity will be implemented through contractual relationships. These are currently with the Central Economic Development Agency (CEDA).

#### International Relations

The focus of international relations activities between Palmerston North and other cities, regions, and governments is to promote the reputation and economic interests of the city. Its purpose is to strengthen international partnerships, including Sister Cities, to support the city's priority sectors and to encourage students and other visitors to Palmerston North.

### Key Achievements



CEDA has been working with partners on **positioning our region as the Central New Zealand Distribution Hub** through the development and implementation of Te Utanganui.



**Business activity has been strong** with the number of bookings, including conferences, in line with last year's strong result.



The Conference and Function Centre contributed **\$3.993m in direct economic benefit** to the city over the past financial year.



Palmerston North's strong presence at diplomatic engagements and networking events have **elevated the city's standing within the national and global network** of cities and promoted the city's interests to international partners.



## What happened in the year

### Business and Employment

CEDA's work across the key pillars of economic development, people, place, and business, in partnership with our stakeholders, iwi, and business community, has been active in continuing to support the region in identifying opportunities for success. CEDA has been working with partners on positioning our region as the Central New Zealand Distribution Hub through the development and implementation of Te Utanganui. This is our Strategy to future-proof our regional and national transport network, supporting population growth, competition in the logistics market, and the increase in freight volumes predicted in future decades. The implementation of the Manawatū Food Strategy will be key in progressing our region to become a leading agrifood, science, and innovation hub. This work will be undertaken in collaboration with key industry players to contribute to a healthy and sustainable food system for New Zealand and beyond.

### Economic Events

#### Palmy Conference + Function Centre

The Palmy Conference + Function Centre hosts a range of events that bring significant economic benefits to the city. Business activity has been strong with the number of bookings, including conferences, in line with last year's strong result. There has however been a reduction in spend associated with these events, especially on the catering side of the business, with fewer dinners, a reduced spend, and a reduction of attendees to conferences. With significantly tougher economic times, reducing costs associated with events has been top of mind for event organisers, and this is likely to continue while inflation and interest rates remain high.

This year the venue hosted

- 298 events
- 185 Seminars/Meetings
- 90 Social Events
- 7 Exhibitions
- 15 Conferences
- 1 Wedding

The Conference and Function Centre contributed \$3.993m in direct economic benefit to the city over the past financial year. This was \$1.1m less than last year, reflecting smaller conferences, less attendees, and reduced spending associated with events due to financial constraints within businesses.

### Major Events

These events received funding from council's Major Events Fund

#### Gravel and Tar UCI Road Cycling Events

This internationally significant, UCI-accredited cycling event returned in 2024. Several factors impacted the scale and success of the event including reduced competitor numbers due to calendar timings with other UCI events, and the significant increases in the cost of Traffic Management meaning compromises were required to keep within budget. This included moving Slicks and Stones, the amateur competition, to another weekend and removing the finish from Palmerston North City and the start from Feilding to focus both elements in Ashhurst which reduced opportunities for public engagement and economic benefit. The organisers plan to address these concerns for future iterations of this event.

#### Ford Ranger New Zealand Rural Games

The New Zealand Rural Games is New Zealand's premier celebration of rural sports attracting top competitors, including national and world champions, from throughout New Zealand and Australia. Organisers estimate attendance of more than 30,000 over the 3 days of the event. The event has committed to the city for the next 5 years to remain and strengthen its status as an iconic event for Palmerston North.

#### National Young Performer Awards

Palmerston North has been home to the National Young Performer Awards (NYPA) for the past eight years, and in 2018, Palmerston North City Council entered a Civic Partnership with Performing Arts Competitions Association of New Zealand (PACANZ), naming Palmerston North as the permanent home of the event. The three-day event is held annually at The Regent and is a national competition comprising alternating performing art forms. The direct and indirect economic impact was measured at approximately 4 million dollars. This event will return to The Regent on Broadway in 2024.

#### Armageddon Expo

This annual event returned to Central Energy Trust Arena and attracted about 9000 unique attendees over the expo's 2 days. The event is due to return this year as an established fixture in the city events calendar.

#### Palmy Drag Fest

A first year recipient of Major Event Funding after a sell out season at the Regent on Broadway in 2022. Palmy Drag Fest expanded the festival this year to include the main show along with wraparound activities at the Globe Theatre and Palmerston North Conference and Function Centre. The event took place on October 7th 2023, with plans to hold the event again in 2024. Thousands of unique attendees visited the central city over the four days of the festival to provide wide economic and social benefits to the city.

#### Kiwibots – Vex National Championships

A unique and strategically important annual event for the city. This event brings young competitors from across the country to participate in coding and robotic building activities for a chance at national recognition and an invitation to the international championships.

### Central District Field Days

A regionally significant event that brings many attendees and exhibitors to the region. This year, the event was supported by the Major Events Fund to support their growth aspirations for a more diverse and inclusive food and fibre offering. This will continue to develop with continued investment and input from the council.

#### Brew Day

A funding grant was provided to this event to support Marketing efforts. Brew Day brings economic benefit to the city through the accommodation, hospitality and support service industries.

#### Manawatū Arts Trail

A first year recipient of Major Event Funding after various small grants through the arts and community development areas. Major Event Funding ensured this event could grow and deliver aspirations marketing and attendance targets and ties to wider arts trails across the lower and central north island.

### City Marketing + Business Events

#### City marketing

We want to surprise and delight visitors with what our city has to offer while also making our residents feel proud of the city that we live in.

The past year has been focused on turning heads and filling beds. We have showed a different side to Palmerston North through various campaigns. Our largest visitor campaign was a location based advertising campaign sewing the seed 'you're only XX kms away' from a great Palmy feature. This campaign saw over 5,000 people visit palmynz.co.nz over the campaign period and over 6,500 people engaging with our digital ads. Smaller campaigns include the continuation of our Neat Places partnership expanding out the stories we have on our city. Digital campaigns include a focus on showing the beautiful side to our city and all the different things you can do once you are here.

Palmy Proud continues to be an important avenue for telling the stories of our city to visitors. We published two editions this year delivered to strategic drive and fly-time locations with expansions into Christchurch airport and more cafes in Auckland and Wellington.

#### Business events

We are responsible for the promotion of the region as an attractive place to bring conference and business events – this work is done via the Manawatū Convention Bureau which is resourced by Council's marketing division.

This year we have updated the Business Events Strategy taking a look at the different ways in which we bid for conferences and business events. Much of this work was looking at our sectors of strength and understanding how we can leverage our city in the bidding process.

In alignment with this strategy, we again featured at the Business Industry Aotearoa Tradeshow: MEETINGS 2023. This is important for the region as it allows us to meet directly with conference professionals who are ready to bring their business to the region.

This year the Manawatū Convention Bureau has worked on a total of 39 bids for events.

- 15 successful
- 4 unsuccessful
- 18 in progress
- 2 submitted and waiting to hear back

#### International Relations and Education

2023-2024 highlights the city's efforts to continue to rebuild and enhance its global connections post-pandemic.

Key achievements include securing significant funding for cross-cultural and educational initiatives, such as a US\$15,000 Public Diplomacy Grant from the Embassy of the United States of America and \$30,000 from Education New Zealand for regional projects. Notable programmes include virtual tours to attract international students to Palmerston North and the Waseda Group Study Tour Programme. We also fostered educational exchanges through the new Memorandum of Understanding with Hiroshima Global Academy and Mihara City, providing opportunities for local students to build up their global competence and academic capability.

Enhanced engagement with mana whenua and other local stakeholders has allowed us to keep abreast of community needs and priorities, enabling effective response and provision of tailored support when it comes to fostering business development and attracting investment to the city. A couple of examples of the engagement include the British High Commissioner's visit and talk on UK-NZ Free Trade Agreement on October 2nd 2023 and the Indian High Commissioner's visit and engagement with the business community on April 24th 2024. A Memorandum of Understanding agreement between FoodHQ and the East China Agricultural Science and Technology Centre was a result of the Mayoral delegation visit to Kunshan in early 2024 which will open doors for bilateral cooperation in food technology, modern agricultural and talent cultivation for companies, entrepreneurs and research institutes in both cities.

Palmerston North maintains a strong presence at numerous diplomatic events in Wellington. We've actively facilitated diplomatic engagements and networking events for key sectors in the city as well as celebrated milestone anniversaries with Mihara and Kunshan. These efforts collectively have elevated the city's standing within the national and global network of cities, promoted the city's interests to international partners, and enhanced connectivity, access and collaboration with international counterparts for mutually beneficial partnerships.

Palmy Conference + Function Centre



**Ongoing considerations**

**Business and Employment**

CEDA has continued its work with a strong focus on inward investment. Good progress has been made on Te Utanganui, the Central New Zealand Distribution Hub Strategy as it moves towards implementation. Implementation of the Food Strategy is underway. CEDA continues to form strong relationships at all levels of the Council. It will be important that CEDA monitors Government reform and reflects on what that may mean for their activities and partnerships going forward.

**Economic Events**

All events that receive Major Event funding from Council are bound by the Funding and Support policy which has been noted as limiting to many event producers due to funding caps. One-off events continue to look to Palmerston North, but longer-term partnerships with multi-year festivals that meet strategic as well as economic aims may require additional funding and support to secure their delivery in the city.

**Palmy Conference + Function Centre**

Confidence within the business events sector was strong this year in relation to the number of events, but the scale and spending associated with the events reduced significantly as economic pressures saw businesses reducing costs to not only their organisations, but also attendees. It is expected that the year ahead will continue in this vein, with businesses looking to reduce operational costs and budget cuts being evident across a wide range of industries. Looking forward, bookings are still strong with a wide variety of conferences, meetings, dinners, exhibitions, and social events locked in.

There is significant national competition with new conference centres in Christchurch and Wellington, as well as other regional facilities competing for business, this means competition is robust so we must continue to market our unique attributes and our flexible venue spaces. We will continue to focus on building confidence within the sectors we operate within, marketing our services and ensuring our service levels to clients are of the highest standard while offering packages to suit budgets. The venue must continue to actively market itself to the city and to prospective clients.

**City Marketing + Business Events**

We'll continue to promote the city as a place to visit and enjoy all the natural advantages our city has to offer.

**International Relations and Education**

Contributing to the objectives of Council, we will continue to partner with agencies and organisations in 2024-2025 to:

- Increase international exchange and cooperation to strengthen local economies and preparedness for future challenges.
- Increase promotion of the city and engagement with international partners to enhance the city's attractiveness as a tourism as well as a preferred study destination.
- Foster economic diversification and growth by facilitating new connections for local businesses, supporting emerging industries, and promoting innovation and entrepreneurship.
- Build up cultural competence, expertise and experience in international affairs across Council and within the city, focusing on engaging the youth.

**How did we perform**

What we do	How we show we are doing a good job	Result	Comment
Support economic wellbeing through funding of external organisations.	1. Funding is distributed, and the key objectives achieved.  Target: Narrative measure outlining outcomes achieved by the funded organisations.	✔ Target met	CEDA funding of \$1,917,000 has been distributed. This is the same amount as last years distributed funding. Regular formal reporting has occurred through the Economic Growth Committee alongside a series of more informal updates from CEDA. CEDA's vision is to encompass the aspirations of shareholders and work across strategic pillars of economic development. This has been evident by the all-achieved performance measures which can be found in Section 4 of this Annual Report for more detail.  (2022/23 - Target met)
Achieve a positive city reputation.	2. A positive city reputation is recognized.  Target: Increases in positive sentiment, increase in levels of engagement, and formal survey/research.	✔ Target met	Council had more than 450 media queries, did more than 100 interviews and issued more than 100 media releases. Across all our social platforms, more than 15M people saw our content, and nearly 1M people actively engaged with our content through comments, likes, and shares. In 2022/23, 3.6M people saw our content and 360,000 actively engaged.  PNCC website total number of page views was almost 3M across the year, compared to 222,272 last year. Our most visited pages were rubbish and recycling days (186,464 views), property and rates search (115,121 views), cemetery and cremation search (62,679 views), pay a parking ticket (55,607 views). These are all up significantly from the 2022/23 totals.  This year, 23,096 visitors used our website as the gateway to the Altitude payment platform 34,167 times. The top three payment activities were paying a parking ticket (24,087 times), general online payments (4,488 times) and paying rates (2,119 times). Our web users also made nearly 100,000 PDF downloads across the financial year. From these 100,000 downloads, our top downloaded files were Section 10 of the District Plan (2,381 downloads), Engineering Standard for Land Development (1,417 downloads), and the draft Long-Term Plan 2024-34 (1,303 downloads).  (2022/23 - Target met)

## Financial Results

Activity Operational Requirement and Funding Summary

### Economic Development

	Actual 2024 \$000	Annual Plan Budget 2024 \$000	Variance 2024 \$000	Actual 2023 \$000
<b>Revenue</b>				
City Marketing	120	106	14	44
Conference & Function Centre	1,177	966	211	1,441
Economic Development	151	159	(8)	146
International Relations	69	-	69	70
<b>TOTAL REVENUE</b>	<b>1,517</b>	<b>1,231</b>	<b>286</b>	<b>1,701</b>
<b>Expenses</b>				
City Marketing	76	675	599	586
Conference & Function Centre	2,057	1,825	(232)	2,346
Economic Development	2,986	2,477	(509)	2,498
Economic Events	322	387	65	205
International Relations	515	457	(58)	601
<b>TOTAL EXPENSES</b>	<b>5,956</b>	<b>5,821</b>	<b>(135)</b>	<b>6,236</b>
<b>NET OPERATING COSTS OF ACTIVITY</b>	<b>4,439</b>	<b>4,590</b>	<b>151</b>	<b>4,535</b>
<b>RATING ALLOCATION</b>				
Add back depreciation	613	567	46	610
Less Renewal capital expenditure	(549)	(566)	17	(485)
Add/(Less) borrowing effect of renewal 3 year averaging	(144)	(144)	-	46
Less provision for debt reduction	(31)	(9)	(22)	(9)
Add targeted rates allocation	-	-	-	-
Add general rates allocation	4,550	4,742	(192)	4,373
<b>FUNDING SURPLUS/(DEFICIT)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Significant Activity Capital Projects

### Economic Development

	Actual 2024 \$000	Annual Plan Budget 2024 \$000	Variance 2024 \$000	Actual 2023 \$000
<b>CAPITAL RENEWAL</b>				
1166 - Conference & Function Centre - Equipment Purchases	53	74	(53)	
1730 - Information Centre - Building Renewals	30	16	(14)	
1943 - Information Centre Refurbishment	48	-	(48)	
251 - Conference - Replacement of Equipment	50	38	(12)	
270 - Holiday Park - Renewals	217	300	83	
272 - Staff Cafeteria - Replacement of Equipment	7	-	(7)	
664 - Conference & Function Centre - Renewals	141	138	(3)	
<b>TOTAL CAPITAL RENEWAL</b>	<b>546</b>	<b>566</b>	<b>(54)</b>	<b>485</b>
<b>CAPITAL NEW</b>				
1535 - City-Wide - Campervan Dump Stations	15	114	99	
2345 - Property - Solar Panel Installations	311	-	(311)	
<b>TOTAL CAPITAL NEW</b>	<b>326</b>	<b>114</b>	<b>(212)</b>	<b>-</b>
<b>TOTAL CAPITAL PROGRAMMES</b>	<b>872</b>	<b>680</b>	<b>(266)</b>	<b>485</b>



An electric bus from Horizons Regional Council's fleet

# Active and Public Transport

## What the Council does

Active and public transport delivers health, social and environmental benefits for our city and reduces reliance on private motor vehicles, especially for shorter journeys. Walking and cycling are the most common forms of active transport, but this also includes micro-mobility such as mobility scooters and electric scooters. Public transport in the city consists of the urban bus service and bus connections to surrounding towns and villages. The purpose is to improve accessibility and safety, providing genuine active transport choices.

## Key Achievements



Over the past 12 months, **3,921m<sup>2</sup>** of footpaths have been repaired or upgraded.



Waka Kotahi funding has delivered **improvements to Featherston Street and the city's bus shelters.**



**Eight new raised pedestrian crossings** have been completed, with a further six to be completed soon.



39km of dedicated cycleway sweeping has been carried out over the past year, which has **excelled the usual street sweeping programme.**



We have constructed **82 new bus stops on new routes, installed 29 new bus shelters and decommissioned 196 bus stops** that were not in the right location or were along routes no longer in use.



## What happened in the year

### Footpaths

We've invested in maintaining and upgrading footpaths around Palmerston North. Over the past twelve months, 3,921m<sup>2</sup> of footpaths have been repaired or upgraded. A significant amount of footpath maintenance has occurred to address faults. Eight new raised pedestrian crossings have been completed, with a further six to be completed soon. Construction is also underway extending the Pioneer shared pathway east of Botanical Road.

Improvements to the Highbury shopping precinct have been completed, improving pedestrian access and amenity. This project has been delivered in collaboration with Ora Konnect, Rangitāne, and other community stakeholders. This work aligns with the other improvements we've made in the area, including raised pedestrian crossings and platforms that reduce traffic speeds and make the streets safer for everyone.

39km of dedicated cycleway sweeping has been carried out over the past year, which has been over and above the usual street sweeping programme.

### Active Transport

We continue to plan, facilitate, and deliver active transport improvements across the city.

Through two Waka Kotahi programmes we delivered a number of improvements across the city.

Transport Choices has provided 100% funding to build the infrastructure necessary to support the new bus service delivered by Horizons Regional Council, which introduced new routes and decommissioned other routes. Through Transport Choices, we have constructed 82 new bus stops on new routes, installed 29 new bus shelters and decommissioned 196 bus stops that were not in the right location or they were along routes no longer in use.

In addition to these changes, Horizons is adding real timetable displays to some of the busier bus stops. And since 4 March have also been operating the first fully electric bus fleet in New Zealand.

Transport Choices 100% funding has ended; however, we will continue to make further improvements to bus network infrastructure over the course of the next Long-Term Plan with our usual programme.

The Streets for People funding from Waka Kotahi has provided 90% funding to deliver improvements to a 750-metre section of Featherston between Aroha St and North St. This includes:

- Separated cycleway on both sides of the street, with concrete separators protecting bike riders from the live traffic lane
- Two raised dual crossings in front of Central Normal School and Palmerston North Boys' High School. Dual crossings provide separate facilities for people walking and riding a bike
- One raised pedestrian crossing on Aroha Street, for Central Normal School students
- Four In-lane bus stops

- Pedestrian improvements at the intersections of Featherston Street and Aroha St, Taonui Street, Ngata Street, and Carroll Street. We've narrowed the pedestrian crossing distance and raised the platform, which slows motor vehicles and makes the crossing more accessible
- Planting, painting, and play elements on the grassed area in front of Mitre10 and around both schools

The construction and funding ended in June 2024.

Separately, Waka Kotahi has made changes to the signal and other elements of State Highway 3 (Rangitikei Street) / Featherston Street intersection, which complements the work we've carried out on Featherston Street.

In the last Annual Report, we planned to complete more of the Featherston Street cycleway, as well as improvements along Summerhill Drive, with a second tranche of 100% Transport Choices funding. However, Waka Kotahi NZTA cancelled funding for this programme before work could commence. Nevertheless, we will continue to build more of the cycleway network over future years through our business-as-usual programme.

### Cycleways

We have started a refresh of Council's Urban Cycle Network Masterplan, which is our key strategic document that informs the cycleway projects we build across the city. This refresh will continue in the new Financial Year, when we'll also seek public feedback.

We have developed designs for three Dutch-style roundabouts along Cook Street, which would be a new concept for Palmerston North. Dutch-style roundabouts provide separate facilities for cycling and walking, protected from general traffic. We are part way through a business case to determine the best value for money option.

### Shared pathways

We have made progress on the Palmerston North Feilding Pathway project. We have developed detailed designs and we are engaging with KiwiRail and Horizons on the level crossings and bridges. We have been sharing our plans with the Bunnythorpe community, which is keen to see the connections completed to Palmerston North and Feilding. This was also a topic in our LTP consultation. We expect to commence work in the 2024/25 financial year.

We have also made progress with the designs and engagement with landowners affected by the Manawatū River Pathway between Palmerston North and Ashhurst. Council has decided to defer further work on this project until year four of the Long-Term Plan.

Meanwhile, work is underway to extend the Pioneer Shared Pathway beyond Botanical Road. This will link to a new signalled pedestrian and cycling crossing at the Pioneer shopping precinct, which will create a connection to the Main Street separated cycleway. This will complete the walking and cycling link between the city and Longburn.

Also this year we have built a new shared pathway link between Amberley Avenue and Chippendale Crescent, which provides a new walking connection to the shops on Pioneer Highway.

This year sees the five year anniversary of He Ara Kotahi. Since opening, more than 2 million people have walked or cycled across the bridge, connecting Palmerston North with Linton and Massey.

After a successful application, Council recently utilised \$150,000 of the Recreational Paths Fund from Waka Kotahi. This fund was set up in consultation with the local community as part of the Te Ahu a Turanga highway construction work. The 1 million dollar fund was set up to support local recreation initiatives – particularly paths designed to link existing infrastructure with the new recreational parks and paths that are being built as part of the highway development. Council, as part of the Te Apiti Masterplan, holds the responsibility to complete the Three Bridges Loop Track. The \$150,000, from Waka Kotahi, was used to complete feasibility work and options for three potential choke points that could prevent the loop track being developed. They are: the Pembroke Street railway overpass, the McRaes Bush Pony Trail slip and the Saddle Road Bridge Crossing. These difficult areas were investigated for options to safely establish pedestrian/cycling access and estimated costs for each option. Council now understands what is required to access these tricky areas and what it will cost.

### Other activities

We continue to deliver Bike Ready education to hundreds of children from multiple primary schools across the city, delivered through our partnership with Sport Manawatū.

### Public Transport

As detailed above, our key project this year has involved upgrading bus stops around the city. The contractor appointed by Horizons to deliver its new, more regular, service is using a fleet of over 40 electric-powered buses, which are quieter and produce fewer CO<sub>2</sub> emissions.

The business case for the Transit Hub (Main Street bus terminal between Square East and Princess Street) is one part of the wider Palmerston North Integrated Transport Initiative city centre business case, which is expected to be delivered in the 2024/25 Financial Year; and will inform the infrastructure programme for the Transit Hub later in the next Long-Term Plan.

### Ongoing considerations

As the city expands and the population increases, there will be growing pressure on the transport network which is expected to lead to increased travel times and congestion. The provision of active and public transport can relieve the pressures on the network by giving people genuine options for getting around the city, as well as improving the places and spaces we live in.

### Footpaths

Infrastructure to support walking in the city will focus on targeting faults and maintaining the footpath network. Improving pedestrian outcomes will be key to leveraging improvements to public transport infrastructure and servicing the new network.

Infrastructure improvements that make it easier to cross the road to and from bus stops are key, as well as improving walking links, covering the first and last mile of public transport journeys.

### Public Transport

We continue to partner with Horizons Regional Council to deliver improved public transport services. The new service provides a higher level of service to customers, making it more attractive, which will help support the city's strategic transport goals.

### How did we perform

The levels of service and performance measures for this Activity are included with the Strategic Transport (Roading) levels of service page 62.

## Financial Results

Activity Operational Requirement and Funding Summary

### Active and Public Transport

	Actual 2024 \$000	Annual Plan Budget 2024 \$000	Variance 2024 \$000	Actual 2023 \$000
<b>Revenue</b>				
Active Transport	414	868	(454)	978
Footpaths	-	150	(150)	-
Public Transport	183	139	44	104
<b>TOTAL REVENUE</b>	<b>597</b>	<b>1,157</b>	<b>(560)</b>	<b>1,082</b>
<b>Expenses</b>				
Active Transport	2,038	2,535	497	2,596
Footpaths	1,706	2,372	666	2,111
Public Transport	334	223	(111)	145
<b>TOTAL EXPENSES</b>	<b>4,078</b>	<b>5,130</b>	<b>1,052</b>	<b>4,852</b>
<b>NET OPERATING COSTS OF ACTIVITY</b>	<b>3,481</b>	<b>3,973</b>	<b>492</b>	<b>3,770</b>
<b>RATING ALLOCATION</b>				
Add back depreciation	1,608	1,789	(181)	1,755
Less Renewal capital expenditure	(1,157)	(1,103)	(54)	(400)
Add/(Less) borrowing effect of renewal 3 year averaging	-	-	-	6
Add external revenue for renewal capital	369	398	(29)	100
Less provision for debt reduction	(480)	(480)	-	(388)
Add general rates allocation	3,141	3,369	(228)	2,697
<b>FUNDING SURPLUS/(DEFICIT)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Significant Activity Capital Projects

### Active and Public Transport

	Actual 2024 \$000	Annual Plan Budget 2024 \$000	Variance 2024 \$000	Actual 2023 \$000
<b>CAPITAL RENEWAL</b>				
181 - City-wide - Public Transport Infrastructure Renewals	32	33	1	
2110 - City-wide - Footpath Renewals (No Subsidy)	355	344	(11)	
64 - Footpath Renewals (Waka Kotahi Subsidies)	731	705	(26)	
648 - City-wide-Supporting Cycle Infrastructure Renewals	39	22	(17)	
<b>TOTAL CAPITAL RENEWAL</b>	<b>1,157</b>	<b>1,104</b>	<b>(53)</b>	<b>400</b>
<b>CAPITAL NEW</b>				
1559 - Urban Cycle Infrastructure Network Improvements	914	400	(514)	
1803 - Neighborhood Streetscape Improvements	167	-	(167)	
2056 - Supporting Cycle Infrastructure Improvements	1	-	(1)	
2057 - Regional Shared Path Network Improvements	296	304	8	
2120 - Off Road Shared Path Network Improvements	108	100	(8)	
2121 - City-wide - Footpath Improvements	7	-	7	
2206 - Storm Damage – August 2022 Rooding	2	-	(2)	
2207 - Urban Cycle Infrastructure Network improvements	769	4,843	4,074	
2231 - City-wide - Transport Choices - Public Transport	5,353	5,350	(3)	
2233 - City-wide - Urban Cycle Infrastructure Improvements - Streets for People	2,222	1,458	(764)	
<b>TOTAL CAPITAL NEW</b>	<b>9,825</b>	<b>12,455</b>	<b>2,630</b>	<b>2,893</b>
<b>TOTAL CAPITAL PROGRAMMES</b>	<b>10,982</b>	<b>13,559</b>	<b>2,577</b>	<b>3,293</b>

Programme 2207 - Urban Cycle Infrastructure Network improvements was under budget due to NZTA funding related to it being cancelled.

# Strategic Transport (Roading)

## What the Council does

Palmy's transport network needs to accommodate freight transport, recreational users, and commuters. The purpose of our Strategic Transport plan is to provide transport infrastructure that supports day-to-day city activity and city growth in ways that integrate active and public transport.

### Key Achievements



#### We completed an update of our Strategic Transport Model.

An enabling project of the Palmerston North Integrated Transport Initiative, used in both land use planning and transport planning.



21 streets within our district have had work done to **improve lighting coverage.**



Repaired **2,559 potholes.**



A focus during 2023/24 has been on **road safety improvements** which have targeted safety infrastructure around schools, traffic calming of local roads, and pedestrian safety crossings.

## What happened in the year

### Strategic Transport

We've continued to work with Horizons Regional Council, Waka Kotahi, and Manawātū District Council to deliver the Palmerston North Integrated Transport Initiative (PNITI). We have made progress on several projects including the completion of two enabling projects, Strategic Networks and the Palmerston North Strategic Transport Model.

We have commenced a business case for our City Centre, that will allow us to align all City Centre transport projects to a shared vision. This means we can access co-funding on future City Centre projects, making the space more accessible, more vibrant, and safer.

Work continues on the citywide strategic parking framework that will help guide decision-making on controlled parking. This will allow us to manage its parking in a more aligned way and with wider transport planning.

We also commenced a review of the urban cycle network masterplan. Work is still ongoing to update this document and will be subject to public feedback.

### Maintenance and Renewal

Fulton Hogan is now in its third year as our road maintenance contractor and has generally settled in well. This year we have:

- Resealed more than 20 km of roads. This includes work on some of the asphalt roads in our residential areas, while the remainder went on chip sealing some rural or urban roads.
- Repaired 2,559 potholes.
- Vegetation management, street sweeping, sump cleaning, resealing of roads and asset inspection were undertaken in line with the contract requirements.

### Network Improvements

In line with the government's 'Road to Zero' vision, we have collaborated with Waka Kotahi to identify safety priorities across the city to be included in a safety network programme of work. This programme is complemented by our minor road safety programme of work targeting minor safety interventions.

A focus during 2023/24 has been on road safety improvements which have targeted safety infrastructure around schools, traffic calming of local roads, and pedestrian safety crossings.

Additionally, 21 streets within our district have had work done to improve lighting coverage.

Major construction was completed, and improvements were made on projects including:

- Custom Street, Ashhurst
- Settlers Line
- Railway Road

Amberely Avenue culvert placement has commenced and will be completed in the next 12 months. An ongoing issue we're working on is street racing, especially in our industrial areas. We've already added some physical deterrents like speed humps to make these areas less appealing for these types of motorists. A recent bylaw change also means it will be easier for Police to intervene.

## Regional Freight

We have completed the development of the Te Utanganui (Central New Zealand Distribution Hub) Masterplan which aligns transformational and long-term developments at Palmerston North Airport, the North East Industrial Zone, KiwiRail Freight Hub, and PNITI projects into a single spatial plan that maximises Palmerston North's appeal and competitiveness as one of New Zealand's primary multi-modal freight and logistics hubs.

## Ongoing considerations

### Strategic Transport

As Palmerston North grows, congestion on key roads in the city becomes more common. Resolving increased safety risks and emissions will require major infrastructure and behavior change programmes. These programmes are aimed at making alternative modes such as walking, cycling, and public transport more viable for more people. We will continue to take a balanced approach to the development of transport infrastructure to ensure that the city is safe and accessible for all transport modes..

### Maintenance and Renewal

A major issue the city faces is the deterioration of our road network due to heavy traffic and thin road structures. Maintaining and improving the ride quality and comfort for customers across the road network is a key focus for our maintenance and renewal programmes over the next couple of years. The focus will be on pothole repairs, heavy maintenance patching, and resurfacing to help keep the seal intact. In the future, a significant programme of road rehabilitation will be required to address the impact of heavy vehicles and keep on top of the deteriorating network.



Pedestrian Crossing on Featherston Street

### How did we perform

What we do	How we show we are doing a good job	Result	Comment
Provide an integrated multi-modal transport network that connects people and goods with destinations in a safe, efficient and sustainable manner and evolves to meet new transport demands with less reliance on private motor-vehicles.	1. The change in the number of fatal and serious injury crashes from the previous year on the city's local road network.  Target: Narrative measure outlining long-term accident trends and causes.	✗ Target not met	In the 12-month period to 30 June 2024, there were 5 fatal and 38 serious injury crashes in Palmerston North, a total of 43. None of these involved cyclists, and 6 involved pedestrians.  In the prior year (12 months to 30 June 2023), there were the 4 fatal, and 36 serious injury crashes, a total of 40. 6 of those crashes involved cyclists and 8 involved pedestrians.  These results differ to what was reported on in last years Annual Report 2022/23, due to more incidents being recorded after the time of reporting.  (2022/23 - Target Met - 4 fatal, 36 serious)
	2. The average quality of ride on the sealed local road network, measured by smooth travel exposure.  Target: Greater than 80%.	✓ Target met	The smooth travel exposure for the city is calculated at 84% for the 2023/24 financial year. A survey was completed in October 2023. These city-wide surveys are carried out approximately every two years by independent contractors.  (2022/23 – 84%)
	3. The percentage of the sealed local road network that is resurfaced.  Target: More than 3.5%	✓ Target met	5.32% of the network was resurfaced.  (2022/23 – 2.03%)
	4. The percentage of footpaths that meet Council standard.  Target: Greater than 93% rated 3 or above.	✗ Target not met	83.5% of the networks footpaths is rated 1-3 (Excellent - Average), 13% is rated 4 (Poor) and 3.5% is rated 5 (Very Poor). We note that standard approaches such as grinding and tree root pruning to enable path replacement is becoming less effective as the street tree stock grows.  (2022/23 – 96%)
	5. Percentage of requests for service relating to roads and footpaths responded to (with at least an initial response) within three working days).  Target: Greater than 95% of safety and critical requests.	✗ Target not met	For the year from 1 July 2023 – 30 June 2024 86.4% of service requests responses met the response time. There has been some recording and reporting issues with this measure. Improvements have been made to ensure this measure is recorded and reported accurately next time.  (2022/23 – 72%)

### Financial Results

Activity Operational Requirement and Funding Summary

#### Strategic Transport (Roading)

	Actual 2024 \$000	Annual Plan Budget 2024 \$000	Variance 2024 \$000	Actual 2023 \$000
<b>Revenue</b>				
Parking	6,262	5,522	740	4,653
Roads	3,601	3,427	174	4,256
Street Facilities	2	176	(174)	71
Street Lighting	652	414	238	498
Traffic Services	155	549	(394)	387
<b>TOTAL REVENUE</b>	<b>10,672</b>	<b>10,088</b>	<b>584</b>	<b>9,865</b>
<b>Expenses</b>				
Parking	3,507	3,287	(220)	2,894
Roads	18,194	15,573	(2,621)	15,957
Street Facilities	2,316	2,891	575	2,330
Street Lighting	2,122	2,070	(52)	2,125
Traffic Services	1,404	2,625	1,221	2,574
<b>TOTAL EXPENSES</b>	<b>27,543</b>	<b>26,446</b>	<b>(1,097)</b>	<b>25,880</b>
<b>NET OPERATING COSTS OF ACTIVITY</b>	<b>16,871</b>	<b>16,358</b>	<b>(513)</b>	<b>16,015</b>
<b>RATING ALLOCATION</b>				
Add back depreciation	8,756	9,086	(330)	9,215
Less Renewal capital expenditure	(8,135)	(5,375)	(2,760)	(5,435)
Add/(Less) borrowing effect of renewal 3 year averaging	(509)	(509)	-	(198)
Add external revenue for renewal capital	3,108	2,620	488	1,407
Less provision for debt reduction	(1,580)	(1,565)	(15)	(1,113)
Add general rates allocation	15,231	12,101	3,130	12,139
<b>FUNDING SURPLUS/(DEFICIT)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Roads expenses were over budget due to cost pressures with contractors.

These were partially offset by revenues, as well as savings in Active and Public Transport.



Significant Activity Capital Projects

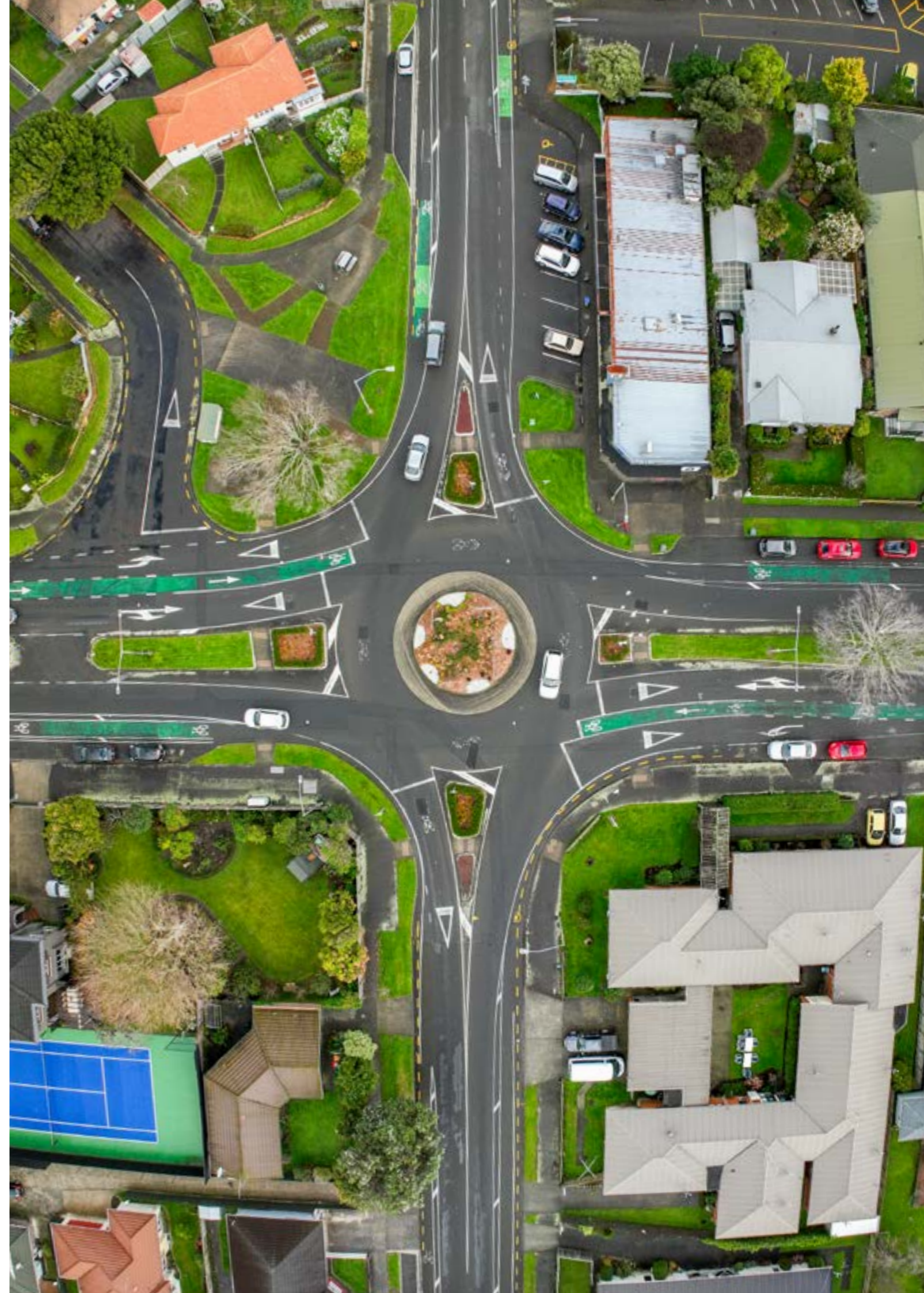
**Strategic Transport (Roading)**

	Actual 2024 \$000	Annual Plan Budget 2024 \$000	Variance 2024 \$000	Actual 2023 \$000
<b>CAPITAL RENEWAL</b>				
115 - Sealed Pavement Renewals (Waka Kotahi Subsidies)	2,633	2,007	(626)	
122 - City-wide - Road Drainage Renewals	452	408	(44)	
139 - City-wide - Sealed Road Resurfacing	3,598	2,440	(1,158)	
162 - City-wide - Vehicle Crossing Renewals	61	130	69	
1805 - City-wide - Transport structure component renewal	560	163	(397)	
2109 - City-wide - Sealed Pavement Renewals (No Subsidy)	19	27	8	
74 - City-wide - Street Light Renewals	786	119	(667)	
82 - Off-street Parking Renewals	18	81	63	
<b>TOTAL CAPITAL RENEWAL</b>	<b>8,127</b>	<b>5,375</b>	<b>(2,752)</b>	<b>5,435</b>
<b>CAPITAL NEW</b>				
1003 - Whakarongo - Intersection Upgrades	263	201	(62)	
1367 - City-wide - Street Light Infill	752	923	171	
1615 - City-wide - Parking and Traffic Signs and Marking	430	54	(376)	
167 - James Line (Schnell Dr to Kelvin Grove Rd) - Improvements	307	152	(155)	
1804 - Road drainage improvements	142	167	25	
1807 - City-wide - Car park infrastructure improvements	179	350	171	
1808 - City-wide - Street amenity improvements	11	-	(11)	
201 - Urban Growth - DC - Transport	9	217	208	
2058 - Urban Growth - NEIZ - Transport	1,748	2,271	523	
2059 - Urban Transport Improvements - Enabling PNITI	369	-	(369)	
2119 - Road to Zero - Transport Safety Improvements	2,470	2,055	(415)	
2123 - Urban Growth - Kakatangiata - Transport	674	151	(523)	
2124 - Urban Growth - Ashhurst - Transport	2,550	4,400	1,850	
2142 - Physical Deterrent (speed humps) at add Locations	27	50	23	
2204 - Address Street Racer Issues	50	60	10	
2206 - Storm Damage – August 2022 Roading	2,930	2,357	(573)	
2254 - Safety Improv. at College Street/Botanical Road	395	120	(275)	
2526 - Amberley Ave Culvert Replacement	1,594	-	(1,594)	
279 - City-wide - Minor transport improvements	405	900	495	
684 - Longburn Rongotea Road/No. 1 Line - Intersection	113	200	87	
<b>TOTAL CAPITAL NEW</b>	<b>15,418</b>	<b>14,628</b>	<b>(790)</b>	<b>14,732</b>
<b>TOTAL CAPITAL PROGRAMMES</b>	<b>23,545</b>	<b>20,003</b>	<b>(3,542)</b>	<b>20,167</b>

Programme 139 - City-wide - Sealed Road Resurfacing were over budget to enable waterproofing and pothole prevention.

Programme 2124 - Urban Growth - Ashhurst - Transport were under budget due to deferred work, carried forward to FY2025.

Programme 2526 - Amberley Ave Culvert Replacement was an added expenditure to enable urgent works to commence on the culvert bridge.





**Whāinga 2: He  
tāone whakaihihi,  
tapatapahi ana**


Goal 2: A creative  
and exciting city


# Active Communities


## What the Council does


People are generally healthier and happier in places where decision-makers prioritise physical activity. Being active contributes to all aspects of health and is an important part of indigenous Māori well-being approaches such as Te Whare Tapa Whā. The purpose of this Activity and Plan is for our community to access a range of play, active recreation and sports environments.

## Key Achievements

 We continue to receive **positive feedback about our parks** through the annual Park Check Survey.

 **Central Energy Trust Arena hosted 3,010 individual bookings** in 2023/2024 with more than 440,000 in attendance.

 The Active Communities Fund **supported 33 people to overcome financial barriers to being more active.**

 We are working with Horizons on **longer term solutions for areas of our network** which are vulnerable to severe weather events.



Kids swimming at Lido Aquatic Centre

## What happened in the year

### Play and Active Recreation

- We continue to receive positive feedback about our parks through the annual Park Check Survey. Annual visitor numbers to the Ashhurst Camping Ground also continue to increase year on year.
- Vandalism within our parks and public spaces has escalated this year, with our public toilets being a target. We continue to receive complaints about motorbikes in parks. It has been challenging to balance accessibility for active transport and park users, whilst also maintaining safety and security in our parks.
- Routine maintenance was very challenging this year due to the changeable weather. The dry spring and warm autumn delayed our sports fields renewal programme and extended the grass-growing season.
- Due to budgetary constraints, the 2023/24 capital development programme was reduced. Projects completed in 2023/24 were mainly focused on renewal of existing assets and completion of projects started in 2022/23.

### Ruahine Reserve

- Ruahine Reserve is our newest reserve. It is a special character reserve located within the Centennial Park subdivision on small portion of the land set aside for Rangitāne during the early days of the city's expansion.
- The reserve includes a series of walls with the names of the tupuna who signed the original land deed. There is a modern interpretation of a pātaka kai (food storehouse).
- The reserve includes an established area of native trees, planted by the foundation students and staff of the Teacher's College that once occupied the site. There is a memorial to students and staff who passed during their time at the college.
- The reserve has a series of paths to enable movement between the features, with the balance of the area planted in natives.

### Chippendale Reserve

- The playground at Chippendale Reserve has been renewed as part of our playground renewal programme. The safety surface has been replaced with rubber to provide greater accessibility. New equipment installed includes a spinner and adjustable basketball.
- Good use has been made of the existing large trees to provide shade for users, and additional trees and gardens have been planted as part of the project. A drinking fountain has also been installed.
- A new shared pathway has been installed linking Chippendale Crescent to Amberley Avenue as a part of the active transport programme. This pathway is proving to be popular with locals as it provides an all-weather link between Chippendale Crescent and the signalised crossing on Pioneer Highway.

### Victoria Esplanade

- Two raised crossing platform have been installed to slow the traffic and improve safety for pedestrians at key points in the Esplanade. One is outside Central Energy Trust Wildbase Recovery Centre and the other is outside the Esplanade Café.
- The Camellia Loop pathway has been concreted to improve access for users with limited mobility. We have been working with the Camellia Society to label the camellias alongside the pathway. The signs have been printed and will be installed early in the new year, in time for the National Camellia Show which is being hosted by the city from 23-26th August 2024.
- The detailed design for the replacement lathe house is nearing completion. The lathe house will be replaced on the current site and has been designed to improve the site lines into the Peter Black Conservatory and provide an area for displaying the Bonsai collections. The replacement lathe house is due to be constructed in 2024/25.

### Te Marae o Hine/The Square

- The limestone path leading to the centre of Te Marae o Hine from outside Indian 2nite was replaced. We also laid a new path from the regional bus hub to the public toilets. These two projects complete our upgrade programme to address accessibility concerns raised by the public.
- Minor improvements in the wider area include the replacement of light fittings, planting of more shade trees and ongoing replacement and upgrade of garden displays.

### Ashhurst Domain

- The work to repair the hole in the riverbank below Ashhurst Domain, that was created by high river levels during Cyclone Gabrielle, was completed early in the year. Horizons assisted with funding towards the project. We are working with Horizons on longer term solutions for areas of our network which are vulnerable to these weather events.
- During the year Council began consultation on the review of the Ashhurst Domain Reserve Management Plan. We are working with Rangitāne on the drafting of the plan.
- Council has secured external funding from the Ministry of Business, Innovation and Employment (MBIE) as the Tourism Infrastructure Fund to go towards a new 24-hour campavan dump station in Ashhurst. This will replace the one in the Domain which not available to the public 24 hours a day. Following community consultation we have decided on a site in Custom Street, within the industrial area of the village.
- Renewal funding in the Domain was directed towards fencing and barrier rails, and the restoration of paths and gardens. A series of wayfinding signs have been designed which will be installed at junctions of the bush paths in 2024/25 to assist in navigation through the Domain.
- The community has been active in the Domain throughout the year, with a few volunteer days to remove weeds that are threatening our native flora.

### Valcluse Heights

- The small reserve adjacent to the access to the Lower Titoki Walkway from Valcluse Heights has been developed. Seats have been installed and shade trees planted to provide a place for people to rest. A small orchard of fruit trees has been planted as part of our edibles planting programme. We have also installed a drinking fountain.

### Water Recreation

Overall, the number of visitors to the three Council pools is at a similar level to last year. The closure of the indoor pools for relining impacted Lido entry numbers in May.

As an operational response to the findings of the Aquatic Facilities and Water Recreation Needs Analysis Report, we limited public access to swimming lanes at the Lido from 18th March. The John Boldt indoor 25-metre pool is closed to the public between the hours of 3 pm – 6 pm Monday to Friday to make more space available for swimming clubs. Public swimming lanes are still available at the Freyberg Pool during these hours.

The upgrade of the female and Whanau changing rooms at the Lido started in May. This project is expected to take four months and has been designed to address several functional issues with the current facilities.

### Sport

It has been another difficult year for sports field maintenance. A dry spring followed by an extended dry period and a warm autumn delayed our renewal programme and made keeping on top of grass growth challenging. Despite this, there was no noticeable disruption to sports tournaments and games.

- New artificial cricket wickets installed at Celaeno Park
- A basketball court installed on the Railway Land adjacent to the Skate Park
- Netball/Tennis courts at Vautier Park resurfaced.
- An adjustable basketball hoop installed at Chippendale Reserve

### Central Energy Trust Arena

Central Energy Trust Arena has had another busy year of activity with a diverse range of events. There is always pressure on the availability of venues with utilisation high and demand often exceeding what can be delivered. The calendar of activity included large-scale exhibitions, national sporting tournaments and competitions, International sports fixtures, concerts, and commercial events. This was on top of the regular community sports and non-sport activity which make up 95% of the utilisation of the facilities.

Central Energy Trust Arena hosted many major events during the year which brought significant economic benefits to the City. These included:

- Armageddon Expo
- National Bird Show
- BrewDay
- Red Cross Book Sale
- Palmy Brick Show
- Te Rangatau Kapa Haka Regional Competition

- Devilskin Concert
- Hurricanes vs Rebels Super Rugby
- NZ Secondary Schools Basketball Nationals
- NZ Secondary Schools Volleyball Nationals
- Manawatū Home & Lifestyle Expo
- Property Brokers Company Day
- NZ Junior Badminton Nationals
- North Island Table Tennis Championships
- Bunnings NPC Rugby
- National 1st XV Rugby Finals
- Ultimate Frisbee Nationals
- NZ Careers Expo
- Speedway Regular Season
- Archery Nationals
- ENZED Superstock Teams Champs (2 nights)
- Women's Lifestyle Expo
- Property Brokers Christmas
- Jets Basketball Season
- Pulse Netball

Central Energy Trust Arena hosted 3,057 individual bookings in 2023/2024 with more than 468,000 in attendance.

In a year where business continued to be strong and demand continued to grow, there were some highlights through an outstanding calendar of events that brought activity and ensured there was something for all areas of our community. Events hosted such as the Speedway Teams Champs operated seamlessly with 15,000 people in attendance each event day. It was fantastic to welcome back Super Rugby for the second year in a row with the Hurricanes playing the Rebels and to host a wide variety of national tournaments and championships including Volleyball, Basketball, Rugby, Ultimate Frisbee, Badminton, Archery, and Table Tennis. Together with our regular hosting of the Turbos, Cyclones, Jets, and Pulse teams, it has been another memorable year for the venues.

### Partnerships and Support

The Council's primary support to sport and recreation groups is through its partnership agreement with the local sports trust, Sport Manawatū. This year was the second year of the three-year funding agreement and partnership plan between the Council and Sport Manawatū. Outcomes in the new agreement align closely with Council's strategic direction, particularly with the Active Communities Plan. Sport Manawatū administers two contestable funds on Council's behalf: The Sports Event Partnership and Active Communities Funds. The six-month progress report highlighted:

- Regional leadership of the revision of the Manawatū-Whanganui Regional Sport Facility Plan (2018), to the newly named He rā ki tua – Horizons Region Spaces and Places Plan for Sport and Recreation. The Plan will provide a framework to plan for the provision of spaces and places for sport, active recreation, and play across the region.

- The Sports Event Partnership Fund supported 27 sports events with an estimated value add to the City of \$11,194,079. As part of this support, discussions with national sports organisations on multi-year partnerships to deliver national secondary school or age grade events in the City.
- The Active Communities Fund supported 33 people to overcome financial barriers to being more active.
- The Bike Ready cycle skills programme was delivered to 640 school students (at 16 different schools) at the Grade 2 level that aims to increase on-road and recreational cycling confidence and promote cycling as an active transport option.
- An Active Summer campaign focused on promoting walkways, cycleways and play spaces across the district over the summer season.

We also continued to support a wide range of sports and recreation groups by granting community occupancy agreements over many Council properties. Other organisations are supported through operating grants including the Manawatū Mountain Bike Club to improve the trails at Arapuke Forest Park, and Massey University through a contribution to the ongoing operating costs of the Manawatū Community Athletics Track and the Massey Hockey Turf so they are accessible to the wider community.

### Ongoing considerations

#### Play and Active Recreation

The 2023 assessment of park assets highlighted that the level of service at our parks varies across the city, but that these gaps have closed since the last assessment in 2021. Funding in 2024/25 for Programme 1852 (Improvements at existing reserves to close identified level of service gaps) will be used to address the remaining gaps at Suburb Reserves which are largely shelter, senior play, drinking fountains, and accessibility. The focus of the programme will then move to sports fields and then to neighborhood reserves. As always, we will look to address reserves with the highest level of service gaps first.

There was an increase in shade tree planting within reserves in 2022/23 and 2023/24. It will be some years before these newly planted trees will provide shade for users and consequently for the reserves to achieve the status of having 'plenty of shade'.

The changing climate continues to put pressure on the assets located within Parks, especially during intense rainfall events. The main issues we face are walkway closures due to slips, trees blowing over in storms, and high river levels eroding riverbanks, threatening our pathways.

The Manawatū Mountain Bike Club will continue to develop mountain bike trails at Arapuke Park. Council is continuing to collaborate with the Manawatū Mountain Bike Club in the development of the park.

### Central Energy Trust Arena

Confidence in the commercial and community sectors of activity is very good and there have been strong bookings and interest for the year ahead. Already the NZ Gymnastics National Championships are coming in October directly after the NZ Secondary Schools (NZSS) Basketball Nationals. This will ensure the accommodation sector in the City is full for 2 weeks.

The NZ Junior Badminton Championships has committed for a further 3-year term and it is hoped that NZSS Volleyball and NZSS Basketball will follow suit. There is some caution heading into the new financial year as the economy continues to come under pressure due to high inflation and interest rates. Attendance numbers at some events are expected to come under pressure due to cost of living pressures and the take-up of tickets is happening much later than previously experienced. This causes uncertainty in the market for event organisers, consequently, the focus needs to remain on ensuring the diversity of events, along with strategies to market the venue and develop new event opportunities.

There will continue to be greater competition as the larger cities target traditional regional events, however, the flexibility of the venue and full-service options provide points of difference.

### Water Recreation

The Aquatic facilities and water recreation preliminary feasibility study/needs analysis identified several opportunities to address the capacity issues within the network. We have already made changes to the way swimming lanes are allocated at the Lido between 3 pm – 6 pm on weekdays, increasing availability for swim clubs. Provision has been made within Year 2 of the 2024 LTP for a feasibility study for a new indoor 50-metre pool. There is no funding provision within the 2024 LTP for any of the other initiatives identified.

### Sport

The demand for sports and training fields are changing with new sports emerging. Sport NZ forecasts that this trend will continue. We will continue to work with Sport Manawatū to identify opportunities to make better use of existing sports facilities and/or redevelop existing green spaces to meet these changing needs. Provision has been made within the 2024 LTP for the drainage of existing sports fields to increase their capacity for winter games and training and for the installation of new training lights. The LTP also makes provision for the development of additional sports fields within the Kākātangiata growth area.

The seasons are changing, making the programming of ground maintenance more challenging. The wetter springs are making ground renovations post-winter sports more difficult to achieve.

### Partnerships and Support

The sport and recreation sector face many challenges that our key partner, Sport Manawatū works with to design locally led responses. Overcoming all of the barriers to low rates of physical activity is complex, and there is a growing need for both the Council, and its partners to respond to diversity, equity and inclusion principles to increase participation. Supporting sport and recreation providers to offer quality, inclusive experiences for participants and members is becoming more challenging in a constrained financial environment.

The Council's ongoing direct support to sport and recreation groups is necessary to ensure that sport and recreation participation continues to contribute to both individual and overall community well-being.

**How did we perform**

What we do	How we show we are doing a good job	Result	Comment
<p><b>Provide a wide range of accessible and well-maintained play, active recreation and sports facilities to increase levels of physical activity and participation in sport and active recreation and meet a diverse range of local communities. (Note: these facilities are city reserves, suburb reserves, local reserves, sports fields, the Central Energy Trust Arena, walkways and shared paths, and swimming pools).</b></p>	<p>1. Increase in use of parks, sports fields and playgrounds.</p> <p>Target: Narrative measure outlining Parks Check Survey results.</p>	<p>✔ Target met</p>	<p>On average across all park types, 58% of people visited at least once a week. This is up from 44% the previous year. The survey shows that 7% of respondents visit parks every day, 26% several times a week and 21% once a week. 2 out of 3 of these results are also up from last year with 10% of respondents visiting every day, 20% visiting several times a week and 14% once a week in 2022/23.</p> <p>(2022/23 - Target not met)</p>
	<p>2. Increase in use of aquatic facilities.</p> <p>Target: Usage numbers at Lido, Freyberg and Ashhurst Pools.</p>	<p>✘ Target not met</p>	<p>The total number of users across all 3 council pools was 597,005, which is 1.8% less than last year which was 607,535 total users.</p> <p>The main reason for the reduction in 2023/24 is due to the closure of the indoor leisure pools at the Lido for relining.</p> <ul style="list-style-type: none"> <li>➤ The number of users of the Lido Aquatic Centre was 384,399, 0.3% lower than in 2022/23.</li> <li>➤ The number of users of the Freyberg Community Pool was 189,067, 1.2% lower than in 2022/23.</li> <li>➤ The number of users of the Splashhurst Community Pool for the year was 23,539, 24.2% lower than last year. This was mainly due to a reduction in school bookings.</li> </ul> <p>(2022/23 – Lido – 385,793)</p> <p>(2022/23 – Freyberg – 190,617)</p> <p>(2022/23 – Ashhurst – 31,125)</p> <p>(2022/23 - Target met)</p>

What we do	How we show we are doing a good job	Result	Comment
<p><b>Work in partnership with external recreation organisations, and facility providers, to help increase levels of participation in play, active recreation and sport.</b></p>	<p>3. Increase in use of Central Energy Trust Arena for community sport and active recreation.</p> <p>Target: Narrative measure outlining number of community events and hours.</p>	<p>✔ Target met</p>	<p>At the end of the financial year, the number of Community Sport events at Central Energy Trust Arena was 2,854 compared to 2,787 last year. This is an increase of 2%.</p> <p>Hours of use was 9,798 compared to 10,459 last year, a decrease of 6%.</p> <p>205,909 people have participated in Community Sport compared to 190,118 last year, an increase of 8%.</p> <p>Overall utilisation was very consistent compared to the previous year with the number of events and patronage slightly up, however, actual hours of use slightly down. Between the hours of 3.30 pm and 10 pm Monday to Friday in School terms, community facility availability is at full capacity.</p>
	<p>4. Increase in satisfaction of Council's sport and recreation facilities.</p> <p>Target: Narrative measure outlining trends in user and resident feedback and surveys.</p>	<p>✔ Target met</p>	<p>The overall satisfaction rating, across all park types surveyed in our Park Check survey is 97.5%, made up of respondents who were either "satisfied" or "very satisfied". This overall satisfaction result is above the median from the 17 Councils who use the survey. This result is slightly higher than 2022/23 which showed a 96.2% overall satisfaction rating.</p> <p>(2022/23 – 96.2%)</p>
<p>5. Council works in partnership with external organisations.</p> <p>Target: Narrative measure outlining partnership initiatives designed to increase participation and their outcomes.</p>	<p>✔ Target met</p>	<p>The Council's funding agreement with Sport Manawātū is for three years and will be renegotiated in 2024/25. Reporting on achievements and delivery of agreed outcomes occurs regularly through the Culture and Sport Committee. A major focus of this year has been on the finalisation of He Rā Ki Tua, the Horizons' Region Spaces and Places Plan for Sport and Recreation. This Plan was recommended for endorsement to the Culture and Sport Committee in June.</p>	

## Financial Results

### Activity Operational Requirement and Funding Summary

#### Active Communities

	Actual 2024 \$000	Annual Plan Budget 2024 \$000	Variance 2024 \$000	Actual 2023 \$000
<b>Revenue</b>				
Central Energy Trust Arena	2,247	2,214	33	2,765
City Reserves	1,463	922	541	957
Local Reserves	92	141	(49)	119
Sportsfields	139	129	10	113
Support to recreation groups	-	-	-	10
Swimming Pools	7	-	7	7
<b>TOTAL REVENUE</b>	<b>3,948</b>	<b>3,406</b>	<b>542</b>	<b>3,971</b>
<b>Expenses</b>				
Central Energy Trust Arena	9,195	9,168	(27)	9,070
City Reserves	5,553	4,736	(817)	3,995
Local Reserves	4,785	6,222	1,437	4,959
Sportsfields	3,670	2,792	(878)	3,306
Support to recreation groups	923	937	14	824
Swimming Pools	2,925	2,947	22	2,833
<b>TOTAL EXPENSES</b>	<b>27,051</b>	<b>26,802</b>	<b>(249)</b>	<b>24,987</b>
<b>NET OPERATING COSTS OF ACTIVITY</b>	<b>23,103</b>	<b>23,396</b>	<b>293</b>	<b>21,016</b>
<b>RATING ALLOCATION</b>				
Add back depreciation	8,130	7,871	259	7,650
Less Renewal capital expenditure	(3,964)	(3,727)	(237)	(3,884)
Add/(Less) borrowing effect of renewal 3 year averaging	815	815	-	1,186
Add external revenue for renewal capital	(19)	-	(19)	-
Less provision for debt reduction	(1,390)	(1,283)	(107)	(1,187)
Add general rates allocation	19,531	19,720	(189)	17,251
<b>FUNDING SURPLUS/(DEFICIT)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Local reserves were less than budget due to changes in allocation between city reserves, sportsfields and local reserves. Overall the net position of the 3 subactivities was 244k favourable.

### Significant Activity Capital Projects

#### Active Communities

	Actual 2024 \$000	Annual Plan Budget 2024 \$000	Variance 2024 \$000	Actual 2023 \$000
<b>CAPITAL RENEWAL</b>				
1051 - CET Arena - Arena Renewals	319	400	81	
1759 - CET Arena - Grounds Renewals	67	49	(18)	
1786 - Sports Pavilion and Changing Room Renewals	539	479	(60)	
1827 - Local Reserves - Renewals	619	539	(80)	
1829 - Sportsfields and Artificial Turfs - Renewals	110	100	(10)	
1830 - City Reserves - Memorial Park - Renewals	102	157	55	
1831 - Te Marae o Hine - The Square - Renewals	74	95	21	
1832 - City Reserves - Ashhurst Domain - Renewals	96	89	(7)	
1834 - City Reserves - Walkways - Renewals	118	117	(1)	
1835 - City Reserves - Linklater Reserve - Renewals	19	19	-	
1837 - Swimming Pools - Pool Renewals	785	1,130	345	
1840 - City Reserves - Victoria Esplanade- Renewals	131	75	(56)	
1960 - CET Arena - Arena 1 Sound System	189	-	(189)	
1962 - Arena Security Card System	53	54	1	
1963 - CET Arena- Score clock Replacment Arena2	328	377	49	
1964 - Arena Indoor Stadium Sound System Replacement	320	-	(320)	
1965 - Arena Kitchen Equipment Replacement	38	-	(38)	
819 - CET Arena - Replacement of Equipment	45	47	2	
<b>TOTAL CAPITAL RENEWAL</b>	<b>3,952</b>	<b>3,727</b>	<b>(14)</b>	<b>3,884</b>
<b>CAPITAL NEW</b>				
1099 - Parks and Reserves - Shade Development	57	62	5	
111 - Roslyn - Edwards Pit Park Development	34	38	4	
1133 - Sportsfields-Artificial Football Field (subject to part external funding)	-	199	199	
1560 - Bill Brown Park - Additional Carparking	-	206	206	
165 - Arapuke Forest Park/Kahuterawa Development	6	6	-	
1763 - CET Arena - Property Purchase	1,265	-	(1,265)	
1838 - CG-City Reserves-Victoria Esplanade-Exotic Aviary	129	135	6	
1845 - City Growth - Te Marae o Hine - The Square	38	-	(38)	
1846 - City Growth - Walkway Extensions - Capital New	378	-	(378)	
1847 - City Growth - Victoria Esplanade - Capital New	433	308	(125)	
1848 - City Growth - Linklater Reserve - Capital New	2	-	(2)	
1850 - City Growth - Memorial Park - Capital New	14	8	22	
1853 - Development of Existing Reserves	354	300	(54)	
1856 - Urban Growth - Hokowhitu - Purchase and Development	22	-	(22)	
1862 - UG-Kakatangiata-Reserves Purchase and Development	434	-	(434)	
1884 - Accessibility and Safety Improvements	184	107	(77)	
2006 - City Centre Play - Fixed Play Development	141	151	10	
2209 - Arena 3 Upgrade	2,024	1,477	(547)	
2253 - CET Arena Lighting Truss Equipment	210	211	(210)	
697 - Clearview Reserve Development	-	41	41	
708 - UG - Aokautere - Reserves Land Purchase	-	34	34	
967 - City-wide - Edibles Planting	3	6	3	
<b>TOTAL CAPITAL NEW</b>	<b>5,700</b>	<b>3,289</b>	<b>(2,622)</b>	<b>1,675</b>
<b>TOTAL CAPITAL PROGRAMMES</b>	<b>9,652</b>	<b>7,016</b>	<b>(2,636)</b>	<b>5,559</b>

Programme 1763 - CET Arena - Property Purchase was an added expenditure as an opportunity to purchase land was presented.

Tilomai So'otaga Jennifer Tonumaipe'a Farrell-Taylor,  
Artist in Residence at Square Edge Arts Centre



# Arts and Heritage

## What the Council does

'The arts' refer to expressions of creativity and include craft and object art, visual arts, ngā toi Māori, Pacific arts, theatre, dance, literature, music and film. The arts bring the city to life, challenge ideas, and generate excitement about future possibilities. Communities of identity, interest and place express cultural identity through the arts; for example, by coming together to design a neighbourhood mural or to perform a traditional dance. Many people work in arts-related jobs, and city organisations rely on people with creative skills. The opportunity to participate in the arts contributes to all aspects of health; te whare tapa whā. The purpose of Council's support for the arts is to develop a culturally rich city and to provide people with opportunities to express their creativity and cultural identity.

## Key Achievements



With additional support from the Creative Communities Scheme Festival Fund around **1600 community members enjoyed Manawatū Summer Shakespeare's 2024 production of Much Ado About Nothing.**



Following the success of the first Pacific Artist Residency by Palmerston North artist **Tilomai So'otaga Jennifer Tonumaipe'a Farrell-Taylor, Creative New Zealand agreed to partner on a second residency to start in the second half of 2024.**



Partnership with New Zealand Military Vehicle Club and local businesses assisted to **refurbish the decommissioned howitzer at Memorial Park.**

## What happened in the year

### Creative New Zealand

Creative New Zealand provided two grants to support initiatives towards the achievement of their Pasifika Arts Strategy, including \$25,000 for a Pacific Artist Residency. Palmerston North artist Tilomai So'otaga Jennifer Tonumaipe'a Farrell-Taylor was selected for the residency and created more than 30 artworks in a variety of media including clay, canvas, and skateboards. Her exhibition Nafanua, A Savage Star Seed attracted more than 150 community members to the opening at Square Edge Community Arts in February. Creative New Zealand has agreed to support a second residency starting in the second half of 2024.

The annual Creative Communities Scheme, which is partly funded by Creative New Zealand, was allocated over two funding rounds, with \$121,238 allocated, and just over \$10,000 unspent and to be carried forward to 24/25. The fund included a one-off Creative Communities Scheme Festival Fund of \$21,118 for established art-focused festivals, that celebrate the experiences, stories, cultures, and regional identities of New Zealanders. The fund was intended to help the sector adapt following Covid-19 disruption. The Manawatū Jazz & Blues Festival 2024 (\$10,000.00) and Manawatū Summer Shakespeare (\$11,118.39) received support, with around 1600 community members enjoying Manawatū Summer Shakespeare's 2024 production of Much Ado About Nothing.

### Art Event Fund

The Art Event Fund, which offers community groups support to host art events that have regional or national significance and that bring economic benefits to the city, was fully allocated in the first half of the year. Pae Taiohi - Manawatū Horowhenua Secondary Schools Kapa Haka Competition 2023, held at the CET Arena, was one of the recipient events. Pae Taiohi is the biennial regional Kapa Haka competition for secondary schools of Manawatū and Horowhenua and sold out the 2,500-seat venue with an additional 1,000 watching the live stream. Organisers report the elevated standard of kapa haka performance in the region promises a bright future for participants in the national competition.

### Arts Initiatives

Arts Initiatives is an operational programme that funds smaller-scale community arts projects and activities. This year, one of the projects supported was Te Matapihi by Square Edge Community Arts. The funding assisted Square Edge in providing a space where local Māori Artists can share space and the wider community can learn, experience, and engage with Māori visual language and worldview. Square Edge opened the TUITUI Toi Māori gallery in February 2024 to increase the visibility of local Māori artists, creating a more inclusive, Tiriti-led space, and providing the community greater access to indigenous art. This initiative created new opportunities for Waitangi Day 2024 (with the TUITUI Toi Māori Gallery opening and Tā moko demonstrations) and Puanga/ Matariki with an exhibition and workshops by He Aho Tangata (Rangitāne Artist Collective).

### Care and Maintenance of public art and sculpture

The regular maintenance programme for public art continued this year. Restoration of the Bunnythorpe War Memorial was completed in August, with the community hosting a re-dedication of the memorial in December. The ceremony included a reading by family members of two men named on the World War One memorial.

The decommissioned howitzer at Memorial Park was refurbished with the help of the New Zealand Military Vehicle Club and local businesses.

Repairing vandalism to the memorials and artworks in Te Marae o Hine The Square and the nearby CBD area made a significant impact on the maintenance budget and resulted in the postponement of some planned work.

### Cultural CCOs

➤ The Regent Theatre

The Regent had a successful year with 99,483 people attending the theatre throughout the year. A high percentage of the targets were met this year including a soaring 423 total number of events held (target: 350).

➤ The Globe Theatre

The Globe also saw a successful year with 715 usages (target: 526) and 27,126 attendees (target 16,123). Most targets were met with exceeding results including a record 41 international/ national performances.

➤ Te Manawa

Te Manawa's visitor target was also met at 137,172 (target 130,000), with an additional 74,335 in online engagement (target 90,000). There was also a 98% audience satisfaction rating.

### Heritage

Caccia Birch House has undergone a positive transformation since being placed under Council management. The shift in focus has been towards enhancing community access to this historical landmark. With an emphasis on community public events, the house has increased its position as a unique location for community gatherings and celebrations. Over time, there has been a gradual increase in the overall use of the venue, reflecting its growing popularity among residents. Furthermore, efforts have been made to optimise operational efficiencies, ensuring that the house operates smoothly and efficiently for the benefit of all those who visit.

The heritage fund allocated funds to support:

- Digitising community archives
- Weather proofing a listed heritage home
- Foundation strengthening for a house in the Savage Crescent Conservation Area
- Roofing renewals and seismic assessments for the former Abbey Theatre and Kilwinning Lodge
- Seismic assessment for the office building at the Hoffman Kiln
- Maintenance work on 5 notable trees
- Documentary related to World War 2 refugees who settled in Palmerston North and the Manawatū

### Ongoing considerations

#### Arts

Officers will continue to support the arts community through Arts Initiatives and Arts Event funding, as well as administering the Creative Communities Scheme.

The current care and maintenance plan for public art and sculptures will continue in the coming year, and planning will also be undertaken to feed into the Public Art Asset Management Plan and Public Art Policy when they are undertaken.

A feature of the coming year will be the next Pasifika Artist in Residency programme, in partnership with Creative New Zealand, based on the success of the programme in this financial year.

Ongoing support will also be given to our arts venues as they continue to navigate the emerging impacts of increasing costs of living on ticket sales.

#### Heritage

Over the past year, significant progress has been made in maintaining services and improving access to Caccia Birch House and its grounds. A concerted effort has been made to address a backlog of maintenance issues, ensuring the property is well-preserved and safe for all visitors. We continue to work with the Caccia Birch Trust and Advisory Group to guide our decision-making, incorporating their valuable insights and expertise.

As part of these improvements, the house underwent a temporary closure to complete a critical floor-strengthening project. This necessary work has improved the structural integrity of the building, ensuring it remains a safe and welcoming space for the community.

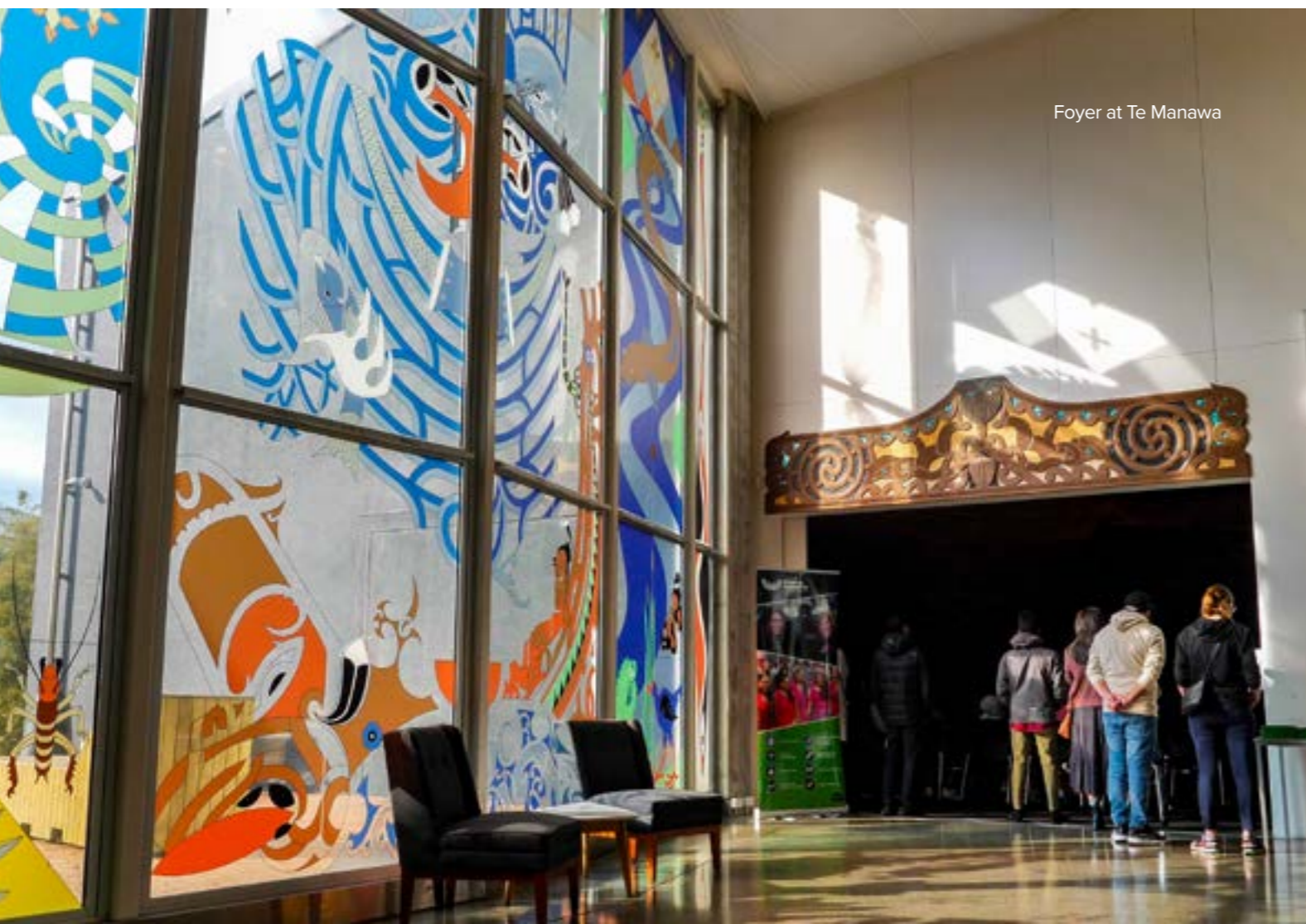
A major focus has been on developing the grounds to achieve an acceptable base level of presentation. This foundational work paves the way for continued enhancements in the coming years, creating a more accessible and aesthetically pleasing environment for visitors. These improvements aim to provide a better visitor experience and ensure the grounds complement the historic house at the appropriate level.

These ongoing projects demonstrate our commitment to preserving the heritage of Caccia Birch House while making it more accessible and enjoyable for the community.

Continuing to build the Council's relationships with owners of earthquake-prone heritage buildings will be central to Council's priorities for the future. Earthquake-prone buildings remain the most critical heritage management issue facing the city.

### How did we perform

What we do	How we show we are doing a good job	Result	Comment
<b>Provide support to community organisations, cultural Council-Controlled organisations and individuals to help make Palmerston North a creative and exciting city</b>	1. Increase in patronage of Council-owned cultural facilities (Te Manawa, Globe Theatre, and Regent Theatre), as measured by reports provided by operators.  Target: Annual patronage numbers for the CCOs increase.	❌ Target not met	2 out of the 3 individual targets were not met. The numbers reported with previous year comparisons are:  ➤ The patronage for Te Manawa 2023/24 was 137,172. This is up from 121,914 the previous year.  ➤ The patronage for The Globe 2023/24 was 16,123. This is down from 23,190 the previous year.  ➤ The patronage for The Regent 2023/24 was 99,483. This is down from 113,561 the previous year.
<b>Maintain and enhance cultural facilities that provide a range of opportunities for people to access and participate in the arts.</b>	2. Funding is distributed, and the key objectives achieved.  Target: Narrative measure outlining outcomes achieved by the CCOs.	✅ Target met	All budgeted funding has been distributed to the CCOs and the majority of objectives have been achieved. The outcomes achieved by the CCOs are outlined in section 4 of the Annual Report.
<b>Work closely with Rangitāne o Manawatū to support it to be kaitiaki of its heritage places and to increase the wider community's understanding and appreciation of Rangitāne o Manawatū heritage.</b>	3. Sites of significance to Rangitāne o Manawatū are identified, protected or acknowledged.  Target: Narrative measure outlining the number and description of sites.	✅ Target met	We have a total of 3 park sites of significance to Rangitāne o Manawatū. Council adopted the concept plans for the development of a civic marae and cultural centre at Te Motu o Poutoa, in partnership with Rangitane. Ruahine Reserve has been developed as a special character reserve. The reserve contains walls with the names of the Tupuna who signed the original deed for the land on which this small reserve sits. The site also contains a pataka kai (food storage house). Council staff have been working with Rangitane on the development of the draft Ashhurst Domain Reserve Management Plan, particularly the cultural and environmental sections. Staff continue to engage with Rangitane when considering requests for events and other activities in Te Marae o Hine.



Foyer at Te Manawa



What we do	How we show we are doing a good job	Result	Comment
<b>Invest in cultural heritage buildings and places to give the community the opportunity to use and appreciate their heritage values.</b>	4. Increase in investment of earthquake-prone heritage buildings.  Target: Narrative measure outlining investment in buildings and its outcomes.	✔ Target met	Funding for detailed seismic assessments for the Former Abbey Theatre, Former Masons Temple, and Hoffman Kiln office building has been allocated. Resource consent has been granted for the redevelopment of the former post office building to provide for a hotel.  (2022/23 - Target met)
<b>Promote and celebrate local history.</b>	5. Heritage is part of the multi-disciplinary approach to working on Council projects.  Target: Narrative measure outlining the projects and their multi-disciplinary nature.	✔ Target met	<ul style="list-style-type: none"> <li>➤ Featherston Street Safety Improvements: Use of play and public art to express heritage themes related to Palmerston North Boys High School.</li> <li>➤ Aokautere Growth Area: Stormwater management, ecology, urban design, and recreation planning advice informed the decision by commissioners to protect the historic gully network in the new growth area.</li> <li>➤ Ruahine Reserve: The new Ruahine Reserve has been established as part of the Centennial Park development. The park references the significant kainga that was established by Rangitāne o Manawatū adjacent to the Hokowhitu Lagoon.</li> <li>➤ New Bus Shelter: The new bus shelter roll-out has incorporated glazing design references to Haunui-a-Nanaia and John Tiffin Stewart.</li> <li>➤ Heritage Storytelling: Programmes have been included to incorporate heritage storytelling into Cuba Street, and will be guided through urban design, libraries, transport, and placemaking disciplines.</li> </ul>

## Financial Results

Activity Operational Requirement and Funding Summary

### Arts and Heritage

	Actual 2024 \$000	Annual Plan Budget 2024 \$000	Variance 2024 \$000	Actual 2023 \$000
<b>Revenue</b>				
Heritage Management	-	1	(1)	-
Other Cultural Facilities	1	1	-	-
Support to arts, culture & heritage groups	167	689	(522)	202
Te Manawa	176	33	143	42
<b>TOTAL REVENUE</b>	<b>344</b>	<b>724</b>	<b>(380)</b>	<b>244</b>
<b>Expenses</b>				
Heritage Management	66	156	90	92
Other Cultural Facilities	3,687	2,902	(785)	2,520
Support to arts, culture & heritage groups	2,373	3,029	656	2,352
Te Manawa	4,489	5,276	787	4,834
<b>TOTAL EXPENSES</b>	<b>10,615</b>	<b>11,363</b>	<b>748</b>	<b>9,798</b>
<b>NET OPERATING COSTS OF ACTIVITY</b>	<b>10,271</b>	<b>10,639</b>	<b>368</b>	<b>9,554</b>
<b>RATING ALLOCATION</b>				
Add back depreciation	2,742	2,798	(56)	2,724
Less Renewal capital expenditure	(615)	(565)	(50)	(678)
Add/(Less) borrowing effect of renewal 3 year averaging	52	52	-	368
Less provision for debt reduction	(147)	(150)	3	(199)
Add general rates allocation	8,239	8,504	(265)	7,339
<b>FUNDING SURPLUS/(DEFICIT)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Significant Activity Capital Projects

### Arts and Heritage

	Actual 2024 \$000	Annual Plan Budget 2024 \$000	Variance 2024 \$000	Actual 2023 \$000
<b>CAPITAL RENEWAL</b>				
213 - Cultural Facilities - Renewals	615	565	(50)	
<b>TOTAL CAPITAL RENEWAL</b>	<b>615</b>	<b>565</b>	<b>(50)</b>	<b>678</b>
<b>CAPITAL NEW</b>				
2210 - Regent Roof Upgrade	145	400	255	
902 - Seismic Strengthening of Council Properties	1,641	3,384	1,743	
<b>TOTAL CAPITAL NEW</b>	<b>1,786</b>	<b>3,784</b>	<b>1,998</b>	<b>2,214</b>
<b>TOTAL CAPITAL PROGRAMMES</b>	<b>2,401</b>	<b>4,349</b>	<b>1,948</b>	<b>2,892</b>

Programme 902 - Seismic Strengthening of Council Properties was under budget due to the write-off of prior-year seismic planning and design on the Civic Administration Building deferred during the LTP process.

# City Shaping

## What the Council does

### City Making

Cities around the world are trying to turn around decades of disjointed city planning to provide better outcomes for communities. The Council is well-positioned to connect local groups and sectors to maximise the collective impact of both public and private projects. This makes the City Making creative, effective and collaborative.

### City Centre

The city centre plays a key role in creating the perception of any city. Some New Zealand city centres have been weakened by mall development in outlying areas, suburban sprawl, and natural constraints. Palmerston North has a stable city centre, supported by the retention of The Plaza and Downtown Shopping Centre, the centre-based office and retail hierarchy within the District Plan, the compact nature of the city, and investment in quality public space design.

### Placemaking

Placemaking is a community-based approach for the creation of public space. Placemaking provides opportunities for community leadership and participation in Council processes and activities.

### Mā te tangata e whai wairua ai ngā wāhi huihui o Papaioea

**It is through people that the gathering places of Palmerston North gain spirit.**

The purpose of Placemaking is to involve communities and reinforce our unique city identity by creating public spaces.

## Key Achievements



Interest in street art continues with little need for Council encouragement. **The city has built a successful reputation in the lower North Island as an easy place to undertake murals.**



Palmy BID has delivered a consistent format of **scooter art tours in partnership with Flamingo Scooters**. These tours draw an average of 40 people per tour.

## What happened in the year

### City Making

The Former Chief Post Office has now obtained resource consent for hotel development with support provided via 'Delivering Change' our urban design support fund to support a multi-disciplinary approach to resolve heritage and design outcomes unique to this site. Redevelopment of this high-profile strategic site signifies confidence for other investors and when completed will contribute to increased vibrancy with more people visiting and staying longer in our city centre.

### City Centre

Development of key City Centre spaces, including streetscape upgrades, has been paused while we investigate how best to align funding opportunities for the central city from the Waka Kotahi, and changes to our new LTP. An Indicative Business Case is now underway to better understand the strategic fit, benefits, scale of impact, and importance of a reconfigured central city on the goals and timings of PNIT1.

A new, fully electric public transport system launched in March with all bus routes still utilising the urban transit hub in the City Centre to board, alight, or transition. Minor upgrades to the urban transit hub platform function, wayfinding, and information signage have been carried out to support the function and use of the new network.

Palmy BID has delivered a consistent format of scooter art tours in partnership with Flamingo Scooters. These tours draw an average of 40 people per tour ranging from the general public to new tertiary students. Palmy BID has continued to lead Missoula Day and have trialed a new regular event to celebrate Music Month. Palmy BID continues to enable useful feedback from the city centre community regarding safety trends, regulatory processes, and awareness of Council funding for business-led initiatives.

### Placemaking

Interest in street art continues with little need for Council encouragement. The city has built a successful reputation in the lower North Island as an easy place to undertake murals and is used regularly by artists passing through between commissions to contribute new pieces. The local business community continues to engage local artists for commission work to enhance their contribution to the street. There is a good degree of interest from city centre businesses in investing in parklets, although none have been established this year due to site-specific considerations.

Neighborhood-level placemaking outcomes have been able to be successfully met through play, art, transport, and heritage projects.

## Ongoing considerations

### City Making

Developing a vibrant, accessible, pedestrian-oriented, safe, and pleasant central city requires an ongoing commitment to multidisciplinary collaboration among leaders, partners, community members, and officers. This approach ensures we maximise economic, environmental, social, and cultural benefits across various timelines and scales: site, street, precinct, and the whole of the City Centre. This is good urban design practice in action, ensuring priority is continually given to the process, decision-making, and the consequences of city-making decisions as much as the physical changes delivered on the ground.

The success of Pop-Up play programmes requires ongoing and genuine collaboration with community partners to get buy-in from the public, and to ensure any activations provide meaningful play opportunities in the central city. The Sport New Zealand funding for a dedicated Play Advisor role within council, has continued through this year. The Play Advisor has been active over the last year in building relationships and coordinating the delivery of our Play Policy.

### City Centre

As part of wider place activation, a programme of work to introduce slow-speed environments supported by infrastructure improvements to improve safety and access for pedestrians and active transport users in the city neighborhood centres is being considered as a part of a business case to make the City Centre more accessible, vibrant and safer.

### Placemaking

We will continue to enable more placemaking across the city and grow local initiatives. We will also continue to support the parklet program and establish more ways to allow more 'permission to act' moments. Resourcing priorities between planning and placemaking functions will mean that the co-created places seed fund will be more reactive to community initiatives, rather than proactively seeking these out. The requested review of the community gardens guide to be more enabling will be assisted through the process of developing reserve management plans that cover local reserves.



Mel Xmas painting her mural at St Andrews Church

### How did we perform

What we do	How we show we are doing a good job	Result	Comment
<p><b>Implement the City Centre Streetscape Plan to increase city centre vibrancy and improve the perception of the city.</b></p>	<p>1. City Centre Streetscape Plan is successfully implemented.</p> <p>Target: Narrative measure outlining progress on implementing the Plan.</p>	<p>✘ Target not met</p>	<p>The City Centre Streetscape Plan is now incorporated into the wider City Centre Transformation programme of work. No further physical development of these streets has occurred, and these programmes have been deferred by 3 years. An Indicative Business Case (IBC) for the City Centre is underway to identify the preferred option for an urban transit hub and secure co-funding from Waka Kotahi with the Project Steering Group is now participating in this process. This is due for completion late 2024.</p>
<p><b>Implement City Shaping Plan actions in partnership with other agencies. Provide seed funding and support for people to lead public space projects to develop accessible, active, comfortable and social public places. Promote multidisciplinary working on Council and community projects to drive outcomes that deliver on multiple Council objectives.</b></p>	<p>2. A wide range of public space projects are implemented.</p> <p>Target: Narrative measure outlining the public space projects, their multi stakeholder / multidisciplinary nature, and their outcomes.</p>	<p>✔ Target met</p>	<p>Ruahine Reserve is now open to the public, marking the completion of the final public reserve from the Centennial Park redevelopment at the former PN Teachers College site in Hokowhitu. Co-designed with Rangitane O Manawatū and representatives of PN Teachers College Memorial Grove, this significant river site honors the families and their descendants named on Hokowhitu Reserves land titles and preserves memorial trees dedicated to former Teachers College staff and students. This builds on the recently completed new access entry into the Manawatū River at the southern end of Hokowhitu Lagoon. The portion of Featherston St cycleway between Aroha St and North St is still under construction with the installation of separated barriers still to be complete. This project includes a series of play activities painted into the public footpath around Central Normal School and a mural of Fred Hollows on a public-facing wall at PNBHS.</p>

### Financial Results

Activity Operational Requirement and Funding Summary

#### City Shaping

	Actual 2024 \$000	Annual Plan Budget 2024 \$000	Variance 2024 \$000	Actual 2023 \$000
<b>Revenue</b>				
<b>TOTAL REVENUE</b>	-	-	-	-
<b>Expenses</b>				
City Centre	464	493	29	362
Place activation	62	48	(14)	67
Placemaking	21	21	-	53
<b>TOTAL EXPENSES</b>	<b>547</b>	<b>562</b>	<b>15</b>	<b>482</b>
<b>NET OPERATING COSTS OF ACTIVITY</b>	<b>547</b>	<b>562</b>	<b>15</b>	<b>482</b>
<b>RATING ALLOCATION</b>				
Add back depreciation	24	15	9	24
Less provision for debt reduction	(91)	(77)	(14)	(58)
Add targeted rates allocation	250	250	-	242
Add general rates allocation	364	374	(10)	274
<b>FUNDING SURPLUS/(DEFICIT)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### Significant Activity Capital Projects

#### City Shaping

	Actual 2024 \$000	Annual Plan Budget 2024 \$000	Variance 2024 \$000	Actual 2023 \$000
<b>CAPITAL NEW</b>				
1473 - Lighting and Projection Demonstration	-	40	40	
2122 - CBD Streets for People	399	403	4	
<b>TOTAL CAPITAL NEW</b>	<b>399</b>	<b>443</b>	<b>44</b>	<b>572</b>
<b>TOTAL CAPITAL PROGRAMMES</b>	<b>399</b>	<b>443</b>	<b>44</b>	<b>572</b>

# Whāinga 3: He hāpori tūhonohono, he hāpori haumaru

Goal 3: A connected and safe community



# Connected Communities

## What the Council does

### Community facilities

Our community facilities provide opportunities for people to participate in their communities. Opportunities to take part are encouraged when community facilities are planned and delivered in partnership with the communities they serve. Our libraries, community centres, cemeteries and other community facilities will be responsive to community needs.

### Community development

Palmerston North is home to diverse communities of identity, interest and place. Community development is “the process of enabling diverse groups to share concerns, plan for the future, capitalize on opportunities and strive toward wellbeing”. Empowered and well-connected communities, served by sustainable for-purpose organisations, can support every person to thrive. For-purpose organizations are sustainable when they have funding, volunteer support, and the time to build relationships and learn from others. The purpose of this chapter is to have strong for-purpose organisations that support communities to achieve their aspirations.

### Social housing

Access to adequate housing poses a significant public health challenge in New Zealand, with poor-quality housing being associated with adverse social outcomes for both individuals and communities. As part of its efforts to improve social well-being, the Council maintains a commitment to providing social housing. This chapter aims to establish warm, safe, and affordable social housing while promoting a strong and thriving social housing sector.

### Healthy communities

Community wellbeing includes all aspects of health, te whare tapa whā, and includes the promotion of physical wellbeing. Community venues, events, and public spaces provide opportunities to improve the health of communities. This chapter’s purpose is to improve the health of Palmerston North communities.

### Events and festivals

Community events bring significant benefits to Palmerston North people. They provide opportunities to support community identity, and to celebrate our city. A strong events sector enables these benefits to be realised.

## Key Achievements



### We completed the final stage of our Papaioea Place Social Housing Redevelopment project.

The 3rd and final stage saw the construction of an additional 7 units and a tenant lounge constructed in the center of the development.



### Funding of 43 community groups providing services to the community under the Strategic Priority Grant and Sector Lead Partnership funding.



### Refurbishment of the Awapuni Community Centre and delivery of phase one of the revitalisation of Highbury Shopping precinct in partnership with Ora Konnect.



### Diverse community cultural events supported and delivered, including Luna New Year, Festival of Cultures, Ethkick, Diwali, Religious Diversity Day, Play Festival, Moon Festival, City Welcome Sessions, Festival of Colours, Puanga and Waitangi Day.

## What happened in the year

### Community Facilities

#### Community Centres

Awapuni Community Centre had considerable refurbishment with support from the centre committee and the wider Awapuni community who provide space for regular user groups to relocate for the 3-month closedown period.

Regular meetings were held with the Management Committee of each Community Centre throughout the year. Two cross-centre committee hui were facilitated by Council to encourage the sharing of ideas and best practices.

Community Centres continue to be well used. Ongoing support has been provided to build the capability and capacity of the Bunnythorpe Community Centre Committee and more broadly the Greater Bunnythorpe Community Committee for neighbourhood support.

A Community Library and Community Hubs Feasibility Study, in response to submissions received from the community, was completed to investigate the feasibility, needs, and opportunities of community and library facilities. Including any need for a community library hub at Awapuni, a potential redevelopment and expansion of the Te Patikitiki Library site, an expansion and redevelopment of the Pasifika Centre for the Pasifika community, and space for a Multicultural Centre for the multicultural community. Recommendations from the feasibility study were presented to council, consulted and incorporated into the new Long-Term Plan.

#### Cemetery

The seismic strengthening of the crematorium building was completed along with a refurbishment of the chapel area in June 2024. Work has now commenced in the staff facilities building and public toilets within the cemetery to refurbish the areas and improve accessibility. These projects will be completed in August 2024.

There has been an increase in demand for graves in a non-decorated area of the Kelvin Grove Cemetery. This has necessitated the laying of two further beams in burial Section W of Kelvin Grove Cemetery, where the decoration of graves is not permitted.

#### City Library

Ongoing resourcing issues continued to affect overall service delivery resulting in our libraries not returning to full opening hours this year. However, all eight City Library sites continued to be valued by the community. The library continued to be innovative and responsive in the way it responded to community needs by providing a range of physical and digital content, services, programmes, connections and experiences.

Ongoing resourcing issues continued to affect overall service delivery resulting in our libraries not returning to full pre-Covid opening hours or time on the road (Youth Space was not open on Monday; the Central Library was not open until 6pm on both Monday and Friday, nor open 10-4pm on Sunday; and the Mobile Library did not run on the weekends). However, all eight City Library sites continued to be valued by the community and we continued to be innovative and responsive in the way we responded to community needs by providing a wide range of physical and digital content, services, programmes, connections and experiences.

This year physical visitor numbers increased by 12% compared to last year with 554,924 visits across the eight City Library locations (noting that not all library locations were open for the full twelve months).

Ashhurst Library had an 12% increase in visitor numbers (51,345 vs 45,739); Central Library had a 12% increase (325,050 vs 290,601); and Youth Space had an 52% increase in visitor numbers (49,757 vs 32,551). Annual visits per capita sits at 6.13 compared to 5.47 last year, an increase of 12%. The collection continues to work hard with the average use per item being 4.41 (compared to a national average of 2.79) and eBook and eAudio collections had 153,745 items issued which is 15% of total issues. “Virtual” visits included Enterprise (online catalogue) with 871,641 page views; the City Library website with 397,632 page views; Manawatū Heritage with 312,107 page views and the Tour App hosted 270 sessions. This year our libraries hosted 69,902 PC sessions, 149,932 Wi-Fi sessions and 65,139 Library App page views.

The digital library continued to expand, and the breadth of digital content allowed people to stream 24,012 films through Beamafilm and Kanopy; read 6,734 titles through Press Reader and use Ancestry 20,802 times.

#### Community Libraries

The Community Libraries team provides library services that support and enable the different neighborhoods of the city to achieve their goals and aspirations by matching library content, resources, services, and programmes to meet those moemoeā. The team also works to ensure that community centres and community libraries are developed as complementary facilities in each neighborhood.

Ashhurst, Awapuni and Te Patikitiki libraries continued to work alongside a wide range of community groups to meet kai demands in their communities. This included Environmental Network Manawatū, RECAP, Let’s Grow Highbury, Awapuni Community Gardens, Community Harvest, Massey University, Just Zilch, Manawatū Food Action Network, Growing Gardens and Communities, Te Whare Koha, Pātaka Kai 4412, Whakapai Hauora Maara Kai, SuperGrans, Plant to Plate, and many residents willing to pass on kai from their vegetable gardens.

Following on from Awapuni Library (which celebrated 35 years last year), the Ashhurst Library celebrated 30 years in its current location in December 2023.

Unfortunately, our Awapuni community library, which we lease, was temporarily closed while we worked with the landlord to remedy some water tightness issues. We worked hard to limit the time this facility needed to be closed and it reopened in August after being closed for four months.

#### Lifelong Learning Programming

The lifelong learning programmes, initiatives, and events offered by the City Library are achieved by continuing partnerships and collaborations with many of the city’s organisations, cultural institutions, and the wider community. This year 2,727 activities, programmes, and events were delivered with 65,249 attendees. These programmes are essential to contributing to a sense of place; enhancing community cohesion; and helping to increase the vibrancy of the city through encouraging lifelong learning and creativity. Successful examples included book launches, film festivals, sustainability workshops, poetry readings, book clubs, support for Anzac Day and Remembrance Day, and both Local History Week and Heritage Month.

For the second year, Local History Week and Heritage Month were held in March. Heritage Month builds on the success of the City Library’s Local History Week with activities delivered by heritage sector partners across the city. The programme aimed to have something for everyone – book launches, talks, panel discussions, radio shows, tours, walks, exhibitions, and workshops and also offered a teacher-specific stream. Across the month 2,050 people attended the 77 programmes on offer.

The library has coordinated the ‘Back Issues’ series, a weekly feature with strong visual images, for the Manawatū Standard since October 2021. Working with local writers, historians, and knowledge holders to share different aspects of local history, the focus is on topics useful to local teachers in support of the new Aotearoa New Zealand History curriculum, and all 142 articles have been uploaded to Manawatū Heritage.

The City Library celebrates and acknowledges many language weeks, sharing cultural diversity through exhibitions, displays, talks, panel discussions, and flag-raising ceremonies. During the year different community groups connect to library programmes and the community language collection. For Summer Reading, iRead, and First Voice, volunteers from different communities assist with book chats, allowing children to have book chats in their first language.

Together with the Manawatū Multicultural Council, the team planned and delivered a Language Expo. Groups involved in the expo were from the Chinese, Spanish, Japanese, Indonesian, Palmerinhos (Brazilian), Korean, Al Arab, Telugu, Filipino, Rohingya, French, Irish, Karen, Vietnamese, Kenyan, Māori, Sinhala, and Thai communities.

### Summer Reading

The City Library children’s reading programmes were successfully delivered again this year. Book Buds Winter Warmers, Summer Reading (including in Te Reo Māori), and iRead, enabled 1,464 children to continue to participate in reading and literacy programmes.

- The Summer Reading Programme was delivered to 602 participants aged 4-10yrs across all City Library locations.
- Our Te Reo Māori reading programme continued to excel, with a Te Ao Māori immersive approach in bilingual setting producing 100% achievement for all 53 participants.
- This year NZ Sign was offered as a language option for the first time.
- Children who spoke another language explored their reading by completing book chats in their first voice. Language volunteers were connected to participants through our partnership with the Manawatū Multicultural Council (MMC). 38 participants chose another language for their book chats and stories were read in Arabic, Chinese, Portuguese, Spanish, Tamil, Fijian and Samoan.
- The iRead (Intermediate) Summer Reading Programme for 11-13yr olds was completed by 105 young people through a flexible design that allowed participants to complete check ins on-line through Beanstack, in person, or a combination of both.
- A Book Buds Winter Warmers reading programme was completed by 757 primary school aged children across five City Library locations.

### Outreach Connections and Home Service

This year the library team continued to build community connections and generate new outreach projects focussed on connecting under-served communities to library services, initiatives, and programmes. This has included:

- adult literacy initiatives with Literacy Aotearoa
- partnering with Sport Manawatū with learning sessions for seniors on the use of the Nymbly App
- Te Pūkenga UCOL – attended the Community Connect Day for students promoting library resources and membership

- connecting with Autism Manawatū to foster a greater understanding of the needs of those with sensory sensitivities
- supporting My Life, My Voice disability workshops
- introducing a monthly delivery of library items for whānau of the Little Stars Therapy Centre who find travelling to multiple locations in the city with their high-needs children challenging
- delivering two reading for wellness programmes in partnership with Think Hauora at two care homes, as well as sessions at Arohanui Hospice and Aroha Lifecare
- supporting the annual Out on the Shelves campaign in June with rainbow-positive activities and highlighting resources and LGBTQIA+ authors/stories
- supporting Pride Month with the ‘A Projection of Pride’ poetry reading and projection mapping session
- Introducing the RAD (Recycle a Device) club with the “Fix One Keep One” day where each participant refurbished two laptops; one that they get to keep and one to be donated.

The City Library celebrated 50 years of Home Service in 2022. Currently, we support 119 people through scheduled long-term deliveries of library materials. A key factor in the success of this service is the regular and extensive promotion of service options across the wider community through networking with key stakeholders such as rest homes, retirement village administrators, health professionals, and whānau.

### Blueprint: The City Library Makerspace

Making and learning by doing is one of the cornerstone philosophies of lifelong learning and in a post-COVID recovery environment, innovation, creative problem-solving, and critical thinking have become essential as people seek to learn new skills and develop new business opportunities. Technology continues to drive many new business and work opportunities and Blueprint offers access to tools, resources, and support for members of the community to invent, prototype, and bring their ideas to life. The drive to greater sustainability and reduction in waste is seeing a continued resurgence of interest in older crafts: recycling and repurposing, sewing, knitting, and woodwork to name a few. This year Blueprint has been used by 20,682 makers and continues to support a growing maker community across the city.

### Youth Space

Through Youth Space, the Youth Services team provides a safe, fun, inclusive, and welcoming environment, where young people can spend time and explore opportunities for social and personal development. The multi-purpose space is utilized for a range of activities for 13 to 19 year-old’s including youth library services, youth mentorship, community events, and lifelong learning programmes.

This year saw a continued focus on youth development through daily activities and regular programmes and initiatives that utilise Youth Space. These programmes focused on promoting social inclusion and community connection; exploring healthy relationships; fostering creativity across music, the arts, history, and the sciences; and active recreation and play.

Youth Space also hosted 73 diverse organisations across 510 bookings, with 5,000 attendees. The team regularly create a safe and welcoming space for young people in alternate education and training organisations. This is an important kaupapa as these organisations would otherwise not have access to social spaces for their students. Frequent visitors include:

- Manawatū Home Educators
- Te Aho o Te Kura Pounamu the Correspondence School
- Horizons Education
- Freyberg and Awatapu Special Needs classes
- YCentral’s Rangatahi Ora
- The Ara Poutama kaupapa ‘Whakapiki Ake’, uses the kitchen to support the reintegration of students into the community, by learning how to contribute to their whānau through cooking.

Youth Council was very active supporting events across Council including Summer Movie Nights, Festival of Cultures and Holi; advocating for Youth Voice; submitting to Council on the Animal and Bees bylaw; and being involved in the PINITI business case. Youth Council scholarships were awarded to eight young people at a ceremony held at Youth Space in May.

### Heritage

The Heritage team continued work to improve the records and data structure for physical archival records. These records will be transferred from an external database into Manawatū Heritage and will be an invaluable resource for researchers in the future.

Development work continued to increase the capacity of Manawatū Heritage for our collections. Now with close to 43,000 items online the reach of Manawatū Heritage has continued to grow nationally and internationally. Examples of this reach includes:

- Bridget Williams Books: Request for images for their publication on the history of the Rugby League in New Zealand. Staff identified hundreds of images for selection, the author selected five images, one of which is on the cover. The book is now published and was shortlisted for the Ockham awards.
- Piki Films (Taika Waititi) requested to re-use and adapt an image for his new film ‘We Were Dangerous’. The film debuted at SXSW in the US recently.
- The 1970’s Protest Photos exhibition held at Square Edge Community Arts Centre 1-26 May included 30 previously unseen images from the Manawatū Standard negatives collection and covered the themes of the decade: Anti-Apartheid, Housing, Gay Rights, Trade Union action, Tino Rangatiratanga, Environment, Women’s Rights, Civil Liberties and Peace.

The team also worked to reduce the backlog Manawatū Heritage images needing processing. An estimated 700 items were uploaded in 2024 with many more ready for upload. Examples include:

- Manawatū Standard Subject Collection: Bands – 113 sets researched, described and uploaded. (with a further 236 sets to be processed)
- Manawatū People’s Radio – 57 episodes (of a total of 501 episodes) of Friends of Marilyn edited, described and uploaded; and 29 episodes of Making Palmy Home edited, described and uploaded

- Jack Cottam Slides - (1970s)
- Keith Hamblyn Slides (1960s/70s)
- Frank Goldingham negative collection (1960-1964) – containing images from town events, openings, exhibitions, and visits from notable people that were published in the Manawatū Photorama booklets

Significant community archive collections processed this year include:

- The James Brydon Speedy papers, belonging to an amateur anthropologist and co-founder of the Palmerston North Polynesian Discussion Group
- The Manawatū Jazz Club – a significant local musical club since the mid-1960s
- Additional material donated by the Berry Engineering Works Ltd
- David Taylor architectural records, with all records except the plans now processed.

In addition to the standard reports and legal documents received for the Council Archives, one sizable collection received and processed this year was the papers of the former Caccia Birch Trust Board. Encompassing records spanning 1989 to 2022, they provide a comprehensive overview of the operations of the Trust and the challenges involved in maintaining a historic building while running an events venue in a residential area.

The City Library team continued to work alongside and support the work of the Palmerston North Defense Heritage Advisory Group in the delivery of the Military Heritage Commemoration programme and the Military History presentation programme. These programmes include both the evening public lecture presentations and monthly midday military history presentations. Notable presentations this year included:

- A presentation on the 28 Māori Battalion in the Second World War
- A talk on the 75th Anniversary of the release of “Blue Smoke” by Ruma Karaitiana (Rangitāne)
- A presentation on the “80th Anniversary of the Battle for Cassino” by LTCOL (Rtd) Dr Glyn Harper, QSM
- A presentation and talk as part of Heritage Month “Sir Geoffrey Peren: His Lifelong Connection with the Land” by LTCOL Dr Peter Wood, ONZM .

### Community Development

#### Governance and Training

We continued to build capacity and capability in the for-purpose sector and the wider community. Governance support and funding advice have been provided to a range of community groups, including priority areas of the community such as Pasifika, rainbow and ethnic community groups. The team has been working with Community Governance Aotearoa to develop and deliver Good Governance Code Workshops in Palmerston North in June 2024. 11 courses have been funded over the year, with funds being well used for a variety of training opportunities. Of specific note, governance support has been provided to the Afghan Society, Network for Skilled Migrants Manawatū, Manawatū Refugee Resettlement Forum, SECA, PPCT and MMC. The ACC Regional Grant also funded a workshop to upskill front line workers to provide sign interpreters for a workshop for vulnerable people.

## Funding

Our grant funding continues to be well subscribed. The Community-Led Initiatives Fund saw 28 successful applicants funded in the last financial year and to date 89% of the fund is allocated. The final balance is anticipated to bring the fund in line with the allocation of the fund in the previous financial year, which is indicative of the recovery trend post-COVID. The Sector Lead Partnership model was confirmed by Council, with 7 groups currently funded under 3-year contracts to 30 June 2025. Contracts for the 43 successful Strategic Priority Grants (including the 7 Sector Lead Partnership) 2022-25 recipients entered the second year of their contracts. Sector Leads delivered their annual reports to Council in March of 2024. Bi-annual reporting on the fund continues to be monitored for performance against agreed activities.

## Neighbourhoods

We have continued work on the western side of the city to be active in the Ora Konnect network and squads, assisting community-led activities in the 4412 neighbourhood. Highlights of the year have included the Paia 4412 Whānau Day in Awapuni, community codesigns revitalisation of the Highbury Shopping precinct (the completion of phase one and the commencement of phase two), kai security squad support and the completion of the burglary prevention initiative led by NZ Police. A new Ora Konnect Squad has been developed to focus on Housing, which aligns with the work the we are undertaking with the Housing Insecurity Response Plan. Relationships continue to be developed with communities on the eastern side of the city, particularly Roslyn (with REACH Roslyn Education and Community Health), Bunnythorpe (with the Greater Bunnythorpe Community Committee), and Ashhurst. A successful Summer Movie Night series (with support from Palmy Youth Council and community partners) was completed.

## Environment

Ongoing advice and support have been provided to Environment Network Manawātū (ENM) who are funded as a Sector Lead.

Support to Papaioea Pasifika Community Trust to successfully achieve a lease agreement for a garden at Bill Brown Park. Work is ongoing to review the community gardens process, to ensure that Reserves Act requirements are considered, and to make the process more accessible to the community.

## Pasifika

2022/2023 was a successful year for Pasifika community development, with many new and strengthened initiatives supported, including the Vaka Festival, language week celebrations, Pasifika Fusion at the Regent Theatre. The Pasifika Artists in Residence (funded by Creative New Zealand) was successfully delivered, with a final exhibition held at Square Edge Community Arts (SECA). Based on the success of this year's programme, the 2024 Pasifika Artist in Residence has been launched.

## Welcoming Communities

Resourcing has been reinstated in the Welcoming Communities It has been a successful Welcoming Communities programme this year.

Highlights of the year have included:

- A range of welcoming events and cultural celebrations were co-facilitated, in partnership with the Welcoming Communities Advisory Group and the wider community and Council's Events team including: Lunar New Year, Festival of Cultures, Ethkick, Diwali, Religious Diversity Day, Palmy Play Festival, Moon Festival, City Welcome Sessions (with Rangitāne o Manawātū) and Festival of Colours,
- The Welcoming Schools programme entered its second year through the Manawātū Multicultural Council the number of engaged schools continues to increase.
- The Meaningful Refugee Participation Project has been successful in receiving funding from MBIE and DIA to deliver capacity and capability training to our former refugee communities with a focus on community members and a youth leadership programme.
- Welcoming week in September as well as the launch of Welcome decals to local businesses.
- Sponsorship and judging of the Welcoming Communities Inclusive Business Award for the third time as part of the Manawātū Business Awards.

## Play

Highlights of the year include:

- Adoption of the Play Policy Implementation Plan and Recreation and Play Plan
- Establishment of the Palmy Community Play Champions Network
- Successful delivery of the City Centre Play Programme including support of the City Centre Masterplan to include play in urban design
- Initial investigations completed into Play Equity Mapping
- Play activations city-wide
- Integrating Play principles into the review of the Vegetation Plan and the Major Sports Hub Facilities Masterplan Review
- Support to community organisation to successfully receive funding from external funders.
- Support to Sport Manwatū Neighbourhood Play System Review.

## Housing

Throughout the fiscal year, occupancy levels across our social housing portfolio remained consistently high, with demand exceeding availability.

The tenant lounge in the centre of the Papaioea Place housing redevelopment was completed in last 2023 which was the final element of the project. The complex now has 85 new units and a new tenant lounge.

## Healthy Communities

We support healthy community choices in a variety of ways. The Smokefree Reference Group, including members from partner organisations including Te Whatu Ora and the Cancer Society, continues to promote the implementation of the Auahi Kore Smoke-free and Vapefree Policy. Council-funded events are promoted as smoke-free and vape-free and we continue to support smoke-free and vape-free outdoor dining through the implementation of permit conditions for outdoor dining under the Signs and Public Places Bylaw. All council-funded and delivered events are also required to meet Sun Protection and Healthy Beverages policies.

Event locations are chosen with both natural and built shade options and where this is not possible, shade items such as gazebos and umbrellas are sourced to provide a safe environment for eventgoers.

Rangitāne o Manawātū has opportunities for involvement in the development and review of council policies and initiatives to promote community health and wellbeing through discussions at the regular Rangitāne engagement hui.

## Events and Festivals

A strong public desire for community events with a meaningful purpose has been a continuing theme as events have returned after the pandemic.

This year we continued collaborative planning and delivery of cultural events and initiatives in the City:

- Puanga Twilight Festival and Waitangi Day in collaboration with Rangitāne
- Diwali and Holi (Festival of Colours) with Indian Communities, Manawātū Multicultural Council (MMC), and Ministry of Ethnic Communities
- Lunar New Year and Moon Festival with East Asian Communities, MMC, and Ministry of Ethnic Communities
- Festival of Cultures with MMC, and a number of other community-based cultural groups and organisations.

Other key city community events were delivered by the council and their partners including Explore Esplanade Day, New Year's Event in The Square, A Very Palmy Christmas and Parade. All events will return in the coming 12 months.

In collaboration with the PNAAOC and the local RSAs, the council supported the delivery of Anzac Day services in the city, Bunnythorpe, and Ashhurst. A service to commemorate Armistice Day has also become a regular annual fixture for Palmerston North. A dawn service of remembrance and a civic service of commemoration is now established as the standard format for Palmerston North recognising the important significance of the city as a charter partner to both Linton Army Base and Airforce Base Ohakea.

## Ongoing considerations

### Community Facilities

#### Community Centres

Recommendations from the Community Places Report and the Community Library and Community Hubs Feasibility Study will be incorporated into a review of Community Centre facilities and management model in the next financial year. The purpose of the community centres review is to evaluate the current model and ensure that the future operating models for each centre are fit for purpose.

#### Cemetery

The seismic strengthening of the crematorium building was completed during the year. The work area of the building was reconfigured as part of the project to enable the administration office to be relocated to the building. The chapel was upgraded. This project is a key enabler in ensuring that the crematorium services will be available in the city following a major seismic event.

Following the completion of the crematorium upgrade in May, the contractors moved on to the upgrade of the existing office and staff room. The project includes extending the staff room into the old office space and upgrading the staff and public toilets to better meet the needs of users.

## Library

The Central Library building was designated Earthquake-prone in December 2018. The City Library continues to occupy the building with full services while work continues to consider options for the Central Library building in relation to the Civic and Cultural Precinct Masterplan.

## Community Development

Community-led initiatives will continue to be supported across the community through community funding, governance, and staff support. Efforts to build for-purpose groups' capacity and capability will be maintained through community engagement, collaboration, and partnership with the community, community plans, mapping, monitoring, and evaluation of community funding. Key areas of focus will continue to include current priority areas as directed by the Long-Term Plan.

## Social Housing

Our social housing program aims to provide affordable accommodation to vulnerable members of our community, including older people, individuals with disabilities, and those who face difficulties in accessing housing in the private market due to financial constraints.

Our properties are maintained to a high standard and comply with the Otago Medical School He Kāinga Oranga Rental Housing Warrant of Fitness Standard, ensuring that they are warm and safe for our tenants.

We have had several refurbishments planned for dwellings as they become vacant, along with an added focus on improving the fencing and hard surfaces throughout our complexes.

The demand for social housing in Palmerston North remains high, and officers continue to work closely with other social housing providers to maintain a coordinated approach to understanding and addressing housing demand and availability in our community.

## Healthy Communities

The health and well-being of our community are explicitly considered and promoted through policy and bylaw work in areas including water, resource recovery, speed management, dangerous and insanitary buildings, gambling, and community support provided through grants and other means. Work is underway to make a more coordinated policy response to public health issues through the review and development of the existing policies on Auahi Smokefree and Vapefree Policy, Sun Protection Policy, and Healthy Beverages Policy.

## Events and Festivals

Work to develop an ever-arching Events Strategy and Framework for the city has begun. A cohesive and coordinated calendar of events across the city will help to realise the strategic goals of the city and attract meaningful and strategically appropriate events to the city. Engagement and delivery of this project will occur over the coming years.

How did we perform

What we do	How we show we are doing a good job	Result	Comment
<b>Provide city libraries that collect, curate and provide access to knowledge, ideas and works of the imagination that are primarily focused on meeting the needs of communities with the greatest needs and reflect the diverse and changing needs of communities.</b>	<p>1. Library users are satisfied with the services and programmes provided (physical and online).</p> <p>Target: More than 800,000 visits a year. Average use per item per year is at least 4 (physical items).</p>	<p>❌ Target not met</p>	<p>Total physical visitor numbers this year were 554,924. This is an increase of 12% compared to 495,355 last year. Of note, Ashhurst Library had a 12% increase in visitor numbers (51,345 vs 45,739); Central Library had a 12% increase (325,050 vs 290,601); and Youth Space had a 52% increase (49,757 vs 32,551).</p> <p>This year Blueprint was used by 20,682 makers and continues to actively support a growing maker community across the city.</p> <p>Annual visits per capita sit at 6.13 compared to 5.47 last year – an increase of 12%. The collection continues to work hard with the average use per item being 4.41 (compared to a national average of 2.79) and eBook and eAudio collections had 153,745 items issued which is 15% of total issues.</p> <p>“Virtual” visits included Enterprise (online catalogue) with 871,641 page views; the City Library website with 397,632 page views; Manawatū Heritage with 312,107 page views and the Tour App hosted 270 sessions. This year our libraries hosted 69,902 PC sessions, 149,932 Wi-Fi sessions, and 65,139 Library App page views. The digital library continued to expand, and the breadth of digital content allowed people to stream 24,102 films through Beamafilm and Kanopy; read 6,734 titles through Press Reader, and use Ancestry 20,802 times. The number of permanent Home Service users had increased to 119 customers at the end of June.</p> <p>(2022/23 - Target not met)</p>
<b>Provide library programmes that support the development of literacy in all its forms.</b>	<p>2. Library programmes reflect the changing needs of communities. (met – 2350 programmes)</p> <p>Target: Narrative measure number and description of programmes and their outcomes.</p>	<p>✅ Target met</p>	<p>This year 2,727 programmes were delivered with 65,249 attendees (versus 2,412 programmes with 59,121 attendees last year). Highlights included a panel with local writers, chaired by Manawatū Peoples Radio. The inaugural Winter Writers and Readers Festival programme included panel discussions, book launches, writing workshops, Local Authors Day and the Writers Lunch.</p> <p>Children’s reading programmes had 1,007 participants across six schools. Programming for the Rainbow community included rainbow-positive activities highlighting resources and LGBTQIA + authors/ stories. Some other community programmes included Future Living Skills workshops with Environment Network Manawatū; the Philippines flag raising event for Independence Day; and First Voice in partnership with Palmerston North Intermediate Normal School and the Manawatū Multicultural Council.</p> <p>Highlights from the Youth Services team included delivering the Youth Wellbeing Forum; the April School Holiday programme with 892 attendees; Youth Week in partnership with Youthline CNI, Sport Manawatū, Highbury Whānau Centre, and START; Hauora Day in partnership with THINK Hauora, Whaioro Trust, Smokefree NZ and the Cancer Society. Library outreach included working with Autism Manawatū; supporting My Life, and My Voice disability workshops.</p>

What we do	How we show we are doing a good job	Result	Comment
<b>Provide public toilets throughout the city, to a standard that meets public expectations.</b>	<p>3. Accessible and genderneutral toilets are provided throughout the city, and especially in places where there is the most community activity.</p> <p>Target: Narrative measure outlining number, type and location of toilets, plus annual satisfaction survey results)</p>	<p>✅ Target met</p>	<p>There are 56 public toilet blocks located throughout the city. The refurbishment works include ensuring that the toilet blocks are accessible and gender neutral and are focusing on the public toilets within the cemetery. Additional new public toilets were installed along the He Ara Kotahi pathway in December 2023. New toilets are also planned for the river-end of Albert Street in August 2024 along with refurbishment of toilets in Guilford Street in Ashhurst.</p>
<b>Support community centre management groups to provide community centres that are responsive to the needs of their communities.</b>	<p>4. Community centres are well used.</p> <p>Target: Narrative measure outlining use of centres and range of use with them).</p>	<p>✅ Target met</p>	<p>Community centres continue to experience strong demand of their facilities with a number of the centres averaging 200+ hours of usage per month. Rangiora Community Centre installed a new keyless electronic entry system at the centre in this past quarter. The centre’s management committee said the system is operating well and have proved to enhance greater efficiencies at the centre. Other centres in the city are now interested in installing that keyless system. The Pasifika Community Centre continues to be used on a regular basis by various Pasifika and other ethnic group communities. Papaioea Pasifika Community Trust (PPCT) continues to run a food bank at the Pasifika Community Centre on a needs-basis only, and also depending on the supplies they receive for distribution. PPCT is continuing to make great use of the Utilities Room as an extra storage space for non-perishable products and other goods. A review of Community Centres will be completed in Year 1 of the LTP.</p> <p>(2022/23 – Target met)</p>
<b>Provide cemetery services that are responsive to community needs.</b>	<p>5. Visitors to cemeteries are satisfied with the services provided.</p> <p>Target: Narrative measure outlining user and residents survey trends.</p>	<p>✅ Target met</p>	<p>Cemetery visitors are not formally surveyed, due to the sensitive nature of their visit. Feedback received from visitors - (emails, Kbase - Customer Case Mangement), indicate a high level of satisfaction with services provided by council staff.</p>
<b>Provide warm, safe and accessible social housing for older people, people with disabilities, and other people on low incomes who experience barriers to renting in the private market.</b>	<p>6. Council’s social housing tenants are satisfied with the social housing service they receive (two yearly survey, next in 2023 – aim is 90% satisfied, current figure is 96%).</p> <p>Target: Narrative measure outlining survey results and tenant feedback.</p>	<p>✅ Target met</p>	<p>The overall satisfaction rate from the last survey, which was completed in 2023, was 97%. Of the 143 tenants who answered question 4 (overall, how satisfied are you living in a PNCC housing unit?) 139 gave a rating of 3 or 4 out of 5. Feedback included comments such as ‘warm, dry, comfortable flats, very happy with heat pumps’, ‘maintenance issues sorted quickly’, ‘grateful to have Council housing. The next survey is scheduled to be completed in early 2025.</p> <p>(2022/23 – 97%)</p>



What we do	How we show we are doing a good job	Result	Comment
	7. Council's social housing is warm and safe, as shown by compliance with the Otago Medical School He Kainga Oranga Rental Housing Warrant of Fitness Standard. New Council housing is accessible (as shown by Lifemark 4 Star Design Standard accreditation) (new – Council's social housing meets the Otago Medical School and the new Healthy Homes Standards)	✔ Target met	Council has circa 430 units in its housing portfolio. All units have been upgraded to meet the Healthy Homes and the WOF standards.
	Target: Standards met.		
<b>Support and fund communities and for-purpose organisations to build community, neighbourhood and organisational capacity and capability.</b>	8. More community-led projects are supported by Council.  Target: Narrative measure outlining description of activities funded and their outcomes.	✔ Target met	The Community-led Initiatives Fund was well utilised for a range of community projects. Some highlights include Philippine Central Organisation Inc, Mid-winter social gathering, Palmerston North Papua New Guinea Community Trust, Language Week Celebration, Best Care (Whakapai Hauora) Charitable Trust , Rongomai Project (focused on Rangatahi hauora), and Whatunga Tuao Volunteer Central support for the Volunteer Recognition Event.  The Arts Initiative Fund was also well subscribed for a range of arts events. The Community Training Fund was primarily utilised to deliver community training by Te Pu Harakeke at Hancock Community House for a range of community training programmes aimed at supporting good governance practices and increasing the capability and capacity of community groups in Palmerston North.
<b>Provide, fund and support events so that Palmerston North has a full events calendar that caters well for different sectors of the city's population.</b>	9. There are increases in: participation in community and city centre events, satisfaction with the annual programme of events, the range and diversity of community-led events in the city.  Target: Narrative measure outlining number and range of events, plus participation and satisfaction with events.	✔ Target met	City centre events continue to be well received and attended. The return of a temporary ice rink in Te Marae o Hine - The Square for the April school holidays provided vibrancy and positive local visitation and usage of the space. Anzac Day services were well attended (approx 4,000 across the two services) and Puanga Festival in June continued a strong growth trend this year with 40 vendors and stall holders and approximately 10,000 attendees. Council continued to develop wraparound activations in the central city to leverage major sporting tournaments in the city which benefit both visitors and residents. Palmy BID's pop-up events continue to develop to benefit residents and retailers in the central city alongside council-led and community-led events.  Council delivered 14 events this year, an increase of one compared to 2022/23, with the addition of the Dog Cat Walk in October. General satisfaction with council delivered events remains consistent with 71% of residents satisfied or very satisfied – up from 70% in the previous 12 months.  (2022/23 - Target met)

## Financial Results

Activity Operational Requirement and Funding Summary

### Connected Communities

	Actual 2024 \$000	Annual Plan Budget 2024 \$000	Variance 2024 \$000	Actual 2023 \$000
<b>Revenue</b>				
Cemeteries	929	791	138	824
Central Energy Trust Wildbase	50	136	(86)	90
Community & Commemorative Events	271	1	270	22
Community Centres	222	649	(427)	150
Libraries	135	345	(210)	124
Public Health	589	626	(37)	440
Public toilets	4	-	4	5
Social Housing	3,246	3,198	48	3,108
Support to community groups	106	-	106	58
<b>TOTAL REVENUE</b>	<b>5,552</b>	<b>5,746</b>	<b>(194)</b>	<b>4,821</b>
<b>Expenses</b>				
Cemeteries	1,582	1,637	55	1,448
Central Energy Trust Wildbase	1,042	1,136	94	903
Community & Commemorative Events	1,879	1,565	(314)	1,513
Community Centres	1,356	1,757	401	1,448
Libraries	11,623	10,644	(979)	9,735
Public Health	1,337	2,004	667	1,653
Public toilets	1,392	1,207	(185)	1,184
Social Housing	5,012	4,570	(442)	4,396
Support to community groups	2,496	3,086	590	2,489
<b>TOTAL EXPENSES</b>	<b>27,719</b>	<b>27,606</b>	<b>(113)</b>	<b>24,769</b>
<b>NET OPERATING COSTS OF ACTIVITY</b>	<b>22,167</b>	<b>21,860</b>	<b>(307)</b>	<b>19,948</b>
<b>RATING ALLOCATION</b>				
Add back depreciation	4,103	4,377	(274)	4,172
Less Renewal capital expenditure	(2,586)	(2,825)	239	(2,332)
Add/(Less) borrowing effect of renewal 3 year averaging	294	294	-	741
Add external revenue for renewal capital	-	162	(162)	-
Less provision for debt reduction	(585)	(597)	12	(446)
Add general rates allocation	20,941	20,449	492	17,813
<b>FUNDING SURPLUS/(DEFICIT)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Significant Activity Capital Projects

**Connected Communities**

	Actual 2024 \$000	Annual Plan Budget 2024 \$000	Variance 2024 \$000	Actual 2023 \$000
<b>CAPITAL RENEWAL</b>				
1120 - Community Libraries - Renewals	38	102	64	
1136 - CET Wildbase Recovery Centre - Renewals	113	108	(5)	
1138 - Technology to Supprt 21st Century Citizns (Renewal)	25	25	-	
1269 - Bylaw Signage - Replacement	-	7	7	
1769 - Community Agency Facilities - Renewals	19	22	3	
1775 - Central Library - Renewals	168	168	-	
178 - Replacement of Shelving, Furniture and Equipment	17	15	(2)	
1796 - Cemeteries - Building Renewals	41	93	52	
180 - Social Housing - Renewals	437	531	94	
1828 - Cemeteries - Non-Building Asset Renewals	131	102	(29)	
186 - Public Toilets - Renewals	270	229	(41)	
188 - Replacement and Purchase of Library Materials	804	810	6	
1971 - CET Wildbase Recovery Signage	-	81	81	
1972 - CET Wildbase Recovery Digital Capacity	-	81	81	
203 - Community Libraries, Youth Space, Blueprint and Mobile Library Interior Design Renewals	35	34	(1)	
265 - Community Centres - Renewals	138	86	(52)	
563 - Cemeteries - Kelvin Grove - Crematorium Office reconfiguration to address health and safety issues from 2021/22	267	266	(1)	
567 - Cemeteries - Crematorium Chapel Interior Renewals	69	66	(3)	
<b>TOTAL CAPITAL RENEWAL</b>	<b>2,572</b>	<b>2,826</b>	<b>254</b>	<b>2,332</b>
<b>CAPITAL NEW</b>				
1196 - Kelvin Grove - Renewal of staff facilities	123	185	62	
1459 - Social Housing - Additional Social Housing Units	1	1,063	1,062	
1561 - Kelvin Grove Community Centre Carpark	4	-	(4)	
161 - Public Toilets - New City-wide Toilets	243	425	182	
1743 - Papaioea Place Redevelopment - Stage 3	923	800	(123)	
1833 - Extensions to burial and ashes area to meet demand	116	118	2	
1948 - Events and Festival Equipment Purchase	4	-	(4)	
2343 - Citywide - New Community Hubs	2,040	-	(2,040)	
<b>TOTAL CAPITAL NEW</b>	<b>3,454</b>	<b>2,591</b>	<b>(863)</b>	<b>4,526</b>
<b>TOTAL CAPITAL PROGRAMMES</b>	<b>6,026</b>	<b>5,417</b>	<b>(609)</b>	<b>6,858</b>

Programme 1459 - Social Housing - Additional Social Housing Units was under budget due to decision to use funds for Council's contribution to Summerhays development. Identified as a carry forward to future years through LTP.





Programme 2343 - Citywide - New Community Hubs was an added expenditure as an opportunity to purchase land was presented.

# Safe Communities

## What the Council does

Community wellbeing includes all aspects of health, te whare tapa whā, and includes safety. The purpose of this Plan and Activity is for people in Palmerston North to feel safe and be safe.

## Key Achievements

-  The number of **registered dogs in the city increased** from 9,636 in 2022/23 to 9,735 in 2023/24.
-  **New Animal Shelter** has been completed.
-  **The Mangai Atawhai City Ambassadors** programme has been successfully delivered.
-  The Council supported the launch of the **Safe Space Initiative**.

Hula hooping in Te Marae o Hine – The Square



## What happened in the year

### Animal Management and Environmental Health

#### Animal Management

We remain committed to ensuring public safety, promoting responsible dog ownership, and mitigating potential risks associated with animals, particularly dogs.

Construction of Te Whare Kouru (our new animal shelter) is now complete, and the Animal Management Team is expecting to occupy the Whare early in the new financial year. The new facility will greatly enhance the ability to provide temporary housing and offer a safer and healthier environment for dogs while in our care. The new shelter's modern infrastructure and advanced features will assist in the safe and humane handling of dogs, further strengthening the ability to carry out effective animal management for the city.

The number of dogs in the city increased from 9,636 in 2022/23 to 9,735 in 2023/24, with 7,872 owners, of whom 2,735 are approved as a "preferred owner."

During the year, 148 dog attacks were reported:

- 54 dog-on-person' attacks
- 51 dog-on-dog' attacks
- 43 dog-on-other animal' attacks

114 infringement notices were issued (4 only have been cancelled due to payment references not matching). There is currently one prosecution before the courts for a graded serious dog attack offence.

- 106 non-registrations
- 5 failing to have a dog under control or confined
- 3 failing to comply with a classification

We impounded 360 animals, broken down to 358 dogs, and 2 sheep.

- 199 animals were returned to their owners (3 of these had zero fees)
- 55 animals were rehomed (17 through external agencies)
- 87 animals were euthanised
- 19 dogs are currently impounded, with 3 available for adoption.

In addition to core animal management activities, a public event was successfully hosted and positively received by the community. This event was a free microchipping event in Linklater Reserve, aiming to increase the number of microchipped dogs in the city and help increase the chances of reuniting them with their owners if they become lost. Stalls have been held at two other community events, The Dog Catwalk, and Linton Military Camps' Wellness Expo. .

#### Environmental Health

We awarded Food and Health Standards (2006) Ltd as the Supplier of the Environmental Health Contract that was tendered in 2023. The contract is in the final stages of being confirmed, with commencement expected in the 2024/25 Financial Year.

The Supplier will be required to undertake food enquiries, registrations and verifications, alcohol licensing, investigating and responding to bylaws and health complaints, and regularly inspecting all licensed premises for compliance.

During 2023/24 we processed:

- 78 new food premise applications.
- 225 food control plans were verified.
- 111 food enquiries were responded to.
- 29 food premises complaints were investigated.

Palmerston North has 109 registered hairdressers, three funeral homes, two camping grounds and one offensive trade business.

In 2023/24 there were 2,178 noise complaints, compared to 2,868 complaints in 2022/23, 3,830 complaints in 2021/22, and 3,955 noise complaints in 2020/21.

We received and processed the following complaints:

- 143 complaints regarding overgrown vegetation.
- 21 complaints regarding cats.
- 4 cat trap requests were received.
- 48 complaints relating to poultry.
- 3 complaints relating to bees.
- 16 complaints relating to signage.
- 343 complaints relating to abandoned vehicles

During the year 2023/24 the following alcohol licenses and manager certificates were processed:

- 31 new on-licenses
- 13 new off licenses
- 26 on- license renewals
- 10 off license renewals
- 7 club license renewals
- 103 special licenses
- 208 new manager certificates
- 104 manager certificate renewals
- 24 temporary authorities
- 2 permanent club charter
- 1 new club license

#### Civil Defence Emergency Management

Council provides a 24/7 emergency management duty officer to monitor and respond to community risks and hazards. The Civil Defence Emergency Management team organise and chair our local Emergency Management Committee and Local Welfare Coordinating Groups and sit on other committees working with our partners for continuous risk assessment and best practice.

We have sent our Emergency Management staff, other internal function leads and our volunteer Rescue Team NZRT4 to assist our neighbouring councils. The team conducts regular training and exercises to ensure they are prepared and ready to respond at any time.

Building robust networks helps us all to get through an emergency. We continue to strengthen our relationships with community partners and Government agencies and continue to build our capacity to respond to an emergency for our community. We have had to adapt and provide other options for staff and the community to learn about hazards and be prepared. A Civil Defence Emergency Management learning pathway has been developed and is available online for staff and partners to develop their Emergency Management Skills.

#### Safety Advisory Board

The Safety Advisory Board (SAB) continues to meet regularly to discuss local safety issues and to collaborate to improve safety in the CBD.

A focus of the SAB this year has been improving identified safety concerns on Ada and Rolleston Streets. The primary goal of the Ada Street initiative is to address and resolve the ongoing issues with fires being deliberately lit to reduce first responder callouts, mitigate risks associated with fires, improve community/public safety, and foster a more connected street environment.

The rainbow flag was raised for Rainbow Domestic Violence Awareness Day again this year, which received positive feedback from the Rainbow community. The Council also supported the launch of the Safe Space Initiative. This initiative aims to foster a supportive and inclusive environment for the Rainbow community within Palmerston North by partnering with local businesses and services. Participating businesses will display a specially designed Safe Space sticker, symbolising their commitment to creating a welcoming and safe environment for all members of the Rainbow community.

The Mangai Atawhai City Ambassadors programme has been successfully delivered in this financial year and was contracted out to Best Care Whakapai Hauora. The final report on delivery observed positive behaviour changes in Te Marae on Hine over the duration of the programme. Social inclusion and the opportunity to develop a sense of social responsibility and kaitiakitanga of the space were identified as successes.

The SAB has advocated to Council (along with submissions from the youth sector) to support youth development projects, resulting in Youth Forum with community partners and a report by Officers to Council recommending funding for a youth forum, a youth development fund, and the development of a Youth Development Reference Group.

Relationships have also been maintained with community groups funded through Strategic Priority Grants contributing to Safe Communities outcomes.

## Ongoing considerations

### Animal Management and Environmental Health

#### Animal Management

Shifting the operations of animal management officers to Te Whare Kouru provides an opportunity to review internal processes and workflows. This will ensure that recommended best practice is met within the new facility. Field operations need to link smoothly with any changes to internal processes to ensure that we are operating in the best possible way for the public, animals, and officers.

Methods for delivering education will be considered, as it can be challenging for schools to alter preset curriculums. Key education topics and target audiences have been identified through a thorough assessment of the complaints received throughout the year. By understanding the specific concerns the community raises, educational efforts can be tailored to directly address those issues.

Through these educational endeavors, the aim is to empower dog owners and the wider community with the knowledge and resources required to ensure the safety and well-being of both humans and dogs. By addressing concerns and implementing targeted education, efforts are directed towards a community where responsible dog ownership is prioritized, and potential risks are mitigated through informed actions and behaviours.

#### Civil Defence Emergency Management

Our emergency management staff continue to monitor natural hazards and risks that could impact our community, and Council will continue to take learnings from our responses or support offered to our neighbouring communities. We will update our plans to ensure our community continues to build resiliency and awareness of Emergency Management. We will continue to develop staff to deliver essential services and key Civil Defence Emergency Management functions during an emergency. A new proposed Emergency Management Act has been introduced into Parliament to replace the current Civil Defence Emergency Management Act 2002, and will bring new requirements on Council, and the Manawatū Whanganui Civil Defence Emergency Management Group, as the National Emergency Management Agency continues to improve and learn from emergencies over the past 13 years.

#### Safety Advisory Board

The Safety Advisory Board (SAB) will continue to be coordinated, with the key focus being a collaborative approach to safety in the city centre. Additional work is ongoing on the Ada Street Project to reduce deliberately lit fires and other safety concerns in collaboration with SAB partners.

Due to the success evidenced by community outcomes, the Mangai Atawhai City Ambassadors programme is intended to be delivered in the next financial year using the same contracting out model as the current year.

Additionally, SAB partners will continue to focus on youth development and support Rainbow initiatives.

### How did we perform

What we do	How we show we are doing a good job	Result	Comment
Coordinate and facilitate the work of the Safety Advisory Board (SAB) to enable the fulfilment of its strategic plan.	1. The SAB carries out a range of successful initiatives.  Target: Narrative measure (outlining description of SAB initiatives and their outcomes).	✔ Target met	Rainbow Safe Space Initiative was launched this quarter through MaLGRA. This program invites local businesses/ social services to register as safe spaces to provide spaces where members of the Rainbow community can be their authentic selves and gain support in case of incidents like violence, bullying, or hate speech.  Ada Street Initiative aim is to reduce the amount of first responder call outs to Ada Street, reduce risk when fires are lit, and improve community/ public safety to build a more connected Street. A community BBQ was held, and 60 surveys filled out by residents. Trees lining the street have been pruned and a Alcohol Ban and Fly Tipping signage has been approved to be installed.
Achieve the Manawatū-Whanganui Civil Defence Emergency Management Group goals to build resilience and disaster preparedness for civil defence and emergency situations.	2. Increasing preparedness for emergencies in Palmerston North.  Target: Narrative measure outlining Manawatū Wanganui CDEM preparedness 2- yearly survey trends and description of initiatives.	✔ Target met	The Council's Emergency Management team regularly interacts with community groups and at community events. Regular interactions with key stakeholders at local and regional meetings ensure relationships are well established before an emergency.  Council continually seeks ways to increase preparedness to emergencies. These include: Council Emergency Management teams' water tank project, Council's Civil Defence Centres Plans (Welfare Centres) have been refreshed following learnings from Cyclone Gabrielle in Auckland and Hawkes Bay, implementing a community hub model like Wellington to create an environment for our community lead support during an emergency. The Council will continue to interact with the community through a range of channels to help the community be prepared for all emergencies and meet objectives from the Manawatū Whanganui CDEM group plan.  The preparedness survey is conducted by Horizons Regional Council and was last conducted in 2019. The survey was put on hold due to Covid-19 and has not resumed.  (2022/23 - Target met)
Enforces bylaws and legislation in relation to supply and sale of alcohol, stray and aggressive dogs, keeping animals, food and commercial premises, gambling, and excessive noise.	3. Bylaws are reviewed on legal timeframe and enforced.  Target: Narrative measure outlining description of programme to develop and review bylaws and their outcomes.	✔ Target met	The Dog Control Policy and Bylaw, and the Animals and Bees Bylaw were both adopted this year. Work continues on the Signs and Use of Public Places Bylaw. Further work on speed limits will follow the finalisation of the Land Transport Rule: Setting of Speed Limits, which is currently in draft.

### Financial Results

Activity Operational Requirement and Funding Summary

#### Safe Communities

	Actual 2024 \$000	Annual Plan Budget 2024 \$000	Variance 2024 \$000	Actual 2023 \$000
<b>Revenue</b>				
Animal Control	982	948	34	946
Civil Defence	20	-	20	161
Safer Community Initiatives	(6)	-	(6)	19
<b>TOTAL REVENUE</b>	<b>996</b>	<b>948</b>	<b>48</b>	<b>1,126</b>
<b>Expenses</b>				
Animal Control	1,341	1,236	(105)	1,073
Civil Defence	896	819	(77)	950
Safer Community Initiatives	312	387	75	384
<b>TOTAL EXPENSES</b>	<b>2,549</b>	<b>2,442</b>	<b>(107)</b>	<b>2,407</b>
<b>NET OPERATING COSTS OF ACTIVITY</b>	<b>1,553</b>	<b>1,494</b>	<b>(59)</b>	<b>1,281</b>
<b>RATING ALLOCATION</b>				
Add back depreciation	68	235	(167)	73
Less Renewal capital expenditure	(134)	(85)	(49)	(503)
Add/(Less) borrowing effect of renewal 3 year averaging	(9)	(9)	-	291
Less provision for debt reduction	(78)	(182)	104	(91)
Add general rates allocation	1,706	1,535	171	1,511
<b>FUNDING SURPLUS/(DEFICIT)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Significant Activity Capital Projects

#### Safe Communities

	Actual 2024 \$000	Annual Plan Budget 2024 \$000	Variance 2024 \$000	Actual 2023 \$000
<b>CAPITAL RENEWAL</b>				
1512 - CCTV replacements	134	85	(49)	
<b>TOTAL CAPITAL RENEWAL</b>	<b>134</b>	<b>85</b>	<b>(49)</b>	<b>503</b>
<b>CAPITAL NEW</b>				
1552 - Animal Shelter - New Building	4,154	4,024	(130)	
<b>TOTAL CAPITAL NEW</b>	<b>4,154</b>	<b>4,024</b>	<b>(130)</b>	<b>2,670</b>
<b>TOTAL CAPITAL PROGRAMMES</b>	<b>4,288</b>	<b>4,109</b>	<b>(179)</b>	<b>3,173</b>



**Whāinga 4: He  
tāone tautaiiao**  
Goal 4: An eco city



Playing in the puddles in Awapuni

# Climate Change

## What the Council does

The climate is changing, with projected long-term weather patterns showing increases in the frequency of drought and flooding. We are working hard to reduce Council and citywide greenhouse gas emissions and achieve the financial and social co-benefits this brings. At the same time we are improving our understanding of the local impacts of climate change and what measures we can put in place to minimise risk and better adapt to projected changes.

## Key Achievements



We're currently **developing a Climate Change and Sustainability Plan** as part of the Draft Community Wellbeing Strategy 2024-34.



**210kW of new solar generation** is being installed at our Awapuni Resource Recovery Centre.



**Installation of solar panels** for council owned properties through the Low Carbon Fund.

## What happened in the year

### Climate Change

2023 was officially the hottest year on record reaching 1.48°C above pre-industrial times. At the same time, New Zealand's greenhouse gas emissions decreased by 4% from 2021 to 2022, which is good news, although it's not enough to put us on a trajectory to reach net zero by 2050. In March 2024 the independent Climate Change Commission recommended a 58% reduction in Emissions Trading Scheme credits (in 2025) due to a significant increase in forest planting and the 161 million ETS credits in circulation currently considered to be 'surplus'. If this is adopted it will increase the price of credits and, at least theoretically, drive further emission reductions.

In May 2024 consultation began on the National Adaptation Framework which outlines funding options and who will be responsible for future climate adaptation projects under the National Adaptation Plan. Progress on delivering the National Adaptation Plan will be provided in August 2024.

- We published the results of its Carbon Neutral Feasibility Study which indicates that current reduction rates will minimise Council emissions by 2050 and hard to reduce sources can be offset by tree planting increasing to a rate of 15 hectares (37,500 trees) per year by 2035.
- 210kW of new Solar generation is being installed at our Awapuni Resource Recovery Centre to help offset its energy consumption.
- Last planting season, volunteers planted 14,949 trees as part of the Green Corridors project. This not only helps attract biodiversity into the city, but also helps to absorb and store carbon dioxide from the atmosphere.

## Ongoing considerations

### Climate Change

We continue to develop and deliver organisational and citywide inventories to track our greenhouse gas emissions and compare them against our Net Zero Feasibility scenarios. This information helps us to measure our progress against our published goals and focus our attention on inefficient or high-emission areas.

We've already adopted many of the principles of international and national policy in our Community Wellbeing Strategy 2024-34 and its Climate Change & Sustainability Plan.

We will continue to share our expertise and develop a common climate inventory and adaptation toolset with our partner across the Manawatū-Whanganui region.

### Organisational Emissions

The organisation's emissions have fallen from 26,444 tonnes of CO<sub>2</sub> equivalent emissions (tCO<sub>2</sub>e) in 2015/16, to 17,180 tCO<sub>2</sub>e in 2023/24: a 35% reduction. Non-landfill-related emissions fell from 6,942 tCO<sub>2</sub>e to 5,661 tCO<sub>2</sub>e over the same period: an 18.46% reduction since 2015/16 and a 5.6% decrease from the previous 2022/23 period. Emissions categories include methane from closed landfills, electricity and natural gas, petrol and diesel, wastewater treatment, staff commuting, travel, waste, fertilizer use and leakage of refrigerants. These findings, and the associated source data, have been independently assessed against ISO14064-3 by an external auditor.

### How did we perform

What we do	How we show we are doing a good job	Result	Comment
<b>Foster sustainable practices and behaviours so that city residents and organisations become more sustainable.</b>	<p>1. Increase in sustainable practices.</p> <p>Target: Narrative measure outlining projects and initiatives that foster sustainable practices / behaviours and their impacts.</p>	<p>✔ Target met</p>	<p>The objectives of the Low Carbon Fund are narrowly defined in terms of delivering carbon reductions at low/negative net present costs, the fund continues to deliver low-carbon projects that offer a range of broader strategic outcomes, such as air/water quality improvements. The climate change team also continue to support the Green Corridors project, with 14,949 trees planted in the previous planting season (the current season is just beginning at the time of writing).</p> <p>The recent Aokautere rezoning has resulted in 170 hectares of gullies being reclassified as Conservation and Amenity zones. The responsibility is likely to fall partially on Green Corridors, so the resourcing requirements are still being considered.</p>
<b>Develop policies and plans and work with city stakeholders to achieve the target of a 30% reduction in greenhouse gas emissions by 2031 and continue to reduce greenhouse gas emissions from Council's own activities.</b>	<p>2. Decrease in Council's total organisational emissions.</p> <p>Target: Narrative measure outlining greenhouse gas reduction initiatives and their impacts.</p>	<p>✔ Target met</p>	<p>Ongoing monitoring of organisational emissions, with inventories for the 23/24 FY delivered to the August 2024 Sustainability Committee.</p> <p>Quantifying GHG emissions is subject to inherent uncertainty because the scientific knowledge and methodologies to determine the emissions factors and processes to calculate or estimate quantities of GHG sources is still evolving, as are GHG reporting and assurance standards.</p> <p>Carbon reduction initiatives delivered under the Low Carbon Fund (LCF) represent over 1,000 tonnes of expected organisational carbon savings at a net-negative cost to Council. These initiatives include the purchase of electric vehicles, including pool cars and ride on mowers, the purchase of pool covers for the Lido outdoor swimming pool and the installation of alternative energy systems such as solar power at the materials recovery facility and a wood pellet boiler at the council's plant nursery. The annual report for the LCF was delivered to the same committee.</p> <p>A City-wide Climate Action Plan aimed at reducing emissions and improving adaptation to climate impacts is currently under development.</p>
<b>Work with iwi and community groups to re-establish bush, particularly along waterways, and to control introduced predators.</b>	<p>3. Measured through Manawatū River level of service.</p> <p>Target: Measured through Manawatū River level of service.</p>	<p>✔ Target met</p>	<p>Several community working days have been held to control plant pests within Mc Crae's bush and the Ashhurst Domain. The animal pest control programme has continued within our reserves and walkway gullies. We continue to support the planting work of the Green Corridors group through funding and technical guidance.</p>

### Financial Results

Activity Operational Requirement and Funding Summary

#### Climate Change

	Actual 2024 \$000	Annual Plan Budget 2024 \$000	Variance 2024 \$000	Actual 2023 \$000
<b>Revenue</b>				
<b>TOTAL REVENUE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Expenses</b>				
Climate change mitigation and adaption	396	242	(154)	249
<b>TOTAL EXPENSES</b>	<b>396</b>	<b>242</b>	<b>(154)</b>	<b>249</b>
<b>NET OPERATING COSTS OF ACTIVITY</b>	<b>396</b>	<b>242</b>	<b>(154)</b>	<b>249</b>
<b>RATING ALLOCATION</b>				
Add back depreciation	12	0	12	7
Less provision for debt reduction	(19)	(19)	0	(1)
Add general rates allocation	403	261	142	243
<b>FUNDING SURPLUS/(DEFICIT)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Significant Activity Capital Projects

#### Climate Change

	Actual 2024 \$000	Annual Plan Budget 2024 \$000	Variance 2024 \$000	Actual 2023 \$000
<b>CAPITAL NEW</b>				
1888 - Low Carbon Fund	40	1,049	1,009	
1924 - Improving remote monitoring capabilities	41	43	2	
<b>TOTAL CAPITAL NEW</b>	<b>81</b>	<b>1,092</b>	<b>1,011</b>	<b>339</b>
<b>TOTAL CAPITAL PROGRAMMES</b>	<b>81</b>	<b>1,092</b>	<b>1,011</b>	<b>339</b>

Programme 1888-Low Carbon Fund is allocated to other programmes to help support investment in greener alternatives.

# Environmental Sustainability

## What the Council does

### Sustainable practices

There are opportunities for individuals and organisations to incorporate more sustainable practices into the way we live. Our homes and businesses can be warmer, drier, and more efficient. We can minimise the use of resources and reduce waste generation. We can choose more energy-efficient transport and services. The Council can make these choices alongside the Palmerston North community. The purpose of this chapter is for the local community, and especially property owners, to understand the benefits of investing in sustainable building design and green buildings. We want Council to role-model sustainable practices and to share lessons learned with local communities.

### Biodiversity

Horizons Regional Council and the Department of Conservation lead to action to increase local biodiversity. We also have a role to protect nature in the urban environment. The purpose of this chapter is to regenerate native biodiversity and for communities to take part in and learn from biodiversity initiatives.

## Key Achievements



Over the first two quarters, our advisor ran **community workshops on home renovation, energy efficiency, gardening, and composting**, as well as regularly contributing to housing-related programs and events.



**We contributed \$217,568 to the environmental sector** in the last financial year – via the Strategic Priority Grants.



**14,949 eco-sourced native plants planted.**



The recent rezoning of Aokautere presents a considerable opportunity to **further enhance the biodiversity values of the ‘Green Corridors’**.

## What happened in the year

### Sustainable Practices

We continue to promote sustainable practices within the city with activities, events and campaigns promoted through media, social media, and the Council’s website. Promotions included:

- Our website outlines where items can be recycled or disposed of correctly. Content has been continuously updated.
- Positive steps are taken to avoid illegal dumping.
- Encouraging the public to refill their water bottles at locations and establishments that are part of the Refill NZ Initiative.
- Encouraging people to collect their own rainwater for emergency or outdoor use.
- Informing and inviting the public to participate in community planting days.
- Assist with the Sustainable Living Programme run by Environment Network Manawātū.
- Provide tours of the Awapuni for interest groups.

### Eco Design Homes

Due to a combination of improvements to the Building Code, the significant impact healthy home legislation has had on rental properties and thousands of households already having been served well by our advisor in the past, demand for the service has reduced to the point where the advisor has resigned from what had already voluntarily become a 0.5 FTE role.

Over the first two quarters, our advisor ran community workshops on home renovation, energy efficiency, gardening, and composting, as well as regularly contributing to housing-related programs and events. We continue to advocate for eco-design in other council plans and in consenting pre-applications.

### Support to Environmental Groups

We contributed \$217,568 in the last financial year to the environmental sector via the Strategic Priority Grants programme (with \$172,590 of that allocation to fund Environment Network Manawātū (ENM) as Sector Lead). Through this contribution, four groups were supported (including ENM), delivering outcomes for four of the Council’s eco-city priorities. The groups promote sustainability through environmental educational programmes, kai resilience building, and other activities.

A Pasifika Community Garden was supported through the process to be developed this year with the first using the Community Garden Guide developed with Manawātū Food Action Network.

### Biodiversity

We continued our investment in pest and weed management in parks and reserves including throughout the Kahuterawa Outdoor Recreation Park. This included regular predator trapping, weed control, and the monitoring and reporting of trapped species. Pest and weed management also occur throughout the Turitea Green Corridors, Manawātū River Park/ Esplanade, utilising a mix of contractors and volunteers. We support residents in managing pests on their properties with advice and training and provide traps to groups willing to work collectively to make predator-free pockets.

Our ongoing investment in pest management in the Turitea Reserve is vindicated through native bird species monitoring. Results continue to show significant population increases in key native species, with a tripling of Bellbirds and Riflemen since monitoring began, and a fifteenfold increase in Tūi and Kererū. In 2021, the Turitea saw a significant milestone with the reintroduction of the Toutouwai (NZ Robin), a species that had been locally extinct for generations. Unfortunately, due to a significant increase in the number of rats, observed nationally, their first breeding season was poor, putting the future survival of the colony in question. A series of special rat control operations have been conducted, and subsequent breeding seasons have consequently been much more successful. A follow-up translocation to enhance the genetic diversity and improve the resilience of the Toutouwai population.

Mercury’s Turitea Wind Farm operations have prevented recreational deer hunting from resuming in the Turitea Reserve. The council’s pest controller has increased deer hunting activity in the reserve to maintain control of the animals entering it entering the reserve from adjacent private land and the Department of Conservation reserves.

We continue to contribute to Horizons-led biodiversity enhancements in the Te Apiti/Manawātū Gorge.

### Green Corridors

We managed the planting of 14,949 (Jan to Dec 2023) eco-sourced native plants throughout the Green Corridors network of gullies and streams. This aligns with Council’s strategic direction to extend the Green Corridors programme.

Volunteer planting and maintenance resumed in 2023 in a limited capacity, largely focused on Aokautere and Turitea, where regular community working bees were carried out. Significant volunteer efforts were coordinated by community members of the Green Corridors Committee in Adderstone Reserve, Valley Views, Lower Titoki Reserve, and Upper Pari Reserve. Community volunteer efforts have been substantial.

Significant maintenance was carried out, including the removal of vast amounts of invasive weeds, problematic exotic species, and fly-tipping from neighbouring reserves. Community ‘working bees’ are a regular activity for Green Corridors, however, the number of new volunteers committing to continued work has been inconsistent. Communications and advertising will be a primary focus for the 2024 calendar year, to spread awareness of the program and encourage new sign-ups.



School visit to Central Energy Trust Wildbase Recovery



## Ongoing considerations

### Sustainable Practices

In addition to promotional and education campaigns, we continue to support the delivery of a sustainable living education programme. Continued promotion and delivery of this programme will build upon the positive response and feedback from running Sustainable Living Programme in Palmy using the structure and materials developed by Sustainable Living Education Trust covering topics on waste, energy, eco-building, gardening, transport, water, food choices, and resilience.

These provide opportunities for participants to interact and engage in discussion with various experts and resource persons from Council and local community groups.

### Eco Design Homes

Part of the role's focus was providing upfront pre-application engagement to capture eco-design fundamentals at the concept stage of a building's design. While this aspect of the service, was not well accessed by the construction design industry, recent improvements to the building code require greatly increased insulation levels for floors, walls, ceilings, windows, and doors – all of which are part of eco-design advice. This welcome change coupled with Healthy Homes legislation has accomplished many of the previous efforts our advisor sought to achieve. Due to reduced demand, the EDA resigned after the second quarter and will not be replaced.

### Support to Environmental Groups

Through the Sector Lead and Strategic Priority Grant 2022-2025 funding, we will continue to fund four community groups to contribute to eco-city priorities. Sector Lead organisation Environment Network Manawātū continues to deliver on agreed activities (which also include the Manawātū Food Action Network, Manawātū River Source to Sea initiatives, and the Environmental Initiatives Fund)

Also, the environment sector Community Development Advisor will continue supporting kai resilience initiatives, and community gardens.

### Biodiversity

The recent rezoning of Aokautere presents a considerable opportunity to further enhance the biodiversity values of the 'Green Corridors'. Native species tend to benefit from scale – many birds require larger and more varied native habitats to thrive for example. However, as the number of homes in proximity to the green corridors increases. There is a real threat to native species if the number of domestic cats increases and/ or wild cat populations move deeper into the green corridors to get away from developments.

Biodiversity work in the Turitea Reserve continues with the continued rollout of modern self-resetting predator traps, which have proven to be considerably more effective than traditional steel spring traps that are out of operation for large periods awaiting a manual reset. Together with periodic poison bait operations, we have been able to keep rat numbers within the reserve at low/zero tracking rates through much of the year – putting the Turitea on par with nationally significant 'Mainland Island' conservation projects – potentially creating a range of opportunities for translocations of other locally extinct species such as Kiwi and Kokako, if these numbers can be sustained.

### Green corridors

The management of pest plants is an ongoing issue in the Green Corridors. As plantings increase, so too does the area that requires ongoing maintenance. Careful budget management is required to ensure that habitat can continue to be increased but also managed sustainably. Increased focus on managing pest plants may be necessary for the coming years to ensure that plants are adequately protected and maintained. This may necessitate a reduction in new plants to offset the cost of maintenance. Furthermore, an increase in long-lived succession plants will be required in areas with pioneer species.

Pioneer species such as manuka, kanuka, and ribbonwood are only short-lived. Bigger canopy trees like totara, tawa, titoki, and kahikatea need to be grown in a nursery for at least five years before they can be planted. They also require a supporting sub-canopy so they can be protected from the elements. Because the Green Corridors network is growing year on year, it was decided to grow 5000 long-lived canopy trees annually to ensure the succession of pioneer, to sub-canopy to canopy trees can be achieved over 10 years in each location.

After 20 years, an area should be self-sustaining. Some maintenance of pest plants will likely always be needed, given the risk of fly-tipping from neighbouring properties or pest plants washing downstream. The first crop of 5000 canopy trees per year will be available in three years. Until then, a smaller supply of canopy trees is available each year. Because there is added expense in propagating longer-lived trees, due to repotting and nursery hire, there may be a need to reduce the number of pioneer species being planted in the future, causing a delay in planting up the Green Corridors network. This could become a problem as the Aokautere residential rezoning has resulted in 170 hectares of gullies being classed as a Conservation and Amenity zone. The matter of who is to maintain these gullies has yet to be decided, but it is likely that a significant portion of them will be taken care of by Green Corridors. This will require considerable future funding to ensure these new reserves are quickly cleared of pest species and replanted with natives.

## How did we perform

What we do	How we show we are doing a good job	Result	Comment
<b>Foster sustainable practices and behaviours so that city residents and organisations become more sustainable.</b>	<p>1. Increase in sustainable practices.</p> <p>Target: Narrative measure outlining projects and initiatives that foster sustainable practices / behaviours and their impacts.</p>	<p>✔ Target met</p>	<p>Council continues to support and fund the Future Living Skills (Sustainable Living Programme), which are well attended. Staff meet with representatives of Environment Network Manawātū regularly.</p> <p>The impacts of this are outlined as:</p> <ul style="list-style-type: none"> <li>➤ The Climate Change Team has been undertaking several workstreams to reduce organisational emissions including initiatives through the Low Carbon Fund. The Low Carbon Fund Annual Report was presented to Sustainability Committee on 21 August 2024.</li> <li>➤ Both an organisational emissions inventory and a citywide emissions inventory will be presented to the Committee in October 2024.</li> <li>➤ Council's Parks and Reserves Team has continued to implement several initiatives in our Parks Operations to improve the sustainability of Palmerston North's parks, including the low-mow trial areas.</li> <li>➤ We have improved the procurement process to bring through sustainable procurement more explicitly, with the revised process ensuring sustainable purchasing decisions.</li> </ul> <p>(2022/23 - Target met)</p>
<b>Work with iwi and community groups to re-establish bush, particularly along waterways, and to control introduced predators.</b>	<p>2. Measured through Manawātū River level of service.</p> <p>Target: Measured through Manawātū River level of service.</p>	<p>✔ Target met</p>	<p>Several community working days have been held to control plant pests within Mc Crae's bush and the Ashhurst Domain.</p> <p>The animal pest control programme has continued within our reserves and walkway gullies. We continue to support the planting work of the Green Corridors group through funding and technical guidance.</p>

## Financial Results

Activity Operational Requirement and Funding Summary

### Environmental Sustainability

	Actual 2024 \$000	Annual Plan Budget 2024 \$000	Variance 2024 \$000	Actual 2023 \$000
<b>Revenue</b>				
Biodiversity	3	-	3	2
<b>TOTAL REVENUE</b>	<b>3</b>	<b>-</b>	<b>3</b>	<b>2</b>
<b>Expenses</b>				
Biodiversity	376	358	(18)	305
Support to environmental groups	187	173	(14)	181
Sustainable Practices	139	110	(29)	340
<b>TOTAL EXPENSES</b>	<b>702</b>	<b>641</b>	<b>(61)</b>	<b>826</b>
<b>NET OPERATING COSTS OF ACTIVITY</b>	<b>699</b>	<b>641</b>	<b>(58)</b>	<b>824</b>
<b>RATING ALLOCATION</b>				
Less provision for debt reduction	(3)	(34)	31	(22)
Add general rates allocation	702	675	27	846
<b>FUNDING SURPLUS/(DEFICIT)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Significant Activity Capital Projects

### Environmental Sustainability

	Actual 2024 \$000	Annual Plan Budget 2024 \$000	Variance 2024 \$000	Actual 2023 \$000
<b>CAPITAL NEW</b>				
1077 - Biodiversity Enhance Native Planting	31	33	2	
1451 - Property - LED Lighting Upgrades	75	80	5	
<b>TOTAL CAPITAL NEW</b>	<b>106</b>	<b>113</b>	<b>7</b>	<b>208</b>
<b>TOTAL CAPITAL PROGRAMMES</b>	<b>106</b>	<b>113</b>	<b>7</b>	<b>208</b>

# Manawatū River

## What the Council does

The Manawatū River is a significant natural and cultural feature of our city. Implementation of the Manawatū River Framework guides the development of the area around the river. We strive for the Manawatū River to be a cultural, environmental and recreational resource connected with all aspects of city life.

## Key Achievements



We adopted the concept design for a **Civic Marae and cultural centre located at Te Motu o Poutoa** and included funding for the project in the 2024 LTP.



**Ruahine Reserve** was opened.



A series of **rest areas with seating** were installed along He Ara Kotahi pathway



A series of **gym exercise platforms** were installed throughout the river park.



Manawatū River Catchments Collective

## What happened in the year

### Manawatū River

The Manawatū River Framework provides the overall strategy for increasing the vibrancy, appreciation, and overall visitation of the river and its surroundings.

The Long-Term Plan 2021-31 included funding for a series of projects to implement the Manawatū River Framework. Funding for Te Motu O Poutoa was received from Department of Internal Affairs (DIA) as part of the Better Off Funding. The focus of activity in 2023/24 was the concept design and indicative costing stages of the Te Motu o Poutoa project and the balance of the capital work programme carried over from 2022/23.

- Through the Te Motu o Poutoa design working party, we worked in partnership with Rangitāne to define the final scope for developments at Te Motu o Poutoa Anzac Park. These include a civic marae and cultural centre and an upgrade of Cliff Road. The refined scope was used to develop a concept design. The concept design and indicative costing were presented to the Rangitāne o Manawatū Committee who recommended that it be adopted by Council. Preliminary work commenced on the governance and operating models at year-end.
- A new reserve was developed adjacent to the river stop bank across from Te Motu o Poutoa. Ruahine Reserve is located on part of the land that was set aside for Rangitāne as the city of Palmerston North developed. The small special character reserve is within the Centennial Park subdivision. The reserve includes an established area of native trees, planted by foundation students and staff of the Teachers College that occupied the site for many years.

There is a memorial to students and staff who passed during their time at the College. Contained within the reserve is a collection of tributes to each of the tupuna who signed the original deed for the land. There is also a modern interpretation of a pātaka kai (food storehouse). The reserve has a series of paths to enable movement between the features with the balance of the area planted in natives.

- A series of rest stops were developed along He Ara Kotahi pathway. These stops enable people using the pathway to stop and sit. Many of the stops are in locations close to the river. There has been very positive feedback from the community about these facilities.
- The mobile gym platforms started in 2022/23 were completed. These platforms encourage physical activity and are located throughout the park located beside the shared pathway.
- Council has continued to support the care of the eels and maintenance of the plantings at the eel platform through our partnership with Rangitāne.

### Ongoing considerations

#### Manawatū River

The development of Te Motu o Poutoa Anzac Park Reserve is the focus for the implementation of the Manawatū River Framework over the next few years. There is no provision in the 2024-34 LTP for any other new developments within the river park.

## How did we perform

What we do	How we show we are doing a good job	Result	Comment
<p><b>Understand the relationship Rangitāne o Manawatū has with Manawatū River. Increase use of the Manawatū River environment for passive and active recreation. Increase the health and amenity of the river environment through increased biodiversity.</b></p>	<p>1. Increase in the public use of the river environment. Increase in native planting and observed biodiversity improvements in suitable locations in the river environment. Greater connectivity of features within the Manawatū River Park.</p> <p>Target: Narrative measure outlining public use the river, biodiversity and native plantings, and connectivity of features.</p>	<p>✔ Target met</p>	<p>The number of uses of the river park, estimated using survey data, is 1.6M. This is the first time the numbers have been counted, so there are no comparative numbers. Developments along the river in 2023/24 have focused on the installation of rest areas and exercise platforms to support greater public use of the park. New plantings along the river have been limited in 2023/24, but existing plantings have been cared for and are now well established. We have continued our plant pest control programme in conjunction with Massey University, the replanting of 14 Ha of harvested pine forest adjacent to the park is being replanted in native trees.</p> <p>(2022/23 - Target met)</p>



Manawatū River

## Financial Results

### Activity Operational Requirement and Funding Summary

#### Manawatū River

	Actual 2024 \$000	Annual Plan Budget 2024 \$000	Variance 2024 \$000	Actual 2023 \$000
<b>Revenue</b>				
Manawatū River	-	10	(10)	1
<b>TOTAL REVENUE</b>	<b>-</b>	<b>10</b>	<b>(10)</b>	<b>1</b>
<b>Expenses</b>				
Manawatū River	192	282	90	326
<b>TOTAL EXPENSES</b>	<b>192</b>	<b>282</b>	<b>90</b>	<b>326</b>
<b>NET OPERATING COSTS OF ACTIVITY</b>	<b>192</b>	<b>272</b>	<b>80</b>	<b>325</b>
<b>RATING ALLOCATION</b>				
Less Renewal capital expenditure	(30)	(29)	(1)	(64)
Add/(Less) borrowing effect of renewal 3 year averaging	16	16	-	(6)
Less provision for debt reduction	(36)	(36)	-	(39)
Add general rates allocation	242	321	(79)	434
<b>FUNDING SURPLUS/(DEFICIT)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



A Collections Operator in one of our Palmy recycling trucks

### Significant Activity Capital Projects

#### Manawatū River

	Actual 2024 \$000	Annual Plan Budget 2024 \$000	Variance 2024 \$000	Actual 2023 \$000
<b>CAPITAL RENEWAL</b>				
1825 - City Reserves - Manawatū River Park - Renewals	30	29	(1)	
<b>TOTAL CAPITAL RENEWAL</b>	<b>30</b>	<b>29</b>	<b>(1)</b>	<b>64</b>
<b>CAPITAL NEW</b>				
1844 - City Growth - Manawatū River Park - Capital New	220	200	(20)	
1892 - CG-City Reserve- Manawatū River Park-Hokowhitu Lagoon Development Plan	62	78	16	
1894 - CG-CR- MNWTU River Park-Marae Tarata Development	13	108	95	
1895 - City Growth - Te Motu o Poutoa Development Plan	16	-	16	
2239 - BOF - Te Motu o Poutoa	282	250	(32)	
<b>TOTAL CAPITAL NEW</b>	<b>561</b>	<b>636</b>	<b>75</b>	<b>123</b>
<b>TOTAL CAPITAL PROGRAMMES</b>	<b>591</b>	<b>665</b>	<b>74</b>	<b>187</b>

# Resource Recovery

## What the Council does

The key goal for Resource Recovery is to maximise the amount of waste that is diverted from landfill. This means we endeavor to operate effective recycling services, provide education and support to how we can all reduce the amount of waste we create, and support local groups, businesses and initiatives to reduce waste.

## Key Achievements



Developed a **new Waste Management and Minimisation Plan**.



Completed an **updated Waste Assessment** required prior to reviewing the Waste Management and Minimisation Plan.



Wrapped up the **food scraps trial** and presenting preliminary findings to Council.



Presented key finding of the **free rubbish trial**.

## What happened in the year

### Resource Recovery

A big achievement this year has been the development of the updated Waste Management and Minimisation Plan (WMMP) 2024. The WMMP sets targets to reduce the amount of waste being sent to landfill and outlines what actions we will take to manage and minimise waste in the city. The early review of this plan allows us to align its actions with the Long-Term Plan, which will increase deliverability. The key actions in the updated WMMP:

- To undertake a review of the service that the division delivers,
- Upgrade the Material Recovery Facility and
- Develop a citywide greenwaste and food waste collection.

During the WMMP consultation, there was general support for a food scraps collection service and a green waste collection service to be introduced. We have planned to roll out these new services in the 28/29 financial year, allowing us enough time to investigate suitable processing options for the quantity of material we expect, build the recommended infrastructure, and procure the collection vehicles and containers.

On the ground this year, we held a successful open day at the Awapuni resource recovery centre. This allowed members of the public to have a guided tour through the materials recovery facility where the collected recycling is processed. This was extremely popular and booked out within hours, even after we doubled the capacity. Feedback from these tours was positive, and we anticipate these becoming a more frequent event. The number of groups making bookings for tours via our website has also increased with 18 visits in the last year.

We wrapped up the food scraps trial, which diverted 16 tonnes of food scraps from just over 500 participants over a 6-month period. Uptake of this was positive, with around half the participants presenting their food scraps for collection at least every three weeks. Information gathered during this trial will be used to inform what a citywide collection service will look like.

Although the change was small for Palmy, the materials that can be accepted in kerbside recycling bins were modified to align with government requirements for kerbside standardisation. This means that we can now no longer accept any lids or aerosol cans in the kerbside recycling bins.

Other activities include:

- Upgrading the recycling drop off facility at Ashhurst to increase the capacity and allow glass to be colour separated. Not only does colour sorted glass reduce the waste created through a manual sorting process, it makes the whole process more efficient
- Security improvements at Awapuni including fencing and adding swipe card access to some areas (further improvements will be made in the coming year)
- Installing a new transformer for the Awapuni site and increasing the electrical capacity at the compost yard

- Introducing polystyrene recycling to the city, which will become available to the public in July
- Hazardous waste day which prevented 1,297 litres of hazardous waste entering the storm water network or landfill
- Installing solar panels on the Materials Recycling Facility Building to generate enough power for our typical daily use

Operational milestones:

- We collected 599,046 wheelie bins of recycling and 224,625 crates of glass (which is 2,988 and 1,560 tones respectively)
- We increased the number of properties we collect from by 291
- We turned 9,097 cubic meters of organic waste into compost

### On-going considerations

#### Resource Recovery

Markets for some grades of plastic that are accepted in kerbside recycling are becoming an issue. Limited onshore markets for some grades means that we must start looking at offshore options in some instances. We see this as an interim measure and will continue to pursue local markets wherever possible, however, the reality is that local markets for some grades have reduced post-COVID meaning overseas recyclers are the best option to prevent sending recyclable plastic to landfill. We believe that in time the domestic markets will bounce back. Additionally, the government has signaled increased investment in recycling infrastructure which would likely help improve onshore markets over time.

We will continue to engage with the community to get the message out about how to reduce waste from landfill. This will include promoting efforts at the top of the waste hierarchy, like reducing and reusing, as well as tips to recycle correctly.

Contamination (materials not accepted) in our recycling service continues to be an issue for us.

The government has announced further increases to the waste levy - \$5 each year from 2025 to 2027 for class 1 landfills. With the waste levy increase, the scope of what can be funded by this has increased. This will now cover landfills that are vulnerable to weather events. The government also announced that they will be reconsidering the requirement for councils to introduce kerbside food scraps collections by 2030 and have pushed back tranche three of the plastic phase-out that would have seen all PVC and polystyrene food packaging removed from circulation in New Zealand to no sooner than July 2026. Despite the government stalling on the mandatory introduction of food scrap collections, Council supports the diversion benefits of introducing this service and has included actions in the LTP to introduce food scrap collections.

The previously signaled Waste Minimisation Act (WMA) reform is still going ahead, but no time frames have been set. The intention of the government is to repeal the Litter Act and roll its updated functions into the WMA. This reform is expected to provide greater enforcement powers and allow higher penalties to tackle illegal dumping.

## How did we perform

What we do	How we show we are doing a good job	Result	Comment
<b>Ensure the city's solid waste is adequately and affordably managed. Maximise the proportion of waste diverted from landfill (e.g. through recycling and composting). Manage hazardous waste in an environmentally responsible manner.</b>	1. Compliance with resource consents for the Resource Recovery Activity measured by the number of abatement notices, infringement notices, enforcement orders and convictions.  Target: 100% compliance	✔ Target met	100% Compliant. we continue to monitor operations to ensure compliance with our resource consent conditions, along with producing reporting as required to Horizons Regional Council.  (2022/23 - 100% Compliant)
	2. Decrease in per capita volume of waste sent to landfill.  Target: Narrative measure outlining Council initiatives to decrease waste sent to landfill.	✖ Target not measured	The survey to assess waste to landfill per capita was not measured in FY2024. The frequency of the survey is 3-yearly.  The 2019 Waste Management and Minimisation Plan(WMMP) sets a target of increasing waste diversion from 38% to 48% by 2025. Reducing the amount of material sent to landfills is to be achieved via the 26 actions that were set out in the WMMP. Initiatives and actions currently being undertaken include but are not limited to: tours of the Materials Recovery Facility (MRF) to provide education, continued engagement with the community, administering the Resource Recovery Fund to support community waste reduction initiatives, and actively working with existing and new commercial customers to maximise the number of resources that are recovered. We consulted with a Draft Waste Management and Minimisation Plan (WMMP) in early April 2024 and adopted the new WMMP in June 2024.  (2022/23 - Target met)

## Financial Results

Activity Operational Requirement and Funding Summary

### Resource Recovery

	Actual 2024 \$000	Annual Plan Budget 2024 \$000	Variance 2024 \$000	Actual 2023 \$000
<b>Revenue</b>				
Landfill Management	508	242	266	750
Waste Minimisation	2,486	2,085	401	1,998
Waste Management	1,196	1,517	(321)	1,291
<b>TOTAL REVENUE</b>	<b>4,190</b>	<b>3,844</b>	<b>346</b>	<b>4,039</b>
<b>Expenses</b>				
Landfill Management	2,519	2,156	(363)	1,942
Waste Minimisation	6,762	6,177	(585)	6,381
Waste Management	2,635	2,567	(68)	2,414
<b>TOTAL EXPENSES</b>	<b>11,916</b>	<b>10,900</b>	<b>(1,016)</b>	<b>10,737</b>
<b>NET OPERATING COSTS OF ACTIVITY</b>	<b>7,726</b>	<b>7,056</b>	<b>(670)</b>	<b>6,698</b>
<b>RATING ALLOCATION</b>				
Add back depreciation	817	814	3	801
Less Renewal capital expenditure	(364)	(535)	171	(310)
Add/(Less) borrowing effect of renewal 3 year averaging	(14)	(14)	-	(76)
Less provision for debt reduction	(7)	(449)	442	(98)
Add targeted rates allocation	7,294	7,240	54	6,381
<b>FUNDING SURPLUS/(DEFICIT)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Significant Activity Capital Projects

### Resource Recovery

	Actual 2024 \$000	Annual Plan Budget 2024 \$000	Variance 2024 \$000	Actual 2023 \$000
<b>CAPITAL RENEWAL</b>				
1368 - Public Space Bins Renewals	32	49	17	
1374 - Recycling Drop Off Facilities - Renewals	11	11	-	
1721 - Composting Activity Site Renewals	5	9	4	
1784 - Rubbish and Recycling Buildings - Renewals	79	76	(3)	
185 - Closed Landfills and Transfer Stations	14	58	72	
612 - City-wide Wheelie Bin and Crate Renewals	93	100	7	
649 - Recycling - Materials Recovery Facility Renewals	158	232	74	
<b>TOTAL CAPITAL RENEWAL</b>	<b>364</b>	<b>535</b>	<b>171</b>	<b>310</b>
<b>CAPITAL NEW</b>				
1371 - Closed Landfills and Transfer Stations	33	60	27	
1373 - Recycling Drop Off Facilities - Development	20	35	15	
1410 - City-wide Recycling Services to Commercial/organisational Properties Development	6	43	37	
1783 - Staff Welfare and Health and Safety Improvements	305	300	(5)	
1810 - City-wide-Diversion of Waste from Landfill-New Material	99	70	(29)	
2227 - Resource Recovery Centre Power and Data Resilience	458	500	42	
506 - Public Space Rubbish & Recycling Bins Development	33	35	2	
657 - Urban Growth - City-wide Wheelie Bins and Crates	64	76	12	
721 - Awapuni Closed Landfill - Landscaping Development	18	52	34	
<b>TOTAL CAPITAL NEW</b>	<b>1,036</b>	<b>1,171</b>	<b>135</b>	<b>1,156</b>
<b>TOTAL CAPITAL PROGRAMMES</b>	<b>1,400</b>	<b>1,706</b>	<b>306</b>	<b>1,466</b>

# Stormwater

## What the Council does

Protection of people, homes, workplaces, and businesses from flooding during rain events is essential in any well-planned city. To achieve this, we operate, maintain and manage a stormwater system to protect people and property, while reducing environmental impacts.

The impacts of flood risk due to new development are managed and mitigated by requiring effective controls for stormwater discharge. This focuses on both quantity and quality which aims to mitigate negative impacts on people, buildings, and the environment. Council is committed to continued investigations and investment in upgrades to the stormwater network to meet the agreed Levels of Service.

Central Government are progressing with the Local Waters Done Well Bill and a regional Council Owned Organisation model has been encouraged for the future management of three waters. For more information see the Council's Waters Plan.

## Key Achievements



We have started work on a **Strategic stormwater Management Framework**.

This will provide applicants for subdivision and consents an overview of the stormwater challenges in the City which must be identified and mitigated.



**Upgrades have been made to stormwater infrastructure** at Gas Works Drain, Custom Street, Wyndham St and Linton St.



Significant upgrades are underway for the **Whikiwhi and Clausen St pump stations**.

## What happened in the year

### Stormwater Management

A significant increase in subdivision activities, particularly infill and greenfield development has continued within the city. Council has worked proactively with property owners and developers to support their development and mitigate the negative effects of additional stormwater runoff and reduce potential flooding risks. This is expected to become more relevant to the impacts of climate change.

National Freshwater Policies are likely to set higher water quality standards for stormwater discharges. To mitigate impacts, Stormwater Management Plans are now a standard requirement for all sub-division and major building consent applications.

Several projects were delivered this year to reduce stormwater issues in specific locations. A significant portion of the improvement budgets this year was dedicated to design projects, to enable future works. These include the design of stormwater upgrades for Fitzherbert St, Linton St, and Wyndham St. We continue to work closely with colleagues in the transport division to ensure works align to ensure joint outcomes.

We have continued to focus on identifying and addressing local nuisance flooding issues and as such have completed significant projects in the following areas:

- Stormwater improvement of Setters Line
- Stormwater Improvement of Church St
- Stormwater Improvement of Pirani Pl

Many of the stormwater pump stations in the city require upgrades to provide additional capacity and improve resilience. This is the fourth year of a program to renew and refurbish major stormwater pump stations in the city.

The pump station upgrades include electrical cabinets as part of a drive to standardise assets across the city. As part of the resilience improvement programme, several new assets were purchased this financial year. This included portable pumps and generators, which were fully utilised during Cyclone Gabrielle, where some streets had flooded due to the high Manawatū River levels.

The city-wide flood model has undergone significant improvement under the work package for the intensification plan change. This allows for new scenarios and improvements to be investigated, to understand the impacts due to small, medium, and large-scale events.

### Network Performance

Flooding is typically caused by prolonged periods of heavy rainfall across the city and/or the wider region, which can result in significant stormwater runoff and elevated river and stream levels. Note the Manawatū River level is largely driven by rainfall from outside the Manawatū District (i.e. from the East Coast). High Manawatū River levels severely impact the ability for stormwater to drain from our urban areas.

Incidents of localised ponding and road flooding were reported at levels similar to the previous year. Clearing debris from the local network to remove blockages and ensuing investigation works are ongoing. This work is to help identify cost-effective improvements to reduce the risk of future flooding events in prone areas. Investigations to understand, improve, and upgrade the existing networks also continue.

The weather has been relatively stable due to a mild El Nino pattern, with no significant events in Palmerston North. However, our rivers and streams and a small number of Ashhurst residents were severely impacted by the effects of Cyclone Gabrielle last year. We continue to receive complaints related to street ponding, nuisance flooding, and overland flow paths. Cyclone Gabrielle has heightened awareness among residents, which is amplified when waterways are on private properties.

We have an ongoing investment in CCTV inspection of critical and aged parts of the pipe network. The data is used to plan and prioritise renewal works for out-years. The CCTV inspections, as well as condition assessments of pump stations, also identified areas of the network in need of renewal.

Several key sections of open drains and channels have been the focus of works under the open channel and drain maintenance programme. The budget was expended in several areas including:

- Spraying and mowing to maintain the level of service of open channel capacities.
- Critical sections with slumping banks were rehabilitated.
- Clearing parts of the Awatea stream with sedimentation issues.
- Vegetation clearance in several minor drainage reserves
- Work continues with Horizons Regional Council and Rangitāne to identify the source(s) of the hydrocarbon contamination in the Milson Stream, to mitigate future occurrences.



Gas works drain

## Ongoing considerations

### Stormwater

Modeling will continue to be used as a tool to help improve understanding of the network and to identify high-risk areas in the city. This essential work helps us to identify and programme effective and affordable flood mitigation options and impacts on development/growth areas.

Recent extreme weather events in NZ (including Cyclone Gabrielle and flooding in Auckland) have identified gaps in understanding of the potential impacts due to extreme events (i.e. greater than 200yr ARI). We will investigate and consider potential impacts. This will include ongoing collaboration with key stakeholders including Civil Defence Teams and Horizons Regional Council.

Central government has signaled a desire to improve stormwater water quality. This will eventually be reflected in higher quality standards for stormwater discharges. Many of Palmerston North's urban channels and streams are degraded due to the overgrowth of vegetation, litter, urbanisation, and contaminants. We are working proactively with businesses to improve stormwater quality. This will be achieved through a combination of investment in treatment systems at the source (where possible) and remediation of existing waterways. Regulatory action can also be used to address illegal discharges, albeit as a last resort.

To support quality improvements, we are working on a comprehensive city-wide monitoring programme called Hai Manga Oranga which is being done in close collaboration with Rangitāne. Rangitāne provides monitoring at several locations that cover sensitive environments, including along the Kawau Stream. Additional monitoring is ongoing at 8 locations as part of a pilot programme.

The use of CCTV, physical inspection, and condition assessments of critical and aged assets continues, to enable the ongoing development of a robust renewal programme. It is anticipated that increased investment in the stormwater network will be required to realise and maintain agreed levels of service.

## How did we perform

What we do	How we show we are doing a good job	Result	Comment
<b>Provide stormwater services to protect buildings from inundation from flooding in major events.</b>	1. The number of flood event per year resulting in stormwater from the Council's stormwater system entering a habitable floor in an urban area.	✔ Target met	There were zero flood events this year resulting in stormwater from the Council's stormwater system entering a habitable floor in an urban area.  (2022/23 – no recorded flood events)
	Target: Less than 5		
	2. The number of habitable floors per 1,000 properties within urban stormwater service areas affected by a flood event.	✔ Target met	There were zero habitable floors within the urban stormwater service areas affected by a flood event.  (2022/23 – no recorded flood events)
	Target: Less than 2		
	3. Median time to attend a flooding event (note: a flooding event is one resulting in stormwater entering a habitable building)	✔ Target met	There were zero habitable floors within the urban stormwater service areas affected by a flood event, hence no median time to report.  (2022/23 – no recorded flood events)
Target: Less than 2 hours			
	4. The number of complaints received about the performance of Council's stormwater system per 1,000 properties connected.	✔ Target met	There was a total of 6.6 complaints received about the performance of Council's stormwater system per 1,000 properties connected for the year.  (2022/23 – 179 complaints, equating to 5.3 complaints per 1,000 properties)
Target: Less than 15			
	5. Compliance with resource consents for discharge from Council's stormwater system as measured by the number of abatement notices, infringement notices, enforcement notices and convictions received by Council in relation to resource consents.	✔ Target met	Compliance with resource consents for discharge from Council's stormwater system as measured by the number of abatement notices, infringement notices, enforcement notices and convictions received by Council in relation to resource consents was 100%.  (2022/23 – No convictions, abatement notices, infringement, or enforcement orders received)
Target: 100% Compliance			



## Financial Results

Activity Operational Requirement and Funding Summary

### Stormwater

	Actual 2024 \$000	Annual Plan Budget 2024 \$000	Variance 2024 \$000	Actual 2023 \$000
<b>Revenue</b>				
Stormwater Collection and Disposal	65	7	58	6
<b>TOTAL REVENUE</b>	<b>65</b>	<b>7</b>	<b>58</b>	<b>6</b>
<b>Expenses</b>				
Stormwater Collection and Disposal	4,870	5,384	514	4,773
<b>TOTAL EXPENSES</b>	<b>4,870</b>	<b>5,384</b>	<b>514</b>	<b>4,773</b>
<b>NET OPERATING COSTS OF ACTIVITY</b>	<b>4,805</b>	<b>5,377</b>	<b>572</b>	<b>4,767</b>
<b>RATING ALLOCATION</b>				
Add back depreciation	2,259	2,321	(62)	2,222
Less Renewal capital expenditure	(273)	(230)	(43)	(996)
Add/(Less) borrowing effect of renewal 3 year averaging	(585)	(585)	-	(40)
Less provision for debt reduction	-	-	-	(174)
Add general rates allocation	3,404	3,871	(467)	3,755
<b>FUNDING SURPLUS/(DEFICIT)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Significant Activity Capital Projects

### Stormwater

	Actual 2024 \$000	Annual Plan Budget 2024 \$000	Variance 2024 \$000	Actual 2023 \$000
<b>CAPITAL RENEWAL</b>				
1062 - City-wide - Stormwater Network Renewal Works	96	51	(45)	
20 - City-wide - Stormwater Pump Station Renewals	175	179	4	
<b>TOTAL CAPITAL RENEWAL</b>	<b>271</b>	<b>230</b>	<b>(41)</b>	<b>996</b>
<b>CAPITAL NEW</b>				
1001 - Urban Growth - Whakarongo - Stormwater	2,628	2,500	(128)	
1060 - City-wide - Stormwater Network Improvement Works	1,663	1,945	282	
1372 - City-wide Stormwater Pump Stations Improvement	167	300	133	
1708 - City-wide - Stormwater Flood Mitigation	144	230	86	
2034 - Urban Growth - Ashhurst - Stormwater	716	572	(144)	
51 - Urban Growth - Development Contributions - Stormwater	209	217	8	
<b>TOTAL CAPITAL NEW</b>	<b>5,527</b>	<b>5,764</b>	<b>237</b>	<b>6,485</b>
<b>TOTAL CAPITAL PROGRAMMES</b>	<b>5,798</b>	<b>5,994</b>	<b>196</b>	<b>7,481</b>

# Wastewater

## What the Council does

Reliable, safe and well-maintained wastewater (sewerage) systems are fundamental requirements for health and the general well-being of people and the environment.

We operate wastewater systems that provide safe and reliable collection, treatment, and disposal of wastewater from residential and commercial properties. The system is comprised of five interconnected public networks in Palmerston North, Linton, Ashhurst, Bunnythorpe, and Longburn, all of which move wastewater to a central treatment plant in Totara Road. From here the wastewater is treated and discharged to the Manawatū River in accordance with Resource Consents with Horizons Regional Council.

Central government are progressing with the Local Waters Done Well Bill and a regional Council Owned Organisation model has been encouraged for the future management of three waters. For more information see the Council's Waters Plan.

## Key Achievements



We've continued to work on our **Nature Calls wastewater consent application queries** from the regional council.



There has been several **process and health and safety upgrades to the treatment plant** - including critical seismic strengthening work and electrical cabinet upgrades.



A **new mechanical and electrical maintenance contract** is helping improve the quality of asset condition information for pump stations.



Wastewater treatment plant

## What happened in the year

### Totara Road Wastewater Treatment Plant

Effective and efficient operation of the Totara Road Wastewater Treatment Plant is critical. Several upgrade projects at the Totara Road wastewater treatment plant (WWTP) were initiated, progressed, or completed, including:

- Investigations are underway to replace the remaining 2 main lift pumps in the medium term.
- Replacement of the Low voltage assets (i.e. main power cabinets)
- Replacement of the high voltage assets is well underway
- Seismic strengthening for the digesters and control building is underway. This is a multidisciplinary staged project with construction expected to be completed by the 2024/25 financial year.
- Installing rails and guards to improve H&S has also been completed.
- The new odour control unit is operating as expected.
- Work on the biogas electricity generation systems continues, although this relies on the seismic strengthening of the digesters.
- Programmed renewal of the lagoon aerators continues. These assets are high maintenance and operate in challenging conditions.

The current and planned upgrades are key to ensure the plant is effective, efficient, and resilient and can manage current and future flows through to 2028 when a new wastewater treatment and disposal system is planned to be in place, pending the conclusion of Nature Calls.

### Nature Calls Project

Work on the Nature Calls consent application was finalised in 2022 and the consent application was submitted on the 19th of December 2022.

The application was accepted as complete in mid-2023 after initially being rejected as incomplete. The project technical team is currently responding to many requests for further information from Horizons Regional Council. These responses have been worked on. As a result of deliberations on our new Long-Term Plan we've let Horizons know we have lowered the budget for the project and are checking to see if there are new or more affordable options for our future treatment and discharge. We will be providing quarterly updates to Horizons and our wider community. Parallel work packages have progressed during the year including a biosolids strategy, emerging organic contamination testing, river monitoring and mixing study, and a property strategy for land purchase.

Iwi engagement in the project is continuing with regular meetings between Council and representatives from Rāngitane, Ngati Whakatere, and Te Tumatukahuki.

## Wastewater Network

A network hydraulic model re-calibration project is underway and involves monitoring to help identify high-risk areas and then we will compile an action plan. A criticality framework is being applied across the network to help prioritise the capital renewal programme over the long term.

A new mechanical and electrical maintenance contract is helping improve the quality of asset condition information for pump stations. This will assist with planning for future renewals and upgrades.

Where possible, wastewater mains have been relined as part of the wastewater mains renewal programme, which provides a cost-effective renewal method where possible. Significant work has been completed on the health and safety, standards, and resilience of pump stations. Other renewals and upgrade works include pumps, electrical cabinets, variable speed drives, electrical switchboards, and internal mechanical/pipe renewals.

### Ongoing considerations

The most significant challenge continues to be stormwater inflow and infiltration into the wastewater network due to rainfall. As is common throughout the developed world, I&I is due to leaking pipes and manholes as well as privately owned stormwater pipes connected to the wastewater network. These undesirable issues and connections result in flows increasing significantly during and following rainfall. The increased flow can result in some parts of the network operating close to capacity, and eventually a reduction in agreed Levels of Service.

The recalibrated wastewater network model will be used to assist in identifying and understanding key constraints and risks. Ultimately, the modelling will help to identify a range of mitigation measures to help identify and reduce the volume and frequency of unplanned wastewater discharge. The outcome is likely to include upsizing some key mains as well as the provision of storage in strategic locations.

The modelling work will also allow us to assess options and funding to reduce stormwater inflow and infiltration to the network. The work will target those parts of the network identified with flows that are higher than what is expected from standard design parameters.

The installation of sensors and flow meters in strategic locations throughout the network has enabled us to actively measure flows during dry and wet weather. The information will enable us to monitor key catchments for stormwater inflow and infiltration and send notifications to staff to enable us to react during wet weather events, to mitigate overflows wherever possible.

## How did we perform

What we do	How we show we are doing a good job	Result	Comment
<b>Provide wastewater services for the safe collection, treatment and disposal of the city's wastewater.</b>	1. Number of dry weather wastewater overflows from Council's wastewater system per 1,000 connections per year.	✔ Target met	10 incidents, equating to 0.29 dry weather overflows per 1,000 connections.  (2022/23 – 19 incidents, equating to 0.58 per 1,000 connections)
	Target: Less than 1		
	2. Complaints per 1,000 connections about wastewater odor, system faults, system blockages and Council's response to issues with the wastewater system.	✔ Target met	9.1 complaints per 1,000 connections about wastewater odour, system faults, system blockages and Council's response to issues with the wastewater system  (2022/23 – 260 complaints, equating to 7.7 per 1,000 connections)
	Target: Less than 15		
	3. Median time for attending to overflows resulting from blockages or other faults.	✔ Target met	Median time for attending to overflows resulting from blockages or other faults = 1.1 hours  (2022/23 – Median response time of 42 minutes)
Target: Less than 1.5 hours			
4. Median time for resolution of overflows resulting from blockages or other faults.	✔ Target met	Median time for resolution of overflows resulting from blockages or other faults = 4.2 hours.  (2022/23 – Median resolution time of 3 hours and 18 minutes)	
Target: Less than 8 hours			
5. Compliance with resource consents for discharge from Council's wastewater system as measured by the number of abatement notices, infringement notices, enforcement notices and convictions received by Council in relation to resource consents.	✔ Target met	100% compliance. No convictions, abatement notices, infringement, or enforcement orders received.  (2022/23 - No convictions, abatement notices, infringement, or enforcement orders received)	
Target: 100% compliance			

## Financial Results

### Activity Operational Requirement and Funding Summary

#### Wastewater

	Actual 2024 \$000	Annual Plan Budget 2024 \$000	Variance 2024 \$000	Actual 2023 \$000
<b>Revenue</b>				
Wastewater Collection	23	6	17	19
Wastewater Treatment and Disposal	1,137	1,297	(160)	1,646
<b>TOTAL REVENUE</b>	<b>1,160</b>	<b>1,303</b>	<b>(143)</b>	<b>1,665</b>
<b>Expenses</b>				
Wastewater Collection	8,032	7,434	(598)	6,993
Wastewater Treatment and Disposal	5,467	5,466	(1)	5,776
<b>TOTAL EXPENSES</b>	<b>13,499</b>	<b>12,900</b>	<b>(599)</b>	<b>12,769</b>
<b>NET OPERATING COSTS OF ACTIVITY</b>	<b>12,339</b>	<b>11,597</b>	<b>(742)</b>	<b>11,104</b>
<b>RATING ALLOCATION</b>				
Add back depreciation	5,583	5,619	(36)	5,478
Less Renewal capital expenditure	(4,191)	(4,384)	193	(3,802)
Add/(Less) borrowing effect of renewal 3 year averaging	(797)	(797)	-	(665)
Add external revenue for renewal capital	59	-	59	(56)
Less provision for debt reduction	497	-	497	(203)
Add targeted rates allocation	11,188	11,159	29	10,352
<b>FUNDING SURPLUS/(DEFICIT)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Significant Activity Capital Projects

#### Wastewater

	Actual 2024 \$000	Annual Plan Budget 2024 \$000	Variance 2024 \$000	Actual 2023 \$000
<b>CAPITAL RENEWAL</b>				
1068 - WWTP - Replacement of Inlet Pumps	61	100	39	
1380 - Totara Rd WWTP - Biogas Generator Major Overhauls	114	200	86	
1620 - WWTP - High Voltage Power renewals	1	-	(1)	
1714 - City-wide Wastewater Trunk Mains Renewal	112	193	81	
179 - WWTP - Minor Equipment Renewals	300	469	169	
1801-Wastewater Pump Stations - Building Renewals	99	103	4	
54 - City-wide - Wastewater Pipe Renewal	3,121	2,872	(249)	
65 - City-wide - Wastewater Pump Station Renewal	380	447	67	
<b>TOTAL CAPITAL RENEWAL</b>	<b>4,188</b>	<b>4,384</b>	<b>196</b>	<b>3,802</b>
<b>CAPITAL NEW</b>				
1074 - WWTP - Earthquake Strengthening of Civil Structure	160	280	120	
1616 - Wastewater Pump Station - Capacity Upgrade	114	250	136	
1617 - WWTP - Biogas System Improvements	488	927	439	
1619 - WWTP - Inlet Screens	7	-	7	
1711 - Industrial Growth - Longburn Industrial Park - Wastewater	641	651	10	
1821 - Pipeline Realignment of at-risk mains	41	151	110	
210 - Urban Growth - NEIZ - Wastewater	20	-	20	
2229 - City-wide - Wastewater Pipe Improvement	402	1,000	598	
628 - Totara Road Wastewater Treatment Plant - Consent Renewal Upgrade	1,994	3,000	1,006	
66 - WWTP - Resilience Programme	688	596	(92)	
73 - Urban Growth-Development Contributions - Wastewater	-	108	108	
<b>TOTAL CAPITAL NEW</b>	<b>4,501</b>	<b>6,963</b>	<b>2,462</b>	<b>4,744</b>
<b>TOTAL CAPITAL PROGRAMMES</b>	<b>8,689</b>	<b>11,347</b>	<b>2,658</b>	<b>8,546</b>

Programme 628 - The Consent Renewal Upgrade Programme has progressed slower than planned due to the time taken to respond to the Section 92 questions as part of the consent application. Additionally, late in the financial year, Elected Members asked council officers to review the Best Practicable Option (BPO) that has been selected. This further delayed the intended programme of works for 23/24.



Turitea Dam

# Water Supply

## What the Council does

We are committed to providing safe, secure, reliable, and high-quality drinking water, which is essential to the health and well-being of our residents and businesses.

We understand the importance of our obligations and role in facilitating and managing the supply of water from its source to the customer, to ensure the protection of public health and to support commercial needs.

We maintain and develop a safe and reliable supply of drinking water to residential and commercial properties in the supply area. We have a water conservation strategy to drive actions around efficient water use.

Significant central government reform continues in the three waters space. The Government is encouraging Councils to form CCOs, thereby shifting three waters management functions from councils to new entities. If changes proceed, our role in managing three waters infrastructure may significantly change. For more information see our Waters Plan.

A significant impact for Councils under the altered Drinking Water Quality Assurance Rules, is a step change in drinking water compliance. Taumata Arowai now regulates Council's compliance against a new set of Drinking Water Quality Assurance Rules. As with many Councils across New Zealand, we do not comply with some sections within the new rules. However, we are developing a strategy that ensures compliance with the new rules albeit in the medium to long term – which is reflected in the Long-Term Plan.

## Key Achievements



We are developing a **strategy for water supply quality and compliance** while monitoring improvements.



Several **groundwater bore sites are undergoing improvements** to meet revised compliance standards.



The **new Railway Road bore supply** and associated treatment plant, reservoir and pumping station is now complete and has been on-line since October 2023.



The project to seismically strengthen the **Turitea Water Treatment Plant building** has been completed.

## What happened in the year

### Quantity and Quality of Supply

Summer water conservation was encouraged over the summer period, and restrictions were not needed. This is due in part to the relatively mild El Nino weather pattern over the past few years. Water conservation measures, including a water loss reduction programme will continue to be implemented across the city.

Bore headworks renewals and upgrades are underway and other minor work is progressing well. This work is being undertaken as part of improvements to ensure compliance with the new Drinking Water Quality Assurance Rules. This work forms part of a medium-term strategy as it is recognized that some of the new compliance issues cannot be resolved in the short term.

### Risk and Resilience

Standby generators at Bunnythorpe, Longburn, and Ashhurst are mobile and ready to be deployed on demand.

Critical chemical dosing upgrades have been completed at the treatment plant as part of the seismic upgrade programme.

The seismic strengthening project for the Turitea Water Treatment Plant has been completed. Further less critical seismic work is planned for other structures across the next two financial years.

Planning for the Annual Dam Safety Review based on the new dam safety regulations is underway.

### Network Investment

The planned renewal programme continued. This work ensures that elements of the 560 km of water mains and our treatment plant assets are replaced at the end of their useful life, thereby reducing the number of interruptions affecting consumers and managing our maintenance costs to an acceptable level. Critical customer toby and water meter replacements are underway and will provide 2-3 years of planned work.

The Railway Road bore and treatment plant is now providing water to our community. This new water supply provides fully compliant water to the North-East Industrial and Milson zones. Some complaints have been received due to the compliant water causing some odour and colour issues in the reticulation network, which is a response to exposure to compliant levels of chlorine. This issue is not uncommon in areas where water supply networks have not historically been exposed to acceptable levels of chlorine.

## Ongoing considerations

### Water Supply Activity

The main priorities in our capital programme are:

- Drinking-Water Quality Assurance Rules (Compliance)
- Resilience (e.g. emergency management)
- Sustainability
- Improving Reliability
- Improving Levels of Service
- Providing for future Growth



Strategic planning is underway to identify if there is a need for treatment and reservoirs at all bore sites. This is to enable chlorine contact time to be achieved before water enters the supply network, which is a key compliance consideration. Reservoirs would allow us to buffer peak water demand, in turn enabling bore pumps to operate more efficiently.








Work is underway to improve connections to the network, with an emphasis on safety, backflow prevention, meeting the Council's conditions of supply, customer obligations, compliance, and managing water demand. This is especially the case where critical water users are involved and aligns with the new Water Supply Bylaw which was adopted in 2023.

Work is underway on a multi-year water toby replacement programme across all water supplies. The tobies are being replaced with manifolds that incorporate a backflow prevention device alongside the service valve and allow for future installation of water meters. The backflow prevention devices improve our multi-barrier approach to water safety and assist with compliance with new Drinking Water Quality Assurance Rules.

We continue to work closely with the new drinking water regulator, Taumata Arowai, to understand the implications of the new rules on Council's various water supplies. This includes source, treatment, and distribution rules. Work is progressing well on finalising all four Drinking Water Safety Plans, including Source Water Risk Management Plans.

### How did we perform

What we do	How we show we are doing a good job	Result	Comment
<b>Provide water services for the provision of safe and readily available water.</b>	1. Compliance with Part 4 (bacteria compliance criteria) of the Public Health Act 1956 (as amended by the Health (Drinking Water) Amendment Act 2007  Target: 100% compliance	 Target not met	Since the new Drinking Water Quality Assurance Rules took effect in November 2022, compliance requirements have significantly increased. Under the old rules PNCC was 100% compliant; under the new rules we achieve approximately 90%. Significant Capital upgrades are required to achieve 100% compliance. The upgrades are scheduled in the Long-Term plan over the next few years (excluding for Contact Time, which is under review by Taumata Arowai).  Below is a breakdown of Compliance by water sources.  <ul style="list-style-type: none"> <li>➤ Turitea WTP = Yes</li> <li>➤ Ashhurst Bore = Yes</li> <li>➤ Bunnythorpe = Yes</li> <li>➤ Longburn = Yes</li> <li>➤ Keith Street Bore 1 = No, Bore 1 is chlorinated but did not meet all contact time requirements for the period.</li> <li>➤ Papaioea Park Bore 1 = No, Bore 1 is chlorinated but did not meet all Class 1, UV and contact time requirements for the entire period.</li> <li>➤ Papaioea Park Bore 2 = No, Bore 2 is chlorinated but did not meet all UV and contact time requirements for the entire period.</li> <li>➤ Roberts Line Bore 2 = No, Bore 2 is chlorinated but did not meet all contact time requirements for the period.</li> <li>➤ Takaro Bore = No, Bore is chlorinated but did not meet all contact time requirements for the period.</li> <li>➤ Railway Road Bore = No, Bore is chlorinated but did not meet all contact time requirements for the period.</li> </ul> Distribution Network = No, the entire distribution network is chlorinated but did not meet all residual chlorine requirements for the period.  (2022/23 - Target not met)
	2. Compliance with Part 5 (protozoal compliance criteria) of the Public Health Act 1956 (as amended by the Health (Drinking Water) Amendment Act 2007  Target: 100% compliance	 Target not met	Review of monitoring data for the year indicates Non-Compliance with protozoal criteria in accordance with the DWQAR 2022. Below is a breakdown of Compliance by water sources.  Water Source for Protozoal Compliance:  <ul style="list-style-type: none"> <li>➤ Turitea = Yes</li> <li>➤ Ashhurst = Yes</li> <li>➤ Bunnythorpe = Yes</li> <li>➤ Longburn = Yes</li> <li>➤ Keith Street Bore 1 = Yes</li> <li>➤ Papaioea Park Bore 1 = No</li> <li>➤ Papaioea Park Bore 2 = Yes</li> <li>➤ Roberts Line Bore 2 = Yes</li> <li>➤ Takaro Bore = Yes</li> <li>➤ Railway Road Bore = Yes</li> <li>➤ Papaioea Park Bore 1 = No, Bore 1 did not meet all Class 1 and UV requirements for the period. .</li> </ul> (2022/23 - Target not met)

What we do	How we show we are doing a good job	Result	Comment
	3. The number of complaints per 1,000 connections relating to clarity, taste, odor, continuity of supply, drinking water pressure or flow, and Council's response to any of these.  Target: Less than 40	 Target met	The number of complaints per 1,000 connections relating to clarity, taste, odour, continuity of supply, drinking water pressure or flow, and Council's response to any of these was 39.3.  (2022/23 – 33 complaints per 1,000 connections)
	4. Average consumption of drinking water per day per resident.  Target: Met – Less than 360 litres	 Target met	The average consumption of drinking water per day per resident was 284 Litres.  (2022/23 – 322 litres per day)
	5. Median response time for urgent call out attendance.  Target: Less than 2 hours	 Target met	Median response time for urgent call out attendance was 0.7 Hrs.  (2022/23 – Median response time of 30 minutes)
	6. Median response time for resolution of urgent call outs.  Target: Less than 7 hours	 Target met	Median response time for resolution of urgent call outs was 2.7 hours.  (2022/23 – Median resolution time of 2 hours and 15 minutes)
	7. Median response time for non-urgent call out attendance.  Target: Less than 10 hours	 Target met	Median response time for non-urgent call out attendance was 9.0 hours.  (2022/23 – Median response time of 19 hours)
	8. Median response time for resolution of non-urgent call outs.  Target: Less than 75 hours	 Target met	Median response time for resolution of non-urgent call outs was 23.1 hours.  (2022/23 – Median resolution time of 23 hours)
	9. Percentage of real water loss from the water reticulation network.  Target: Less than 20%	 Target met	Real water loss from the water reticulation network is calculated at 15%, which is less than the targeted 20%.  The calculation for real water loss was revised this year with more accuracy due to updated census data and more representative survey metering. The methodology used is taken from the Benchmarking of Water losses NZ Manual (2008).  (2022/23 - 15%)

## Financial Results

Activity Operational Requirement and Funding Summary

### Water Supply

	Actual 2024 \$000	Annual Plan Budget 2024 \$000	Variance 2024 \$000	Actual 2023 \$000
<b>Revenue</b>				
Water Collection	-	31	(31)	1
Water Distribution	19	59	(40)	6
Water Treatment	-	11	(11)	10
<b>TOTAL REVENUE</b>	<b>19</b>	<b>101</b>	<b>(82)</b>	<b>17</b>
<b>Expenses</b>				
Water Collection	2,314	2,872	558	2,658
Water Distribution	6,580	6,895	315	5,987
Water Treatment	3,298	2,709	(589)	2,780
<b>TOTAL EXPENSES</b>	<b>12,192</b>	<b>12,476</b>	<b>284</b>	<b>11,425</b>
<b>NET OPERATING COSTS OF ACTIVITY</b>	<b>12,173</b>	<b>12,375</b>	<b>202</b>	<b>11,408</b>
<b>RATING ALLOCATION</b>				
Add back depreciation	4,579	4,661	(82)	4,428
Less Renewal capital expenditure	(5,560)	(5,380)	(180)	(4,546)
Add/(Less) borrowing effect of renewal 3 year averaging	(1,530)	(1,530)	-	3
Add proceeds from sale of assets	-	479	(479)	-
Less provision for debt reduction	(112)	-	(112)	(1,455)
Add internal rates recovered	697	-	697	464
Add targeted rates allocation	14,099	14,145	(46)	12,514
<b>FUNDING SURPLUS/(DEFICIT)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Significant Activity Capital Projects

### Water Supply

	Actual 2024 \$000	Annual Plan Budget 2024 \$000	Variance 2024 \$000	Actual 2023 \$000
<b>CAPITAL RENEWAL</b>				
1700 - City-wide - Water Meter Renewals	361	349	(12)	
1701 - City-wide - Water Supply Valve & Hydrant Renewals	57	217	160	
1797 - Water Treatment Plant - Building Renewals	22	33	11	
1822 - Water Pump Stations - Building Renewals	23	19	(4)	
199 - Water Supply Bore and Network Facility Renewals	1,100	910	(190)	
2042 - Turitea WTP - Raw Water Main Renewal	35	71	36	
207 - Turitea WTP - Equipment and Facility Renewals	365	404	39	
214 - City-wide - Water Toby and Manifold Renewals	535	542	7	
218 - City-wide - Water Main Renewals	2,847	2,728	(119)	
88 - Turitea WTP - Falling Main Rehabilitation	87	108	21	
<b>TOTAL CAPITAL RENEWAL</b>	<b>5,432</b>	<b>5,381</b>	<b>(51)</b>	<b>4,546</b>
<b>CAPITAL NEW</b>				
1004 - Urban Growth - Whakarongo - Water Supply	1	-	(1)	
1054 - Ashhurst - Water Quality Improvements	135	400	265	
1170 - Urban Growth - Kakatangiata - Water Supply	74	100	26	
124 - Turitea WTP - Drinking Water Standards Upgrades	224	300	76	
1384 - Water Supply Resilience - Additional Reservoirs	112	669	557	
1389 - Water Supply Resilience - Security of Supply	92	500	408	
1697 - Turitea WTP - Water Supply Resilience - Upgrades	711	975	264	
1841 - Urban Growth - Ashhurst - Water Supply	1,339	1,359	20	
1864 - Longburn Extension - Water Supply	25	120	95	
1883 - Water Operations - Small Plant & Equipment - New	55	59	4	
2048 - City-wide - Water Toby and Manifold enhancements	584	500	(84)	
2060 - City-wide - Commercial Water Meters	43	174	131	
2226 - Urban Growth - Terrace End Bore	187	200	13	
2228 - City-wide - Water Main Improvement	1,636	1,300	(336)	
246 - Urban Growth - Development Contributions - Water Supply	62	271	209	
91 - Turitea WTP - Falling Main Duplication	3	-	(3)	
986 - Turitea Dams - Aeration Upgrade	120	60	(60)	
<b>TOTAL CAPITAL NEW</b>	<b>5,403</b>	<b>6,987</b>	<b>1,584</b>	<b>5,600</b>
<b>TOTAL CAPITAL PROGRAMMES</b>	<b>10,835</b>	<b>12,368</b>	<b>1,533</b>	<b>10,146</b>

**Whāinga 5: He  
Kaunihera ahunui,  
whakamana i te iwi**  
Goal 5: A driven and  
enabling Council



# Good Governance and Active Citizenship

## What the Council does

The Good Governance and Active Citizenship Plan contributes to the success of all the plans across each of the goals, as the community and elected members engage in the direction setting and leadership activities which lead to good decision-making and ownership of community solutions.

## Key Achievements



**Several policies and bylaw reviews were completed during this year,** including the Dog Control Policy, the Animals and Bees Bylaw, Gambling policies, Water Supply Bylaw, and the Waste Minimisation and Management Plan.



**A new City Dashboard has been developed to improve the quality of city data** which is available and accessible for our community.



**A new Oranga Papaioea City Strategy** was adopted to inform the development of the 2024-2034 LTP.

## What happened in the year

### Community Engagement

We have undertaken a number of consultation and engagement processes on issues of significant interest to our communities. These included the Long-Term Plan, Future Development Strategy, Dog Control Policy and Animals and Bees Bylaw, the city's Speed Management Plan, the Waste Management and Minimisation Plan, Bus stops, Ashhurst Reserve Management, local playground upgrades, Vogel St safety improvements and age friendly improvements. Each of these processes elicited many thoughtful and well-informed submissions reflecting a variety of community views.

The Mayor and Councillors have also received several petitions this year – both as part of the LTP process and separately.

Community organisations continue to make informed contributions to Council decision-making processes. This was especially showcased during the LTP submission processes with a wide range of submissions in a variety of formats including video, song, cultural artwork, poems, drawings, petitions and using the formal submission form.

The Seniors Reference Group and Pasifika Reference Group, alongside the Disability Reference Group, contributed to Council decisions and operational discussions on a wide range of subject areas.

The Mayor continues to hold regular meet the mayor sessions, both at his office and at Ashhurst Library. Councillors connect with the community at a variety of weekly community events, as well as through their own social media networks, and represent Council through their appointments on several local organisation boards.

## Direction Setting

The direction-setting framework for Council sets out broad outcomes for each aspect of wellbeing described in the Local Government Act: economic, cultural social, and environmental wellbeing, alongside an aspiration to provide sound governance, management, and community engagement. These goals are:

### ➤ Whāinga 1 – He tāone auaha, he tāone tiputipu Goal 1 – Innovative + Growing City

Palmerston North is a growing city, and we need to plan for this growth. We need to make it easy to get around and to make sure we cater for everyone's needs as the city expands.

### ➤ Whāinga 2 – He Tāone whakaihiihi tapatapahi ana Goal 2 – Creative + Exciting City

A city that draws inspiration from the diversity within its culture and creates a vibrant urban environment that attracts creative and clever people and nurtures creative talent.

### ➤ Whāinga 3 – He hapori tūhonohono he hapori haumaruru Goal 3 – Connected + Safe Community

A city that includes, supports, connects and uses the talents and advantages of the whole community in the pursuit of prosperity and wellbeing. A city that has an international reputation as a safe city in which to live, study, work and play. A city that embraces its iwi heritage and partnership, and where people connect with the city's past, celebrating its history and heritage.

We want a future-focused city that plans for and cares about the future, enhancing its natural and built environment. Our city will realise the benefits to society from creating clean energy, lowering carbon emissions, and reducing our ecological footprint.

### ➤ Whāinga 4 – He Tāone Tautaiiao Goal 4 – Eco-City

We want a future-focused city that plans for and cares about the future, enhancing its natural and built environment. Our city will realise the benefits to society from creating clean energy, lowering carbon emissions, and reducing our ecological footprint.

### ➤ Whāinga 5 – He kaunihera ahunui whakamana i te iwi Goal 5 – Driven + Enabling Council

A Council and organisation that works as one team with its communities and is a catalyst and enabler for change in the city.

We also published the City Dashboards on our website. The information on the Dashboards is presented under each of the strategic goals and provides demographic information about Palmerston North people alongside easily accessible information about progress towards achieving our goals.

## Strategies, plans and policies

The strategies and plans adopted through the 2021-2031 Long-Term Planning process established a work programme for policy and bylaw review and development. Several policies and bylaw reviews were completed during this year, including the Dog Control Policy, the Animals and Bees Bylaw, Gambling policies, Water Supply Bylaw, and the Waste Minimisation and Management Plan (considered alongside the LTP).

## Enduring Partnership with Rangitāne

The Palmerston North City Council and Rangitāne o Manawatū have an enduring and strong relationship founded on Te Tiriti o Waitangi that is essential to the long-term future and well-being of the people of Palmerston North.

We continue to build on the foundations of the Partnership Agreement, which was signed in 2019 that ensures Rangitānenuirawa, the values, and perspectives of Rangitāne, have significant weight in decision-making as the council works towards a city that is more responsive to their needs and aspirations. Through this partnership, we gain a better understanding of the views and needs of tangata whenua and the wider Māori community who live in the city. This provides a full context of the history and knowledge of Rangitānenuirawa, Te Ao Māori, and tikanga Māori, to ensure a full contribution towards delivering the aspirations of a diverse and multicultural City.

In this term of council, Rangitāne is represented by Iwi appointees on the Rangitāne o Manawatū Committee. The Terms of Reference for this committee are set out in the Council's Delegations manual. The key focus of the committee is the development of Te Motu o Poutoa/ ANZAC Park; however, the scope of the committee has been expanded this year to look at wider iwi Māori outcomes.

Rangitāne continues to provide leadership with the Manawatū River Framework as council staff and Rangitāne work together with the community and stakeholders to create an engaging environment that affirms and promotes historical and cultural narratives and sustainable aspirations. The Council and Rangitāne are working closely together on a project to enhance the cultural features of the ancestral pā site Te Motu o Poutoa (Anzac Park) to increase the profile, community engagement, Iwi, and public use of the site. In recent months the Kanuka Grove site was opened by Rangitāne and the Council.

Social development and Whānau Ora aim to improve community outcomes is a collaborative approach that is woven into many joint projects. Other community development projects this year include the final stage to complete the public housing development at Papaioea Place, and rangatahi training and employment pathways being advanced alongside a well-performing local economy. On a larger scale, Rangitāne and the Council continue to work closely together on the Kikīwhenua and Kākātangiata subdivisions, utilising Rangitānenuirawa and a Whānau Ora framework to encourage development that maximises the creation of communities that are connected and flourish socially and culturally. The recently released Rangitāne Environmental Plan has provided a lot of clarity going forward on Rangitāne priorities for the future and ensures there are proactive discussions on how these priorities and those of the wider community are mediated and aligned.

The Ora Konnect programme under the Te Tihi Whānau Ora Alliance continues to progress key projects in the 4412 community with highlights including the Kai Resilience Plan (now being looked at on a Citywide level), significant improvements to pedestrian safety and the development of a wider codesigned plan with the community to enhancing the neighbourhood centre of Highbury which as of mid-2023 has now moved to a construction phase.



### Council Meetings and Elections

A total of 20 Council meetings and 31 committee meetings were held between July 2023 to June 2024. A series of extraordinary Council meetings were held to ensure Council deliberations in the drafting of the Long-term Plan were held as formal public meetings for transparency. Additional Committee meetings were held to listen to submitters who indicated their wish to speak to submissions on a variety of matters, including bus shelter locations.

Most committees meet from 9 am or 1 pm on a Wednesday. For details on the committee structure see Section 1: The Role of Council. Meetings are streamed on our YouTube channel live and available on demand. Members of the community are also welcomed to attend workshops in person. Workshops are an informal format where elected members consider matters before they are brought to the committee or Council for a decision. These are listed on our website and usually follow the completion of a committee meeting.

The Ombudsman’s investigation into public-excluded practices-closed committee meetings and workshops was released in 2023. It praised the work Council has done to improve communications between governance and management and to promote transparency through open workshops in recent years. It suggested several operational-level actions for improvement of Council practices for public excluded meetings. These are underway and subject to further suggestions for input from the Ombudsman’s Office to ensure consistency of application across the sector.

Every year we survey more than 400 randomly selected residents to understand how they view Council and its services. The 2023 Survey shows that 48% of respondents are satisfied with the overall performance of the Mayor and Councillors, 37% are neutral and 15% are dissatisfied. This was very similar to the 2022 results, but a drop from around 60% satisfaction in 2022. Most Council services showed similar drops in satisfaction. Other Councils also experienced similar drops, suggesting that the results were impacted by a negative public sentiment due to national issues such as COVID-19 and the cost of living, as well as the COVID-related closure or reduction of some Council services.

As a result, Council has identified a loss of public trust in Council as a strategic risk and in the first half of 2024/25, will develop actions to address this.

### Ongoing considerations

Social development remains a priority for Māori and the Crown and in this region, and therefore our work with the Iwi Māori and Whānau Ora partners will continue to increase in the coming years. Specifically, housing and accommodation remain pressure points for the City across the range of needs including emergency, affordable, and market-rate housing supply. In this regard, we’re involved in many initiatives including the Kīkīwhenua and Kākātangiata subdivisions.

### Community Engagement

The Resident’s Survey includes questions on residents’ satisfaction with Council’s information and decision-making processes. Around 45% are satisfied with the information they get from Council (around 37% are neutral and 18% dissatisfied). Satisfaction with opportunities to have a say in Council decision making is 39% (39% neutral and 22% dissatisfied) and 31% for ease of having a say (42% neutral and 27% dissatisfied).

All these satisfaction figures are similar to the 2022 results but have dropped from previous surveys. As outlined in the section on Council meetings and elections, one factor in these drops is likely to be the negative public sentiment due to national issues such as COVID-19 and the cost of living.

Council is working hard to get people more interested and involved in its decisions and this was demonstrated during the Long-Term Plan – including a Facebook Live with all councillors and the Planning Palmy Expo. We also continue to strengthen our relationship with Council’s partner Rangitāne and key sector groups.

The three Community Reference Groups, Disability, Seniors, and Pasifika will continue to be supported to provide input into Council’s activities through regular meetings with staff and enabled to provide an annual presentation to the Community Committee. Reference Groups are supported to provide advice to Council, particularly in their areas of expertise.

Sector Leads are supported to provide advice to Council, particularly in their areas of expertise. The wider community sector is supported to engage in Council processes and active civic participation is promoted.

### Strategies, Plans and Policies

All strategic and policy review and development work is informed by a Policy Framework. Work has been initiated or continued on city speed management, street naming, food security and resilience, health promotion (including Smokefree and SunSmart policies), dangerous and insanitary buildings, and the use of public space.

A new City Dashboard has been developed to improve the quality of city data which is available and accessible for our community. This upgrade of the current Dashboard will continue to report on city indicators and targets, demographic information about our city, and a range of information relating to our city goals.

### Direction Setting

Throughout this year, we’ve been engaged in reviewing this strategic direction. A new Oranga Papaioea City Strategy was adopted to inform the development of the 2024-2034 LTP. This was informed by He aha rā ngā matua? What really matters? This publication brought together ideas and challenges for the future from city sector lead organisations, including Environment Network Manawatū, Sport Manawatū, Te Tihi o Ruahine Whānau Ora Alliance, and the Manawatū Business Chamber.

Fourteen draft plans were developed under the Oranga Papaioea City Strategy to inform and reflect decision-making on the proposed LTP. A new heritage plan was created as a result of submissions received, bringing the total number of plans to 15. These plans will form the basis of our work programme over the next three years.

### Enduring partnership with Rangitāne

Rangitāne sat alongside elected members as part of the Long-Term Plan workshops delivered by staff. This enabled a collective understanding of the context for the next LTP and clarity on the key aspirations and concerns of both partners leading into the development of a draft LTP in early 2024 and the resulting consultation and deliberations in May.

Councillors attended a marae-based training at Te Rangimarie on the Rangitāne cultural and historical landscape in the Manawatū region. This was received very positively by all attendees, especially in terms of contextualizing the various projects undertaken together over the last decade, particularly along Te Awa o Manawatū.

Rangitāne released its Environmental Management Plan in mid-2023 and council staff have been working with iwi representatives to develop work programs to ensure that operational settings can be modified to respond to this very detailed and comprehensive document. The Plan has initiated a more focused range of work to promote responsiveness in the day-to-day work of Council.

The Kairaukaha role, resourced from the three waters reform funding from the Crown, was recruited in early 2024 and the inaugural appointee has been focusing on how the organisation can improve responsiveness to iwi values and aspirations which has resulted in more detailed feedback and guidance on recent projects and programmes. It has also lifted the capability to guide and mentor staff proactively and resources are also being developed for training and orientation of new staff members.

### Council Meetings and Elections

The Local Government Commission’s determination on the Greater Bunnythorpe Community’s appeal for a Community Board in 2023 was that a Community Board not be established but rather recommended that Council work with the community to improve communications with other Government agencies, establish a village planning process and a community committee. We have considered each of these recommendations through its Long-term Plan and will look to begin some implementation in 2024/25.

Parliament is currently considering whether it will require Council to include a referendum on Māori wards in parallel with the 2025 election to apply for the 2028 local body elections.



Long-Term Plan Expo

### How did we perform

What we do	How we show we are doing a good job	Result	Comment
Actively engage residents in decision-making and provide a range of opportunities for residents to engage with decision-making processes	<p>1. More than two out of every three residents (in the Residents Survey) are 'satisfied' with both the 'opportunity to have a say' and the 'ease of having a say'. New measure. Currently: Opportunity to have a say: 44% satisfied, 42% neutral, 13% dissatisfied. Ease of having a say: 34%, 46%, 19% respectively - 2020 Results.</p> <p>Target: Narrative measure outlining satisfaction trends.</p>	<p>✘ Target not met</p>	<p>The 2023 Residents survey shows that 31% of residents are satisfied with "the ease of having a say in Council decision making". 42% are neutral and 27% are dissatisfied. For caparison, the 2022 Survey shows that 26% of residents are satisfied with "the ease of having a say in Council decision making", 50% are neutral and 24% are dissatisfied. For "Opportunities to have a say in Council decision-making", 38% are satisfied, 39% are neutral and 23% are dissatisfied. For caparison, the 2022 Survey shows that 35% are satisfied, 45% are neutral, and 20% are dissatisfied.</p> <p>Council encourages people to have their say by offering a range of easy-to-use techniques. For example, for the LTP, engagement techniques included sending information to every household; drop-in meetings in community libraries; a Planning Palmy expo at the Conference and Function Centre; meetings with community, sporting, business and cultural groups; an LTP website, rates calculator and FaceBook Live sessions, and going to schools to talk with students about the LTP.</p> <p>(2022/23 - Target not met)</p>

### Financial Results

Activity Operational Requirement and Funding Summary

#### Governance and Active Citizenship

	Actual 2024 \$000	Annual Plan Budget 2024 \$000	Variance 2024 \$000	Actual 2023 \$000
<b>Revenue</b>				
Councillor Meetings and Administration	63	11	52	76
Direction Setting	143	216	(73)	103
Elections	-	3	(3)	98
Mayoral and Chief Executive's Office	9	-	9	3
<b>TOTAL REVENUE</b>	<b>215</b>	<b>230</b>	<b>(15)</b>	<b>280</b>
<b>Expenses</b>				
Councillor Meetings and Administration	3,016	2,624	(392)	2,495
Direction Setting	6,614	6,196	(418)	5,730
Elections	3	64	61	295
Mayoral and Chief Executive's Office	1,116	1,401	285	1,287
<b>TOTAL EXPENSES</b>	<b>10,749</b>	<b>10,285</b>	<b>(464)</b>	<b>9,807</b>
<b>NET OPERATING COSTS OF ACTIVITY</b>	<b>10,534</b>	<b>10,055</b>	<b>(479)</b>	<b>9,527</b>
<b>RATING ALLOCATION</b>				
Add back depreciation	49	6	43	6
Less provision for debt reduction	(20)	(21)	1	(1)
Add general rates allocation	10,505	10,070	435	9,522
<b>FUNDING SURPLUS/(DEFICIT)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Significant Activity Capital Projects

#### Governance and Active Citizenship

	Actual 2024 \$000	Annual Plan Budget 2024 \$000	Variance 2024 \$000	Actual 2023 \$000
<b>CAPITAL NEW</b>				
1676 - Improve participation in Council and Committee meetings	226	138	(88)	-
<b>TOTAL CAPITAL NEW</b>	<b>226</b>	<b>138</b>	<b>(88)</b>	<b>-</b>
<b>TOTAL CAPITAL PROGRAMMES</b>	<b>226</b>	<b>138</b>	<b>(88)</b>	<b>-</b>

# Organisational Performance

## What the Council does

To achieve the Vision, we need a Council organisation that can deliver on all Council's strategic goals.

Paetae: Kia eke ki te 70% o te iwi whānui e whakaaro pai ana ki ngā mahi a te Kaunihera i mua i te tau 2031

Target: Overall satisfaction with the Council's performance is 70% by 2031.

## Key Achievements



We have **the most engaged social media of any council in NZ.**



We successfully implemented a cutting-edge **data analytics platform.**



We rolled out **ServiceNow**, a state-of-the-art workflow platform.



We implemented a **Project Portfolio Management toolset**, establishing a single source of truth for all capital projects and their performance-related data.

## What happened in the year

### Customer-Centric Service

We work closely with local and national media to share our stories. Over the past year, we received 464 media queries, shared 85 media releases and did 96 radio interviews on local stations.

Our social media continues to far exceed any other council in the country due to our storytelling and interactions with our residents. In fact, we have double the engagement than any other council in New Zealand. Across Facebook, Instagram and LinkedIn our content was seen just under 15 million times. Our content was engaged with just under a million times – that means people used an emoji to react, shared, commented, or clicked on links to find out more.

We continue to receive tens of thousands of direct messages via our channels each year where we answer our community questions. Often these queries are from people who may have specific queries relating to their streets, or who don't want their query to be viewed by others on our main pages.

Including Tik Tok, our following across all channels around 7% this year, which shows that the information we're sharing, in the variety of formats we share it, is becoming of interest to new followers which is exactly what we want to see!

Our website continues to be the place our residents go for information, with an increase of 23.4 per cent more visitors over the past year. 516,885 people visited our website 1,022,135 times (23.5% increase), viewing more than 2.83 million pages (32% increase), 60% of them visited the site using a phone or tablet. Three of our online tools (rates and property search, cemetery and cremation search, rubbish days finder) account for just under 13% of all site visits. Our website has a digital certainty index score of 88.6/100, higher than the industry benchmark for government of 81.7. The index measures a website's quality and impact across three categories: accessibility, quality assurance, and search engine optimisation.

We celebrated two big customer-centric wins this year when ALGIM named its top 10 councils for best council website and best customer service. Web and customer experience experts essentially 'mystery shop' our website and contact centre, judging us on a broad range of criteria including web standards and legislative compliance, friendliness, timeliness, relevance, and simple and easy to understand information. We scooped up awards in both categories.

A recent focus area has been how to simplify business processes and make it quicker and easier for people to interact with us. One way we do this is by offering online alternatives to traditional paper-based forms – at the time of writing we have 35 permanent online forms covering a range of service areas. Another focus is ensuring answers to common council queries are readily available and accessible online, enabling people to 'self-serve' as much as possible.

We are also making it easier for more people in our community to access our digital content. Accessibility is an ongoing focus area for us. Last year we introduced text-to-speech functionality. We are currently investigating new software to support web visitors to engage with our online content in a way that suits their needs. As well as text to speech, features include reading and translation support, helping us to create more inclusive experiences for everyone.

As well as formal consultation and engagement processes, there are a lot of communications going out to our community every day to inform, inspire, or educate them about a range of council services, events, improvements and construction.

### Operational Excellence

#### Digital Transformation

Our appetite and consumption of technology has changed significantly over the past decade. Our previous approach to new technologies has generally been 'cumulative' which, while providing short-term solutions; compounds to create significant challenges in complexity, scalability and service performance.

Our Digital Transformation Program addresses significant underinvestment and technical debt by focusing on building strategic, easy-to-configure platforms that enable domain experts to drive transformation through guided self-service. Prioritising customer experience projects ensures impactful outcomes while establishing the foundations of a modern digital organisation. The program is organised into three streams: Operating Within Risk Tolerances, which modernizes our operational state with initiatives like the Cyber Uplift Program and infrastructure refresh; Data-Driven Decisions, which fosters a decentralized data culture and builds a modern data architecture; and Process Modernisation and Digitisation, which automates and optimizes business processes using platforms like ServiceNow.

We have structured the program around three areas to ensure steady progress: These include: focusing on understanding and containing operational risks while building strategic foundations and reducing technical debt, developing data insights and digital workflows through self-service and in-house skill development and looking at continuous improvement and self-sustainability, reducing dependency on external consultants. This structured approach has allowed us to meet milestones, stay on track, and deliver significant achievements, positioning us for future success.

### High-Performance Culture

The approval of the People Leader Capability Framework this year represents a significant step towards enhancing our leadership capabilities, fostering a high-performing culture, and improving service delivery. This strategic initiative is designed to be cost-effective, ensuring optimal use of our resources while delivering maximum value to the council and the Palmy community.

We are confident that this framework will set a new standard for leadership development within the council and pave the way for sustainable growth and overall career development for our people.

The continuous improvement of the Council Wellbeing Programme demonstrates a commitment to fostering a supportive and thriving work environment. By focusing on harm prevention, support, and enhancing skills, Council aims to create a workplace culture where all employees can flourish. Over the past year, significant progress has been made in establishing a robust foundation to support and enhance well-being, extending offerings to meet the diverse needs of all our employees.

### Workforce Transformation

Translating the formally defined employee experience framework into the Tuia Te Whakaaro survey, which embodies the principle of listening and acting on the thoughts and ideas of our people, progresses Council aspirations to be an employer of choice. The insights gained from this survey have informed critical projects in the employee experience space, leading to the development of key organisational action plans aimed at enhancing our workplace environment. Being a great place to work will translate into attracting and retaining the talent we need to deliver on our commitments to the Palmy community.

The resulting action plans aim to address higher visibility from our Senior Organisational Leaders, a review of our organisational values, and a Kaimahi Performance Enablement framework. All these plans aim to better support employee development and assist both people leaders and employees to set clear goals, provide continuous feedback, and facilitate improvement in all we do. The approved plans demonstrate the commitment to creating a supportive and engaging Council.

### Ongoing considerations

#### Customer-Centric Service

People are wanting more information than ever before, which is great. One of the challenges we're facing is an increase in aggression from our community especially on social media and at some face to face engagement sessions. This is something that all government and councils around the world are facing but it does often have a wellbeing impact on our staff and elected members. We've implemented stricter community guidelines on our social media pages this year and are looking at a customer charter to help further set expectations both on our community, but also what they expect from us.

Our residents are keen to get more involved in the decision-making process and this year we've continued to try new and innovative ways to engage- including a Facebook live with all our councillors and hosting a Planning Palmy Expo for the LTP. These engagement processes are being well received by our community but will also set expectations for engagement moving forward.

**Operational Excellence**

**Digital Transformation**

The focus of the Digital Transformation Plan is to look at reducing operational risks by simplifying and modernising the way we deliver digital solutions. While significant progress has been made, there are several ongoing considerations critical to the continued success of the Digital Transformation Program:

➤ **Cyber Security**

Although we have improved cyber security awareness and controls, the evolving threat landscape and the advent of AI technologies require ongoing adaptation. Completing the Cyber-uplift Plan remains a top priority.

➤ **Strategic Platform Integration**

We are at a crucial juncture in embedding the core strategic platforms for data insights and process optimisation. This strategy relies heavily on a cultural shift towards decentralised data ownership and process optimisation. Maintaining investment and momentum in these areas is vital.

➤ **Digital Delivery Velocity**

Increasing the speed and prioritisation of digital delivery is a significant challenge. The implementation of a new quarterly business review process is expected to enhance execution predictability and better meet digital demands.

By focusing on these areas, we aim to continue our digital transformation journey, delivering tangible benefits to our community and ensuring a future-ready, resilient organization.

**High-Performance Culture**

Our aim is to cultivate a workforce that is highly engaged, inclusive, talented, and safe. Ensuring our ability to achieve the city’s vision and goals. We strive to become an employer of choice, recognised for our positive culture and inspirational leadership, which will enable us to attract top talent and provide outstanding employee experiences. We want our teams to work with confidence and pride, feeling valued and supported as they deliver the exceptional services expected of Council.

**Workforce Transformation**

Optimising our employee experiences can generate great benefits for Council and the services provided to our community. To achieve this the next year’s focus would be on embedding great wellbeing practices, initiating practices that would enhance a healthy psychosocial work environment to prevent any risks to wellbeing. In addition, leadership development and performance enablement programmes will be rolled-out and impact monitored. The organisational values will be refreshed, and strategies are being developed to embed agreed organisational values into Council. Progress is being made towards the development of a diversity, equity, and inclusion framework that would further improve our workplace, cross-functional team interactions, and internal communication. By focusing on these areas, we aim towards a supportive and high-performing workplace that can effectively meet the needs of our community.

**How did we perform**

This area does not have external measures of levels of service that are reported on.

**Financial Results**

Activity Operational Requirement and Funding Summary

**Organisational Performance**

	Actual 2024 \$000	Annual Plan Budget 2024 \$000	Variance 2024 \$000	Actual 2023 \$000
<b>Revenue</b>				
Civic Administration Building	100	259	(159)	170
Customer Services	3	-	3	-
Financial Services	1,689	239	1,450	1,041
Marketing & Communications	-	-	-	8
Print Synergy	(2)	32	(34)	-
<b>TOTAL REVENUE</b>	<b>1,790</b>	<b>530</b>	<b>1,260</b>	<b>1,219</b>
<b>Expenses</b>				
Civic Administration Building	1,282	556	(726)	458
Customer Services	(314)	-	314	(82)
Financial Services	2,716	640	(2,076)	2,001
Human Resources	52	-	(52)	390
Information Services	1,929	1,975	46	3,436
Marketing & Communications	994	1,023	29	466
Print Synergy	76	173	97	190
<b>TOTAL EXPENSES</b>	<b>6,735</b>	<b>4,367</b>	<b>(2,368)</b>	<b>6,859</b>
<b>NET OPERATING COSTS OF ACTIVITY</b>	<b>4,945</b>	<b>3,837</b>	<b>(1,108)</b>	<b>5,640</b>
<b>RATING ALLOCATION</b>				
Add back depreciation	1,573	1,631	(58)	1,543
Less Renewal capital expenditure	(928)	(1,143)	215	(2,099)
Add/(Less) borrowing effect of renewal 3 year averaging	(357)	(357)	-	221
Less provision for debt reduction	8,180	(120)	8,300	(320)
Less Transfers To/(From) Reserves	-	3,863	(3,863)	-
Add internal rates recovered	1,386	1,054	332	1,175
Add targeted rates allocation	-	-	-	26
Add general rates allocation	(4,909)	(1,091)	(3,818)	5,094
<b>FUNDING SURPLUS/(DEFICIT)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Financial services expenses were over due to interest expenses.

These were mostly offset by additional interest revenue.



Long-Term Plan Expo

Significant Activity Capital Projects

**Organisational Performance**

	Actual 2024 \$000	Annual Plan Budget 2024 \$000	Variance 2024 \$000	Actual 2023 \$000
<b>CAPITAL RENEWAL</b>				
221 - Print Synergy - Replacement of Print Synergy Machinery	20	36	16	
2496 - Data Centre Refresh	361	-	(361)	
272 - Staff Cafeteria - Replacement of Equipment	-	6	6	
281 - CAB - Renewals	255	620	365	
318 - Telecommunications Replacement - Council Buildings	23	77	54	
53 - Computer Replacement - Rolling Replacements	183	263	80	
58 - Network Additions and Upgrades	31	44	13	
68 - Aerial Photography	28	43	15	
784 - Replacement of Council's Photocopiers/Printers	13	53	40	
<b>TOTAL CAPITAL RENEWAL</b>	<b>914</b>	<b>1,142</b>	<b>228</b>	<b>2,099</b>
<b>CAPITAL NEW</b>				
60 - IM Strategic Plan - New Software Applications	98	113	15	
<b>TOTAL CAPITAL NEW</b>	<b>98</b>	<b>113</b>	<b>15</b>	<b>245</b>
<b>TOTAL CAPITAL PROGRAMMES</b>	<b>1,012</b>	<b>1,255</b>	<b>243</b>	<b>2,344</b>

Electric lawn mower in Te Marae o Hine – The Square



# Strategic Investments

## What the Council does

Commercial or Strategic Investments covers the assets we own for commercial or strategic reasons. These include Palmerston North Airport Ltd and the Gordon Kear Forest. We also have contracts to provide other councils and organisations with an after-hours call centre and building services. These provide a positive return to Council and reduce the amount needed in rates.

## Key Achievements



**The Building Services arrangement** continues to achieve a relatively consistent delivery model within the region and remains unique within New Zealand.



We've continued to sell the sections that were created within Stage 1 of the **Tamakuku Terrace residential subdivision off James Line**.



The After-Hours Call Centre has achieved the landmark that **half of New Zealand councils now rely on us to support their communities**.

## What happened in the year

### External Contracts

#### After-Hours Call Centre

We provide after-hours contact centre services for the wider local government sector for other cities, districts, and regions. The service has undergone a programme to modernise the technological and staffing components of the service to create strategic platforms on which to build future success.

#### Building services

Building Services continued to be delivered to Manawātū District Council with the level of activity remaining static overall, due to the national economic outlook in the construction market confidence. The Building Services arrangement continues to achieve a relatively consistent delivery model within the region and remains unique within New Zealand.

### Investment Property

Several properties are leased to generate revenue. Typically, this occurs when part of purchased property is not required by Council, or until the property is used for its intended purpose.

Our investment property portfolio remained static throughout the year, except for a tenancy on George Street which is part of the Central Library Building which was vacated in 2023. This site has remained vacant for most of the year despite the efforts to lease it. The space has been used as a pop-up space for several short-term uses while it remains vacant.

#### Tamakuku Terrace

We've continued to sell the sections that were created within Stage 1 of the Tamakuku Terrace residential subdivision off James Line. Steady and consistent sales continue to be achieved in the subdivision, with roughly half of the available 79 sections now sold.

### Investments

We own the commercial pine plantation known as Gordon Kear Forest as part of our investment portfolio. The primary reason for the investment is to generate revenue as an alternative funding source for future city development.

The plantation is in its second rotation and the current tree crop is aged between seven and 14 years.

Areas identified as suitable for clear wood (free of knots or blemishes caused by original branches) have undergone further pruning. Thinning operations (removal of trees not selected for the final crop) have also continued. The timing of silvicultural operations depends on tree growth and work is expected to carry on for at least four to five more years.

### Investments in Companies (PNAL)

Council owns Palmerston North Airport Ltd (PNAL) to ensure the city has an appropriate air gateway for passengers and freight. PNAL had been on a significant growth path both in terms of passenger numbers and financial returns until, like all airports, being significantly impacted by Covid-19. This meant passenger volumes for the 2022 year were 323,615 compared with 400,467 in 2021, 498,422 in 2020, and 687,142 in 2019. However, there was a significant recovery in the 2023 year with 534,651 passengers and further modest growth to 547,721 in the 2024 year. The high inflation environment with cost of living pressures meant this growth in 2024 was less than budget. Earnings before interest, tax and depreciation for 2024 were well above budget and the previous year. Non-cash and one-off items negatively impacted on overall profitability for the year. By arrangement with the Council no dividend was paid in relation to the 2023 year, the same as in the previous three years. However, despite the outcome for 2024 directors have indicated their intention to declare a dividend of \$0.195m as projected in the 2024 SOI.

### Ongoing considerations

#### External Contracts

##### After-Hours Call Centre

The service has achieved the landmark that half of New Zealand councils now rely on us to support their communities. In addition, there is a healthy pipeline of interest from other councils to join the service. The first phase of a programme to modernise and future-proof the service, including investment in technology and operational capabilities to sustain profitability and enable potential growth of the contact centre was completed in April. Moving forward, determining the strategy and purpose of the centre will inform the future design of the service, and with the foundations laid, consideration as to the most appropriate delivery structure for the centre can be given.

### Building services

Regional growth within the construction sector has remained fairly static as the Manawātū region does tend to be protected from this to an extent by the significant defence, education, and distribution sectors which do provide some stability. The contract with Manawātū District Council for building continues with levels of service maintained within the current staffing model. Recruiting and development of staff have improved over the last few years with a revised structure in place, affording more flexibility in staff development opportunities. Further technology and efficiency improvements continue to be implemented to ensure customers are better served in the future.

### Investment Property

#### Tamakuku Terrace

We will undertake the earthworks and civil construction for Stage 2 when appropriate. Stage 2 will see an additional 35 sections created and for sale to the market.

### Investments

#### Gordon Kear Forest

Forestry is a long-term investment with at least 28-30 years between planting and realisation of the investment by harvesting. The current tree crop is relatively young, aged from seven to 14 years. Log prices, particularly for the export market, are subject to fluctuations and cycles. However, there is flexibility about the exact timing of returns so the scheduling of harvest, once the tree crop is mature, can be varied to suit the market.

### Investments in Companies (PNAL)

#### Airport

Planned terminal redevelopment (with an estimated price tag of \$40m) will dominate the activities of Palmerston North Airport Ltd over the next two to three years. The development is required to meet seismic standards, plan for anticipated passenger growth and accommodate the possibility of the requirement for security screening. With this large commitment, PNAL will have limited capacity to invest in the Ruapehu Aeropark, further diversify its revenue base, or contribute to the development of Te Utanganui/ Central New Zealand Distribution hub without the support of a strategic partner(s). PNAL is focused on option analysis with the aim of determining an appropriate was forward during this 2025 year. At this stage, it has been assumed the development will occur without further capital investment by Council as shareholder.

Council has requested PNAL to plan to return to paying dividends following the 2023/24 year and PNAL's forecasts include an assumption this will happen.

## How did we perform

This area does not have external measures of levels of service that are reported on.

## Financial Results

Activity Operational Requirement and Funding Summary

### Strategic Investments

	Actual 2024 \$000	Annual Plan Budget 2024 \$000	Variance 2024 \$000	Actual 2023 \$000
<b>Revenue</b>				
External Contracts	3,631	4,123	(492)	3,823
Investment Property	341	271	70	276
Investments	100	-	100	-
Investments in Companies (including Airport)	490	-	490	218
<b>TOTAL REVENUE</b>	<b>4,562</b>	<b>4,394</b>	<b>168</b>	<b>4,317</b>
<b>Expenses</b>				
External Contracts	4,838	3,872	(966)	4,508
Investment Property	312	399	87	314
Investments	208	616	408	558
Investments in Companies (including Airport)	892	392	(500)	638
<b>TOTAL EXPENSES</b>	<b>6,250</b>	<b>5,279</b>	<b>(971)</b>	<b>6,018</b>
<b>NET OPERATING COSTS OF ACTIVITY</b>	<b>1,688</b>	<b>885</b>	<b>(803)</b>	<b>1,701</b>
<b>RATING ALLOCATION</b>				
Add back depreciation	2,225	1,251	974	1,444
Less Renewal capital expenditure	(3,424)	(1,983)	(1,441)	(1,862)
Add/(Less) borrowing effect of renewal 3 year averaging	(679)	(679)	-	(439)
Add external revenue for renewal capital	-	-	-	22
Less Transfers To/(From) Reserves	-	318	(318)	-
Add proceeds from sale of assets	499	-	499	209
Less provision for debt reduction	(140)	(140)	-	-
Add general rates allocation	3,207	2,118	1,089	2,477
<b>FUNDING SURPLUS/(DEFICIT)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>150</b>

Significant Activity Capital Projects

### Strategic Investments

	Actual 2024 \$000	Annual Plan Budget 2024 \$000	Variance 2024 \$000	Actual 2023 \$000
<b>CAPITAL RENEWAL</b>				
1753 - Investment Properties - Building Renewals	82	127	45	
1791 - Parks Depot - Building Renewals	539	176	(363)	
1879 - Council's Plant and Vehicle - Replacements	1,406	1,015	(391)	
1970 - Gordon Kear Forest Culvert Replacements	-	27	27	
2022 - Property - Hard Surfaces Renewals	428	293	(135)	
80 - Council Small Mobile Plant and Equipment	340	239	(101)	
85 - Depot - Buildings and Structures Renewals	98	106	8	
<b>TOTAL CAPITAL RENEWAL</b>	<b>2,893</b>	<b>1,983</b>	<b>(910)</b>	<b>1,862</b>
<b>CAPITAL NEW</b>				
99 - New Vehicles and Plant	159	157	(2)	
<b>TOTAL CAPITAL NEW</b>	<b>159</b>	<b>157</b>	<b>(2)</b>	<b>301</b>
<b>TOTAL CAPITAL PROGRAMMES</b>	<b>3,052</b>	<b>2,140</b>	<b>(912)</b>	<b>2,163</b>

# Wāhanga tuatoru

## Section three

### Puakanga ahumoni

### Financial statements

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# Independent Auditor's Report

**AUDIT NEW ZEALAND**  
Mana Arotake Aotearoa

## To the readers of Palmerston North City Council's annual report for the year ended 30 June 2024

The Auditor-General is the auditor of Palmerston North City Council (the City Council) and its subsidiaries and controlled entities (the Group). The Auditor-General has appointed me, Debbie Perera, using the staff and resources of Audit New Zealand, to report on the information in the City Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the City Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the City Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 30 October 2024. This is the date on which we give our report.

## Opinion on the audited information

### Unmodified opinion on the audited information, excluding the statement of service provision

In our opinion:

- the financial statements on pages 166 to 225:
  - present fairly, in all material respects:
    - the City Council and Group's financial position as at 30 June 2024;
    - the results of the operations and cash flows for the year ended on that date; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the funding impact statement on page 232 presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the City Council's Long-term plan and annual plan,
- the statement about capital expenditure for each group of activities on pages 233 to 241, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the City Council's Long-term plan and annual plan; and
- the funding impact statement for each group of activities on pages 233 to 241, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the City Council's Long-term plan and annual plan.

### Qualified opinion on the statement of service provision

In our opinion, except for the possible effects of the matter described in the Basis for our opinion on the audited information section of our report, the statement of service provision (included in section two "What the Council Does") on pages 27 to 157:

- presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2024, including:
  - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
  - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
- complies with generally accepted accounting practice in New Zealand.

### Report on the disclosure requirements

We report that the City Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 226 to 229, which represent a complete list of required disclosures and accurately reflects the information drawn from the City Council's and Group's audited information and, where applicable, the City Council's Long-term plan and annual plans.

The basis for our opinion is explained below and we draw attention to inherent uncertainties in the measurement of greenhouse gas emissions. In addition, we outline the responsibilities of the Council and our responsibilities relating to the audited information, we comment on other information, and we explain our independence.

### Basis for our opinion on the audited information

#### Statement of service provision: Our work was limited with respect to the performance measure on percentage of resource consent applications processed within statutory frameworks

An important part of the City Council's service performance is the percentage of resource consent applications processed in accordance with statutory timeframes. Our audit testing of resource consents identified that the City Council's systems have not accurately recorded resource consent processing times during the 2024 performance year. Due to the extent of the inaccuracies, we are unable to determine whether the City Council's reported result for this measure is materially correct.

As a result, our work was limited and there were no practicable audit procedures we could apply to obtain assurance over the reported result for this performance measure for the year ended 30 June 2024.

#### Statement of service provision: Our work was limited in respect of the number of complaints received about water supply, wastewater and stormwater

The City Council is required to report against the performance measures set out in the Non-Financial Performance Measure Rules 2013 (the Rules) made by the Secretary for Local Government. These include mandatory performance measures relating to the number of complaints received in relation to its drinking water supply, wastewater system and performance of the stormwater system (per 1,000 connections).

The Department of Internal Affairs has issued guidance to assist local authorities in applying the Rules, including how to count complaints. Our audit testing found that the City Council has not been counting complaints in accordance with this guidance and the City Council's method of counting was likely to have understated the actual number of complaints received. Furthermore, complete records for all complaints made to the City Council were not available.

As a result, our audit work was limited and there were no practicable audit procedures we could apply to obtain assurance over the reported results for these performance measures. Our opinion was also qualified in this regard in the 2023 performance year.

**Statement of service provision: Our work was limited in respect of the comparative year result for the performance measure: The average quality of ride on the sealed local road network, measured by smooth travel exposure**

Our audit opinion for the year ended 30 June 2023 was qualified in respect of the performance measure The average quality of ride on the sealed local road network, measured by smooth travel exposure, because the City Council had not undertaken a road smoothness survey within the last two financial years. As a result, the City Council did not have any up-to-date data to calculate its result for this measure, and the actual quality of ride on the sealed local road network may have differed materially from the result reported.

This issue has been resolved for the year ended 30 June 2024. As the limitation on our work cannot be resolved for the prior year, the City Council's performance information reported for this performance measure for the 30 June 2023 year may not be directly comparable to the 30 June 2024 performance information.

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our responsibilities under those standards further in the "Responsibilities of the auditor for the audited information" section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

**Emphasis of matter – Inherent uncertainties in the measurement of greenhouse gas emissions**

The City Council has chosen to include a measure of its greenhouse gas (GHG) emissions in its performance information. Without further modifying our opinion and considering the public interest in climate change related information, we draw attention to page 108 of the statement of service provision, which outlines the inherent uncertainty in the reported GHG emissions. Quantifying GHG emissions is subject to inherent uncertainty because the scientific knowledge and methodologies to determine the emissions factors and processes to calculate or estimate quantities of GHG sources are still evolving, as are GHG reporting and assurance standards.

**Responsibilities of the Council for the audited information**

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the City Council and the Group or there is no realistic alternative but to do so.

**Responsibilities of the auditor for the audited information**

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the City Council's annual plan.

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

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City Council and Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.

- We determine the appropriateness of the reported intended levels of service in the statement of service provision, as a reasonable basis for assessing the levels of service achieved and reported by the City Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the City Council and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the City Council and the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the audited information of the entities or business activities within the Group to express an opinion on the consolidated audited information. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

# Statement of compliance and responsibility

## Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 1 to 26, 158, 230, 242, and 274 to 283, but does not include the audited information and the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Independence

We are independent of the City Council and Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence 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.

In addition to our audit and our report on the disclosure requirements we have performed an audit of the City Council's Long-term plan 2024-34 and a limited assurance engagement related to the City Council's debenture trust deed. These engagements are compatible with those independence requirements.

Other than these engagements, we have no relationship with, or interests in, the City Council or its subsidiaries and controlled entities.

**Debbie Perera**  
Audit New Zealand  
On behalf of the Auditor-General  
Palmerston North, New Zealand



## Compliance

1. The Council of Palmerston North City Council hereby confirms that all statutory requirements relating to the Annual Report adopted on 30 October 2024 have been complied with.

## Responsibility

2. The Council and management of Palmerston North City Council accept responsibility for the preparation of the annual Financial Statements and the judgements used in them.
3. The Council and management of Palmerston North City Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.
4. In the opinion of the Council and management of Palmerston North City Council, the annual Financial Statements for the year ended 30 June 2024 fairly reflect the financial position and operations of Palmerston North City Council



**Grant Smith**  
Mayor

30 October 2024



**Waid Crockett**  
Chief Executive

30 October 2024

## Statement of comprehensive revenue and expense for the year ended 30 June 2024 - Palmerston North City Council

	Notes	Council			Group	
		Actual 2024 \$000	Annual Plan Budget 2024 \$000	Restated* Actual 2023 \$000	Actual 2024 \$000	Restated* Actual 2023 \$000
<b>OPERATING REVENUE</b>						
Rates revenue	2	124,714	124,246	116,037	124,283	115,676
Finance revenue	3	1,977	150	1,126	1,695	962
Other revenue	4	35,994	33,156	36,372	52,652	49,798
Operating subsidies and grants	5	6,135	7,879	7,267	6,277	7,435
Other gains	6	217	-	284	217	961
<b>TOTAL OPERATING REVENUE</b>		<b>169,037</b>	<b>165,431</b>	<b>161,086</b>	<b>185,124</b>	<b>174,832</b>
<b>CAPITAL REVENUE</b>						
Capital subsidies and grants	5	14,494	17,724	5,683	14,011	5,683
Development contributions		2,436	3,249	6,673	2,436	6,673
Vested assets		8,534	2,000	7,165	3,994	7,205
<b>TOTAL CAPITAL REVENUE</b>		<b>25,464</b>	<b>22,973</b>	<b>19,521</b>	<b>20,441</b>	<b>19,561</b>
<b>TOTAL REVENUE</b>	<b>7</b>	<b>194,501</b>	<b>188,404</b>	<b>180,607</b>	<b>205,565</b>	<b>194,393</b>
<b>EXPENSES</b>						
Employee and elected representatives benefit expenses	8	56,836	61,042	52,983	62,413	58,212
Depreciation and amortisation	17 and 18	43,141	43,043	42,152	45,773	44,766
Finance costs	3	14,422	9,899	5,021	14,565	5,397
Other expenses	9	69,135	65,791	69,281	71,528	70,827
Other losses	6	1,260	-	507	1,681	608
<b>TOTAL EXPENSES</b>		<b>184,794</b>	<b>179,775</b>	<b>169,944</b>	<b>195,960</b>	<b>179,810</b>
<b>NET SURPLUS/(DEFICIT) BEFORE TAX</b>		<b>9,707</b>	<b>8,629</b>	<b>10,663</b>	<b>9,605</b>	<b>14,583</b>
Share of associate's surplus/(deficit)	15	-	-	-	22	10
Income tax refund/(expense)	10	110	-	43	(1,508)	(1,019)
<b>NET SURPLUS/(DEFICIT) AFTER TAX</b>		<b>9,817</b>	<b>8,629</b>	<b>10,706</b>	<b>8,119</b>	<b>13,574</b>
<b>Other comprehensive revenue and expense</b>						
Increase/ (decrease) in operating property valuations	26	(19,905)	5,403	83,606	(15,603)	81,381
Financial assets at fair value through other comprehensive revenue and expense	26	34	-	(4)	34	(4)
Movement in deferred tax on revaluations	26	-	-	-	-	623
<b>TOTAL OTHER COMPREHENSIVE REVENUE AND EXPENSE</b>		<b>(19,871)</b>	<b>5,403</b>	<b>83,602</b>	<b>(15,569)</b>	<b>82,000</b>
<b>TOTAL COMPREHENSIVE REVENUE AND EXPENSE</b>		<b>(10,054)</b>	<b>14,032</b>	<b>94,308</b>	<b>(7,450)</b>	<b>95,574</b>

Explanations of significant variances against budget are detailed in Note 36.

The accompanying notes form part of these financial statements.

\*refer to Note 37: Prior year adjustment

## Statement of financial position as at 30 June 2024 - Palmerston North City Council

	Notes	Council			Group	
		Actual 2024 \$000	Annual Plan Budget 2024 \$000	Actual 2023 \$000	Actual 2024 \$000	Actual 2023 \$000
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	11	1,677	500	1,657	3,820	2,595
Trade and other receivables	12	25,031	10,886	18,113	26,345	19,202
Inventories	13	4,543	247	4,990	4,566	5,019
Other financial assets	14	6,000	6,422	-	7,275	926
Derivative financial instruments	16	2,965	-	3,680	2,965	3,680
<b>TOTAL CURRENT ASSETS</b>		<b>40,216</b>	<b>18,055</b>	<b>28,440</b>	<b>44,971</b>	<b>31,422</b>
<b>NON-CURRENT ASSETS</b>						
Inventories	13	749	5,252	749	749	749
Other financial assets	14	8,000	-	5,000	56	55
Investments in CCOs and industry companies	14	18,425	14,499	16,484	7,583	5,642
Investment in Associate	15	1	1	1	316	298
Derivative financial instruments	16	6,104	-	7,973	6,104	7,973
Property, plant and equipment	17	2,283,906	2,281,995	2,247,579	2,394,503	2,356,704
Intangible assets	18	1,466	971	1,109	1,524	1,172
Forestry assets	20	2,072	1,571	1,855	2,072	1,855
Investment property	21	4,535	6,455	4,825	19,864	20,225
<b>TOTAL NON-CURRENT ASSETS</b>		<b>2,325,258</b>	<b>2,310,744</b>	<b>2,285,575</b>	<b>2,432,771</b>	<b>2,394,673</b>
<b>TOTAL ASSETS</b>		<b>2,365,474</b>	<b>2,328,799</b>	<b>2,314,015</b>	<b>2,477,742</b>	<b>2,426,095</b>
<b>LIABILITIES</b>						
<b>CURRENT LIABILITIES</b>						
Trade and other payables	22	31,981	27,145	25,732	34,490	27,939
Provisions	23	797	-	728	797	728
Employee benefit liabilities	24	7,721	-	7,294	8,617	7,971
Borrowings	25	25,000	-	20,000	27,700	23,065
Derivative financial instruments	16	-	-	-	-	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>65,499</b>	<b>27,145</b>	<b>53,754</b>	<b>71,604</b>	<b>59,703</b>
<b>NON-CURRENT LIABILITIES</b>						
Provisions	23	322	1,217	403	322	403
Employee benefit liabilities	24	1,064	6,567	992	1,066	996
Borrowings	25	250,005	251,193	200,228	250,005	202,928
Deferred tax liability	10	-	-	-	9,990	9,251
Derivative financial instruments	16	-	-	-	-	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>251,391</b>	<b>258,977</b>	<b>201,623</b>	<b>261,383</b>	<b>213,578</b>
<b>TOTAL LIABILITIES</b>		<b>316,890</b>	<b>286,122</b>	<b>255,377</b>	<b>332,987</b>	<b>273,281</b>
<b>NET ASSETS (ASSETS MINUS LIABILITIES)</b>		<b>2,048,584</b>	<b>2,042,677</b>	<b>2,058,638</b>	<b>2,144,755</b>	<b>2,152,205</b>
<b>EQUITY ATTRIBUTABLE TO PNCC</b>						
Retained earnings	26	1,107,326	1,112,876	1,097,509	1,144,886	1,135,271
Other reserves	26	941,258	929,801	961,129	999,869	1,016,934
<b>TOTAL EQUITY</b>		<b>2,048,584</b>	<b>2,042,677</b>	<b>2,058,638</b>	<b>2,144,755</b>	<b>2,152,205</b>

Explanations of significant variances against budget are detailed in Note 36.

The accompanying notes form part of these financial statements.

## Statement of Changes in Equity

for the year ended 30 June 2024 - Palmerston North City Council

Notes	Council			Group	
	Actual 2024 \$000	Annual Plan Budget 2024 \$000	Restated* Actual 2023 \$000	Actual 2024 \$000	Restated* Actual 2023 \$000
<b>BALANCE AT 1 JULY</b>	<b>2,058,638</b>	<b>2,028,645</b>	<b>1,964,330</b>	<b>2,152,205</b>	<b>2,056,631</b>
Total comprehensive revenue and expense for the year	(10,054)	14,032	94,308	(7,450)	95,574
<b>BALANCE AT 30 JUNE</b>	<b>26</b>	<b>2,048,584</b>	<b>2,042,677</b>	<b>2,144,755</b>	<b>2,152,205</b>

Explanations of significant variances against budget are detailed in Note 36.

The accompanying notes form part of these financial statements.

## Statement of cash flows

for the year ended 30 June 2024 - Palmerston North City Council

Notes	Council			Group	
	Actual 2024 \$000	Annual Plan Budget 2024 \$000	Actual 2023 \$000	Actual 2024 \$000	Actual 2023 \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from rates revenues	125,396	124,246	115,659	124,965	115,298
Interest received	1,743	150	1,121	1,834	1,160
Dividends received	7	-	5	7	5
Operating subsidies and grants	6,135	7,880	7,267	6,255	7,434
Receipts from other revenue	24,643	33,155	25,229	41,433	38,772
Capital subsidies and grants	14,494	17,725	8,233	14,494	8,233
Development contributions	2,436	3,249	7,203	2,436	7,203
Receipts from tax losses	110	-	-	-	-
Payments to suppliers and employees	(118,418)	(126,834)	(121,514)	(126,054)	(127,927)
Interest paid	(11,838)	(9,899)	(8,309)	(12,281)	(8,903)
Income tax paid (net)	-	-	-	(1,393)	(692)
Goods and Services Tax (net)	(466)	-	(1,079)	(468)	(1,101)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>27</b>	<b>44,242</b>	<b>49,672</b>	<b>51,228</b>	<b>39,482</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from sale of property, plant and equipment	3,069	7,479	4,652	3,071	5,139
Proceeds from sale of biological assets	-	-	-	-	-
Investment in property development	1	-	(2,788)	1	(2,788)
Purchase of intangible assets	(457)	-	(167)	(457)	(171)
Purchase of property, plant and equipment	(90,181)	(93,344)	(77,777)	(95,618)	(80,195)
Purchase of investment property	(751)	-	(378)	(751)	(462)
Other advances made, repayment received	-	-	-	-	-
Repayment or acquisition of investments	(10,680)	-	20,000	(7,961)	24,934
<b>NET CASH FROM INVESTMENT ACTIVITIES</b>	<b>(98,999)</b>	<b>(85,865)</b>	<b>(56,458)</b>	<b>(101,715)</b>	<b>(53,543)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Proceeds from borrowings	78,077	41,353	47,378	78,077	47,378
Repayment of borrowings	(23,300)	(5,160)	(25,000)	(26,365)	(33,943)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>54,777</b>	<b>36,193</b>	<b>22,378</b>	<b>51,712</b>	<b>13,435</b>
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	20	-	(265)	1,225	(626)
Cash, cash equivalents and bank overdrafts at the beginning of the year	1,657	500	1,922	2,595	3,221
<b>CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS AT THE AT THE END OF THE YEAR</b>	<b>11</b>	<b>1,677</b>	<b>500</b>	<b>1,657</b>	<b>3,820</b>

The Income tax paid (net) and GST (net) component of operating activities reflects the respective net amounts paid and received with the Inland Revenue Department. These have been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

The movement in net debt for the year comprises the total of:	\$000
Proceeds from borrowings	78,077
Repayment of borrowings	(23,300)
<b>Increase in net debt for the year</b>	<b>54,777</b>

The accompanying notes form part of these financial statements.

\* refer to Note 37: Prior year adjustment

# Notes to the Financial statements

## Note 1

### Statement of accounting policies for the year ended 30 June 2024

#### Reporting entity

Palmerston North City Council (PNCC) is a territorial local authority governed by the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002.

The parent 'council' financial statements are for PNCC as a separate legal entity. The Palmerston North City Council 'group' financial statements incorporate the Palmerston North City Council, its 100% share of its subsidiary Palmerston North Airport Limited (PNAL) and the following Council Controlled Organisations (CCO's) (100% share) with all incorporated in New Zealand:

- Globe Theatre Trust Board,
- Palmerston North Performing Arts Trust Board,
- The Regent Theatre Trust, and
- Te Manawa Museums Trust.

PNCC's 50% equity share of its associate Central Economic Development Agency Limited (CEDA) is equity accounted into the group financial statements.

PNCC and group provide local infrastructure, regulatory services and local public services to the community. The Council does not operate to make a financial return. Accordingly, PNCC has designated itself and the group as public benefit entities ("PBE") for financial reporting purposes.

The financial statements of PNCC and entities included in the group are for the year ended 30 June 2024. The financial statements were authorised for issue by Council on 30 October 2024.

#### 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 PNCC 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 (NZ GAAP).

These financial statements and service performance information have been prepared in accordance with NZ GAAP. They comply with NZ Public Benefit Entity International Public Sector Accounting Standards, and are prepared in accordance with Tier 1 PBE Standards.

#### 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

There have been no changes in accounting policies during the financial year as a consequence of changes in accounting standards.

#### Standards issued and not yet effective that have not been early adopted

Standards and amendments issued but not yet effective and not early adopted are:

Disclosure of Fees for Audit Firms' Services (Amendments to PBE IPSAS 1)

Amendments to PBE IPSAS 1 Presentation of Financial Reports change the required disclosures for fees relating to services provided by the audit or review provider, including a requirement to disaggregate the fees into specified categories. The amendments to PBE IPSAS 1 aim to address concerns about the quality and consistency of disclosures an entity provides about fees paid to its audit or review firm for different types of services. The enhanced disclosures are expected to improve the transparency and consistency of disclosures about fees paid to an entity's audit or review firm. This is effective for the year ended 30 June 2025.

PBE IFRS 17 Insurance Contracts

This new standard sets out accounting requirements for insurers and other entities that issue insurance contracts and applies to financial reports covering periods beginning on or after 1 January 2026.

These amendments and the new standard are not expected to have a significant impact on PNCC reporting.

### Significant Accounting Policies

#### Basis of consolidation

The consolidated financial statements are prepared by adding together like items of assets, liabilities, equity, revenue and expenses of entities in the group on a line-by-line basis. All significant intra-group balances, transactions, revenue and expenses are eliminated on consolidation.

#### Subsidiaries

PNCC consolidates as subsidiaries in the group financial statements all entities where PNCC has the capacity to control their financing and operating policies so as to obtain benefits from the activities of the entity. This power exists where PNCC controls the majority voting power on the governing body or where such policies have been irreversibly predetermined by PNCC or where the determination of such policies is unable to materially impact the level of potential ownership benefits that arise from the activities of the subsidiary.

PNCC measures the cost of a business combination as the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, in exchange for control of the subsidiary.

Any excess of the cost of the business combination over PNCC's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised as goodwill. If PNCC's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised exceeds the cost of the business combination, the difference will be recognised immediately in the surplus or deficit.

Investment in subsidiaries is carried at cost in PNCC's own "parent entity" financial statements.

#### Associate

An associate is an entity over which the Council has significant influence and that is neither a subsidiary nor an interest in a joint venture. PNCC's associate investment is accounted for in the group financial statements using the equity method. The investment in an associate is initially recognised at cost and the carrying amount in the group financial statements is increased or decreased to recognise the group's share of the surplus or deficit of the associate after the date of acquisition. Distributions received from an associate reduce the carrying amount of the investment in the group financial statements.

If the share of deficits of an associate equals or exceeds its interest in the associate, the group discontinues recognising its share of further deficits. After the group's interest is reduced to zero, additional deficits are provided for, and a liability is recognised, only to the extent that PNCC has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports surpluses, the group will resume recognising its share of those surpluses only after its share of the surpluses equals the share of deficits not recognised.

Where the group transacts with an associate, surpluses or deficits are eliminated to the extent of the group's interest in the associate.

Dilution gains or losses arising from investments in associates are recognised in the surplus or deficit.

The investment in the associate is carried at cost in the PNCC's parent entity financial statements.

#### Joint ventures

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control.

For jointly controlled assets, PNCC recognises in its financial statements its share of jointly controlled assets, the liabilities and expenses it incurs, its share of liabilities and expenses incurred jointly, and revenue from the sale or use of its share of the output of the joint venture.

#### Revenue

Revenue is measured at the fair value of consideration received or receivable when it is probable that the economic benefit will flow to PNCC.

#### Rates revenue

The following policies for rates have been 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.
- Rate 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

PNCC receives government subsidies from the New Zealand Transport Agency, which subsidises part of PNCC'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 considering 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 PNCC 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 that PNCC 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 revenue 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 PNCC has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of PNCC'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 and group 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 and group's 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 and group 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 and group'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 and group 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 and group has no instruments in this category.

### Expected credit loss allowance (ECL)

The Council and group 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 and group 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 and group 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 and group's historical experience and informed credit assessment and including forward-looking information.

The Council and group consider a financial asset to be in default when the financial asset is more than 90 days past due. The Council and group 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 of the derivative classified as non-current.

### 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**

Property, plant and equipment consists 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 PNCC 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 PNCC and the group. The infrastructure networks owned by PNCC include transport, water, wastewater and stormwater networks, waste management and airport utility assets (PNAL). 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 property, plant 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.

PNCC assesses the carrying values of its revalued assets annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

PNCC 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, PNCC is not revaluing this land and will carry this at deemed cost. Under the previous NZ IFRS PNCC 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 revaluating 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 PNCC and group 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 PNCC 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 properties, biological assets, and the museum, art gallery and heritage assets are not depreciated.

The heritage and art collection assets of Te Manawa Museums Trust have not been depreciated, as it is the Trust's policy to maintain the collections in its current state, in accordance with the Trust's Conservation Policy. Donated objects are recorded at fair value, or depreciated replacement cost, or nil value if considered unrealisable or irreplaceable. There is a portion of the heritage and art collection that is not formally owned by the Te Manawa Museums Trust. These assets are held and maintained by the Trust by agreement with the owners.

The useful lives used to determine associated depreciation rates of major classes of assets have been estimated as follows:

<b>OPERATING ASSETS</b>	<b>Years</b>	<b>OPERATING ASSETS</b>	<b>Years</b>	<b>OPERATING ASSETS</b>	<b>Years</b>
Buildings	50-100	<b>INFRASTRUCTURAL ASSETS</b>		<b>Stormwater</b>	
Building fit-out	10-50	<b>Roading</b>		Pipework	100-250
Plant and equipment	3-25	Bridges and culverts	55-125	Sumps	150
Furniture and fittings	4-25	Sub-base and base course	100	Laterals, manholes	120-150
Motor vehicles	3-18	Surfaces	1-45	Pumping station/pumps	10-100
Computer equipment	2-7	Footpaths	10-100		
Library books	3-10	Kerb and channel	80-90	<b>Wastewater</b>	
Exhibitions	1-5	Signage	15-40	Pipeworks, laterals, manholes	75-120
Leasehold improvements	1-30	Signals, streetlights	15-60	Pumps	15-30
		Trees	100	Pumping stations	30-100
		Vehicle crossing	80	Buildings	50-100
		Railings	20-30	Treatment plants	15-120
		Bus Shelters	15-50		
		Cycle Stands	20-40	<b>Water</b>	
				Pipeworks, laterals	50-120
		<b>Carparks</b>		Hydrants	75
		Carpark buildings	50	Tobies	50-70
		Sub-base and base course	100	Valves	80
		Surfaces	10-40	Water meters	15-25
				Pumping stations	10-100
		<b>Waste Management</b>		Dams	15-1000
		Buildings	50-100	Reservoirs	100
		Safety fence, portable screens	40		
		Pumps	30	<b>Airport</b>	
		Sumps, drainage	100	Runway, taxiways, and aprons	2-99
		Machinery	15-35		
		Wheelie bins	15		

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 PNCC 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.

### Carpark leases

Acquired carpark leases are capitalised on the basis of the costs incurred to acquire and bring to use the specific carparks.

### 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 that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit.

The useful lives used to determine 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 that 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 other comprehensive revenue and expense and increases the asset 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 that are 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 that are 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 regarding 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. Refer Note 29 for details.

### 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, PNCC 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 PNCC 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, retirement gratuities and long service leave entitlements expected to be settled within 12 months, time in lieu and sick leave.

PNCC 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 PNCC 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 - PNCC 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, as 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. Further information on this scheme is disclosed in note 29.

## Provisions

PNCC 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 is a contract that requires PNCC 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 PNCC and group 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 PNCC and is 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 PNCC.

Special reserves and funds are those subject to specific conditions accepted as binding by PNCC and which may not be revised by PNCC 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.

PNCC's objectives, policies and processes for managing capital are described in note 35.

## Asset revaluation reserves

Asset revaluation reserves relates 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.

## Budget figures

The budget figures are those approved by the Council prior to the beginning of the year in the relevant 10 Year Plan or Annual Budget. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by PNCC for the preparation of these financial statements.

## Cost allocation

PNCC has derived the cost of service for each significant activity of PNCC using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs that 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 PNCC 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 within the next financial year are discussed below.

## Landfill aftercare provision

Estimating the landfill aftercare provision – see note 23.

## Property, Plant and Equipment Revaluation

Estimating the fair value of groups of property, plant and equipment – see note 17.

## Infrastructural assets

Estimating depreciated replacement cost (DRC) valuations over infrastructural assets. These include:

- the physical deterioration and condition of an asset, for example PNCC could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by PNCC performing a combination of physical inspections and condition modelling assessments of underground assets.
- estimating any obsolescence or surplus capacity of an asset.
- estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then PNCC could be over or under estimating the annual depreciation charge recognised as an expense in the surplus or deficit. To minimise this risk PNCC's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the New Zealand Asset Management Support Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of the PNCC's asset management planning activities, which gives PNCC further assurance over its useful life estimates.

Experienced staff engineers perform PNCC's infrastructural asset revaluations which are certified by independent valuers or reviewed and confirmed as appropriate by independent engineers.

## Critical judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies for the period ended 30 June 2024.

## Classification of property

PNCC owns a number of residential rental properties (community housing), which are maintained primarily to provide housing to older people and people with special needs. The receipt of market-based rental from these properties is not the prime reason for holding these properties. The properties are held for service delivery objectives as part of PNCC's social housing policy. The properties are therefore accounted for as property, plant and equipment and not investment property.

For the purpose of assessing impairment indicators and impairment testing, PNCC classifies non-financial assets as either cash-generating or non-cash-generating assets.

PNCC classifies a non-financial asset as a cash-generating asset if the primary objective of the asset is to generate commercial return. All other assets are classified as non-cash-generating assets.

All property, plant and equipment and intangible assets held by PNCC and the group are classified as non-cash-generating assets. This includes assets that generate fee revenue or other cash flows, as the cash flows generated are generally not sufficient to represent commercial return on the assets. Forestry Assets and Investment Property are classified as cash-generating assets as these assets generate cash returns.

## Reporting format

These financial statements incorporate applicable amendments to legislation governing financial reporting requirements. In addition, the 2021/31 10 Year Plan may incorporate changes from the 2023/24 Annual Plan.

## Note 2

	Council	
	Actual 2024 \$000	Actual 2023 \$000
<b>Rates revenue</b>		
<b>General rates (including UAGC)</b>	92,415	87,028
Rates penalties	854	668
Targeted rates attributable to activities:		
Water	11,138	9,445
Wastewater	11,188	10,353
Rubbish and recycling	7,294	6,381
Metered water	3,658	3,533
Business improvement district	250	242
Warmup Palmy	-	26
	126,797	117,676
Less internal rates	(2,083)	(1,639)
<b>Total revenue from rates</b>	<b>124,714</b>	<b>116,037</b>

PNCC is required by the NZLGFA Guarantee and Indemnity Deed to disclose in its financial statements its annual rates revenue, as defined in that Deed. For this purpose the total revenue from rates above is as defined in that Deed.

### Rates remissions

Rates revenue is shown net of rates remissions. PNCC has adopted rates remission policies that provide for rates to be remitted for a variety of purposes. During the year the following sums have been remitted in accordance with these policies.

	Council	
	Actual 2024 \$000	Actual 2023 \$000
Community organisations	147	133
Arts, recreation and sporting organisations	22	15
Wastewater charges for non-residential properties	15	14
Penalties	135	123
Wastewater charges for educational establishments	176	163
Residential land in commercial or industrial areas	5	3
<b>Total remissions</b>	<b>500</b>	<b>451</b>

In accordance with the Local Government (Rating) Act 2002 certain properties cannot be rated for general rates. This includes schools, universities, hospitals, places of religious worship, public gardens and reserves. These non-rateable properties, where applicable, may be subject to targeted rates in respect of wastewater, water, rubbish and recycling. Non-rateable land does not constitute a remission under PNCC's rates remission policy.

PNCC's rating base information at the end of the preceding financial year are detailed below:

	Council	
	Actual 2024	Actual 2023
Number of rating units (units)	34,760	34,381
Total capital value of rating units (\$million)	33,358	33,018
Total land value of rating units (\$million)	18,849	18,752

## Note 3

	Council		Group	
	Actual 2024 \$000	Actual 2023 \$000	Actual 2024 \$000	Actual 2023 \$000
<b>Finance revenue and finance costs</b>				
<b>FINANCE REVENUE</b>				
Interest revenue	1,970	1,121	1,688	957
Dividend received	7	5	7	5
<b>Total finance revenue</b>	<b>1,977</b>	<b>1,126</b>	<b>1,695</b>	<b>962</b>
<b>FINANCE COSTS</b>				
<b>Interest on borrowings:</b>				
Secured loans	11,838	8,309	11,981	8,685
Finance lease liabilities	-	-	-	-
Effect on provisions of discount unwind (note 23)	-	-	-	-
<b>Fair value movement through surplus or deficit:</b>				
Loss/(gain) on derivative financial instruments	2,584	(3,288)	2,584	(3,288)
<b>Total finance costs</b>	<b>14,422</b>	<b>5,021</b>	<b>14,565</b>	<b>5,397</b>
<b>Net finance revenue (costs)</b>	<b>(12,445)</b>	<b>(3,895)</b>	<b>(12,870)</b>	<b>(4,435)</b>

## Note 4

	Council		Group	
	Actual 2024 \$000	Actual 2023 \$000	Actual 2024 \$000	Actual 2023 \$000
<b>Other revenue</b>				
Regulatory user charges and fees	7,147	6,766	7,147	6,766
Fines and infringements	3,357	1,911	3,357	1,911
Rendering of services and other revenue (excludes metered water)	19,909	22,407	36,567	35,833
Rental revenue from investment properties	341	276	341	276
Rental revenue from operating properties	4,609	4,400	4,609	4,400
Fuel tax	584	606	584	606
Impairment of receivables recovered	47	6	47	6
<b>Total other revenue</b>	<b>35,994</b>	<b>36,372</b>	<b>52,652</b>	<b>49,798</b>

## Note 5

Subsidies and grants	Council		Group	
	Actual 2024 \$000	Actual 2023 \$000	Actual 2024 \$000	Actual 2023 \$000
<b>OPERATING SUBSIDIES AND GRANTS</b>				
Receipt of grants	2,082	1,851	1,741	2,019
NZ Transport Agency subsidies	4,053	5,416	4,053	5,416
<b>Total operating subsidies and grants</b>	<b>6,135</b>	<b>7,267</b>	<b>5,794</b>	<b>7,435</b>
<b>CAPITAL SUBSIDIES AND GRANTS</b>				
Revenue for capital expenditure	1,405	764	1,405	764
NZ Transport Agency subsidies	13,089	4,919	13,089	4,919
<b>Total capital subsidies and grants</b>	<b>14,494</b>	<b>5,683</b>	<b>14,494</b>	<b>5,683</b>

There are no unfulfilled conditions and other contingencies attached to government grants recognised (2023 nil).

## Note 6

Other gains/(losses)	Council		Group	
	Actual 2024 \$000	Actual 2023 \$000	Actual 2024 \$000	Actual 2023 \$000
<b>OTHER GAINS</b>				
Gain on changes in fair value of forestry assets (note 20)	217	284	217	284
Gain on harvest of investment forest	-	-	-	-
Gain on changes in fair value of investment property (note 21)	-	-	-	-
Other gains on investments	-	-	-	677
<b>Total other gains</b>	<b>217</b>	<b>284</b>	<b>217</b>	<b>961</b>
<b>OTHER LOSSES</b>				
Loss on changes in fair value of investment property (note 21)	(290)	(887)	(361)	(887)
Net gain/(loss) on disposal of property, plant and equipment	(970)	380	(1,320)	279
<b>Total other losses</b>	<b>(1,260)</b>	<b>(507)</b>	<b>(1,681)</b>	<b>(608)</b>
<b>Total gains/(losses)</b>	<b>(1,043)</b>	<b>(223)</b>	<b>(1,464)</b>	<b>353</b>

Gains/(losses) on changes in fair value arises from the annual revaluation of investment properties, forestry assets and other valuation changes. In accordance with PBE accounting standards, all changes in the fair value of these assets must be recognised in surplus or deficit.

## Note 7

Exchange and non-exchange revenue	Council		Group	
	Actual 2024 \$000	Actual 2023 \$000	Actual 2024 \$000	Actual 2023 \$000
<b>EXCHANGE REVENUE</b>				
Elections	-	98	-	98
External contracts	3,631	3,823	3,631	3,823
Investment property	341	276	341	276
Investments	317	310	(63)	146
Investments in companies	380	218	380	218
Print Synergy	(2)	7	(2)	7
Public rental housing	341	3,109	341	3,109
Civic Administration Building	100	170	100	170
Provision of goods and services	2,847	4,652	19,202	17,234
<b>Total exchange revenue</b>	<b>7,955</b>	<b>12,663</b>	<b>23,930</b>	<b>25,081</b>
<b>NON-EXCHANGE REVENUE</b>				
<b>Revenue from rates</b>				
Rates	124,714	116,037	124,283	115,676
<b>Revenue from transfers</b>				
Provision of goods and services	19,729	16,442	20,131	17,963
Fines and infringements	3,357	1,911	3,357	1,911
Regulatory user charges and fees	7,147	6,766	7,147	6,766
Operating subsidies and grants	6,135	7,267	6,277	7,435
Capital subsidies and grants	14,494	5,683	14,011	5,683
Development contributions	2,436	6,673	2,436	6,673
Vested assets	8,534	7,165	3,993	7,205
<b>Total non-exchange revenue</b>	<b>186,546</b>	<b>167,944</b>	<b>181,635</b>	<b>169,312</b>
<b>Total revenue</b>	<b>194,501</b>	<b>180,607</b>	<b>205,565</b>	<b>194,393</b>

Revenue is classified as exchange or non-exchange based on the funding of the underlying activity which generates the revenue.

## Note 8

Employee and elected representatives benefit expenses	Council		Group	
	Actual 2024 \$000	Restated* Actual 2023 \$000	Actual 2024 \$000	Restated* Actual 2023 \$000
Salaries, wages and earned compensation	60,156	53,922	65,502	58,851
less capitalised remuneration	(6,462)	(4,425)	(6,462)	(4,425)
Elected representatives total remuneration	1,043	1,030	1,043	1,030
Employer contributions to multi-employer defined contribution plans	1,600	1,680	1,738	1,812
Increase/(decrease) in employee benefit liabilities	499	776	592	944
<b>Total employee and elected representatives benefit expenses</b>	<b>56,836</b>	<b>52,983</b>	<b>62,413</b>	<b>58,212</b>

Employer contributions to superannuation plans include those required as an employer, for example to KiwiSaver, plus contributions paid by the employer as part of the employees' remuneration package, excluding any employee salary contribution.

### Chief Executive

The Chief Executive of PNCC is appointed under section 42 of the Local Government Act 2002. Waid Crockett received total remuneration (including any non-financial benefits) of \$398,829 (2023 Waid Crockett received \$245,841 and Chris Dyhrberg as Acting Chief Executive \$208,166).

### Executive Leadership Team Remuneration

The table below includes detail of the key management personnel, being the Chief Executive and members of the executive leadership team. Details of Councillors are excluded and detailed below.

	Council	
	Actual 2024 \$000	Actual 2023 \$000
<b>Total remuneration</b>	\$2,017,651	2,532,341
Full-time equivalent members	7	7

### Elected Representatives

Elected representatives received the following remuneration:

Member	Position	Annual Salary 2024	Communications Allowance	RMA hearings	Total Remuneration 2024	Annual Salary 2023	Non Salary	Total Remuneration 2023
		\$	\$	\$	\$	\$	\$	\$
<b>Current Elected Representatives</b>								
Smith G	Mayor	154,804	-		154,804	153,204	-	153,204
Marshall-Lobb D	Deputy Mayor	61,571	798		62,369	42,008	552	42,560
Arnott M	Councillor	54,584	1,047		55,631	37,789	725	38,514
Barrett B	Councillor	59,570	2,144		61,715	56,756	7,624	64,380
Bowen R	Councillor	59,570	1,137		60,708	56,756	1,540	58,296
Dennison V	Councillor	59,570	1,825		61,395	57,800	2,136	59,936
Findlay L	Councillor	54,584	2,144		56,728	52,701	2,136	54,837
Fitzgerald R	Councillor	54,584	1,047		55,631	37,789	725	38,514
Handcock P	Councillor	56,579	1,047		57,626	53,906	1,043	54,949
Hapeta L	Councillor	59,570	1,745		61,316	56,756	1,801	58,557
Johnson L	Councillor	59,570	1,745	5,045	66,361	56,756	1,738	58,494
Meehan B	Councillor	56,579	1,047		57,626	54,950	1,043	55,993
Mickalad O	Councillor	54,584	1,047		55,631	52,701	1,043	53,744
Naylor K	Councillor	58,573	1,446		60,019	55,110	1,141	56,251
Wood W	Councillor	56,579	1,047		57,626	38,993	725	39,718
Zabelin K	Councillor	56,579	1,047		57,626	38,993	725	39,718

Member	Position	Annual Salary 2024	Communications Allowance	RMA hearings	Total Remuneration 2024	Annual Salary 2023	Non Salary	Total Remuneration 2023
		\$	\$	\$	\$	\$	\$	\$
<b>Elected Representatives to October 2022</b>								
Rutherford A	Deputy Mayor	-	-	-	-	26,332	7,064	33,396
Baty S	Councillor	-	-	-	-	17,000	6,185	23,185
Butt Z	Councillor	-	-	-	-	14,912	376	15,288
Dingwall R	Councillor	-	-	-	-	14,912	318	15,230
Petrenas B	Councillor	-	-	-	-	14,912	530	15,442
<b>Total remuneration</b>					<b>1,042,810</b>			<b>1,030,206</b>
<b>Number of elected representatives</b>				<b>16</b>			<b>16</b>	

Due to the difficulty in determining the full-time equivalent for Councillors, the full-time equivalent figure is taken as the number of Councillors.

The Remuneration Authority sets the total remuneration amount for elected members. PNCC has nominated to pay its councillors an annual salary for the 2023/24 financial year, with chairs of Committees and the Deputy Mayor getting slightly more than an ordinary councillor (see above).

The Remuneration Authority also provides for and sets the payment of hearing fees for those Councillors who sit as members on Hearing Panels. This includes hearings of resource consent applications lodged under the Resource Management Act 1991, Sectional District Plan Reviews and Dog Control Hearings. The fees for members who act in this capacity are paid at the rate of \$116 per hour for the Chair and \$93 per hour for other members of the Committee. Councillors may also sit as members on the District Licensing Committee with fees paid at the rate of \$78 per hour for the Chair and \$51 per hour for other members. Fees received by Councillors who have sat on these regulatory bodies are listed in the table above.

Elected Members also receive a communications allowance as set out in the Council's Elected Member Expenses Policy and approved by the Remuneration Authority.

The Mayor, Grant Smith, was also provided with a motor vehicle for use on PNCC business and private use in addition to the Mayor's remuneration above.

### Employee Remuneration

The table below includes details of employees and their remuneration, including members of key management but excluding elected representatives.

Number of employees receiving total annual remuneration at 30 June of:	Council	
	Actual 2024 Number	Actual 2023 Number
Less than \$60,000	176	238
Between \$60,001 and \$79,999	206	189
Between \$80,000 and \$99,999	132	97
Between \$100,000 and \$119,999	62	55
Between \$120,000 and \$139,999	56	41
Between \$140,000 and \$159,999	22	21
Between \$160,000 and \$179,999	14	12
Between \$180,000 and \$199,000	9	-
Between \$180,000 to \$219,999	-	7
Between \$200,000 and 259,999	6	-
Between \$220,000 and \$359,999	-	6
Between 260,000 and 419,999	4	-
Between \$360,000 to \$400,999	-	1
<b>Total employees</b>	<b>687</b>	<b>667</b>

As required by legislation where the number of employees in any band is 5 or fewer, the number for that band has been combined with the next highest band or bands.

The total employees comprises:	Council	
	Actual 2024 \$000	Actual 2023 \$000
Full-time employees	560	549
Full-time equivalent of all other employees (basis 40 hour working week)	81	75
<b>Total full-time equivalent</b>	<b>641</b>	<b>624</b>

### Severance payments

For the year ended 30 June 2024, PNCC made 2 severance payment exceeding contractual entitlements totalling \$27,292 (2023, 1, total \$8,690). The value of each severance payments made were \$12,172 and \$15,120.

The term severance payment includes non-monetary benefits but excludes salary, holiday pay, superannuation contributions and any other contractual entitlements to which the employee was already entitled. The precise amount of each severance payable to each individual is required to be disclosed. Employees are not required to be named, however, section 33 of schedule 10 of the Local Government Act 2002 requires the disclosures of the severance paid to a Chief Executive.

## Note 9

Other expenses	Council		Group	
	Actual 2024 \$000	Restated* Actual 2023 \$000	Actual 2024 \$000	Restated* Actual 2023 \$000
Fees to principal auditor:				
Audit fees for financial statement audit	343	292	564	488
Audit fees for 10 year plan audit	147	-	147	-
Audit fees for debenture trust deed audit	7	6	7	6
Allowance for expected credit loss	59	108	76	172
Minimum lease payments under operating leases	728	916	848	916
Grants for community support and economic promotion	10,128	9,511	5,939	5,793
Professional service costs	15,170	15,927	16,030	16,466
Insurance premiums	3,550	2,792	4,066	3,219
Other operating expenses	39,003	39,729	43,851	43,767
<b>Total other expenses</b>	<b>69,135</b>	<b>69,281</b>	<b>71,528</b>	<b>70,827</b>

Audit fees above exclude disbursements.

In the context of reporting by local authorities, donations are interpreted as per their common usage, that is, discretionary charitable gifts, and exclude any grants made in terms of PNCC's normal funding programme that seek to achieve the objectives of the Council. There have been no donations during the year.

## Note 10

TAX	Council		Group	
	Actual 2024 \$000	Actual 2023 \$000	Actual 2024 \$000	Actual 2023 \$000
<b>Components of tax expense</b>				
Current tax expense	-	-	(878)	(1,130)
Adjustments to current tax for prior years	110	43	110	43
Deferred tax expense	-	-	(740)	68
Deferred tax adjustment from removal of tax depreciation on buildings	-	-	-	-
<b>Income tax refund/ (expense)</b>	<b>110</b>	<b>43</b>	<b>(1,508)</b>	<b>(1,019)</b>
<b>Relationship between tax expense and accounting profit:</b>				
Surplus/(deficit) before tax	9,707	10,663	9,605	14,583
Tax at 28% (2020 28%)	2,718	2,986	2,690	4,085
Non-deductible expenditure	-	-	-	-
Non-taxable revenue, permanent differences	(2,718)	(2,986)	(2,305)	(2,958)
Loss on sale of land	-	-	-	-
Prior year adjustment, deferred tax adjustment	-	-	-	-
Deferred tax adjustment for the year & deferred tax movement at revaluation	(110)	(43)	1,123	(108)
<b>Tax charge for the year</b>	<b>(110)</b>	<b>(43)</b>	<b>1,508</b>	<b>1,019</b>
Movement in deferred tax due to tax depreciation changes	-	-	-	-
Movement in deferred tax due to tax rate changes	-	-	-	-
<b>Tax expense/(refund)</b>	<b>(110)</b>	<b>(43)</b>	<b>1,508</b>	<b>1,019</b>

Deferred Tax Assets/(Liabilities)	Investment property	Property, plant and equipment	Employee entitlements	Other provisions	Total
<b>GROUP</b>					
Balance at 30 June 2022	(156)	(9,848)	59	4	(9,941)
Charged to surplus or deficit	(49)	98	17	1	67
Charged to other comprehensive income		623			623
Balance at 30 June 2023	(205)	(9,127)	76	5	(9,251)
Charged to surplus or deficit	(50)	(715)	26	-	(739)
Charged to other comprehensive income					
Balance at 30 June 2024	(255)	(9,842)	102	5	(9,990)

### Additional disclosures

During the year, tax losses were transferred to PNAL by tax loss offset with payment of \$110,000 and loss effect of \$393,000.

A deferred tax asset has not been recognised in relation to unused tax losses of \$393,000 (2023 \$153,000) with a tax effect of \$110,000 (2023 \$43,000).

Imputation credits of \$6.9m (PNAL) are available to impute distributions from subsidiaries.

## Note 11

	Council		Group	
	Actual 2024 \$000	Actual 2023 \$000	Actual 2024 \$000	Actual 2023 \$000
Cash at bank and on hand	427	407	2,329	954
Short term bank deposits with maturities of less than three months	1,250	1,250	1,491	1,641
<b>Total cash and cash equivalents</b>	<b>1,677</b>	<b>1,657</b>	<b>3,820</b>	<b>2,595</b>

Although cash and cash equivalents at 30 June 2024 are subject to the expected credit loss requirements of PBE IPSAS 41, no loss allowance has been recognised because the estimated allowance is trivial.

The Construction Contracts Act 2002 requires that where PNCC holds retention money deducted from commercial construction contracts those retentions be held "on trust" in the form of cash or other liquid assets for the benefit of those contractors. This relates to contracts entered into or renewed on or after 31 March 2017. At June 2024 PNCC has designated that \$1,250k of the short term bank deposits are held on trust for those contractors (2023 1,250k). At 30 June 2024 the actual retentions held amounted to \$1,278k (2023 \$979k). The amount held "on trust" will be reviewed when the short term bank deposits mature in July to ensure it is sufficient to cover obligations.

The total value of cash and cash equivalents that can only be used for a specified purpose as outlined in the relevant trust deeds is \$nil (2023 \$nil).

Cash and cash equivalents are held by each entity within the group. Each of the group entities are governed by controlling documents, for example trust deeds, with those documents determining the availability of the cash and cash equivalents to other members of the group. The requirements of those documents in applying group cash amounts means that the amounts may not be available to other members of the group.

Cash and bank overdrafts include the following for the purposes of the cash flow statement:

	Council		Group	
	Actual 2024 \$000	Actual 2023 \$000	Actual 2024 \$000	Actual 2023 \$000
Cash at bank and on hand	427	407	2,329	954
Short term bank deposits with maturities of less than three months	1,250	1,250	1,491	1,641
Bank overdrafts (note 25)	-	-	-	-
	<b>1,677</b>	<b>1,657</b>	<b>3,820</b>	<b>2,595</b>

## Note 12

Trade and other receivables	Council		Group	
	Actual 2024 \$000	Actual 2023 \$000	Actual 2024 \$000	Actual 2023 \$000
Rates receivables	3,505	1,819	3,505	1,819
Other receivables	9,734	10,094	10,754	11,036
Related party receivables	223	131	-	-
Water debtors	477	426	477	426
Tax receivable (includes GST receivables)	2,543	2,077	2,796	2,077
Prepayments and accruals	8,621	3,664	8,899	3,959
	<b>25,103</b>	<b>18,211</b>	<b>26,431</b>	<b>19,317</b>
Less allowance for credit losses	(72)	(98)	(86)	(115)
<b>Total current trade and other receivables</b>	<b>25,031</b>	<b>18,113</b>	<b>26,345</b>	<b>19,202</b>
<b>Total receivables comprises:</b>				
Receivables from exchange transactions	847	847	847	867
Receivables from non-exchange transactions	24,184	17,266	25,498	18,335

The carrying value of trade and other receivables approximates their fair value.

PNCC does not provide for any expected credit losses (ECLs) on rates receivable as it has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. These powers allow PNCC to commence legal proceedings to recover any rates that remain unpaid 4 months after the due date for payment. If payment has not been made within 3 months of the Court's judgment, then PNCC can apply to the Registrar of the High Court to have the judgment enforced by sale or lease of the rating unit.

Rates and penalties receivable and overdue at balance date comprise the following:

	Council		Group	
	Actual 2024 \$000	Actual 2023 \$000	Actual 2024 \$000	Actual 2023 \$000
Current year	3,214	1,697	3,214	1,697
Past due one year	291	51	291	51
Past due two years	-	71	-	71
<b>Carrying amount</b>	<b>3,505</b>	<b>1,819</b>	<b>3,505</b>	<b>1,819</b>

The allowance for credit losses based on Council and the group's credit loss matrix is as follows:

Council	ECL rate	Actual 2024 \$000			ECL rate	Actual 2023 \$000		
		Gross	Lifetime ECL	Net		Gross	Impairment	Net
Not past due	0.05%	2,428	1	2,427	0.50%	1,289	6	1,283
Past due 1-30 days	0.30%	691	2	689	0.70%	967	7	960
Past due 31-60 days	0.70%	166	1	165	0.80%	591	5	586
Past due > 60 days	1.05%	6,449	68	6,381	1.10%	7,247	80	7,167
		<b>9,734</b>	<b>72</b>	<b>9,662</b>		<b>10,094</b>	<b>98</b>	<b>9,996</b>
<b>Group</b>								
Not past due	0.05%	3,430	2	3,428	0.70%	2,211	15	2,196
Past due 1-30 days	0.35%	691	2	689	0.80%	966	8	958
Past due 31-60 days	0.75%	166	1	165	0.90%	594	5	589
Past due > 60 days	1.25%	6,454	81	6,373	1.20%	7,265	87	7,178
		<b>10,741</b>	<b>86</b>	<b>10,655</b>		<b>11,036</b>	<b>115</b>	<b>10,921</b>

The ECL rates for other receivables at 30 June 2023 and 1 July 2024 are based on the payment profile of revenue on credit over the prior two years at the measurement date and the corresponding historical credit losses experienced for that period. The historical loss rates are adjusted for current and forward-looking macroeconomic factors that might affect the expected recoverability of receivables. Given the short period of credit risk exposure, the effects of macroeconomic factors are not considered significant.

There have been no changes since 1 July 2024 in the estimation techniques or significant assumptions in measuring the loss allowance.

Movements in the allowance for credit losses as follows:

	Council		Group	
	Actual 2024 \$000	Actual 2023 \$000	Actual 2024 \$000	Actual 2023 \$000
Opening balance for credit losses at 1 July	98	284	115	292
Additional provisions made during the year	46	90	49	107
Provisions reversed during the year	(46)	(6)	(46)	(14)
Receivables written-off during the period	(26)	(270)	(32)	(270)
<b>Balance at 30 June</b>	<b>72</b>	<b>98</b>	<b>86</b>	<b>115</b>

## Note 13

Inventories	Council		Group	
	Actual 2024 \$000	Actual 2023 \$000	Actual 2024 \$000	Actual 2023 \$000
<b>Current portion</b>				
Depot Store - roading, water, stormwater and wastewater reticulation spares and various network parts	411	322	411	322
Plant nursery	42	30	42	30
Fuel and other consumables	20	12	43	41
Tamakuku land development - current portion	4,070	4,626	4,070	4,626
Assets held for sale	-	-	-	-
<b>Total Current Portion</b>	<b>4,543</b>	<b>4,990</b>	<b>4,566</b>	<b>5,019</b>
<b>Non current portion</b>				
Tamakuku land development - non-current portion	749	749	749	749
<b>Total non-current portion</b>	<b>749</b>	<b>749</b>	<b>749</b>	<b>749</b>

All inventory held for distribution is valued at cost. The write-down of inventories for loss of service potential amounted to \$nil (2023 \$nil).

No inventories are pledged as security for liabilities (2023 \$nil).

Land is classified as held for sale if the carrying amount will be recovered principally through a sale transaction rather than continuing use. It is measured at the lower of the carrying amount and fair value less costs to sell.

The Council is currently developing land for future sale, and 18% of the inventory value of \$4,819k are not expected to be recovered until after 30 June 2025 (2023 14% of \$5,375k).



## Note 14

	Council		Group	
	Actual 2024 \$000	Actual 2023 \$000	Actual 2024 \$000	Actual 2023 \$000
<b>Other financial assets</b>				
<b>CURRENT PORTION</b>				
Short term bank deposits with maturities of 4-12 months	6,000	-	7,275	926
<b>Total current portion</b>	<b>6,000</b>	<b>-</b>	<b>7,275</b>	<b>926</b>
<b>NON-CURRENT PORTION</b>				
<b>Investments in CCOs and industry companies:</b>				
Shares in subsidiaries (Palmerston North Airport Ltd)	10,842	10,842	-	-
Unlisted shares - Civic Financial Services Ltd	383	371	383	371
Unlisted shares - New Zealand Local Government Funding Agency	486	464	486	464
Borrower notes - New Zealand Local Government Funding Agency	6,714	4,807	6,714	4,807
	<b>18,425</b>	<b>16,484</b>	<b>7,583</b>	<b>5,642</b>
<b>Other financial assets:</b>				
Loans to subsidiaries	8,000	5,000	-	-
Bank deposits with maturities beyond 12 months	-	-	56	55
	<b>8,000</b>	<b>5,000</b>	<b>56</b>	<b>55</b>
<b>Total non-current portion</b>	<b>26,425</b>	<b>21,484</b>	<b>7,639</b>	<b>5,697</b>
<b>Total other financial assets</b>	<b>32,425</b>	<b>21,484</b>	<b>14,914</b>	<b>6,623</b>

### Impairment

There are no impairment provisions for other financial assets. None of the financial assets are either past due or impaired.

### Fair value

The carrying value of loans and receivables, short term bank deposits and other advances approximates their fair value, except as detailed below.

Palmerston North Airport Limited owns and operates Palmerston North Airport. As at 30 June 2024 PNCC owned 100% (2023 100%) of the issued and paid up share capital of the Company.

Palmerston North Airport Limited's share capital at 30 June 2024 comprised 9,195,000 fully paid ordinary shares (2023 9,195,000 fully paid ordinary shares). All shares carry equal voting rights and the right to any share in surplus on the winding up of the company. None of the shares carry fixed dividend rights.

PNCC and Palmerston North Airport Limited (PNAL) have entered an unsecured and subordinated loan facility agreement through which PNCC agrees (subject to a range of conditions) to provide PNAL with a credit facility equal to the lesser of \$50m or the amount representing PNAL's total borrowing requirement recorded in its annual Statement of Intent plus an additional amount of 10% of that sum. The maximum sum may be increased or decreased by written agreement between the parties. The ten year term of the facility is subject to automatic annual extension.

Interest is payable semi-annually in arrears. \$8m was outstanding as at 30 June 2024 with interest rates between 4.51% and 5.8467%. \$5m matures on 15 July 2027 and \$3m on 15 July 2028 (2023 \$5m, 4.51%, 15 July 2027). Interest is payable semi-annually in arrears.

Civic Financial Services Ltd provides financial services primarily to New Zealand local government. PNCC holds a 3.73% (2023 3.73%) shareholding in the entity. There is no intention to dispose of this investment and there has not been a business valuation to establish fair value. As the holding is not material, net asset backing has been used as a proxy to assess fair value.

PNCC is a shareholder of the New Zealand Local Government Funding Agency Limited (NZLGFA). The NZLGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. During the 2013 year PNCC subscribed for \$200,000 of shares, including \$100,000 of uncalled capital. There is no intention to dispose of this investment and there has not been a business valuation to establish fair value. As the holding is not material, net asset backing has been used as a proxy to assess fair value.

When a local authority obtains debt from the NZLGFA it is required to subscribe for "borrower notes" for a portion of the debt. These notes have maturity as for the debt, accrue interest and are repayable when the associated debt is repaid. Interest has been accrued and included in the total outstanding.

There is one short term bank deposit being for \$6m to be used to repay debt upon maturity (2023 \$nil).

Short term bank deposits held by group entities are governed by each entities controlling documents, for example trust deeds. Those documents determine the requirements in applying funds and availability of the bank deposits to other members of the group. The requirements of those documents in applying group cash amounts means that the amounts may not be available to other members of the group.

## Note 15

Investment in Associate	Council		Group	
	Actual 2024 \$000	Actual 2023 \$000	Actual 2024 \$000	Actual 2023 \$000
<b>NON-CURRENT PORTION</b>				
Investment in Central Economic Development Agency Limited (CEDA) at cost	1	1	1	1
Equity accounted share of associate's surplus/(deficit)	-	-	315	297
<b>Total non-current portion</b>	<b>1</b>	<b>1</b>	<b>316</b>	<b>298</b>

PNCC's 50% share of associate's group summarised financial information:

	Actual 2024 \$000	Actual 2023 \$000
<b>Assets</b>	576	996
<b>Liabilities</b>	315	701
<b>Revenues</b>	1,980	2,399
<b>Surplus/(deficit)</b>	22	10
<b>Group's interest</b>	50%	50%
<b>Share of contingent liabilities incurred jointly with other investors</b>	-	-

The CEDA group includes the Events Manawatu Trust as CEDA has the capacity to control the trust's governing body.

## Note 16

Derivative financial instruments	Council		Group	
	Actual 2024 \$000	Actual 2023 \$000	Actual 2024 \$000	Actual 2023 \$000
<b>CURRENT ASSET PORTION</b>				
Interest rate swaps	2,965	3,680	2,965	3,680
<b>Total current asset portion</b>	<b>2,965</b>	<b>3,680</b>	<b>2,965</b>	<b>3,680</b>
<b>NON-CURRENT ASSET PORTION</b>				
Interest rate swaps	6,104	7,973	6,104	7,973
<b>Total non-current asset portion</b>	<b>6,104</b>	<b>7,973</b>	<b>6,104</b>	<b>7,973</b>
<b>CURRENT LIABILITY PORTION</b>				
Interest rate swaps	-	-	-	-
<b>Total current liability portion</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NON-CURRENT LIABILITY PORTION</b>				
Interest rate swaps	-	-	-	-
<b>Total non-current liability portion</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

All derivative financial instruments are categorised as held for trading at fair value through surplus or deficit. The fair value of interest rate swaps have been determined using discounted cash flow valuation techniques based on quoted market prices.

Outstanding interest rate swap contracts at 30 June 2024 comprised the following:

No notional value of swaps in which PNCC will pay fixed interest rate (2023 none) and receive floating on a monthly basis (2023 \$nil).

\$126m notional value of swaps in which PNCC will pay fixed interest varying from 0.4% to 4.5% (2023 0.4% to 4.5%) and receive floating on a quarterly basis (2023 \$125m).

\$85m notional value of forward start swaps in which PNCC will pay fixed interest varying from 3.8% to 4.0% (2023 3.8% to 3.9%) and receive floating on a quarterly basis (2023 \$81m).

# Note 17

Note: Pages 196-197 (Property, plant and equipment) table should be read as one continuous table across both pages.

Property, plant and equipment <b>2024</b>	Cost/ revaluation	Accumulated depreciation and impairment charges	Carrying amount	Reclassification /Adjustments*	Current year additions constructed by Council	Current year vested asset additions	Current year disposals	Reversal of accumulated depreciation on disposal	Current year depreciation	Revaluation surplus	Reversal of accumulated depreciation on revaluation or reclassification	Cost/revaluation	Accumulated depreciation and impairment charges	Carrying amount
	1-Jul-23 \$000	1-Jul-23 \$000	1-Jul-23 \$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	30-Jun-24 \$000	30-Jun-24 \$000	30-Jun-24 \$000
<b>COUNCIL OPERATIONAL ASSETS</b>														
Land	227,439	-	227,439	(1,231)	2,302	-	-	-	-	(38,195)	-	190,315	-	190,315
Buildings	221,393	19,364	202,029	2,193	17,249	-	-	-	10,052	2,236	29,416	243,071	-	243,071
Improvements	75,863	8,989	66,874	(1,033)	3,102	-	-	-	5,378	(17,959)	14,367	59,973	-	59,973
Office equipment, furniture and fittings	33,332	27,212	6,120	(182)	2,187	-	-	-	1,112	-	-	35,337	28,324	7,013
Library materials	5,912	3,834	2,078	-	840	-	622	622	569	-	-	6,130	3,781	2,349
Motor vehicles and plant	31,302	20,915	10,387	200	2,247	-	1,405	1,286	2,433	-	-	32,344	22,062	10,282
<b>Total operational assets</b>	<b>595,241</b>	<b>80,314</b>	<b>514,927</b>	<b>(53)</b>	<b>27,927</b>	<b>-</b>	<b>2,027</b>	<b>1,908</b>	<b>19,544</b>	<b>(53,918)</b>	<b>43,783</b>	<b>567,170</b>	<b>54,167</b>	<b>513,003</b>
<b>COUNCIL INFRASTRUCTURAL ASSETS</b>														
<b>Waste management</b>	35,268	-	35,268	-	1,382	-	-	-	776	-	-	36,650	776	35,874
<b>Wastewater</b>														
- treatment plants and facilities	49,529	1,279	48,250	182	4,306	-	-	-	1,279	-	-	54,017	2,558	51,459
- other assets	221,770	4,198	217,572	27	4,327	684	-	-	4,304	-	-	226,808	8,502	218,306
<b>Water</b>														
-treatment plants and facilities	85,715	904	84,811	(2,175)	1,793	-	-	-	976	-	-	85,333	1,880	83,453
- other assets	178,484	3,524	174,960	2,965	8,979	232	-	-	3,601	-	-	190,660	7,125	183,535
<b>Stormwater</b>	247,393	2,222	245,171	(573)	5,789	1,850	-	-	2,259	-	-	254,459	4,481	249,978
<b>Roading network</b>	523,820	-	523,820	(155)	33,370	3,422	-	-	10,302	-	-	562,374	10,302	552,072
<b>Land under roads</b>	360,264	-	360,264	(207)	2,154	2,345	-	-	-	-	-	362,639	-	362,639
<b>Total infrastructural assets</b>	<b>1,702,243</b>	<b>12,127</b>	<b>1,690,116</b>	<b>64</b>	<b>62,100</b>	<b>8,533</b>	<b>-</b>	<b>-</b>	<b>23,497</b>	<b>-</b>	<b>-</b>	<b>1,772,940</b>	<b>35,624</b>	<b>1,737,316</b>
<b>COUNCIL RESTRICTED ASSETS</b>														
Land	42,536	-	42,536	-	821	-	-	-	-	(9,770)	-	33,587	-	33,587
<b>Total restricted assets</b>	<b>42,536</b>	<b>-</b>	<b>42,536</b>	<b>-</b>	<b>821</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(9,770)</b>	<b>-</b>	<b>33,587</b>	<b>-</b>	<b>33,587</b>
<b>Total PNCC property, plant and equipment</b>	<b>2,340,020</b>	<b>92,441</b>	<b>2,247,579</b>	<b>11</b>	<b>90,848</b>	<b>8,533</b>	<b>2,027</b>	<b>1,908</b>	<b>43,041</b>	<b>(63,688)</b>	<b>43,783</b>	<b>2,373,697</b>	<b>89,791</b>	<b>2,283,906</b>
<b>COUNCIL CONTROLLED ORGANISATIONS PROPERTY, PLANT AND EQUIPMENT</b>														
Land	32,855	-	32,855	-	-	-	1,917	-	-	-	-	30,938	-	30,938
Buildings	12,455	1,075	11,380	-	2,107	-	-	-	300	-	-	14,562	1,375	13,187
Improvements	491	84	407	-	39	-	-	-	86	-	-	530	170	360
Infrastructural assets	48,352	5,320	43,032	-	1,130	-	3,974	1,328	1,512	-	-	45,508	5,504	40,004
Plant and equipment	8,506	6,115	2,391	-	600	-	30	26	419	-	-	9,076	6,508	2,568
Office equipment, furniture and fittings	1,821	1,311	510	-	276	-	54	51	186	-	-	2,043	1,446	597
Collection assets	17,080	-	17,080	-	141	40	19	-	-	4,302	-	21,544	-	21,544
Motor vehicles	1,550	80	1,470	-	23	-	-	-	94	-	-	1,573	174	1,399
<b>Total CCO property, plant and equipment</b>	<b>123,110</b>	<b>13,985</b>	<b>109,125</b>	<b>-</b>	<b>4,316</b>	<b>40</b>	<b>5,994</b>	<b>1,405</b>	<b>2,597</b>	<b>4,302</b>	<b>-</b>	<b>125,774</b>	<b>15,177</b>	<b>110,597</b>
<b>Group elimination**</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,563)</b>	<b>(4,563)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Group property, plant and equipment</b>	<b>2,463,130</b>	<b>106,426</b>	<b>2,356,704</b>	<b>11</b>	<b>95,164</b>	<b>4,010</b>	<b>3,458</b>	<b>3,313</b>	<b>45,638</b>	<b>(59,386)</b>	<b>43,783</b>	<b>2,499,471</b>	<b>104,968</b>	<b>2,394,503</b>

\* A number of assets were reclassified as part of migrating the opening balances to Authority Altitude, the Councils new Financial Management Information System (FMIS), and overall an adjustment of \$11k was made.

\*\* The Group elimination relates to the vesting of Airport Drive from Palmerston North Airport Limited to Council

Note: Pages 198-199 (Property, plant and equipment) table should be read as one continuous table across both pages.

Property, plant and equipment 2023	Cost/ revaluation	Accumulated depreciation and impairment charges	Carrying amount	Reclassification	Current year additions constructed by Council	Current year vested asset additions	Current year disposals	Reversal of accumulated depreciation on disposal	Current year depreciation	Revaluation surplus	Reversal of accumulated depreciation on revaluation or reclassification	Cost/revaluation	Accumulated depreciation and impairment charges	Carrying amount
	1-Jul-22 \$000	1-Jul-22 \$000	1-Jul-22 \$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	30-Jun-23 \$000	30-Jun-23 \$000	30-Jun-23 \$000
<b>COUNCIL OPERATIONAL ASSETS</b>														
Land	224,669	-	224,669	1,385	1,385	-	-	-	-	-	-	227,439	-	227,439
Buildings	212,746	9,628	203,118	81	8,566	-	-	-	9,736	-	-	221,393	19,364	202,029
Improvements	68,042	4,085	63,957	(1,466)	9,287	-	-	-	4,904	-	-	75,863	8,989	66,874
Office equipment, furniture and fittings	31,170	25,808	5,362	335	1,827	-	-	-	1,404	-	-	33,332	27,212	6,120
Library materials	6,202	4,224	1,978	-	776	-	1,066	1,066	676	-	-	5,912	3,834	2,078
Motor vehicles and plant	29,871	19,823	10,048	(335)	2,235	-	469	428	1,520	-	-	31,302	20,915	10,387
<b>Total operational assets</b>	<b>572,700</b>	<b>63,568</b>	<b>509,132</b>	<b>-</b>	<b>24,076</b>	<b>-</b>	<b>1,535</b>	<b>1,494</b>	<b>18,240</b>	<b>-</b>	<b>-</b>	<b>595,241</b>	<b>80,314</b>	<b>514,927</b>
<b>COUNCIL INFRASTRUCTURAL ASSETS</b>														
<b>Waste management</b>	28,470	1,630	26,840	-	1,454	-	-	-	789	5,344	2,419	35,268	-	35,268
<b>Wastewater</b>														
- treatment plants and facilities	45,707	-	45,707	-	2,175	1,647	-	-	1,279	-	-	49,529	1,279	48,250
- other assets	214,961	-	214,961	-	6,809	-	-	-	4,198	-	-	221,770	4,198	217,572
<b>Water</b>														
-treatment plants and facilities	82,895	-	82,895	-	2,820	-	-	-	904	-	-	85,715	904	84,811
- other assets	171,057	-	171,057	-	6,549	878	-	-	3,524	-	-	178,484	3,524	174,960
<b>Stormwater</b>	237,363	-	237,363	-	7,501	2,529	-	-	2,222	-	-	247,393	2,222	245,171
<b>Roading network</b>	454,020	22,529	431,491	-	25,634	1,728	-	-	10,876	42,438	33,405	523,820	-	523,820
<b>Land under roads</b>	359,673	-	359,673	-	208	383	-	-	-	-	-	360,264	-	360,264
<b>Total infrastructural assets</b>	<b>1,594,146</b>	<b>24,159</b>	<b>1,569,987</b>	<b>-</b>	<b>53,150</b>	<b>7,165</b>	<b>-</b>	<b>-</b>	<b>23,792</b>	<b>47,782</b>	<b>35,824</b>	<b>1,702,243</b>	<b>12,127</b>	<b>1,690,116</b>
<b>COUNCIL RESTRICTED ASSETS</b>														
Land	42,381	-	42,381	-	155	-	-	-	-	-	-	42,536	-	42,536
<b>Total restricted assets</b>	<b>42,381</b>	<b>-</b>	<b>42,381</b>	<b>-</b>	<b>155</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>42,536</b>	<b>-</b>	<b>42,536</b>
<b>Total PNCC property, plant and equipment</b>	<b>2,209,227</b>	<b>87,727</b>	<b>2,121,500</b>	<b>-</b>	<b>77,381</b>	<b>7,165</b>	<b>1,535</b>	<b>1,494</b>	<b>42,032</b>	<b>47,782</b>	<b>35,824</b>	<b>2,340,020</b>	<b>92,441</b>	<b>2,247,579</b>
<b>COUNCIL CONTROLLED ORGANISATIONS PROPERTY, PLANT AND EQUIPMENT</b>														
Land	33,000	-	33,000	-	-	-	145	-	-	-	-	32,855	-	32,855
Buildings	14,618	803	13,815	-	146	-	-	-	356	(2,309)	84	12,455	1,075	11,380
Improvements	387	5	382	-	106	-	2	2	81	-	-	491	84	407
Infrastructural assets	47,073	3,852	43,221	-	1,376	-	97	29	1,497	-	-	48,352	5,320	43,032
Plant and equipment	7,992	5,795	2,197	-	657	-	143	105	425	-	-	8,506	6,115	2,391
Office equipment, furniture and fittings	1,726	1,165	561	-	126	-	31	31	177	-	-	1,821	1,311	510
Collection assets	17,065	-	17,065	-	76	40	101	-	-	-	-	17,080	-	17,080
Motor vehicles	1,340	30	1,310	-	210	-	-	-	50	-	-	1,550	80	1,470
<b>Total CCO property, plant and equipment</b>	<b>123,201</b>	<b>11,650</b>	<b>111,551</b>	<b>-</b>	<b>2,697</b>	<b>40</b>	<b>519</b>	<b>167</b>	<b>2,586</b>	<b>(2,309)</b>	<b>84</b>	<b>123,110</b>	<b>13,985</b>	<b>109,125</b>
<b>Total Group property, plant and equipment</b>	<b>2,332,428</b>	<b>99,377</b>	<b>2,233,051</b>	<b>-</b>	<b>80,078</b>	<b>7,205</b>	<b>2,054</b>	<b>1,661</b>	<b>44,618</b>	<b>45,473</b>	<b>35,908</b>	<b>2,463,130</b>	<b>106,426</b>	<b>2,356,704</b>

## Assets under construction

Included in property, plant and equipment are the following assets under construction:

	Council		Group	
	Actual 2024 \$000	Actual 2023 \$000	Actual 2024 \$000	Actual 2023 \$000
<b>OPERATIONAL ASSETS</b>				
Land	-	2	-	2
Buildings	20,735	11,981	20,735	11,981
Improvements	5,806	4,068	5,806	4,068
Office equipment, furniture and fittings	2,106	578	2,179	654
Library	-	-	-	-
Motor vehicles and plant	1,877	3,489	1,877	3,489
	30,524	20,118	30,597	20,194
<b>INFRASTRUCTURAL ASSETS</b>				
Waste management	978	1,032	978	1,032
Wastewater	18,078	11,122	18,078	11,122
Water	14,691	10,958	14,691	10,958
Stormwater	15,086	9,380	15,086	9,380
Roading network	47,537	31,580	47,537	31,580
Infrastructure - CCO's	-	-	-	-
	96,370	64,072	96,370	64,072
<b>Total assets under construction</b>	<b>126,894</b>	<b>84,190</b>	<b>126,967</b>	<b>84,266</b>

## Capital Commitments

Capital expenditure contracted for at balance date but not yet incurred comprises the following:

	Council		Group	
	Actual 2024 \$000	Actual 2023 \$000	Actual 2024 \$000	Actual 2023 \$000
Buildings	1,399	7,762	1,399	7,762
Improvements	753	101	753	101
Motor vehicles and plant	76	-	76	-
Roading network	36,347	5,624	36,347	5,624
Waste management	360	82	360	82
Stormwater	572	332	572	332
Wastewater treatment plants and facilities	1,135	1,358	1,135	1,358
Wastewater other assets	747	1,062	747	1,062
Water treatment plants and facilities	220	289	220	289
Water other assets	517	346	517	346
CCO capital commitments	-	-	24	24
<b>Total capital commitments</b>	<b>42,126</b>	<b>16,956</b>	<b>42,150</b>	<b>16,980</b>

## Revaluation of assets

Property, plant and equipment have been valued in accordance with the accounting policy set out in the Statement of Accounting Policy, under the 'asset revaluation' section (note 1).

Assets are valued to 'fair value' under the highest and best use scenario. Fair value is the amount for which an item could be exchanged or settled between knowledgeable willing parties in an arm's length transaction.

Where the fair value of the asset can be determined by reference to the price in an active market for the same asset or similar asset, the fair value of the asset is determined using this information. Where direct evidence of value is not available from an active market, fair value is determined from market-based evidence by appraisal, undertaken by a professionally qualified valuer. If there is no market-based evidence of fair value because of the specialised nature of the asset and the asset is rarely sold, fair value will be determined using the optimised depreciated replacement cost approach.

### Operational land, buildings, sportsfields and recreational and community facilities

Fair value of land and buildings was determined from market-based evidence by an independent valuer. Where buildings and site improvements have been identified as being earthquake prone, then the valuation has been reduced by the estimated earthquake strengthening costs. The most recent valuation was performed by Bianca Dougherty (MPINZ, NZIV) of Morgans Property Advisors, last valued effective 30 June 2024.

For site improvements valuation at fair value is determined by optimised depreciated replacement cost basis. The most recent valuation was performed by Bianca Dougherty (MPINZ, NZIV) of Morgans Property Advisors, last valued effective 30 June 2024.

### Restricted land and buildings

Fair value was determined from market-based evidence by an independent valuer. The most recent valuation was performed by Bianca Dougherty (MPINZ, NZIV) of Morgans Property Advisors, effective 30 June 2024.

### Infrastructural Asset Classes: roading and waste management

Roading and waste management assets were last valued effective 30 June 2023.

The fair value of roading and waste management assets, excluding land, was determined on an optimised depreciated replacement cost basis, assuming continuation of current asset capability and processing requirements.

The valuation of roading was undertaken by Pauline True and reviewed by Kerry Whitehead from Stantec New Zealand, all of whom have relevant qualifications and experience for carrying out this work.

The valuation of waste management was undertaken by Elmer Ipapo and Paula Haman, and reviewed by Graham Munnik from AECOM New Zealand Limited, all of whom have relevant qualifications and experience for carrying out this work.

Roading and waste management land (excluding land under roads) was valued in 2023 on the basis of 'open market value'. The open market value was in turn discounted to provide the specific rates for undeveloped land.

While some infrastructure land (particularly off-street parking land) has independent certificates of title and therefore can be disposed of, the reality is that infrastructure land is required to be retained by PNCC for community use. The fair value was determined by Andrew Walshaw (ANZIV, SPINZ) of Morgans Property Advisors.

Additions and acquisitions to roading and waste management assets since valuation date are valued at cost.

### Infrastructural Asset Classes: water reticulation, wastewater reticulation and stormwater networks (3 waters assets)

3 waters assets were last valued effective 30 June 2022.

The fair value of 3 waters assets, excluding land, was determined on an optimised depreciated replacement cost basis, assuming continuation of current asset capability and processing requirements. The valuation was undertaken by Marc Cillers and Elmer Ipapo and reviewed by Ian Martin and Stephen Garlick from AECOM New Zealand Limited, all of whom have relevant qualifications and experience for carrying out this work.

3 waters assets land (excluding land under roads) was valued in 2022 on the basis of 'open market value' derived from sales evidenced for 17 urban localities in Palmerston North, Ashhurst and Aokautere and one rate for rural area. The open market value was in turn discounted to provide the specific rates for undeveloped land. While some infrastructure land (particularly off-street parking land) has independent certificates of title and therefore can be disposed of, the reality is that infrastructure land is required to be retained by PNCC for community use. The fair value was determined by Andrew Walshaw (ANZIV, SPINZ) of Morgans Property Advisors.

Additions and acquisitions to infrastructure assets since valuation date are valued at cost.

### Land under roads (road reserves), infrastructure land and off-street parking land

Valuation of infrastructure land is generally considered 'non tradable' due to the perpetual nature of community use. It was valued at 30 June 2023 based on the undeveloped land value of the adjoining land with a discount applied to recognise the non-tradable nature of the asset. This asset class is re-valued as part of the infrastructural assets revaluation. The fair value was determined by Andrew Walshaw (ANZIV, SPINZ) of Morgans Property Advisors.

Land for off-street carparks, that have independent 'certificates of title' and can be disposed of, have been individually valued by registered valuer on an open market value basis, which is the price for which the property might reasonably be expected to be sold at the operative date between a willing buyer and willing seller in an arms length transaction. The fair value was determined by Andrew Walshaw (ANZIV, SPINZ) of Morgans Property Advisors at 30 June 2023.

Land under roads was valued based on the fair value of adjoining undeveloped land determined by Chris Leahy (Registered Valuer FNZIV, FNZPI) of CL Property Solutions Ltd, effective 30 June 2005. On transition to NZ IFRS PNCC has elected to use the fair value of land under roads as at 30 June 2005 as deemed cost. Land under roads is no longer revalued.

## Replacement cost

The most recent estimate of the replacement cost of infrastructural assets detailed above as at 30 June 2024 is:

	Council \$000
<b>Wastewater</b>	
- treatment plants and facilities	74,271
- other assets	433,384
<b>Water</b>	
- treatment plants and facilities	104,735
- other assets	313,310
<b>Stormwater</b>	340,491
<b>Roading network</b>	862,560

## Palmerston North Airport

Land and buildings owned by Palmerston North Airport Ltd are recorded at fair value. Land fair value has been determined using the market value in alternative use highest and best use methodology with buildings using an optimised depreciated replacement cost basis. An independent registered valuer, Morgans Property Advisors, last re-valued the assets as at 30 June 2022.

Airside infrastructure assets owned by Palmerston North Airport Ltd have been valued at fair value. Fair value was last determined by independent valuers AECOM New Zealand Ltd on an optimised depreciated replacement cost basis as at 30 June 2022.

## Library collections

Library books were valued as at 30 June 1993, at their deemed cost. The NZ Pacific collection is valued at cost. All other books are valued at cost less accumulated depreciation. Additions since valuation date are stated at cost.

## Heritage and art collection

The art collection assets are re-valued every three years and the heritage collection assets every four years.

The entire art collection (owned and custodial) was valued as at 30 June 2024 by Art + Object Auckland, on the basis of fair value.

The entire heritage collection (owned and custodial) was valued as at 30 June 2020 by Ashley and Associates Auckland, on the basis of a fair, minimum value realisable.

## Assets pledged as security

The net carrying amount of plant and equipment held under finance leases is \$nil (2023 \$nil). Except for assets subject to the housing improvement suspensory loan of \$480k (2023 \$480k) secured by mortgage against the relevant housing units, PNCC does not have any assets pledged as security for liabilities.

A registered first debenture and mortgage is secured over assets and property owned by Palmerston North Airport Ltd. The borrowings are from the Bank of New Zealand and at 30 June 2024 land, buildings and other property assets with a carrying value of \$91m has been pledged as security.

## Significant acquisitions and replacement of assets

In accordance with the provisions of clause 24 of Schedule 10 of the Local Government Act 2002, the What the Council Does section contains more information on the significant acquisitions and renewals of assets on an activity basis.

# Note 18

Intangible assets	Council					Group
	Computer Software \$000	Computer Licences \$000	Athletic Track \$000	Carpark Leases \$000	Total \$000	Total \$000
<b>2024</b>						
<b>BALANCE AT 1 JULY 2023</b>						
Cost	3,946	-	675	1,016	5,637	5,854
Accumulated amortisation and impairment	(3,549)	-	(675)	(304)	(4,528)	(4,682)
<b>Opening carrying amount</b>	<b>397</b>	<b>-</b>	<b>-</b>	<b>712</b>	<b>1,109</b>	<b>1,172</b>
<b>YEAR ENDED 30 JUNE 2024</b>						
Additions	457	-	-	-	457	487
Amortisation charge	(79)	-	-	(21)	(100)	(135)
Reclassification - Cost	(2)	-	-	-	(2)	(2)
Reclassification - accumulated depreciation	2	-	-	-	2	2
Disposals cost	-	-	-	-	-	(12)
Disposal accumulated amortisation	-	-	-	-	-	12
<b>Closing carrying amount</b>	<b>775</b>	<b>-</b>	<b>-</b>	<b>691</b>	<b>1,466</b>	<b>1,524</b>
<b>BALANCE AT 30 JUNE 2024</b>						
Cost	4,401	-	675	1,016	6,092	6,327
Accumulated amortisation and impairment	(3,626)	-	(675)	(325)	(4,626)	(4,803)
<b>Closing carrying amount</b>	<b>775</b>	<b>-</b>	<b>-</b>	<b>691</b>	<b>1,466</b>	<b>1,524</b>
<b>2023</b>						
<b>BALANCE AT 1 JULY 2022</b>						
Cost	5,509	369	675	1,016	7,569	7,721
Accumulated amortisation and impairment	(5,169)	(369)	(675)	(284)	(6,497)	(6,623)
<b>Opening carrying amount</b>	<b>340</b>	<b>-</b>	<b>-</b>	<b>732</b>	<b>1,072</b>	<b>1,098</b>
<b>YEAR ENDED 30 JUNE 2023</b>						
Net additions	157	-	-	-	157	222
Amortisation charge	(100)	-	-	(20)	(120)	(148)
	-	-	-	-	-	-
	-	-	-	-	-	-
Disposals cost	(1,720)	(369)	-	-	(2,089)	(2,089)
Disposal accumulated amortisation	1,720	369	-	-	2,089	2,089
<b>Closing carrying amount</b>	<b>397</b>	<b>-</b>	<b>-</b>	<b>712</b>	<b>1,109</b>	<b>1,172</b>
<b>BALANCE AT 30 JUNE 2023</b>						
Cost	3,946	-	675	1,016	5,637	5,854
Accumulated amortisation and impairment	(3,549)	-	(675)	(304)	(4,528)	(4,682)
<b>Closing carrying amount</b>	<b>397</b>	<b>-</b>	<b>-</b>	<b>712</b>	<b>1,109</b>	<b>1,172</b>

Computer software includes software and systems under development of \$456k (2023 \$159k).

The carpark leases are for the lease of carparks for a period of 999 years with amortisation over the life of the carpark.

No intangible assets are pledged as security for liabilities (2023 \$nil).

There are no restrictions over the title of intangible assets except for the athletic track. The athletic track is on third party land with the cost reflecting PNCC construction cost. PNCC has a long term access agreement for residents.

## Note 19

### Activity depreciation and amortisation

	Council	
	Actual 2024 \$000	Actual 2023 \$000
Included in activity expenditure in section 2 are the following amounts of depreciation and amortisation:		
Innovative and Growing City	613	610
Creative and Exciting City	10,895	10,398
Connected and Safe Community	4,171	4,245
Eco-City	830	808
Driven and Enabling Council	3,847	2,993
Transport	10,364	10,970
Stormwater	2,259	2,222
Wastewater	5,583	5,478
Water	4,579	4,428
<b>Total Activity Depreciation and Amortisation</b>	<b>43,141</b>	<b>42,152</b>

## Note 20

Forestry assets	Council		Group	
	Actual 2024 \$000	Actual 2023 \$000	Actual 2024 \$000	Actual 2023 \$000
<b>Balance at 1 July</b>	1,855	1,571	1,855	1,571
Increases due to purchases, replanting	-	-	-	-
Gains/(losses) arising from changes in fair value less estimated point of sale costs	217	284	217	284
Decreases due to harvest	-	-	-	-
<b>Balance at 30 June</b>	<b>2,072</b>	<b>1,855</b>	<b>2,072</b>	<b>1,855</b>

PNCC owns two forests held for harvest: Turitea and Gordon Kear. The forest assets referred to in this note are limited to the biological asset, being the forest crop (and do not include forest land or site improvements).

Turitea Forest is a pinus radiata plantation located within the water catchment reserve. During the 2019 period most of the older trees were harvested. The remaining plantation comprising 27 hectares is at varying stages of maturity ranging from 28 to 48 years. The land that has been harvested is being restored back into native vegetation.

Gordon Kear Forest is a second rotation pinus radiata plantation located in the upper Kahuterawa Valley, comprising 372.6 hectares aged from 7 to 13 years.

Forestry assets (biological assets) were valued as at 30 June 2024 by an independent registered forestry consultant Alan Bell (Registered Forestry Consultant - NZ Institute of Forestry). A pre-tax discount rate of 8.0% (2023 8.0%) has been used in discounting the present value of expected cash flows to determine fair value of the forestry crops. Valuation has been on a going concern basis and only includes the value of the current crop, based on current average costs and three year historical rolling average sales prices. The forest crops are valued on an annual basis.

There are no capital commitments in relation to forestry assets.

### Financial risk management strategies

PNCC is exposed to financial risks arising from changes in timber prices. PNCC is a long-term forestry investor and does not expect timber prices to decline significantly in the foreseeable future, therefore, has not taken any measures to manage the risks of a decline in timber prices. PNCC reviews its outlook for timber prices regularly in considering the need for active financial risk management.

## Note 21

Investment property	Council		Group	
	Actual 2024 \$000	Actual 2023 \$000	Actual 2024 \$000	Actual 2023 \$000
<b>Balance at 1 July</b>	4,825	5,640	20,225	20,540
Additions and acquisitions	-	72	-	156
Transfer to/(from) property, plant and equipment	-	-	-	-
Reclassification from assets held for sale	-	-	-	-
Reclassification to inventory	-	-	-	-
Disposals	-	-	-	-
Fair value gains/(losses) on valuation (note 6)	(290)	(887)	(361)	(471)
<b>Balance at 30 June</b>	<b>4,535</b>	<b>4,825</b>	<b>19,864</b>	<b>20,225</b>

PNCC's investment properties are valued annually at fair value effective 30 June. All investment properties were valued based on open market evidence to determine fair value. The valuation was performed by Andrew Walshaw (ANZIV, SPINZ) of Morgans Property Advisors.

There are no contractual obligations in relation to investment properties at balance date not recognised in the financial statements for either capital expenditure or operating expenditure.

Whilst PNCC does not have any contractual commitment for capital expenditure, there is an intention (as detailed in the Property Asset Management Plan) to maintain and renew all investment property.

Palmerston North Airport Ltd has investment properties. These are valued annually at fair value effective 30 June, performed by Morgans Property Advisors.

## Note 22

Trade and other payables	Council		Group	
	Actual 2024 \$000	Actual 2023 \$000	Actual 2024 \$000	Actual 2023 \$000
Trade payables	5,077	(25)	6,250	1,581
Deposits and bonds	3,457	4,680	3,469	4,680
Accruals and capital creditors	16,559	14,700	16,700	14,889
Amounts due to related parties	-	-	-	-
Fees and grants in advance	2,211	2,509	2,642	2,812
Rates in advance	2,419	2,156	2,419	2,156
Retentions	1,278	979	1,278	979
Tax payable (includes GST payables)	-	-	62	92
Other payables	980	733	1,670	750
<b>Total trade and other payables</b>	<b>31,981</b>	<b>25,732</b>	<b>34,490</b>	<b>27,939</b>
<b>Total payables comprises:</b>				
Payables from exchange transactions	26,371	21,067	28,578	23,120
Payables from non-exchange transactions	5,610	4,665	5,912	4,819

Trade and other payables are non-interest bearing and are normally settled on 30 day terms, therefore the carrying value of trade and other payables approximates their fair value.

Retentions are amounts deducted from commercial construction contracts. The Construction Contracts Act 2002 requires that for contracts entered into or renewed on or after 31 March 2017 those retentions be held "on trust" in the form of cash or other liquid assets for the benefit of those contractors. At June 2024 of the total retentions held, \$1,278k was required to be held on trust (2023 \$979k). PNCC has designated that a \$1,250k short term bank deposit is held on trust for those contractors (2023 \$1,250k). The amount held "on trust" will be reviewed when the short term bank deposits mature in July to ensure it is sufficient to cover obligations.

## Note 23

Provisions	Council		Group	
	Actual 2024 \$000	Actual 2023 \$000	Actual 2024 \$000	Actual 2023 \$000
<b>CURRENT</b>				
Landfill aftercare provision	91	91	91	91
Building weather tightness claims	227	591	227	591
Building claims	46	46	46	46
Restructuring provision	433	-	433	-
<b>Total current provisions</b>	<b>797</b>	<b>728</b>	<b>797</b>	<b>728</b>
<b>NON-CURRENT</b>				
Landfill aftercare provision	322	403	322	403
<b>Total non-current provisions</b>	<b>322</b>	<b>403</b>	<b>322</b>	<b>403</b>
<b>COUNCIL AND GROUP</b>				
	Landfill aftercare \$000	Building weather tightness claims \$000	Building Act claims \$000	Restructuring provision \$000
Balance at 30 June 2022	580	591	46	-
Additional provisions made during the year	-	-	-	-
Amounts used during the year	(86)	-	-	-
<b>Balance at 30 June 2023</b>	<b>494</b>	<b>591</b>	<b>46</b>	<b>-</b>
Additional provisions made during the year	-	-	-	433
Amounts used during the year	(81)	(364)	-	-
<b>Balance at 30 June 2024</b>	<b>413</b>	<b>227</b>	<b>46</b>	<b>433</b>

### Landfill aftercare provision

PNCC, as owner and operator of the Awapuni landfill since 1952, has a legal obligation under resource consent to provide ongoing maintenance and monitoring of its landfill post-closure. The landfill closed at the end of January 2007. Post-closure activities include leachate, water, gas monitoring and remedial measures such as ongoing site maintenance, drainage systems and wastewater treatment, final clay capping, soil covering and vegetation.

Estimates of future monitoring costs and remedial works have been made by council engineers. These engineering estimates are the basis upon which PNCC has established this financial provision. The provision includes all expected future costs and obligations associated with landfill post-closure.

The provision has been estimated taking into account and based upon known technology, existing knowledge and current legal requirements for the remaining closure and ongoing maintenance and monitoring costs.

The amount of the provision is the present value of future cash flows expected to be incurred, using a discount rate of 5.0%. PNCC engineers and accountants review the amount of the landfill provision at least once a year. The long term nature of the landfill liability means that there are inherent uncertainties in estimating costs that will be incurred.

Cash outflows for post-closure remedial works were completed in 2015, with consent monitoring costs expected to continue for up to 5 years (until 2029).

Landfill post-closure remedial works are capitalised to the landfill asset where they give rise to future economic benefits. Components of the capitalised landfill asset are then depreciated over their useful lives.

The landfill provision of \$413k (2023 \$494k) is for consent monitoring costs.

No reimbursement from other sources outside of PNCC is expected.

### Building weather tightness claims

PNCC has unresolved weather tightness claims. Refer to note 29 for further details. PNCC is unable to assess its exposure to these claims with the cost of any successful claims against PNCC expected to be substantially covered by provisions made.

PNCC also has exposure to possible calls relating to professional indemnity insurance cover, mainly relating to weather tightness claims. Refer to note 29 for further details. Due to recent Supreme Court and High Court rulings on a number of claims brought by other Councils against Riskpool there is now a high level of uncertainty about the potential scale and timing of future calls.

PNCC has a provision of \$227k (2023 \$591k) to cover unresolved and future weather tightness claims and future insurance pool calls.

### Building Act claims

PNCC has further unresolved Building Act claims. Refer to note 29 for further details. PNCC is unable to assess its exposure to these claims with the cost of any successful claims against PNCC expected to be substantially covered under PNCC's insurance policies.

PNCC has made a provision of \$46,000 (2023 \$46,000) to cover unresolved and future building claims, although the potential liability and timing of any payment is uncertain.

## Note 24

Employee benefit liabilities	Council		Group	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Accrued pay (includes time in lieu and deductions payable)	1,144	1,310	1,489	1,553
Annual leave	5,485	4,888	6,013	5,300
Long service leave	774	563	799	589
Retirement gratuities	1,178	1,278	1,178	1,278
Sick leave	204	247	204	247
<b>Total employee benefit liabilities</b>	<b>8,785</b>	<b>8,286</b>	<b>9,683</b>	<b>8,967</b>
<b>COMPRISING:</b>				
Current	7,721	7,294	8,617	7,971
Non-current	1,064	992	1,066	996
<b>Total employee benefit liabilities</b>	<b>8,785</b>	<b>8,286</b>	<b>9,683</b>	<b>8,967</b>

Entitlements for long service leave and retirement gratuities that are payable beyond 12 months have been calculated on an actuarial basis. The amount of the provision is the present value of future cash flows expected to be incurred, using a discount rate of 5.0% (2023 4.2%) being for maturities that approximate the estimated future cash outflows. The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred.



## Note 25

Borrowings	Council		Group	
	Actual 2024 \$000	Actual 2023 \$000	Actual 2024 \$000	Actual 2023 \$000
<b>CURRENT</b>				
Secured loans	25,000	20,000	27,700	23,065
<b>Total current borrowings</b>	<b>25,000</b>	<b>20,000</b>	<b>27,700</b>	<b>23,065</b>
<b>NON-CURRENT</b>				
Secured loans	250,005	200,228	250,005	202,928
<b>Total non-current borrowings</b>	<b>250,005</b>	<b>200,228</b>	<b>250,005</b>	<b>202,928</b>
<b>Total borrowings</b>	<b>275,005</b>	<b>220,228</b>	<b>277,705</b>	<b>225,993</b>

### Secured Loans

PNCC has a total bank overdraft facility of \$0.5m (2023 \$0.5m) with interest being charged at the bank's prime lending rate.

PNCC has bank multi-option credit lines totalling \$43 million with \$4.8m drawn at 30 June 2024 (2023 \$43m, \$8.1m drawn). When drawn interest is currently incurred at the OCR rate plus 1.15% (2023 1.15%), payable in arrears.

Interest on PNCC's floating rate debenture stock is payable quarterly in arrears.

PNCC has debt raised with the New Zealand Local Government Funding Agency. At 30 June 2024, \$270.2m is outstanding with maturities from 2025 to 2031. \$227m of this is drawn with interest rates are reset quarterly at the bankbill rate plus a margin varying from 0.4% to 0.8% with interest payable in arrears. The balance is drawn at fixed interest rates from 1.1% to 5.5%.

Effective interest rates, including line fees, are 4.6% (2023 4.0%). PNCC manages interest rate risk by use of interest rate swaps.

There are no conditions or covenants which, if contravened, would significantly alter the terms of the borrowing instruments or arrangements.

PNCC manages its borrowings in accordance with its funding and financial policies, which includes a Treasury Policy. These policies have been adopted in conjunction with PNCC's 10 Year Plan.

### Security

All of PNCC's secured loans plus the overdraft are secured under the terms of the Debenture Trust Deed between the PNCC and Covenant Trustee Services Ltd, as Trustee. Security is by a charge over the Council's ability to levy rates in favour of the Trustee. Pursuant to the Debenture Trust Deed PNCC has issued to its bankers security certificates totalling \$98m to secure the various bank loan facilities, bank overdraft, guarantees issued on behalf of PNCC and other general banking facilities (excluding commercial paper). Security certificates have also been issued to secure the debt raised with the New Zealand Local Government Funding Agency.

In 2010 and 2011 PNCC received a total of \$480,000 as part of a housing improvement scheme operated by Housing New Zealand. This loan has been utilised in improving community housing, is interest free and secured against those housing units. The loan is suspensory providing PNCC continues to own the units for 20 years, as is intended. PNCC has treated this as a grant and included this in revenue for capital expenditure as it intends to own these units indefinitely.

PNAL's bank borrowing is secured by a registered first debenture and mortgage over the assets and property of the Company. The balance outstanding is \$2.7m (2023 \$5.7m). In addition, PNAL has borrowed an unsecured sum of \$8m from PNCC in accordance with a loan facility agreement between the two parties. PNCC has borrowed \$8.2m from LGFA with 5 year terms at fixed rates of 4.11%-5.4467% and on-lent \$8m to PNAL for 5 years with a margin of 0.4%

Fair Value	Council		Group	
	Actual 2024 \$000	Actual 2023 \$000	Actual 2024 \$000	Actual 2023 \$000
Fair values of the secured loans are as follows:				
Floating rate bank loans	4,800	8,100	4,800	8,100
Fixed rate bank loans	-	-	2,700	5,765
Floating rate debenture stock	-	-	-	-
New Zealand Local Government Funding Agency	270,205	212,128	270,205	212,128
<b>Total</b>	<b>275,005</b>	<b>220,228</b>	<b>277,705</b>	<b>225,993</b>
Current portion	(25,000)	(20,000)	(27,700)	(23,065)
Non-current portion	250,005	200,228	250,005	209,863

The carrying amounts of the short term borrowings approximate their fair values due to interest rates on debt predominantly being reset to the market rate every three months.

## Note 26

Equity	Council		Group	
	Actual 2024 \$000	Actual 2023 \$000	Actual 2024 \$000	Actual 2023 \$000
<b>RETAINED EARNINGS</b>				
<b>As at 1 July</b>	1,097,509	1,086,803	1,135,271	1,121,729
Surplus/(deficit) for the year	9,817	10,706	8,119	13,574
Transfers (to)/from retained earnings	-	-	1,496	(32)
<b>As at 30 June</b>	<b>1,107,326</b>	<b>1,097,509</b>	<b>1,144,886</b>	<b>1,135,271</b>
<b>SPECIAL RESERVES AND FUNDS</b>				
<b>As at 1 July</b>	-	-	444	412
Transfers (to)/from retained earnings	-	-	232	32
<b>As at 30 June</b>	<b>-</b>	<b>-</b>	<b>676</b>	<b>444</b>
Special reserves and funds consist of:				
- Endowment fund	-	-	11	11
- Collection development fund	-	-	14	14
- Historic building maintenance reserve	-	-	22	22
- Development reserve - exhibitions	-	-	629	397
<b>Total Special Reserves and Funds</b>	<b>-</b>	<b>-</b>	<b>676</b>	<b>444</b>
<b>FAIR VALUE THROUGH OTHER COMPREHENSIVE REVENUE AND EXPENSE</b>				
<b>As at 1 July</b>	345	349	345	349
Revaluation of shares in industry companies	34	(4)	34	(4)
<b>As at 30 June</b>	<b>379</b>	<b>345</b>	<b>379</b>	<b>345</b>

Equity	Council		Group	
	Actual 2024 \$000	Actual 2023 \$000	Actual 2024 \$000	Actual 2023 \$000
<b>ASSET REVALUATION RESERVES THROUGH OTHER COMPREHENSIVE REVENUE AND EXPENSE</b>				
As at 1 July	960,784	877,178	1,016,145	934,141
Revaluation gains/(losses) of operating property (net of deferred tax)	(19,905)	83,606	(15,603)	82,004
Transfer to retained earnings on disposal of property	-	-	(1,728)	-
<b>As at 30 June</b>	<b>940,879</b>	<b>960,784</b>	<b>998,814</b>	<b>1,016,145</b>
<b>ASSET REVALUATION RESERVES CONSISTS OF:</b>				
<b>Operational assets</b>				
Land	101,149	139,344	124,504	164,547
Buildings	132,900	104,840	133,767	105,706
Airside infrastructure	-	-	21,964	21,964
Improvements	-	-	-	-
Heritage collection	-	-	143	143
Art collection	-	-	11,606	7,185
<b>Infrastructural assets</b>				
Wastewater system	140,075	140,075	140,075	140,075
Water system	126,448	126,448	126,448	126,448
Stormwater system	121,453	121,453	121,453	121,453
Roading network	289,420	289,420	289,420	289,420
Waste management	13,077	13,077	13,077	13,077
<b>Restricted assets</b>				
Land	16,357	26,127	16,357	26,127
<b>Total Revaluation Reserve</b>	<b>940,879</b>	<b>960,784</b>	<b>998,814</b>	<b>1,016,145</b>
<b>TOTAL EQUITY</b>	<b>2,048,584</b>	<b>2,058,638</b>	<b>2,144,755</b>	<b>2,152,205</b>

Special reserves and funds include those held by CCO's. These originate from funds received for a specific purpose or reserves designated to be used for a specific purpose by the CCO.

## Note 27

Reconciliation of net surplus/(deficit) after tax to net cash flow from operating activities	Council		Group	
	Actual 2024 \$000	Actual 2023 \$000	Actual 2024 \$000	Actual 2023 \$000
<b>Surplus/(Deficit) after Tax</b>	<b>9,817</b>	<b>10,706</b>	<b>8,119</b>	<b>13,574</b>
<b>Add/(less) non-cash items:</b>				
Depreciation and amortisation	43,141	42,152	45,773	44,766
Vested assets	(8,534)	(7,165)	(4,013)	(7,165)
Provision movement	(12)	(86)	(12)	(86)
Share of associates deficit	-	-	(22)	(10)
(Gains)/losses in fair value of biological assets	(217)	(284)	(217)	(284)
(Gains)/losses in fair value of investment property	290	887	290	210
(Gains)/losses in fair value of derivative financial instruments	2,584	(3,288)	2,584	(3,288)
<b>Add/(less) items classified as investing or financing activities:</b>				
(Gains)/losses on disposal of property, plant and equipment	(970)	509	(511)	577
<b>Add/(less) movements in working capital items:</b>				
Accounts receivable	(6,452)	(5,151)	(6,238)	(5,017)
Goods and Services Tax (net)	(466)	(1,079)	(466)	(884)
Inventories (excluding land development)	(109)	(117)	(103)	(109)
Accounts payable (inclusive of employee benefits)	5,170	(3,269)	6,044	(2,802)
<b>Net Cash inflow/(outflow) from operating activities</b>	<b>44,242</b>	<b>33,815</b>	<b>51,228</b>	<b>39,482</b>

## Note 28

### Operating leases and other commitments

#### Operating Leases as Lessee

PNCC leases property, plant and equipment in the normal course of its business. The majority of these leases have a non-cancellable remaining term of 18 months. The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:

	Council		Group	
	Actual 2024 \$000	Actual 2023 \$000	Actual 2024 \$000	Actual 2023 \$000
<b>Non-cancellable Operating Leases as Lessee</b>				
Not later than one year	413	380	690	653
Later than one year and not later than five years	1,385	1,390	1,528	1,655
Later than five years	279	528	279	528
<b>Total non-cancellable operating leases</b>	<b>2,077</b>	<b>2,298</b>	<b>2,497</b>	<b>2,836</b>

The total minimum future sublease payments expected to be received under non-cancellable subleases at balance date is \$nil (2023 \$nil).

Lease amounts payable have been determined on the basis of current annual rent payable and have not been discounted or inflation adjusted.

Leases can be renewed at PNCC's option, with rents set by reference to current market rates for items of equivalent age and condition. PNCC does have the option to purchase some of the leased assets at the end of the lease term.

There are no restrictions placed on PNCC by any of the leasing arrangements.

#### Operating Leases as Lessor

PNCC leases its investment property and some operational assets under operating leases. The majority of these leases have a non-cancellable term of 24 or 36 months. For some leases the lessee has the right for further renewal periods. The future aggregate lease payments to be collected under non-cancellable operating leases are as follows:

	Council		Group	
	Actual 2024 \$000	Actual 2023 \$000	Actual 2024 \$000	Actual 2023 \$000
<b>Non-cancellable Operating Leases as Lessor</b>				
Not later than one year	1,069	1,031	2,873	2,954
Later than one year and not later than five years	3,532	3,748	8,769	9,232
Later than five years	1,889	2,310	6,160	7,056
<b>Total non-cancellable operating leases</b>	<b>6,490</b>	<b>7,089</b>	<b>17,802</b>	<b>19,242</b>

No contingent rents have been recognised in the statement of comprehensive revenue and expense during the period.

#### Non-cancellable Energy Contracts

PNCC has a contract with Meridian Energy Ltd to supply Non-Half Hour Electricity and with Mercury Energy to supply Time of Use and Time of Use (Distributed Unmetered) Electricity, with the contracts expiring June 2026.

PNCC has a contract with Trustpower Ltd to supply gas to all its complexes with the contract expiring on 30 September 2024. Gas is charged on an actual usage basis.

## Note 29

### Contingencies

Contingent liabilities	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Uncalled share capital	100	100	100	100
Housing improvement suspensory loan	480	480	480	480
<b>Total contingent liabilities</b>	<b>580</b>	<b>580</b>	<b>580</b>	<b>580</b>

#### Litigation

As at 30 June 2024, there were no material legal actions being taken against PNCC which may result in a potential liability to PNCC (2023 no actions). Should any claims be received they would be contested with any liability uncertain and would be substantially covered by PNCC's public liability or professional indemnity insurance policies which have an excess payment requirement against all claims.

#### Building Act Claims

The Building Act 2004 imposes certain obligations and liabilities on local authorities in respect to the issue of building consents and inspection of work done.

PNCC has two claims or potential claims relating to weather tightness issues of homes in the Palmerston North area which name PNCC as well as other parties (2023, 2). These are claims lodged with either the Weathertight Homes Resolution Service (WHRS), the Financial Assistance Programme, awaiting assessment for the programmes or outside these programmes which name PNCC. It is not yet certain whether these claims are valid and whom will be liable for the building defects, therefore, PNCC is unable to assess its exposure to the claims and the timing of any payment is uncertain. There is also one other building claims (2023, 3). The costs of any successful weather tightness claims against PNCC are expected to be substantially covered from provisions made with successful building claims against PNCC expected to be substantially covered under PNCC's insurance policies or from provisions made. The estimated maximum potential liability for weather tightness claims to PNCC is \$310,000 (2023 \$310,000) and other building claims of \$10,000 (2023 \$190,000). A provision has been recognised for weather tightness claims and other Building Act claims, refer note 23.

PNCC is also exposed to potential future claims which have not been advised. The amount of these claims and any potential liability are not able to be reliably measured and are therefore not quantifiable.

#### RiskPool Insurance

PNCC obtained public liability and professional indemnity insurance cover from New Zealand Mutual Liability RiskPool until 30 June 2016. This operated as a mutual fund where each member made an annual contribution to obtain cover, however should claims exceed contributions then calls can be made on the members of that fund year, for the shortfall amount. PNCC may be exposed to calls relating to claim years until it ceased to be a member of the pools on 30 June 2016. Although it was originally thought there would be one final call of less than \$167k likely to impact PNCC, recently rulings by the Supreme Court and the High Court involving other Council members of Riskpool has introduced a high level of uncertainty about both the level of PNCC's potential financial exposure and its timing. Originally it was planned the provision for weather tightness claims (note 23) would be used to fund any call however it is now more than likely this will not be adequate. As the potential sums and the timing of any call are so uncertain no specific provision has been made at this stage. This will need to be addressed as more information becomes available.

#### Financial Guarantees

The value of guarantees disclosed as contingent liabilities reflects PNCC's assessment of the undiscounted portion of financial guarantees that are not recognised in the statement of financial position. PNCC has been the guarantor of the bank loans for a small number of community organisations with facilities built on PNCC land however at 30 June 2024 there are no balances outstanding.

PBE IPSAS 41 requires financial guarantees to be recognised at their fair value based on the probability PNCC will be required to reimburse a guarantee holder for a loss incurred, discounted to present value. The portion that remains unrecognised, prior to discounting to fair value, is disclosed as a contingent liability. The value of financial guarantees recognised has been assessed as \$nil, because PNCC believes that the probability of being called upon to honour any guarantees given is currently unlikely.

PNCC is a participating employer in a Defined Benefit Plan Contributors Scheme ("the scheme"), which is a multi-employer defined benefit scheme. If the other participating employers ceased to participate in the scheme, PNCC could be responsible for the entire deficit of the scheme. Similarly, if a number of employers ceased to participate in the scheme, PNCC could be responsible for an increased share of the deficit.

### New Zealand Local Government Funding Agency Limited

PNCC is a shareholder of the New Zealand Local Government Funding Agency Limited (NZLGFA). The NZLGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand and it has a current credit rating from S&P Global of AA+. PNCC is one of several shareholders of the NZLGFA. In that regard it has uncalled capital of \$0.1m. When aggregated with the uncalled capital of other shareholders, this is available in the event that an imminent default is identified. Also, together with the other shareholders, PNCC is a guarantor of all of NZLGFA's borrowings. At 30 June 2024 NZLGFA had borrowings totalling \$23,030m (2023 \$17,684m). Financial reporting standards require PNCC to recognise the guarantee liability at fair value. However, PNCC has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. PNCC considers the risk of NZLGFA defaulting on repayment of interest or capital to be very low on the basis that we are not aware of any local authority debt default events in New Zealand and local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

### Housing improvement suspensory loan

In 2010 and 2011 PNCC received a total of \$480,000 as part of a housing improvement scheme operated by Housing New Zealand. This loan has been utilised in improving community housing, is interest free and secured against those housing units. The loan is suspensory providing PNCC continues to own the units for 20 years, as is intended. PNCC has treated this as a grant and not a loan and included this in revenue for capital expenditure as it intends to own these units indefinitely. Should any of these units be sold within the 20 year period the related loan would be repayable.

### Emission Units

PNCC owns land and forests subject to the New Zealand emissions trading scheme. This has implications should the land be deforested with the Government providing compensation emission units for this restriction. PNCC has received 34,470 compensating emission units relating to qualifying pre-1990 forests which are recorded at a nil value.

Should forest land be deforested, PNCC may be liable for deforestation penalties relating to pre-1990 forest land of approximately 620 hectares. As it is intended to re-plant this land, or allow it to regenerate, in forest species with no current intention of deforestation, no liability is provided.

### Unquantified contingent liabilities

There are various claims that PNCC are currently contesting which have not been quantified due to the nature of the issues, the uncertainty of the outcome and/or the extent to which PNCC have a responsibility to the claimant. The possibility of any outflow in settlement in these cases is assessed as remote.

Palmerston North Airport Ltd had been using PFOS foam for firefighting training exercises at the airport until the late 1980s. All PFOS foam was successfully removed from fire appliances and storage containers onsite during the 2019 financial year. Future outflows associated with monitoring and treating PFOS are expected to be incurred in future accounting periods. However, the timing and value of outflows are not able to be reliably estimated at 30 June 2024.

### Contingent assets

PNCC enables sports clubs to construct facilities (eg club rooms) on reserve land. These clubs control the use of these facilities and PNCC will only gain control of the asset if the club vacates the facility. Until this event occurs these assets are not recognised as assets in the Statement of Financial Position.

PNCC had provided a loan to the Manfeild Park Trust to assist with the construction of a multi-purpose indoor/outdoor stadium at Manfeild Park. Repayment of the loan has been suspended and will be required only if certain conditions are incurred, primarily relating to winding up of the Trust or sale by the Trust of its assets. As this is not expected to occur in normal ongoing operations of the Trust the loan asset is not recognised in the Statement of Financial Position.

## Note 30

### Related party transactions

In this section PNCC disclose the related party transactions between the parent PNCC, its four Council Controlled Organisations (CCO's), its equity accounted CCO, and those transactions involving Councillor's and key management personnel. All related party transactions are disclosed below, and all of the transactions disclosures are treated as normal supplier or client/recipient relationship on terms and condition no more or less favourable than those that it is reasonable to expect PNCC would have adopted in dealing with the party at arm's length in the same circumstances. Other than the grants provided to CCO's below and a loan to Palmerston North Airport Limited (see notes 14 and 25 for further information), PNCC does not provide any other financing to those CCO's.

PNCC is the ultimate parent of the group and controls four entities, being Globe Theatre Trust Board, Palmerston North Airport Limited, The Regent Theatre Trust, and Te Manawa Museums Trust. PNCC also has influence over its 50% owned associate Central Economic Development Agency Ltd. From December 2021, Caccia Birch Trust Board ceased being a CCO and its operations were then included as part of Council.

Key management personnel of PNCC include the Mayor, Councillors, Chief Executive and the six staff who make up the executive leadership team.

### Related party transactions with subsidiaries and CCO's

	Actual 2024 \$000	Actual 2023 \$000
<b>Globe Theatre Trust Board</b>		
Grants provided by PNCC	175	121
Services provided by PNCC	1	2
Services provided to PNCC	7	4
<b>Palmerston North Airport Limited</b>		
Loans payable to PNCC	8,000	5,000
Interest expense to PNCC	380	218
Capital revenue provided to PNCC	483	-
Services provided by PNCC	41	101
Services provided to PNCC	10	24
Rates paid to PNCC	431	361
Accounts receivable by PNCC	184	107
Tax loss offset paid to PNCC	110	43
Asset vested to PNCC	4,563	-
<b>The Regent Theatre Trust</b>		
Grants provided by PNCC	262	252
Services provided by PNCC	3	1
Services provided to PNCC	9	8
Accounts receivable by PNCC	2	-
<b>Te Manawa Museums Trust</b>		
Grants provided by PNCC	3,758	3,352
Services provided by PNCC	271	270
Services provided to PNCC	-	20
Accounts receivable by PNCC	37	24
<b>Central Economic Development Agency Ltd</b>		
Service funding provided by PNCC	1,917	1,917
Services provided by PNCC	23	-
Accounts receivable by PNCC	6	-

In addition to the above transactions PNCC also owns the premises used Globe Theatre, Regent Theatre and Te Manawa Museum. While some are used pursuant to leases, the premises are effectively provided as an additional grant.

No doubtful debt provision has been required for any advances made.

### Transactions with Councillors and Key Management

There are close family members of some key management personnel employed by PNCC. The terms and conditions of these arrangements are no more favourable than PNCC would have adopted if there were no relationship to key management personnel.

In addition to any transactions within a normal supplier or client/recipient relationship there are some Councillors who are trustees or officers of organisations who receive grants from PNCC in addition to those detailed above for CCO's. These grants were approved by Council on the same basis as other grant recipients after considering all requests for grants. Amounts paid by Council to organisations in which Councillors or a close family member have an interest were:

Councillor	Organisation	Actual 2024 \$000	Actual 2023 \$000
Councillor Fitzgerald	Rangitane o Manawatu Settlement Trust	6	-
Councillor Hapeta	Fast Forward Group Ltd (Aberdeen on Broadway)	1	3
Councillor Meehan	Boatshed Catering	3	3
Councillor Dennison	Homes for People Trust	9	9

## Note 31

### Events after the balance sheet date

PNCC are not aware of any events subsequent to balance date which would materially affect the amounts included in these financial statements or disclosures made.

## Note 32

### Financial instrument categories

The accounting policies for financial instruments have been applied to the category items below:

	Council		Group	
	Actual 2024 \$000	Actual 2023 \$000	Actual 2024 \$000	Actual 2023 \$000
<b>FINANCIAL ASSETS</b>				
Cash and cash equivalents	1,677	1,657	3,820	2,595
Trade and other receivables	25,031	18,113	26,345	19,202
Other financial assets	14,000	5,000	7,331	981
Borrower notes - New Zealand Local Government Funding Agency	6,714	4,807	6,714	4,807
<b>Sub-total</b>	<b>47,422</b>	<b>29,577</b>	<b>44,210</b>	<b>27,585</b>
<b>Fair value through surplus or deficit - held for trading</b>				
Derivative financial instruments assets	9,069	11,653	9,069	11,653
<b>Total fair value through surplus or deficit</b>	<b>9,069</b>	<b>11,653</b>	<b>9,069</b>	<b>11,653</b>
<b>Fair value through other comprehensive revenue and expense</b>				
Unlisted shares - Civic Financial Services Ltd	383	371	383	371
Unlisted shares - New Zealand Local Government Funding Agency	486	464	486	464
<b>Total fair value through other comprehensive revenue and expense</b>	<b>869</b>	<b>835</b>	<b>869</b>	<b>835</b>
<b>Total Financial Assets</b>	<b>57,360</b>	<b>42,065</b>	<b>54,148</b>	<b>40,073</b>
<b>FINANCIAL LIABILITIES</b>				
<b>Financial liabilities at amortised cost</b>				
Trade and other payables	31,981	25,732	34,490	27,939
Borrowings	275,005	220,228	277,705	225,993
<b>Total financial liabilities at amortised cost</b>	<b>306,986</b>	<b>245,960</b>	<b>312,195</b>	<b>253,932</b>
<b>Fair value through surplus or deficit - held for trading</b>				
Derivative financial instruments liabilities	-	-	-	-
<b>Total Financial Liabilities</b>	<b>306,986</b>	<b>245,960</b>	<b>312,195</b>	<b>253,932</b>

## Note 33

### Fair value hierarchy disclosures

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

- quoted market price (level 1) for financial instruments with quoted prices for identical instruments in active markets.
- valuation technique using observable inputs (level 2) for financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- valuation techniques with significant non-observable inputs (level 3) for financial instruments valued using models where one or more significant inputs are not observable.

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value in the statement of financial position:

Council and Group 2024	Council		Group	
	Total \$000	Quoted market price \$000	Observable inputs \$000	Significant non-observable inputs \$000
<b>Financial assets</b>				
Unlisted shares	869	-	-	869
Derivative financial instruments	9,069	-	9,069	-
<b>Financial liabilities</b>				
Derivative financial instruments	-	-	-	-
<b>Council and Group 2023</b>				
<b>Financial assets</b>				
Unlisted shares	835	-	-	835
Derivative financial instruments	11,653	-	11,653	-
<b>Financial liabilities</b>				
Derivative financial instruments	-	-	-	-

There were no transfers between the different levels of the fair value hierarchy.

### Valuation techniques with significant non-observable inputs (level 3)

The table below provides a reconciliation from the opening balance to the closing balance for the level 3 fair value measurements:

	Council		Group	
	Actual 2024 \$000	Actual 2023 \$000	Actual 2024 \$000	Actual 2023 \$000
<b>Balance at 1 July</b>	886	886	886	886
Additional new shares purchased	-	-	-	-
Gains and losses recognised in other comprehensive revenue and expense	-	-	-	-
<b>Balance at 30 June</b>	<b>886</b>	<b>886</b>	<b>886</b>	<b>886</b>

## Note 34

### Financial instrument risks

PNCC has adopted a Treasury Policy which prescribes the framework within which the financial assets and liabilities will be managed. The policy has a particular focus on risks associated with financial instruments. It does not allow any transactions which are speculative in nature to be entered into.

PwC New Zealand is engaged as advisors in relation to PNCC's term borrowings.

PNCC has financial assets and liabilities as outlined in note 11 (cash and cash equivalents), note 12 (trade and other receivables), note 14 (other financial assets), note 16 (derivative financial instruments), note 22 (trade and other payables) and note 25 (borrowings).

The level of borrowing is determined by the Council through the 10 Year Plan as modified each year by the Annual Budget. All external debt must be authorised by resolution of the Council. The Treasury Policy contains not only guidelines aimed at minimising the impact of various types of risk but also sets what are assessed as being prudent maximum borrowing limits.

### Market risks

#### Price risk

Price risk is the risk that the fair value of a financial instrument will fluctuate as a result of changes in market prices. PNCC is exposed to equity securities price risk on its share investments intended to be held long term. This price risk arises due to market movements in listed securities or unlisted shares.

#### Currency risk

Currency risk is the risk that the fair value of a financial instrument will fluctuate due to changes in foreign exchange rates. PNCC has no exposure to currency risk.

#### Fair value interest rate risks

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowing issued at fixed rates expose PNCC to fair value interest rate risk. PNCC's Treasury Policy prescribes that interest rate risk is managed and mitigated by ensuring that forecast gross debt will be within a series of prescribed fixed/floating interest rate risk control limits.

Fixed to floating interest rate swaps are entered into to hedge the fair value interest rate risk arising where PNCC has borrowed at fixed rates in excess of prescribed levels. In addition investments at fixed interest rates expose PNCC to fair value interest rate risk.

#### Cash flow interest rate risks

Cash flow interest rate risk is the risk that cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose PNCC to cash flow interest rate risk. PNCC manages its cash flow interest rate risk on borrowings by using interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings at floating rates into fixed rates that are generally lower than those available if PNCC borrowed at fixed rates directly. Under interest rate swaps, PNCC agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

#### Credit risk

Credit risk is the risk that a third party will default on its obligation to PNCC, causing PNCC to incur a loss. Financial instruments will potentially subject PNCC to credit risk. sjp

Credit risk is minimised as a result of several key controls including maintaining maximum limits for each broad class of counterparty and individual counterparties, limiting investments to organisations with a S&P Global's investment grade rating or equivalent, and controlling the level and spread of trade and other receivables outstanding. As a result there are no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the Statement of Financial Position and the face value of off-balance sheet guarantees to community groups (refer Note 29). sjp

PNCC has no collateral or other credit enhancements for financial instruments that give rise to credit risk.

PNCC is exposed to credit risk as a guarantor of all of the NZLGFAs borrowings. Refer note 29 for details.

PNCC's maximum credit exposure for each class of financial instrument is as follows:

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Cash and cash equivalents and bank deposits	7,677	1,657	11,151	3,576
Trade and other receivables	25,031	18,113	26,345	19,202
Derivative financial instruments	9,069	11,653	9,069	11,653
Loan to Palmerston North Airport Limited	8,000	5,000	-	-
Borrower notes - New Zealand Local Government Funding Agency	6,714	4,807	6,714	4,807

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to S&P Global's credit ratings (if available) or to historical information about counterparty default rates:

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
<b>Counterparties with credit ratings</b>				
<b>Cash and cash equivalents</b>				
AA-	7,677	1,657	11,151	3,576
<b>Borrower notes - New Zealand Local Government Funding Agency</b>				
AA+	6,714	4,807	6,714	4,807
<b>Counterparties without credit ratings</b>				
<b>Loans to related parties</b>				
Existing counterparty with no defaults in the past	8,000	5,000	-	-

Trade and other receivables mainly arise from PNCC's statutory functions, therefore there are no procedures in place to monitor or report the credit quality of debtors and other receivables with reference to internal or external credit ratings. PNCC has no significant concentrations of credit risk in relation to receivables as it has a large number of credit customers, mainly ratepayers, and PNCC has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers. Palmerston North Airport Limited is exposed to credit risk as there is a limited base of customers for the services provided by the Company. Although considered fully recoverable 94% of receivables at 30 June 2024 are from 16 customers.

#### Liquidity risk

Liquidity risk is the risk that PNCC will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. PNCC aims to maintain flexibility in funding by keeping committed credit lines available.

PNCC manages its borrowings in accordance with its funding and financial policies, which includes a Liability Management Policy. These policies have been adopted as part of PNCC's Treasury Policy.

The table below analyses PNCC's financial liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate on the instrument at the balance date. The amounts disclosed are the contractual undiscounted cash flows and include interest payments.

	Carrying amount \$000	Contractual cash flows \$000	Less than 1 year \$000	1-2 years \$000	3-5 years \$000	More than 5 years \$000
<b>Council 2024</b>						
Trade and other payables	31,981	31,981	31,981	-	-	-
Secured loans	4,800	8,100	8,100	-	-	-
New Zealand Local Government Funding Agency	270,205	328,853	40,242	35,932	188,933	63,746
<b>Total</b>	<b>306,986</b>	<b>368,934</b>	<b>80,323</b>	<b>35,932</b>	<b>188,933</b>	<b>63,746</b>
<b>Group 2024</b>						
Trade and other payables	34,490	34,490	34,490	-	-	-
Secured loans	7,500	11,070	8,235	2,835	-	-
New Zealand Local Government Funding Agency	270,205	328,853	40,242	35,932	188,933	63,746
<b>Total</b>	<b>312,195</b>	<b>374,413</b>	<b>82,967</b>	<b>38,767</b>	<b>188,933</b>	<b>63,746</b>

	Carrying amount \$000	Contractual cash flows \$000	Less than 1 year \$000	1-2 years \$000	3-5 years \$000	More than 5 years \$000
<b>Council 2023</b>						
Trade and other payables	25,732	25,732	25,732	-	-	-
Secured loans	8,100	8,100	8,100	-	-	-
New Zealand Local Government Funding Agency	212,128	263,240	31,868	35,352	119,062	76,958
<b>Total</b>	<b>245,960</b>	<b>297,072</b>	<b>65,700</b>	<b>35,352</b>	<b>119,062</b>	<b>76,958</b>

#### Group 2023

Trade and other payables	28,548	28,548	28,548	-	-	-
Secured loans	15,800	19,958	8,450	283	11,225	-
New Zealand Local Government Funding Agency	212,128	263,240	31,868	35,352	119,062	76,958
<b>Total</b>	<b>256,476</b>	<b>311,746</b>	<b>68,866</b>	<b>35,635</b>	<b>130,287</b>	<b>76,958</b>

PNCC is exposed to liquidity risk as a guarantor of all of the NZLGFA's borrowings. This guarantee becomes callable in the event of the NZLGFA failing to pay its borrowings when they fall due. Refer note 29 for details.

The table below analyses PNCC's derivative financial instrument liabilities to be settled on a net basis in relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

The table below analyses PNCC's financial assets into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows and include interest revenue.

	Carrying amount \$000	Contractual cash flows \$000	Less than 1 year \$000	1-2 years \$000	3-5 years \$000	More than 5 years \$000
<b>Council 2024</b>						
Cash and cash equivalents and bank deposits	7,677	7,677	7,677	-	-	-
Trade and other receivables	25,031	25,031	25,031	-	-	-
Derivative financial instruments	9,069	10,289	3,346	2,508	3,857	578
Loan to Palmerston North Airport Limited	8,000	9,491	401	401	8,689	-
Borrower notes - New Zealand Local Government Funding Agency	6,714	8,006	533	500	4,824	2,149
<b>Total</b>	<b>56,491</b>	<b>60,494</b>	<b>36,988</b>	<b>3,409</b>	<b>17,370</b>	<b>2,727</b>

#### Group 2024

Cash and cash equivalents and bank deposits	11,151	11,151	11,151	-	-	-
Trade and other receivables	26,345	26,345	26,345	-	-	-
Derivative financial instruments	9,069	10,289	3,346	2,508	3,857	578
Loan to Palmerston North Airport Limited	-	-	-	-	-	-
Borrower notes - New Zealand Local Government Funding Agency	6,714	8,006	533	500	4,824	2,149
<b>Total</b>	<b>53,279</b>	<b>55,791</b>	<b>41,375</b>	<b>3,008</b>	<b>8,681</b>	<b>2,727</b>

#### Council 2023

Cash and cash equivalents and bank deposits	1,657	1,657	1,657	-	-	-
Trade and other receivables	18,113	18,113	18,113	-	-	-
Derivative financial instruments	11,653	13,042	3,800	3,037	5,296	909
Borrower notes - New Zealand Local Government Funding Agency	4,807	5,913	367	184	2,950	2,412
<b>Total</b>	<b>41,230</b>	<b>44,741</b>	<b>24,163</b>	<b>3,447</b>	<b>13,810</b>	<b>3,321</b>

#### Group 2023

Cash and cash equivalents and bank deposits	3,576	3,576	3,576	-	-	-
Trade and other receivables	19,202	19,202	19,202	-	-	-
Derivative financial instruments	11,653	13,042	3,800	3,037	5,296	909
Borrower notes - New Zealand Local Government Funding Agency	4,807	5,913	367	184	2,950	2,412
<b>Total</b>	<b>39,238</b>	<b>41,733</b>	<b>26,945</b>	<b>3,221</b>	<b>8,246</b>	<b>3,321</b>

**Sensitivity analysis**

The tables below illustrate the potential effect on surplus or deficit and equity (excluding retained earnings) for reasonably possible market movements, with all other variables held constant, based on PNCC’s financial instrument exposures at balance date. For interest rate movement the potential effect assumes a full year movement.

Council	2024				2023																																																																		
	\$000 -100bp Profit	\$000 Equity	\$000 +100bp Profit	\$000 Equity	\$000 -100bp Profit	\$000 Equity	\$000 +100bp Profit	\$000 Equity																																																															
<b>INTEREST RATE RISK</b>																																																																							
<b>Financial assets</b>																																																																							
Cash and cash equivalents	(77)	-	77	-	(17)	-	17	-																																																															
Derivatives - held for trading	(7,036)	-	6,667	-	(7,163)	-	6,755	-																																																															
<b>Financial liabilities</b>																																																																							
Secured loans	(2,750)	-	2,750	-	(2,202)	-	2,202	-																																																															
Debentures	50	-	(50)	-	50	-	(50)	-	<b>Total sensitivity to interest rate risk</b>	<b>(9,813)</b>	<b>-</b>	<b>9,444</b>	<b>-</b>	<b>(9,332)</b>	<b>-</b>	<b>8,924</b>	<b>-</b>																			<b>EQUITY PRICE RISK</b>									<b>Financial assets</b>									Unlisted shares	(87)	-	87	-	(84)	-	84	-	<b>Total sensitivity to equity price risk</b>	<b>(87)</b>	<b>-</b>	<b>87</b>	<b>-</b>	<b>(84)</b>	<b>-</b>	<b>84</b>	<b>-</b>
<b>Total sensitivity to interest rate risk</b>	<b>(9,813)</b>	<b>-</b>	<b>9,444</b>	<b>-</b>	<b>(9,332)</b>	<b>-</b>	<b>8,924</b>	<b>-</b>																																																															
<b>EQUITY PRICE RISK</b>																																																																							
<b>Financial assets</b>																																																																							
Unlisted shares	(87)	-	87	-	(84)	-	84	-																																																															
<b>Total sensitivity to equity price risk</b>	<b>(87)</b>	<b>-</b>	<b>87</b>	<b>-</b>	<b>(84)</b>	<b>-</b>	<b>84</b>	<b>-</b>																																																															

Group	2024				2023																																																																		
	\$000 -100bp Profit	\$000 Equity	\$000 +100bp Profit	\$000 Equity	\$000 -100bp Profit	\$000 Equity	\$000 +100bp Profit	\$000 Equity																																																															
<b>INTEREST RATE RISK</b>																																																																							
<b>Financial assets</b>																																																																							
Cash and cash equivalents	(112)	-	112	-	(36)	-	36	-																																																															
Derivatives - held for trading	(7,036)	-	6,667	-	(7,163)	-	6,755	-																																																															
<b>Financial liabilities</b>																																																																							
Secured loans	(2,777)	-	2,777	-	(2,279)	-	2,279	-																																																															
Debentures	50	-	(50)	-	50	-	(50)	-	<b>Total sensitivity to interest rate risk</b>	<b>(9,875)</b>	<b>-</b>	<b>9,506</b>	<b>-</b>	<b>(9,428)</b>	<b>-</b>	<b>9,020</b>	<b>-</b>																			<b>EQUITY PRICE RISK</b>									<b>Financial assets</b>									Unlisted shares	(73)	-	73	-	(73)	-	73	-	<b>Total sensitivity to equity price risk</b>	<b>(73)</b>	<b>-</b>	<b>73</b>	<b>-</b>	<b>(73)</b>	<b>-</b>	<b>73</b>	<b>-</b>
<b>Total sensitivity to interest rate risk</b>	<b>(9,875)</b>	<b>-</b>	<b>9,506</b>	<b>-</b>	<b>(9,428)</b>	<b>-</b>	<b>9,020</b>	<b>-</b>																																																															
<b>EQUITY PRICE RISK</b>																																																																							
<b>Financial assets</b>																																																																							
Unlisted shares	(73)	-	73	-	(73)	-	73	-																																																															
<b>Total sensitivity to equity price risk</b>	<b>(73)</b>	<b>-</b>	<b>73</b>	<b>-</b>	<b>(73)</b>	<b>-</b>	<b>73</b>	<b>-</b>																																																															

**Explanation of interest rate risk sensitivity**

The interest rate sensitivity is based on a reasonable possible movement in interest rates, with all other variables held constant, measured as a basis points (bps) movement. For example, a decrease of 100bps is equivalent to a decrease in interest rates of 1.0%.

The sensitivity for derivatives (interest rate swaps) has been calculated using a derivative valuation model based on a parallel shift in interest rates of -100bps/+100bps.

**Explanation of other price risk sensitivity**

The sensitivity for unlisted shares has been calculated based on a -10%/+10% movement of the fair value for the unlisted shares.

## Note 35

**Capital management**

PNCC’s capital is its equity (or ratepayers’ funds), which comprise retained earnings and reserves. Equity is represented by net assets.

The Local Government Act 2002 (the Act) requires PNCC to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers’ funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by PNCC. Intergenerational equity requires

today’s ratepayers to meet the costs of utilising PNCC’s assets and not expecting them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, PNCC has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires PNCC to make adequate and effective provision in its 10 Year Plan and in its Annual Budget (where applicable) to meet the expenditure needs identified in those plans. The Act also sets out the factors that PNCC is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in PNCC’s 10 Year Plan.



## Note 36

### Explanations of major variances against budget

Explanations for major variances from PNCC's budget figures in the 2023/24 Annual Plan

Statement of Comprehensive Revenue and Expense	
Finance revenue	Higher than budget due to more term deposits held during 2024.
Other revenue	Higher than budget due to receipt of revenue relating to sale of land development.
Operating subsidies and grants	Lower than budget due to delays and changes in scope relating to Better off Funding grants.
Capital subsidies and grants	Lower than budget due to reduction in Waka Kotahi subsidies relating to Transport Choices.
Vested assets	Higher than budget due to significant developments being vested during 2024.
Employee and elected representatives benefit expenses	Lower than budget due to correction to accounting treatment of capitalised remuneration during financial year. (refer to Note 37)
Finance costs	Higher than budget due to losses on derivative financial instruments, and higher than budgeted interest rates.
Other expenses	Higher than budget due to correction to accounting treatment of capitalised remuneration during financial year. (Refer to note 37)
Increase in operating property valuations	Lower than budget due to reduction in land values compared to last valuation.
Other expenses	Higher due to additional contracted and professional services expenses in consenting, venues and roading. This was offset by additional revenues.
Decrease in operating property valuations	Lower due to reduction in land values.

### Statement of Financial Position

Trade and other receivables	Higher due to high receivables owing at year-end, all due for receipt early in FY2025
Current Inventories	Higher than budget due to Tamakuku Terrace sections likely to be sold within 12 months.
Derivative financial instruments (assets and liabilities)	Asset balances are overall higher than budget due to valuation at year end. Actual cost incurred during the year is included in interest expense.
Non-current Inventories	Lower than budget due intended sales of Tamakuku Terrace sections mostly being within next 12 months.
Non-current other financial assets	Higher due to loan with Palmerston North Airport Limited.
Investments in CCOs and industry companies	Higher due to increase in LGFA Borrower Notes.
Total current liabilities	Higher due to unbudgeted current borrowings.
Borrowings	Higher than budgeted due to higher capital expenditure in FY and receivables at year end.

### Statement of Cash Flows

Refer above for explanation of major variances that affect the cash flow variances.

## Note 37

### Prior Years Adjustments

The Council and Group has identified that the correct accounting treatment was not applied in prior years to the accounting of capitalised remuneration. This was discovered during the work on the Long Term Plan 2024-34. Therefore, the Council and Group has adjusted its comparative year financial statements for the year ending 30 June 2023.

The adjustments to the Statement of Comprehensive Revenue and Expense are shown in the table below. These have also been reflected in the associated notes to the financial statements (Notes 8 and 9).

Adjustment to prior year statements	Parent Original Amount	Group Original Amount	Recognition of Capitalised Remuneration	Parent Restated	Group Restated
	2023	2023	2023	2023	2023
	\$000	\$000	\$000	\$000	\$000
<b>Impact on Statement of Comprehensive Revenue and Expense</b>					
for the year ended 30 June 2023					
Employee and elected representatives benefit expenses	57,408	62,637	(4,425)	52,983	58,212
Other expenses	64,856	66,402	4,425	69,281	70,827

## Note 38

### Water services reform

The water services legislation (namely the Water Services Entities Act 2022, the Water Services Legislation Act 2023 and the Water Services Economic Efficiency and Consumer Protection Act 2023), was repealed on 17 February 2024. The Government has recently enacted the Local Government (Water Services Preliminary Arrangements) Act 2024. The new legislation requires Council to deliver a Water Services Delivery Plan (WSDP) to the Secretary for Local Government by 3 September 2025. The plan must include the anticipated or proposed model or arrangements and implementation plan for delivering water services. Council will not know what the model or arrangements are likely to be until the WSDP is approved by the Secretary. The new legislation has not had an impact on the 30 June 2024 financial statements or performance information.

# Annual report disclosure statement

for year ending 30 June 2024

## What is the purpose of this statement?

The purpose of this statement is to disclose the council's 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 annual report 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.

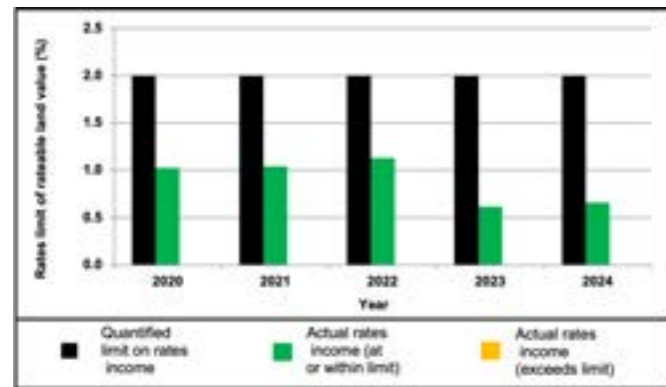
## Rates affordability benchmark

The council meets the rates affordability benchmark if—

- its actual rates income equals or is less than each quantified limit on rates; and
- its actual rates increases equal or are less than each quantified limit on rates increases.

## Rates income affordability

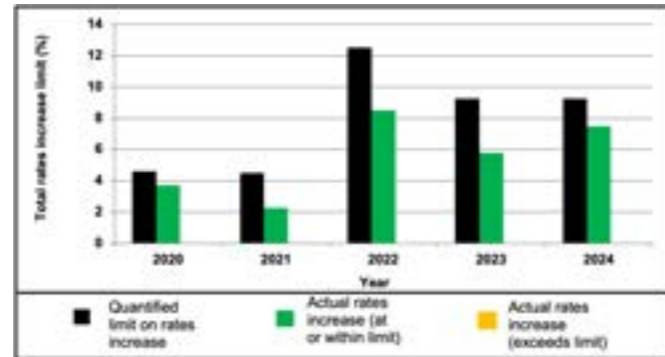
The following graph compares the council's actual rates income with a quantified limit on rates contained in the financial strategy included in the council's long-term plan. The quantified limit has applied from 2012/13 and is that total rates will be no more than 2% of the City's rateable land value.



## Rates increases affordability

The following graph compares the council's actual rates increases with a quantified limit on rates increases included in the financial strategy included in the council's 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 3% (to fund the cost of higher standards and new services)
- plus increase in funding for asset renewal.

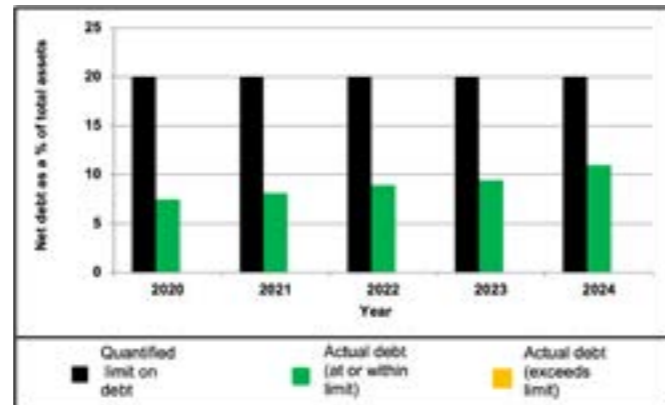


## Debt affordability benchmarks

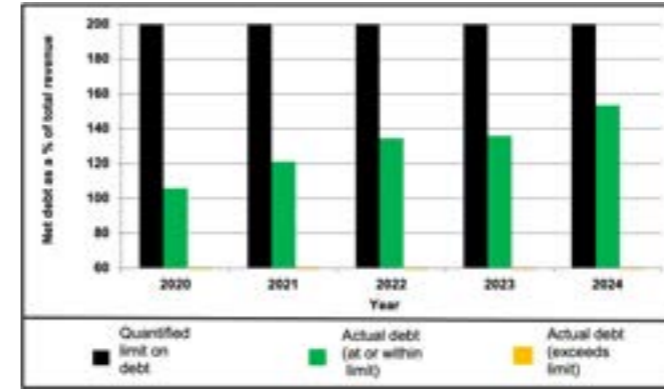
The council meets the debt affordability benchmarks if its actual borrowing is within each quantified limit on borrowing.

The following five graphs compare the council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's long-term plan.

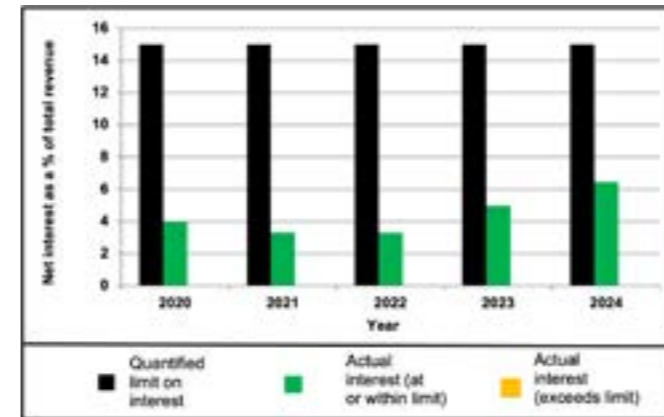
The quantified limit for this graph is that net external debt as a percentage of total assets will not exceed 20%.



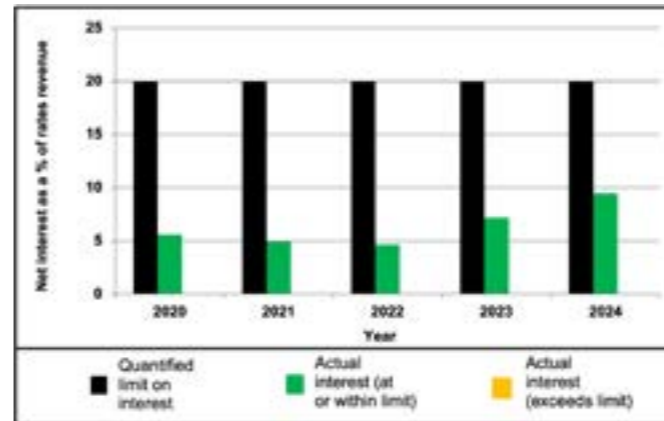
The quantified limit for this graph is that net external debt as a percentage of total revenue will not exceed 200%.



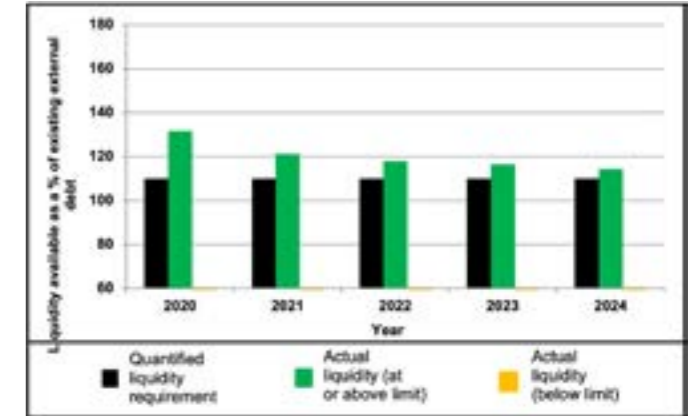
The quantified limit for this graph is that net interest as a percentage of total revenue will not exceed 15%.



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



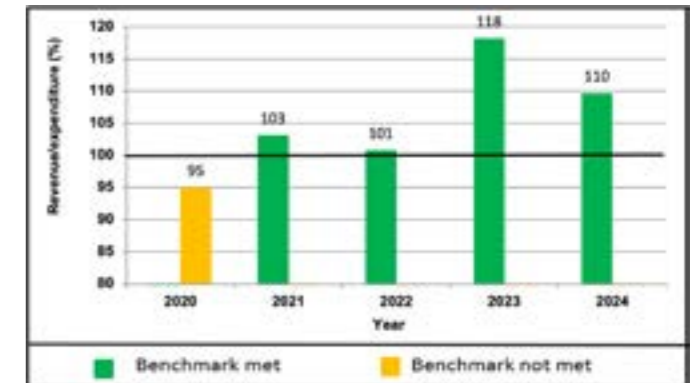
The quantified limit for this graph is that liquidity available will exceed 110% of existing external debt. Liquidity available is defined as the sum of existing external term debt, unused committed bank/loan facilities and liquid investments.



## Balanced budget benchmark \*

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

The council meets this benchmark if its revenue equals or is greater than its operating expenses.

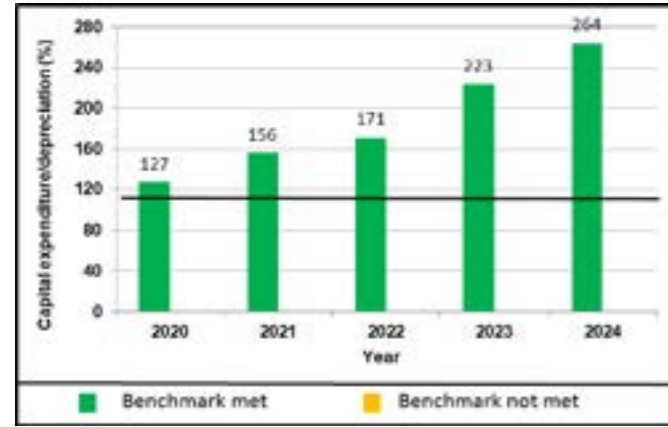


\* Refer to additional information or comment on page 229 for further explanation.

**Essential services benchmark**

The following graph displays the council’s capital expenditure on network services as a proportion of depreciation on network services.

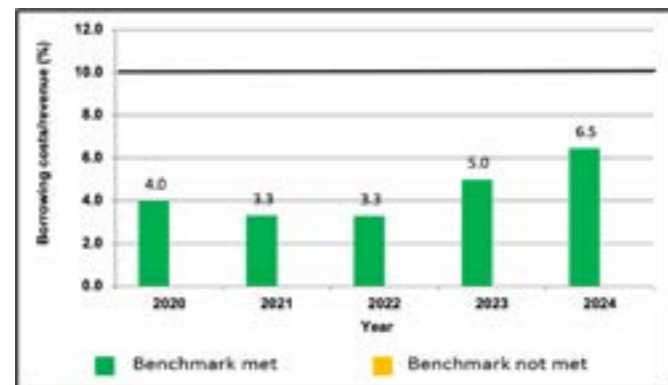
The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



**Debt servicing benchmark**

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

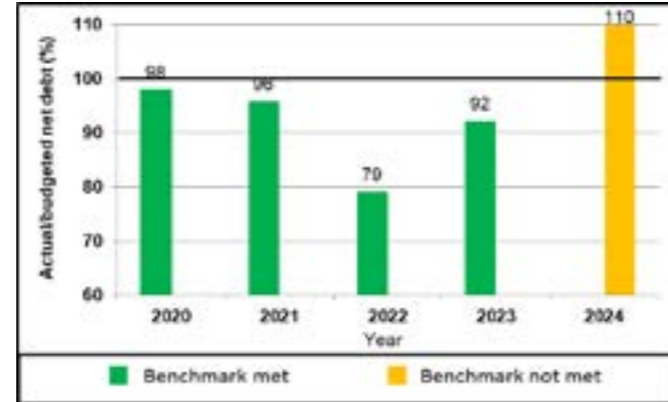
Because Statistics New Zealand projects the council’s population will grow as fast as the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.



**Debt control benchmark\***

The following graph displays the council’s actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

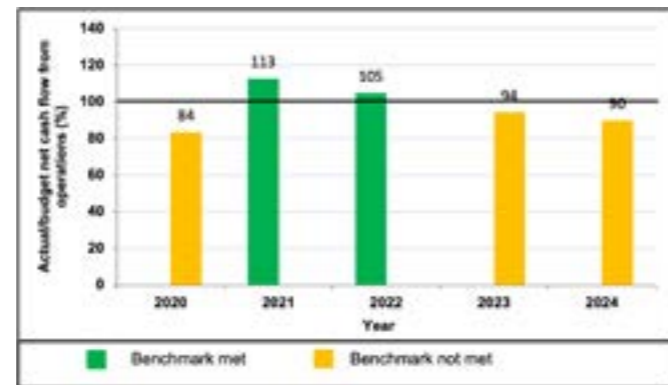
The council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



\* Refer to additional information or comment on page 229 for further explanation.

**Operations control benchmark \***

This graph displays the council’s actual net cash flow from operations as a proportion of its planned net cash flow from operations.



The council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.

\* Refer to additional information or comment on page 229 for further explanation.

**Additional information or comment**

**Balanced budget benchmark**

“The Council’s financial strategy includes ensuring that rates fund operating services, capital renewals to maintain capability, and debt repayment to ensure financial capability for future generations. This strategy reflects the assessed intergenerational requirements and asset capability with non-cash depreciation (included in the benchmark) not requiring to be fully funded to avoid building up unnecessary cash reserves. Additionally part of the maintaining asset capability in the future will be funded from external grants, for example with Roothing by NZTA subsidies. Council’s asset management plans ensure that the Council is appropriately planning for renewals and its financial strategy is to make adequate provision to fund renewals from rates revenues.

In the years 2021 through 2024 there was a surplus from cash rates-funded requirements. In 2020, this measure was not achieved due to Covid19 reducing Council’s ability to generate revenue from such sources as venues and parking.”

**Debt control benchmark**

The debt control benchmark was not achieved in 2024 due to higher capital works being completed than anticipated, as well as higher actual receivables.

**Operations control benchmark**

“2020 was not achieved due to Covid19, which led to higher unbudgeted expenses relating to welfare. These costs were reimbursed by central government, but were unpaid as at 30 June 2020. It also lowered the ability to generate revenues from such sources parking and venues.

In 2023 and 2024, the benchmark was not achieved due to Council approved increases in in spending against operating programmes for a new ERP.”

# Insurance of Assets

Details of insurance of assets (as required by the Local Government Act 2002) are shown in the following table.

Assets from Statement of Financial Position	Carrying value as at 30 June 2024 \$000
Property, plant and equipment	2,283,906
Forestry assets	2,072
Investment property	4,535
	<b>2,290,513</b>
<b>Less:</b>	
Land component of operational assets	190,315
Land component of infrastructural assets	77,701
Land under roads	362,639
Land - restricted assets	33,587
	<b>664,242</b>
<b>Net non-financial assets (excluding land)</b>	<b>1,626,271</b>

	Insured value as at 30 June 2024 \$000	
<b>Insurance arrangements</b>		
Material damage cover for buildings, plant, contents	935,140	Subject to various deductibles including: \$10k for most claims except for earthquake or volcanic eruption where deductible is 5% of site sum insured or 10% for pre 1935 or earthquake prone buildings. Subject to maximum loss limit per claim and in the aggregate pa of \$100m for fire and aggregate limit of \$300m for natural disaster.
Motor vehicle insurance cover (including leased vehicles)	11,215	Insured for market value - carrying value assumed for this purpose.
Forestry/timber cover	2,074	Additional benefit of \$0.5m for replanting.
<b>Risk sharing arrangements</b>		
Cover for infrastructure assets as a member of LAPP	518,000	Sum equates 40% of the ORV value of scheduled assets however maximum cover is \$68m (ie 40% of \$170m) for three events of \$75m, \$115m & \$170m. A claim threshold of \$1.5m with a deductible of \$0.6m applied.
Central Government assistance		It is anticipated (though cannot be guaranteed) that under the terms contained in the Guide to the Civil Defence Emergency Management Plan central government may fund 60% of the qualifying cost of reinstating essential infrastructure with a deductible of \$2.38m.
Council arrangements for covering deductibles and/or uninsured assets		As at 30 June 2024 the Council had undrawn committed credit lines with banks totalling \$38.2m. These are not specifically tagged as part of the risk management strategy but the Council could utilise a significant portion of these credit lines if required as a short term funding measure.
	<b>1,466,429</b>	
Sum not specially insured	159,842	Note the 60% portion of the the ORV of infrastructure assets which may be funded by central government equates \$777.1m.

The Council has no insurances relating to financial or intangible assets.

# Funding Impact Statements

for the year ended 30 June 2024 - Palmerston North City Council

The Local Government (Financial Reporting and Prudence) Regulations 2014 prescribe the format for funding impact statements to show 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 come from, and how they are used.

In the following pages actual results are detailed along with the budgets from the 2020/21 10-Year Plan. 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 as 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, or
- to replace existing assets.

The three 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 also provides Activity Operational Requirement and Funding Summary statements for each Group of Activities and for all Activities which show the revenue and expenses for the services provided, as well as how the rates are allocated (refer section 2).

Please Note: The totals appear different between the two statements due to the different way the figures have been categorised. The Funding Impact Statements include rates revenue, whereas the Activity Operational Requirement and Funding Summary separate rates out to clearly show how they have been calculated and the actual amount required to deliver that service. In addition, the Activity Operational Requirement and Funding Summary include depreciation in the expenses to show the full cost of the activity, while this is not included in the Funding Impact Statements.

The Local Government (Financial Reporting and Prudence) Regulations 2014 prescribe that each of the group of activities funding impact statements include budget information from the 10-Year Plan.

## Palmerston North City Council

Funding impact statement for the year ended 30 June 2024 for:

### Whole of Council

	10-Year Plan 2023 \$000	Annual Plan Budget 2023 \$000	Actual 2023 \$000	10-Year Plan 2024 \$000	Annual Plan Budget 2024 \$000	Actual 2024 \$000
<b>SOURCES OF OPERATING FUNDING</b>						
General rates, UAGC and rates penalties	86,310	86,026	86,522	93,960	91,451	91,883
Targeted rates (including metered water)	31,577	29,344	29,515	33,657	32,795	32,831
Subsidies and grants for operating purposes	4,808	5,286	7,267	5,115	7,880	6,140
Fees and charges	7,710	8,004	6,766	7,888	8,022	7,148
Interest and dividends from Investments	17	17	1,126	17	150	1,977
Local authority fuel tax, fines, infringement fees and other receipts	23,901	23,929	29,606	24,691	25,133	26,272
<b>TOTAL SOURCES OF OPERATING FUNDING</b>	<b>154,323</b>	<b>152,606</b>	<b>160,802</b>	<b>165,328</b>	<b>165,430</b>	<b>166,251</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>						
Payments to staff and suppliers	115,782	119,815	116,740	121,321	126,832	126,476
Finance costs	6,775	6,731	8,309	8,332	9,899	11,838
Other operating funding applications	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>122,557</b>	<b>126,546</b>	<b>125,049</b>	<b>129,653</b>	<b>136,731</b>	<b>138,314</b>
<b>SURPLUS/(DEFICIT) OF OPERATING FUNDING</b>	<b>31,766</b>	<b>26,060</b>	<b>35,753</b>	<b>35,675</b>	<b>28,698</b>	<b>27,938</b>
<b>SOURCES OF CAPITAL FUNDING</b>						
Subsidies and grants for capital expenditure	13,632	8,341	5,683	21,352	17,725	14,540
Development and financial contributions	2,588	2,588	7,203	3,249	3,249	2,436
Increase/(decrease) in debt	53,335	54,748	22,378	57,377	36,193	54,777
Gross proceeds from sale of assets	3,075	5,000	4,861	7,826	7,479	2,512
Lump sum contributions	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-
<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>72,630</b>	<b>70,677</b>	<b>40,125</b>	<b>89,803</b>	<b>64,646</b>	<b>74,265</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>						
Capital expenditure						
-to meet additional demand	17,792	4,486	11,930	7,907	13,018	10,833
-to improve the level of service	56,408	59,598	36,551	87,449	52,186	48,560
-to replace existing assets	30,196	32,653	27,397	30,123	28,141	31,870
Increase/(decrease) in reserves	-	-	-	-	-	-
Increase/(decrease) of investments	-	-	-	-	-	10,940
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>104,396</b>	<b>96,737</b>	<b>75,878</b>	<b>125,478</b>	<b>93,344</b>	<b>102,203</b>
<b>SURPLUS/(DEFICIT) OF CAPITAL FUNDING</b>	<b>(31,766)</b>	<b>(26,060)</b>	<b>(35,753)</b>	<b>(35,675)</b>	<b>(28,698)</b>	<b>(27,938)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<sup>1</sup> - Refer to page 32

## Palmerston North City Council

Funding impact statement for the year ended 30 June 2024 for:

### Innovative and Growing City

	10-Year Plan 2023 \$000	Annual Plan Budget 2023 \$000	Actual 2023 \$000	10-Year Plan 2024 \$000	Annual Plan Budget 2024 \$000	Actual 2024 \$000
<b>SOURCES OF OPERATING FUNDING</b>						
General rates, UAGC and rates penalties	8,157	7,938	5,127	8,721	9,174	9,176
Targeted rates (including metered water)	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	33	-	1,050	277
Fees and charges	5,815	6,055	5,148	5,948	6,017	5,352
Internal charges and overheads recovered	31	31	195	32	44	937
Local authority fuel tax, fines, infringement fees and other receipts	1,551	1,551	6,926	1,586	1,630	1,904
<b>TOTAL SOURCES OF OPERATING FUNDING</b>	<b>15,554</b>	<b>15,575</b>	<b>17,429</b>	<b>16,287</b>	<b>17,916</b>	<b>17,646</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>						
Payments to staff and suppliers	11,902	12,010	10,982	11,916	13,938	12,426
Finance costs	12	8	3	21	5	19
Internal charges and overheads applied	3,466	3,430	3,763	3,659	3,253	4,790
Other operating funding applications	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>15,380</b>	<b>15,448</b>	<b>14,748</b>	<b>15,596</b>	<b>17,196</b>	<b>17,235</b>
<b>SURPLUS/(DEFICIT) OF OPERATING FUNDING</b>	<b>174</b>	<b>127</b>	<b>2,681</b>	<b>691</b>	<b>719</b>	<b>412</b>
<b>SOURCES OF CAPITAL FUNDING</b>						
Subsidies and grants for capital expenditure	-	-	-	-	955	595
Development and financial contributions	-	-	-	-	-	-
Increase/(decrease) in debt	(3,020)	(4,662)	(6,848)	(6,937)	(7,039)	(1,550)
Gross proceeds from sale of assets	3,075	5,000	4,652	7,340	7,000	2,013
Lump sum contributions	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-
<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>55</b>	<b>338</b>	<b>(2,196)</b>	<b>403</b>	<b>916</b>	<b>1,058</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>						
Capital expenditure						
-to meet additional demand	-	-	-	-	-	-
-to improve the level of service	7	-	-	77	1,069	921
-to replace existing assets	222	465	485	1,018	566	549
Increase/(decrease) in reserves	-	-	-	-	-	-
Increase/(decrease) of investments	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>229</b>	<b>465</b>	<b>485</b>	<b>1,094</b>	<b>1,635</b>	<b>1,470</b>
<b>SURPLUS/(DEFICIT) OF CAPITAL FUNDING</b>	<b>(174)</b>	<b>(127)</b>	<b>(2,681)</b>	<b>(691)</b>	<b>(719)</b>	<b>(412)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Palmerston North City Council

Funding impact statement for the year ended 30 June 2024 for:

### Creative and Exciting City

	10-Year Plan 2023 \$000	Annual Plan Budget 2023 \$000	Actual 2023 \$000	10-Year Plan 2024 \$000	Annual Plan Budget 2024 \$000	Actual 2024 \$000
<b>SOURCES OF OPERATING FUNDING</b>						
General rates, UAGC and rates penalties	26,213	27,251	24,864	28,346	28,847	28,134
Targeted rates (including metered water)	257	250	242	-	-	250
Subsidies and grants for operating purposes	66	66	76	67	568	213
Fees and charges	-	-	3	-	-	-
Internal charges and overheads recovered	2,157	1,756	1,825	1,955	1,670	(1)
Local authority fuel tax, fines, infringement fees and other receipts	3,229	3,203	4,136	3,310	3,562	4,079
<b>TOTAL SOURCES OF OPERATING FUNDING</b>	<b>31,922</b>	<b>32,526</b>	<b>31,146</b>	<b>33,678</b>	<b>34,647</b>	<b>32,675</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>						
Payments to staff and suppliers	20,199	20,802	21,819	20,996	23,359	18,498
Finance costs	1,539	1,659	1,800	1,834	2,508	2,515
Internal charges and overheads applied	3,635	3,844	3,072	3,808	3,846	6,300
Other operating funding applications	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>25,373</b>	<b>26,305</b>	<b>26,691</b>	<b>26,638</b>	<b>29,713</b>	<b>27,313</b>
<b>SURPLUS/(DEFICIT) OF OPERATING FUNDING</b>	<b>6,549</b>	<b>6,221</b>	<b>4,455</b>	<b>7,041</b>	<b>4,934</b>	<b>5,362</b>
<b>SOURCES OF CAPITAL FUNDING</b>						
Subsidies and grants for capital expenditure	2,326	-	565	3,259	351	(3)
Development and financial contributions	283	283	229	355	355	201
Increase/(decrease) in debt	12,029	10,181	3,774	14,365	6,167	6,871
Gross proceeds from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-
<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>14,638</b>	<b>10,464</b>	<b>4,568</b>	<b>17,979</b>	<b>6,874</b>	<b>7,069</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>						
Capital expenditure						
-to meet additional demand	1,325	471	631	957	-	-
-to improve the level of service	14,445	9,648	3,830	19,013	7,304	7,891
-to replace existing assets	5,417	6,566	4,562	5,049	4,503	4,540
Increase/(decrease) in reserves	-	-	-	-	-	-
Increase/(decrease) of investments	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>21,187</b>	<b>16,685</b>	<b>9,023</b>	<b>25,020</b>	<b>11,808</b>	<b>12,431</b>
<b>SURPLUS/(DEFICIT) OF CAPITAL FUNDING</b>	<b>(6,549)</b>	<b>(6,221)</b>	<b>(4,455)</b>	<b>(7,041)</b>	<b>(4,934)</b>	<b>(5,362)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Palmerston North City Council

Funding impact statement for the year ended 30 June 2024 for:

### Connected and Safe Community

	10-Year Plan 2023 \$000	Annual Plan Budget 2023 \$000	Actual 2023 \$000	10-Year Plan 2024 \$000	Annual Plan Budget 2024 \$000	Actual 2024 \$000
<b>SOURCES OF OPERATING FUNDING</b>						
General rates, UAGC and rates penalties	19,623	19,413	19,324	20,564	21,984	22,647
Targeted rates (including metered water)	-	-	-	-	-	-
Subsidies and grants for operating purposes	53	193	179	55	683	398
Fees and charges	1,486	1,546	1,364	1,520	1,546	1,486
Internal charges and overheads recovered	-	-	7	-	-	-
Local authority fuel tax, fines, infringement fees and other receipts	4,259	4,223	4,404	4,438	4,465	4,665
<b>TOTAL SOURCES OF OPERATING FUNDING</b>	<b>25,421</b>	<b>25,375</b>	<b>25,278</b>	<b>26,577</b>	<b>28,678</b>	<b>29,196</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>						
Payments to staff and suppliers	17,150	17,369	16,345	17,797	19,375	18,060
Finance costs	703	777	819	750	1,091	1,091
Internal charges and overheads applied	4,412	4,383	5,774	4,775	4,970	6,944
Other operating funding applications	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>22,265</b>	<b>22,529</b>	<b>22,938</b>	<b>23,322</b>	<b>25,436</b>	<b>26,095</b>
<b>SURPLUS/(DEFICIT) OF OPERATING FUNDING</b>	<b>3,156</b>	<b>2,846</b>	<b>2,340</b>	<b>3,255</b>	<b>3,242</b>	<b>3,101</b>
<b>SOURCES OF CAPITAL FUNDING</b>						
Subsidies and grants for capital expenditure	613	30	35	79	162	-
Development and financial contributions	-	-	-	-	-	-
Increase/(decrease) in debt	5,363	10,929	7,656	732	6,121	7,240
Gross proceeds from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-
<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>5,976</b>	<b>10,959</b>	<b>7,691</b>	<b>811</b>	<b>6,283</b>	<b>7,240</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>						
Capital expenditure						
-to meet additional demand	866	-	-	-	-	-
-to improve the level of service	5,039	10,344	7,196	1,427	6,615	7,621
-to replace existing assets	3,227	3,461	2,835	2,640	2,910	2,720
Increase/(decrease) in reserves	-	-	-	-	-	-
Increase/(decrease) of investments	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>9,132</b>	<b>13,805</b>	<b>10,031</b>	<b>4,067</b>	<b>9,525</b>	<b>10,341</b>
<b>SURPLUS/(DEFICIT) OF CAPITAL FUNDING</b>	<b>(3,156)</b>	<b>(2,846)</b>	<b>(2,340)</b>	<b>(3,255)</b>	<b>(3,242)</b>	<b>(3,101)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Palmerston North City Council

Funding impact statement for the year ended 30 June 2024 for:

### Eco-City

	10-Year Plan 2023 \$000	Annual Plan Budget 2023 \$000	Actual 2023 \$000	10-Year Plan 2024 \$000	Annual Plan Budget 2024 \$000	Actual 2024 \$000
<b>SOURCES OF OPERATING FUNDING</b>						
General rates, UAGC and rates penalties	1,731	1,354	1,523	2,023	1,258	1,347
Targeted rates (including metered water)	5,958	6,352	6,381	6,102	7,240	7,294
Subsidies and grants for operating purposes	352	640	844	361	901	996
Fees and charges	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	19	-	-	-
Local authority fuel tax, fines, infringement fees and other receipts	2,890	2,730	3,198	3,058	2,953	3,197
<b>TOTAL SOURCES OF OPERATING FUNDING</b>	<b>10,931</b>	<b>11,076</b>	<b>11,965</b>	<b>11,545</b>	<b>12,352</b>	<b>12,834</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>						
Payments to staff and suppliers	8,796	9,227	7,176	9,001	9,238	8,045
Finance costs	363	274	302	452	418	403
Internal charges and overheads applied	650	701	3,872	690	1,595	3,939
Other operating funding applications	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>9,809</b>	<b>10,202</b>	<b>11,350</b>	<b>10,142</b>	<b>11,251</b>	<b>12,387</b>
<b>SURPLUS/(DEFICIT) OF OPERATING FUNDING</b>	<b>1,122</b>	<b>874</b>	<b>615</b>	<b>1,403</b>	<b>1,101</b>	<b>447</b>
<b>SOURCES OF CAPITAL FUNDING</b>						
Subsidies and grants for capital expenditure	-	-	11	281	250	282
Development and financial contributions	-	-	-	-	-	-
Increase/(decrease) in debt	4,291	2,217	1,575	1,961	2,223	1,451
Gross proceeds from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-
<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>4,291</b>	<b>2,217</b>	<b>1,586</b>	<b>2,242</b>	<b>2,473</b>	<b>1,733</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>						
Capital expenditure						
-to meet additional demand	-	-	-	-	-	-
-to improve the level of service	4,975	2,606	1,826	3,185	3,011	1,786
-to replace existing assets	438	485	375	460	564	394
Increase/(decrease) in reserves	-	-	-	-	-	-
Increase/(decrease) of investments	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>5,413</b>	<b>3,091</b>	<b>2,201</b>	<b>3,645</b>	<b>3,574</b>	<b>2,180</b>
<b>SURPLUS/(DEFICIT) OF CAPITAL FUNDING</b>	<b>(1,122)</b>	<b>(874)</b>	<b>(615)</b>	<b>(1,403)</b>	<b>(1,101)</b>	<b>(447)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Palmerston North City Council

Funding impact statement for the year ended 30 June 2024 for:

### Driven and Enabling Council

	10-Year Plan 2023 \$000	Annual Plan Budget 2023 \$000	Actual 2023 \$000	10-Year Plan 2024 \$000	Annual Plan Budget 2024 \$000	Actual 2024 \$000
<b>SOURCES OF OPERATING FUNDING</b>						
General rates, UAGC and rates penalties	10,927	10,500	17,093	11,649	11,097	8,803
Targeted rates (including metered water)	257	250	26	-	-	-
Subsidies and grants for operating purposes	-	-	4	-	-	102
Fees and charges	215	215	104	220	215	49
Internal charges and overheads recovered	33,519	34,420	36,758	35,256	36,171	43,238
Local authority fuel tax, fines, infringement fees and other receipts	4,853	4,853	5,712	4,988	4,938	6,305
<b>TOTAL SOURCES OF OPERATING FUNDING</b>	<b>49,771</b>	<b>50,238</b>	<b>59,697</b>	<b>52,114</b>	<b>52,421</b>	<b>58,497</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>						
Payments to staff and suppliers	37,449	41,484	40,306	38,751	41,356	43,991
Finance costs	572	589	1,643	697	665	2,534
Internal charges and overheads applied	9,742	10,170	10,038	10,124	10,139	14,232
Other operating funding applications	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>47,763</b>	<b>52,243</b>	<b>51,987</b>	<b>49,571</b>	<b>52,160</b>	<b>60,757</b>
<b>SURPLUS/(DEFICIT) OF OPERATING FUNDING</b>	<b>2,008</b>	<b>(2,005)</b>	<b>7,710</b>	<b>2,543</b>	<b>261</b>	<b>(2,260)</b>
<b>SOURCES OF CAPITAL FUNDING</b>						
Subsidies and grants for capital expenditure	-	-	22	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase/(decrease) in debt	3,819	7,235	(3,434)	3,178	3,273	17,534
Gross proceeds from sale of assets	-	-	209	-	-	499
Lump sum contributions	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-
<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>3,819</b>	<b>7,235</b>	<b>(3,203)</b>	<b>3,178</b>	<b>3,273</b>	<b>18,033</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>						
Capital expenditure						
-to meet additional demand	-	-	-	-	-	-
-to improve the level of service	866	1,073	546	1,411	408	482
-to replace existing assets	4,961	4,157	3,961	4,310	3,125	4,351
Increase/(decrease) in reserves	-	-	-	-	-	-
Increase/(decrease) of investments	-	-	-	-	-	10,940
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>5,827</b>	<b>5,230</b>	<b>4,507</b>	<b>5,721</b>	<b>3,534</b>	<b>15,773</b>
<b>SURPLUS/(DEFICIT) OF CAPITAL FUNDING</b>	<b>(2,008)</b>	<b>2,005</b>	<b>(7,710)</b>	<b>(2,543)</b>	<b>(261)</b>	<b>2,260</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Palmerston North City Council

Funding impact statement for the year ended 30 June 2024 for:

### Transport

	10-Year Plan 2023 \$000	Annual Plan Budget 2023 \$000	Actual 2023 \$000	10-Year Plan 2024 \$000	Annual Plan Budget 2024 \$000	Actual 2024 \$000
<b>SOURCES OF OPERATING FUNDING</b>						
General rates, UAGC and rates penalties	15,483	16,127	14,836	18,094	15,470	18,372
Targeted rates (including metered water)	-	-	-	-	-	-
Subsidies and grants for operating purposes	4,337	4,267	5,415	4,632	4,678	3,921
Fees and charges	139	134	140	143	187	205
Internal charges and overheads recovered	-	-	188	-	-	12,906
Local authority fuel tax, fines, infringement fees and other receipts	5,844	6,094	5,390	6,002	6,380	7,144
<b>TOTAL SOURCES OF OPERATING FUNDING</b>	<b>25,803</b>	<b>26,622</b>	<b>25,969</b>	<b>28,870</b>	<b>26,716</b>	<b>42,548</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>						
Payments to staff and suppliers	15,112	16,117	18,006	16,609	17,124	16,380
Finance costs	1,731	1,714	1,869	2,076	2,512	2,537
Internal charges and overheads applied	3,805	4,076	76	4,018	1,065	15,247
Other operating funding applications	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>20,648</b>	<b>21,907</b>	<b>19,951</b>	<b>22,703</b>	<b>20,701</b>	<b>34,164</b>
<b>SURPLUS/(DEFICIT) OF OPERATING FUNDING</b>	<b>5,155</b>	<b>4,715</b>	<b>6,018</b>	<b>6,167</b>	<b>6,015</b>	<b>8,384</b>
<b>SOURCES OF CAPITAL FUNDING</b>						
Subsidies and grants for capital expenditure	10,693	8,311	5,043	17,733	16,007	13,607
Development and financial contributions	814	815	2,787	1,022	1,022	1,183
Increase/(decrease) in debt	15,366	16,244	9,611	12,495	10,517	11,370
Gross proceeds from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-
<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>26,873</b>	<b>25,370</b>	<b>17,441</b>	<b>31,249</b>	<b>27,546</b>	<b>26,160</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>						
Capital expenditure						
-to meet additional demand	8,867	3,248	4,395	2,708	7,239	4,993
-to improve the level of service	17,432	20,706	13,229	28,521	19,843	20,259
-to replace existing assets	5,729	6,131	5,835	6,188	6,478	9,292
Increase/(decrease) in reserves	-	-	-	-	-	-
Increase/(decrease) of investments	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>32,028</b>	<b>30,085</b>	<b>23,459</b>	<b>37,417</b>	<b>33,560</b>	<b>34,544</b>
<b>SURPLUS/(DEFICIT) OF CAPITAL FUNDING</b>	<b>(5,155)</b>	<b>(4,715)</b>	<b>(6,018)</b>	<b>(6,167)</b>	<b>(6,015)</b>	<b>(8,384)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Palmerston North City Council

Funding impact statement for the year ended 30 June 2024 for:

### Stormwater

	10-Year Plan 2023 \$000	Annual Plan Budget 2023 \$000	Actual 2023 \$000	10-Year Plan 2024 \$000	Annual Plan Budget 2024 \$000	Actual 2024 \$000
<b>SOURCES OF OPERATING FUNDING</b>						
General rates, UAGC and rates penalties	4,176	3,443	3,755	4,825	3,871	3,404
Targeted rates (including metered water)	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-
Fees and charges	-	-	3	-	-	22
Internal charges and overheads recovered	-	-	216	-	-	-
Local authority fuel tax, fines, infringement fees and other receipts	6	6	3	6	7	43
<b>TOTAL SOURCES OF OPERATING FUNDING</b>	<b>4,182</b>	<b>3,449</b>	<b>3,977</b>	<b>4,831</b>	<b>3,877</b>	<b>3,469</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>						
Payments to staff and suppliers	2,433	2,016	1,060	2,794	2,629	2,059
Finance costs	425	244	266	549	443	446
Internal charges and overheads applied	45	48	1,442	45	(9)	106
Other operating funding applications	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>2,903</b>	<b>2,308</b>	<b>2,768</b>	<b>3,388</b>	<b>3,063</b>	<b>2,611</b>
<b>SURPLUS/(DEFICIT) OF OPERATING FUNDING</b>	<b>1,279</b>	<b>1,141</b>	<b>1,209</b>	<b>1,443</b>	<b>814</b>	<b>858</b>
<b>SOURCES OF CAPITAL FUNDING</b>						
Subsidies and grants for capital expenditure	-	-	-	-	-	-
Development and financial contributions	132	132	552	166	166	118
Increase/(decrease) in debt	5,410	2,083	5,720	4,283	5,013	4,825
Gross proceeds from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-
<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>5,542</b>	<b>2,215</b>	<b>6,272</b>	<b>4,449</b>	<b>5,179</b>	<b>4,943</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>						
Capital expenditure						
-to meet additional demand	3,726	207	4,966	1,728	3,289	3,554
-to improve the level of service	2,277	2,221	1,519	3,027	2,475	1,974
-to replace existing assets	818	928	996	1,136	230	273
Increase/(decrease) in reserves	-	-	-	-	-	-
Increase/(decrease) of investments	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>6,821</b>	<b>3,356</b>	<b>7,481</b>	<b>5,891</b>	<b>5,993</b>	<b>5,801</b>
<b>SURPLUS/(DEFICIT) OF CAPITAL FUNDING</b>	<b>(1,279)</b>	<b>(1,141)</b>	<b>(1,209)</b>	<b>(1,443)</b>	<b>(814)</b>	<b>(858)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



## Palmerston North City Council

Funding impact statement for the year ended 30 June 2024 for:

### Wastewater

	10-Year Plan 2023 \$000	Annual Plan Budget 2023 \$000	Actual 2023 \$000	10-Year Plan 2024 \$000	Annual Plan Budget 2024 \$000	Actual 2024 \$000
<b>SOURCES OF OPERATING FUNDING</b>						
General rates, UAGC and rates penalties	-	-	-	-	-	-
Targeted rates (including metered water)	12,208	10,293	10,352	13,334	11,159	11,188
Subsidies and grants for operating purposes	-	120	715	-	-	233
Fees and charges	6	6	2	6	6	16
Internal charges and overheads recovered	-	-	129	-	-	-
Local authority fuel tax, fines, infringement fees and other receipts	1,237	1,237	949	1,269	1,297	911
<b>TOTAL SOURCES OF OPERATING FUNDING</b>	<b>13,451</b>	<b>11,656</b>	<b>12,147</b>	<b>14,609</b>	<b>12,462</b>	<b>12,348</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>						
Payments to staff and suppliers	7,288	5,630	4,760	7,921	5,621	5,111
Finance costs	534	566	629	865	855	882
Internal charges and overheads applied	50	52	2,031	50	805	1,923
Other operating funding applications	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>7,872</b>	<b>6,248</b>	<b>7,420</b>	<b>8,837</b>	<b>7,282</b>	<b>7,916</b>
<b>SURPLUS/(DEFICIT) OF OPERATING FUNDING</b>	<b>5,579</b>	<b>5,408</b>	<b>4,727</b>	<b>5,773</b>	<b>5,180</b>	<b>4,432</b>
<b>SOURCES OF CAPITAL FUNDING</b>						
Subsidies and grants for capital expenditure	-	-	(43)	-	-	59
Development and financial contributions	1,022	1,022	2,522	1,283	1,283	533
Increase/(decrease) in debt	3,881	5,060	1,340	19,601	4,884	3,669
Gross proceeds from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-
<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>4,903</b>	<b>6,082</b>	<b>3,819</b>	<b>20,884</b>	<b>6,167</b>	<b>4,261</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>						
Capital expenditure						
-to meet additional demand	1,470	302	638	1,239	759	621
-to improve the level of service	4,553	6,839	4,106	21,353	6,204	3,881
-to replace existing assets	4,459	4,349	3,802	4,065	4,384	4,191
Increase/(decrease) in reserves	-	-	-	-	-	-
Increase/(decrease) of investments	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>10,482</b>	<b>11,490</b>	<b>8,546</b>	<b>26,657</b>	<b>11,347</b>	<b>8,693</b>
<b>SURPLUS/(DEFICIT) OF CAPITAL FUNDING</b>	<b>(5,579)</b>	<b>(5,408)</b>	<b>(4,727)</b>	<b>(5,773)</b>	<b>(5,180)</b>	<b>(4,432)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Palmerston North City Council

Funding impact statement for the year ended 30 June 2024 for:

### Water

	10-Year Plan 2023 \$000	Annual Plan Budget 2023 \$000	Actual 2023 \$000	10-Year Plan 2024 \$000	Annual Plan Budget 2024 \$000	Actual 2024 \$000
<b>SOURCES OF OPERATING FUNDING</b>						
General rates, UAGC and rates penalties	-	-	-	-	-	-
Targeted rates (including metered water)	12,897	12,199	12,514	13,958	14,145	14,099
Subsidies and grants for operating purposes	-	-	1	-	-	-
Fees and charges	49	48	2	50	50	18
Internal charges and overheads recovered	208	208	595	255	258	697
Local authority fuel tax, fines, infringement fees and other receipts	49	49	14	50	52	1
<b>TOTAL SOURCES OF OPERATING FUNDING</b>	<b>13,203</b>	<b>12,504</b>	<b>13,126</b>	<b>14,313</b>	<b>14,505</b>	<b>14,815</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>						
Payments to staff and suppliers	4,717	3,956	7,016	4,964	4,633	2,940
Finance costs	896	900	978	1,089	1,402	1,411
Internal charges and overheads applied	846	915	(866)	900	2,038	3,262
Other operating funding applications	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>6,459</b>	<b>5,771</b>	<b>7,128</b>	<b>6,953</b>	<b>8,073</b>	<b>7,613</b>
<b>SURPLUS/(DEFICIT) OF OPERATING FUNDING</b>	<b>6,744</b>	<b>6,733</b>	<b>5,998</b>	<b>7,359</b>	<b>6,432</b>	<b>7,202</b>
<b>SOURCES OF CAPITAL FUNDING</b>						
Subsidies and grants for capital expenditure	-	-	50	-	-	-
Development and financial contributions	337	336	1,113	423	423	401
Increase/(decrease) in debt	6,196	5,461	2,984	7,699	5,033	3,367
Gross proceeds from sale of assets	-	-	-	486	479	-
Lump sum contributions	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-
<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>6,533</b>	<b>5,797</b>	<b>4,147</b>	<b>8,608</b>	<b>5,935</b>	<b>3,768</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>						
Capital expenditure						
-to meet additional demand	1,538	258	1,300	1,275	1,730	1,665
-to improve the level of service	6,814	6,161	4,299	9,435	5,257	3,745
-to replace existing assets	4,925	6,111	4,546	5,257	5,380	5,560
Increase/(decrease) in reserves	-	-	-	-	-	-
Increase/(decrease) of investments	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>13,277</b>	<b>12,530</b>	<b>10,145</b>	<b>15,967</b>	<b>12,367</b>	<b>10,970</b>
<b>SURPLUS/(DEFICIT) OF CAPITAL FUNDING</b>	<b>(6,744)</b>	<b>(6,733)</b>	<b>(5,998)</b>	<b>(7,359)</b>	<b>(6,432)</b>	<b>(7,202)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Wāhanga tuawhā Section four

## Ngā Tōpūtanga a te Kaunihera Council Controlled Organisations

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Central  
Economic  
Development  
Agency



Globe  
Theatre  
Trust Board



Palmerston  
North  
Airport Ltd



Te Manawa  
Museums  
Trust



The Regent  
Theatre Trust



# Overview

We provide some of our services and facilities through Council Controlled Organisations (CCOs). These organisations independently manage Council facilities or deliver specific services and developments on behalf of residents.

A CCO is an organisation where Council (or Councils) owns or controls at least 50 per cent of the voting rights or has the right to appoint at least 50 per cent of the directors or trustees.

These organisations can bring business and community expertise that we may not be able to access easily. They can also attract funding from sources other than ratepayers.

Run by independent boards, CCOs and Council Control Trading Organisations (CCTOs) operate at arm's length from us and we annually agree on the services they will provide. This agreement is called a Statement of Intent. We then provide funding (if required), so the Board can implement their Statement of Intent.

Reporting CCOs:

- Central Economic Development Agency Ltd (CEDA)
- Globe Theatre Trust Board
- Te Manawa Museums Trust
- The Regent Theatre Trust

Apart from CEDA, these CCOs meet their obligations by:

- Providing a range of entertainment and recreational opportunities for a wide variety of performers and audiences.
- Preserving and promoting the City's heritage.
- Adding to the City's science, education and research base.

By cultivating a vibrant and creative city that enhances its attractiveness to residents and visitors, these CCOs add to the City's economic development and cultural capital. CEDA contributes to the City's economic sustainability by attracting, nurturing, and retaining businesses and jobs.

Council Controlled Trading Organisations (CCTO)

- Palmerston North Airport Ltd (PNAL) PNAL advances the region by maximising connectivity, stimulating investment, and providing support for its range of economic sectors. Exempted Organisations
- Palmerston North Performing Arts Trust
- Manawatū-Wanganui Regional Disaster Relief Fund Trust Council can exempt small CCOs from the planning and reporting requirements of the Local Government Act. These are called exempted organisations.



# Central Economic Development Agency (CEDA)

## Objectives

CEDA is a limited liability company incorporated and registered under the Companies Act 1993 that is 50 per cent owned by the Council and 50 per cent by the Manawatū District Council.

It has operated since September 2016. The primary objective of CEDA is to drive and facilitate the creation and growth of economic wealth for Manawatū and beyond.

## What the Board does

With a vision for Manawatū to be New Zealand's most progressive region by 2025, CEDA has three strategic goals for the city and region:

1. To be renowned for its exceptional lifestyle, competitive advantages, and is a magnet for business, investment, talent, and visitors.
2. To be recognised as a world leading agrihub.
3. To become a leading distribution hub leveraging its role in central New Zealand.

CEDA's annual programme of projects and initiatives aims to achieve these three goals and is guided by the Letter of Expectations set by their Shareholders, which outlines three priority areas of focus:

- Stimulate Inward investment (both national and international), retention and expansion of business in the Manawatū region, along with business and recovery due to COVID-19.
- Developing a talent pipeline.
- Support Domestic Visitation and tourism recovery post Covid-19.

CEDA's work is undertaken in partnership with local and central government, iwi, regional and national partners, and the business community.

## Key Achievements



CEDA has delivered **over 600 business engagements** this year.



CEDA's work through the Callaghan Innovation programme saw **91 businesses supported**.



**Over \$1.2M** in research and development grants issued.

### What happened in the year

CEDA's primary focus remains on identifying and nurturing potential inward investment opportunities for the region. It's crucial that investors perceive Manawatū as an excellent environment for business growth and innovation, poised to attract new ventures. This effort involves comprehensive support for businesses, bolstering key sectors, showcasing the region's strengths through communications opportunities, and advancing pivotal economic initiatives to stimulate further investment.

One of those initiatives is Te Utanganui, the Central New Zealand Distribution Hub, a cornerstone project that has made significant progress in the past year including the appointment of a Programme Director to support driving the project forward. There continues to be significant interest from the commercial sector in the precinct and in future development opportunities, as a result of the extensive advocacy and engagement work which included hosting the Minister of Transport in the region. Being the only New Zealand project invited to present at the Asia Pacific Cities Summit was a great opportunity to take Te Utanganui global and generated strong interest from potential partners and investors. Te Utanganui is a long-term project poised to deliver substantial economic benefits across multiple sectors in the wider region.

The Manawatū Regional Food Strategy was launched in late 2023 with a key focus on sustainable nutrition, and several initiatives are now well underway including a feasibility study on regional land diversification, the development of an interactive map of regional crop opportunities, and strengthening the region's food story. Part of this mahi saw the Boma E Tipu Agri Summit being held in the region for the first time in June 2024, which received great reviews and strengthened sector partnerships.

Our business support function is critical to ensuring a resilient economy, and our focus over the year has seen us deliver over 600 business engagements, including through workshops covering key topics from sustainability for large food/primary processing businesses, primary sector diversification via the AgriTourism Accelerator, through to LEAN practices for manufacturers. Supporting capability development, innovation, and research and development for stakeholders across the Manawatū is an important service that many local businesses access. CEDAs work through the Callaghan Innovation programme saw 91 businesses supported with over \$1.2M in research and development grants issued. Engaging with these businesses ensures we have our finger on the pulse of business sentiment, regional trends, and opportunities.

CEDA continues the delivery of a programme of work that aims to attract and retain talent in the region, working with businesses and industry. An example of this is the Accelerate Academy (Health) which was a collaboration with the Ministry of Education, Te Whatu Ora, and UCOL, to bring Year 10 rangatahi (youth) from around the region into an interactive 'day in the life' experience at UCOL's Te Whaioranga facility.

The Destination Management Plan continues to guide our focus in the visitor sector, and this year we appointed a dedicated role to bring further focus to this important mahi. Providing exposure for our visitor-related businesses through activities such as a successful travel trade event representing 11 of our leading tourism businesses, supporting developments in and around Te Āpiti - Manawatū Gorge, and driving forward opportunities to attract new commercial accommodation into the region.

Supporting the attraction of talent, business, investment, and visitors to the region is a year-round activity. Promotion of Manawatū has included successful visitor and lifestyle campaigns, 26 new content pieces developed, and ongoing media and PR work to showcase the region's strengths through the people and businesses that make our region tick, resulting in 51 direct media features with a reach of over 148M, enabled through CEDA's relationship with Tourism New Zealand.

### Ongoing considerations

The past year has seen the definite cooling of our regional economy consistent with the national and global trends. However, the longer-term outlook remains relatively positive, reinforcing the importance of continuity in our approach. While the economic data is less optimistic than in previous years, it is important that we remain focused on the long-term vision and goals through our work. It is in challenging times that we must remain more focused than ever on positioning our region for continued growth to ensure a sustainable, thriving future for all.

While many businesses may be feeling the pinch and facing challenges due to the recent slowdown in economic growth, this was not unexpected. Nevertheless, there remain several positive aspects to consider. The diverse industry structure in Manawatū continues to support regional economic activity and cushion us from the more severe impacts of economic cooling that have been seen around the country and beyond.

While Manawatū's non-residential consents remain above the ten-year average, following several years of strong growth and capital development, we have seen a cooling in this space. However, with population growth, increasing capital values, and improving financial conditions into 2025, we are anticipating construction activity to bounce back. Recent announcements from the government indicate an increase in funding to some of our biggest industries which will no doubt have a positive impact on our region in the coming years.

We have many strengths to leverage from, with our significant diversity of sectors providing ongoing resilience, our central positioning in the heart of New Zealand, and our capacity for growth. With more than \$8 billion of infrastructure investment planned and underway in the next eight years, Manawatū is well positioned but we can't take our eye off the ball. Key economic pillar projects such as Te Utanganui continue to drive us forward as a region, which cements our region as one of the three key nodes in New Zealand's transport and logistics network and provides a compelling proposition for further investment and business growth.

Additional funding secured through the Ministry of Business, Innovation and Employment to support the visitor sector from the impacts of Covid-19 finished at the end of June 2023, so comparative outcomes for the 2023-24 year are reflective of this reduction in funding.

CEDA will continue its work towards achieving the three big goals for the City and region, informed by the expectations of shareholders and the business community.

### How did we perform

#### Business:

Support the development and growth of business and sectors of strength in the region including inward investment

Performance Measure	Target	Result	Comment
Implementation of Inward Investment strategy with regional partners, through the attraction of investment to the region including key regional projects	Te Utanganui implementation through 10 advocacy engagements and identification of 6 potential investment opportunities	Achieved	<p><b>Advocacy Engagements</b></p> <p>CEDA presented at the following to support awareness and opportunities within Te Utanganui:</p> <ul style="list-style-type: none"> <li>➤ Asia Pacific Cities Summit (Brisbane)</li> <li>➤ Napier Port Viewpoint Launches (3)</li> <li>➤ NZ Rail Conference (advocacy only)</li> <li>➤ KiwiRail Lower North Island Roadshow</li> <li>➤ Downer Contract Management Forum</li> <li>➤ Woolworths Group NZ delegation</li> <li>➤ Regional Economic update event</li> </ul> <p>CEDA hosted/supported the following:</p> <ul style="list-style-type: none"> <li>➤ British High Commission visit</li> <li>➤ Ministerial visit to region - Transport</li> <li>➤ Ministerial visit to region - Small Business • PNCC Hefei (China) Delegation visit</li> </ul> <p>Te Utanganui Investment opportunities identified:</p> <ul style="list-style-type: none"> <li>➤ 2 International developers</li> <li>➤ 3 Domestic development/construction companies</li> <li>➤ 1 Sustainable energy organisation</li> <li>➤ 1 Financial investment organisation</li> <li>➤ 1 Airfreight opportunity submission</li> </ul> <p>(2022/23 – 4 inward investment opportunities identified)</p>
	Support Implementation of Inward Investment strategy with regional partners, through the attraction of investment to the region including key regional projects implementation of the Manawatū Food Strategy through delivery of 3 outcomes that relate to the strategic priorities identified	Achieved	<p>Through key partnerships aligned to outcomes of the Food Strategy the following outcomes have been completed:</p> <ul style="list-style-type: none"> <li>➤ Delivery of the BOMA E Tipu Agri Summit to promote food capability within the region</li> <li>➤ Food Culture project, 3 initial workstreams identified, with 2 completed, to promote a local sustainable food culture</li> <li>➤ Initial scoping for a vocational training initiative completed, to support sector workforce needs</li> </ul>
	4 leads/activities linked to other investment opportunities or promoting the region for investment	Achieved	<ul style="list-style-type: none"> <li>➤ Completed a preliminary Hotel Investment opportunity report</li> <li>➤ Established 2 Inward Investment working groups with commercial banks</li> <li>➤ Support of a vacant industrial building</li> <li>➤ Investment opportunities also identified as follows:                             <ul style="list-style-type: none"> <li>➤ 2 Hotel investment opportunities</li> <li>➤ 1 Primary industry</li> <li>➤ 1 Renewable energy</li> <li>➤ 1 Solar energy</li> <li>➤ 1 Serviced offices</li> </ul> </li> </ul> <p>(2022/23 – 5 inward investment opportunities)</p>

Performance Measure	Target	Result	Comment
Development of priority sectors through targeted business development and retention initiatives	Facilitate implementation of the Destination Management Plan through delivery of 3 activities or initiatives	Achieved	<ul style="list-style-type: none"> <li>Completed a projected feasibility study for Te Āpiti - Manawatū Gorge masterplan projects to support development opportunities</li> <li>Launched The Gardens Festival 2023, promoting local events and garden visits, to support visitation to the region</li> <li>Attended the In Bound Operator event to present trade-ready products from local operators to over 60 tourism organisations</li> </ul>
	Deliver 6 sector development initiatives to support the regions sectors of strength	Achieved	<ul style="list-style-type: none"> <li>Commissioned a Feasibility Study on regional land diversification to support diversification in the primary sector</li> <li>Developed interactive map of regional crop opportunities</li> <li>Accommodation Sector Workshop held to support improving standards in the sector</li> <li>Agritourism Accelerator completed with 24 operators participating supporting diversification for primary industry</li> <li>Support of Manawatū's Tech Week activity, through partnerships and sponsorship.</li> <li>Capability &amp; Efficiency Workshops:                             <ul style="list-style-type: none"> <li>Energy Efficiency and Conservation Authority - Regional Energy Transition Accelerator supporting large food/primary processors</li> <li>LEAN Workshop to support the Manufacturing sector</li> </ul> </li> <li>Sustainable is attainable program launched</li> </ul>
	400 engagements with businesses including support of Business, Attraction, Retention and Expansion in the region, and including 320 businesses actively engaged through the Regional Business Partner Programme.	Achieved	<ul style="list-style-type: none"> <li>621 Business engagements achieved.                             <ul style="list-style-type: none"> <li>131 Innovation support engagements</li> <li>309 Regional Business Partner business support engagements</li> <li>181 business retention and expansion engagements</li> </ul> </li> <li>Delivered the Regional Business Partner Programme through:                             <ul style="list-style-type: none"> <li>329 businesses actively engaged</li> <li>Net Promoter Score of +67</li> <li>Capability Funds issued of \$192,842</li> </ul> </li> </ul> <p>(2022/23 - 565 business engagements, including 258 businesses through the Regional Business Partner Programme with Capability Funding issued of \$193,182, and Net Promoter Score +52)</p>
Partner with key stakeholders including Sprout, The Factory and Callaghan Innovation to deliver 6 start-up and innovation activities or initiatives	Achieved	<ul style="list-style-type: none"> <li>Partnered with The Factory to deliver 3 core programs: Pre-incubation programme (71 start-ups), Incubation programme (10 start-ups) and the Manawatū Innovation Showcase.</li> <li>Partnered with Sprout Agritech to deliver 2 Accelerator cohorts supporting 22 Agri Tech businesses (2022-23 year 19 businesses).</li> <li>Delivered annual Callaghan Innovation program:                             <ul style="list-style-type: none"> <li>91 unique businesses supported, including 30 Frontier (high value) Ventures, and 12 Māori Businesses</li> <li>47 Student, New to Research &amp; Development, and Seed grants issued</li> <li>Value of Grants issued \$1,239,132</li> </ul> </li> </ul> <p>(2022/23 year: 5 initiatives through Sprout, The Factory and Callaghan Innovation delivery 2022-23 year: \$957,940 in Callaghan Innovation grants issued)</p>	

**People:**

Develop the talent pipeline to grow a skilled workforce, and better utilise the existing labour market.

Performance Measure	Target	Result	Comment
Lead and support the regions attraction and retention of talent and skills through an integrated approach.	Develop 4 success stories and business profiles to showcase successes in attraction and retention of talent	Achieved	Business case studies completed: <ul style="list-style-type: none"> <li>Booths Logistics – Logistics sector</li> <li>Ataahua Blooms – Primary sector</li> <li>Narley Construction – Construction sector</li> <li>Karis Evans – Arts sector</li> </ul>
	Deliver 3 talent and skills initiatives to support industry in the region	Achieved	<ul style="list-style-type: none"> <li>Summer of Tech programme Manawatū launched to support industry recruitment</li> <li>Rural Games AgriFutures event support in promotion of food sector career opportunities to youth</li> <li>Exhibiting at NZ Careers Expo Wellington to support local industry talent attraction</li> <li>Talent Campaign to support attraction of talent to region delivered, resulting in 1,371,853 digital impressions</li> <li>Employer and Workplace hub outreach programme to drive visitation to the hub on ManawatuNZ.co.nz</li> </ul> <p>(2022/23 year: 3 initiatives)</p>
	Deliver 2 initiatives that support youth into employment	Achieved	<ul style="list-style-type: none"> <li>NZ Careers Expo Palmerston North support to encourage school attendance</li> <li>Through partnerships, delivery of Accelerate Academy (health) to local rangatahi (youth), supporting career pathway opportunities in the health sector</li> </ul> <p>(2022/23 year: 4 initiatives)</p>

**Place:**

Profile Manawatū locally, nationally, and globally

Performance Measure	Target	Result	Comment
Lead and develop the stories of Manawatū, creating a narrative and a unified positioning, incorporating the cultural heritage of iwi	5 content pieces targeting key audiences to support growing the profile and narrative of the city and region, leveraging the Regional Identity	Achieved	26 content pieces created and published on the regional website ManawatuNZ.co.nz (2022/23 year: 24 content pieces curated)
	20 direct media features published profiling the region, with a reach of more than 1.5 million	Achieved	51 direct media features published with a total reach of 148,185,089 (with significant numbers resulting from coverage in South Korea and India via CEDA's partnership with Tourism New Zealand) (2022/23 year: 56 direct media features with a reach of 42,074,257)
Grow engagement on regional web and digital platforms for increased promotion of and information on the region	180,000 'sessions on ManawatūNZ for the year, and a 3% increase in social media engagement	Achieved	<ul style="list-style-type: none"> <li>Website sessions on ManawatuNZ.co.nz for the year of 283,847</li> <li>Social media Increase in engagement of 3.39%, being 31,481 followers (Facebook and Instagram), up 1,032 from 30,449 at 30 June 23</li> </ul> <p>(2022/23 year: 303,454 sessions, and 3.18% increase in social media engagement)</p>

**Partnerships:**  
Develop strategic partner relationships, leveraging opportunities

Performance Measure	Target	Result	Comment
<b>Grow and foster relationships with Māori, iwi and hapu in the region</b>	Deliver 3 initiatives to support iwi engagement including support of iwi led projects	Achieved	<ul style="list-style-type: none"> <li>➤ He Ara Kotahi, Hei Ara Kōrero project support: Rangitāne o Manawatū Pūrākau (stories of old) digitalized and put in place along the Manawatū awa.</li> <li>➤ Rangitāne o Manawatū Māori Tourism Strategy support in creation of a visitor pamphlet to provide information on places of significance in the region.</li> <li>➤ Te Tiriti o Waitangi Workshop, fostering and growing relationships through awareness.</li> </ul> <p>(2022/23 year: 2 initiatives supported)</p>
<b>Build on relationships with shareholders, central government agencies, and regional stakeholders</b>	10 Partnership and funding agreements in place. Completion of an independent Customer Satisfaction survey with key insights shared with Shareholders	Achieved	<p>15 Partnership Agreements in place supporting collaboration:</p> <ul style="list-style-type: none"> <li>➤ The Factory</li> <li>➤ Sprout Agritech</li> <li>➤ Manawatū Business Chamber</li> <li>➤ Rangitāne o Manawatū</li> <li>➤ Ministry of Culture and Heritage – He Ara Kotahi, Hei Ara Kōrero project</li> <li>➤ Te Utanganui – Programme Director</li> <li>➤ CentrePort - Te Utanganui partner</li> <li>➤ Napier Port - Te Utanganui partner</li> <li>➤ Ministry of Business, Innovation and Employment – Regional Business Partner Programme (RBP)</li> <li>➤ Whanganui and Partners – RBP</li> <li>➤ Te Manu Atatu – RBP</li> <li>➤ Business Mentors NZ</li> <li>➤ UCOL   Te Pukenga</li> <li>➤ NZ Careers Expo</li> <li>➤ BOMA – E Tipu Agritech Summit</li> </ul> <p>Stakeholder survey completed with 81% stakeholder satisfaction rating.</p> <p>(2022/23 year: 16 partnership agreements in place)</p> <p>(2021/22 year: 74% stakeholder satisfaction rating (biennial survey))</p>

Data and insights communications on the performance of the region’s economy

Performance Measure	Target	Result	Comment
<b>Economic impact information regularly communicated to stakeholders and business</b>	50 communications to key sectors and businesses in the region including economic updates	Achieved	<p>62 business and sector communications sent:</p> <ul style="list-style-type: none"> <li>➤ 60 Seconds (43) information communications</li> <li>➤ Quarterly Economic Dashboards (4)</li> <li>➤ Quarterly Economic Snapshots (4)</li> <li>➤ Training and Development Guides (10)</li> <li>➤ Visitor Industry Update (1)</li> </ul> <p>(2022/23 year: 90 communications sent)</p>

# Globe Theatre Trust Board

## Objectives

The Globe Theatre comprises two community theatres that are run on behalf of Council by the Globe Theatre Trust Board.




The Board controls, develops, promotes, enhances, and maintains the Globe Theatre to be used and enjoyed by residents and visitors to the Manawatū region.

## What the Trust does

The Board works to secure the future of the theatres and develop new markets for continued viability and growth. It also develops relationships with key stakeholders, acknowledging that the theatres provide the primary venue and home for the Manawatū Theatre Society. The Globe Theatre also has a Memorandum of Understanding (MOU) with The Comedy Hub, DIY Comedy, the Michelle Robinson Dance Studio, Alliance Francaise, Manawatū Youth Theatre (MYTH), Six To Sixty Choir, Pūrerehua Storytelling, Tall Poppies Community Performance Trust, the Sunday Matinee Series, Ian Harman, and the Rose Academy of Dance and Performing Arts.

The theatre offers state-of-the-art and affordable venues for hire and plays host to a wide and varied performance set. Theatre, music, dance, comedy, film, cabaret, graduations, presentations, and conferences have all played a part in the growth of the Globe Theatre. In doing this, the theatre contributes to developing the city’s Cultural Village complex for the community to enjoy supporting the Council’s goals for creativity and vibrancy.

## Key Achievements

-  **23% increase** in theatre usage
-  **41 International/National artist performances**
-  **Recognised artist Mr Bruce performance**



### What happened in the year

The Globe Theatre continued to serve the Palmerston North community with a wide and varied selection of shows and productions throughout the year. Key performance measurements showed a large increase in all areas compared to the previous year.

<b>Theatre Usage</b>	23% increase
<b>Theatre Performances</b>	16% increase
<b>Hours of Use</b>	21% increase approx. 11 hours of use per day
<b>Audience</b>	17% increase
<b>Participants</b>	13% increase.

Participants include performers, presenters, backstage and technical crew.

As a Community Theatre, the relationship we have with our MOU (Memorandum of Understanding) partners continues to grow. These 13 groups were responsible for 56% of theatre use and 47% of theatre performances.

We also welcomed local community groups to the theatre this year with 33% of theatre usage and 35% of theatre performances attributed to community groups. When we consider that our MOU groups are also local community organisations, 89% of theatre usage and 82% of theatre performances come from the community sector. These statistics highlight the value the Globe Theatre brings to the Palmerston North & Manawatū community and very much contributes to the Palmerston North City Council’s vision to make Palmerston North a vibrant and exciting city.

The theatre continued to be a venue for touring artists with 41 international/national artists performing at the theatre. The theatre also collaborated on 24 productions with a box office split. This collaboration is very well received by touring artists.

Theatre management continued to be innovative with a great example of the Capital Pro Wrestling events. CPW were keen to bring their events to the Globe Theatre but faced size restrictions of the wrestling ring on stage. The Theatre suggested they remove the first 4 rows of seats and build the ring on the floor, so the stage could be utilised as a VIP area instead. CPW are now regular users of the theatre.

WOMAD (World of Music, Arts, and Dance) and Splore Festival regular Mr Bruce also came from the United Kingdom to Palmerston North. Mr Bruce was the headline act at the Splore Festival in Auckland in February, so we asked if he’d be keen to do a small North Island tour prior to Splore.

In May 2024, Theatre Manager Gerry Keating also attended the VMA (Venue Management Association) Congress in Brisbane to present. The presentation focused on the theatre management’s ability and innovation to see the theatre as a “space for hire” and work with organisations to bring their events to Palmerston North. A great example of this is Capital Pro Wrestling from Wellington.

At the end of May, we heard the news that Rodger Fox CNZM had passed away after a short illness. Rodger was a recognised supporter of the Globe Theatre for many years and was one of the initial trustees when the board trust was set up in 2002. Rodger passed away two days before the start of the Manawatū International Jazz and Blues Festival, so while there were moments of sadness, there were also many moments of joy as we celebrated his wonderful and vibrant life. Rodger will be sadly missed but his legacy will live on in the Manawatū International Jazz and Blues Festival and the New Zealand Blues, Roots & Groove Festival.

#### Highlights of the last 12 months include:

- Manawatū Youth Theatre (MYTH) – Madagascar Jr – 13 performances during the July school holidays and an audience attendance of 2,555
- NZ Blues, Roots and Groove Festival – the 2nd edition of this wonderful festival - Over 140 performers entertained an audience of more than 900 over 5 days
- Manawatū Theatre Society’s Lennon’s Banjo, Clue and A Time Like This
- Alliance Francaise – Francophonie Film Festival
- Manawatū International Jazz and Blues Festival - Over 511 performers entertained an audience of just under 1,500 people over 4 days
- The Comedy Hub’s Palmerston North Comedy Fest 2024 featuring 88 comedians performing in 21 shows to over 600 audience members
- Local theatre company Shakespeare North Productions – The Winter’s Tale
- From Sydney, The Hot Potato Band
- Local theatre company Simple Truth Theatre and Femme Fiction
- The Manawatū Air Guitar Champs
- Capital Pro Wrestling
- UK performer Mr Bruce

#### Ongoing considerations

The Board continues to work with theatre management to ensure the huge growth the theatre is experiencing is manageable. As we head into a new financial year, the theatre will be looking at hiring some more staff to assist management with the ever-increasing number of bookings.

With the passing of Rodger Fox in May, Theatre Manager Gerry has joined the board of the New Zealand Blues, Roots & Groove Festival and is working very closely with board member Julie Lamb to bring an exciting and vibrant festival to the theatre over the first weekend of September. More than 18 performances are planned to make this year’s festival a major contributor to the vibrancy of Palmerston North.

The board and theatre management continue to work on plans for the foyer upgrade and are very excited at what the future holds for the theatre industry.

Theatre management is working closely with Rangitāne members to encourage greater use of theatre spaces.

### How did we perform

Measure	Target	Result	Comment
<b>Number of usages</b>	526	Achieved	715 (2022/23 – 581)
<b>Number of performances</b>	228	Achieved	343 (2022/23 – 296)
<b>Hours of use by hires</b>	2,163	Achieved	3,936 (2022/23 – 3,252)
<b>Participants</b>	1,963	Achieved	4,591 (2022/23 – 4,072)
<b>Audience</b>	16,123	Achieved	27,126 (2022/23 – 23,235)
<b>Number of International/ National Performances</b>	23	Achieved	41 (2022/23 – 38)
<b>Number of collaborated performances (New measure for 2022/23)</b>	20	Achieved	24 (2022/23 – 31)
<b>Percentage of total theatre usage attributed to MOU group performances (New measure for 2022/23)</b>	30%	Achieved	56% (2022/23 – 49%)
<b>Percentage of total theatre usage attributed to Community group (New measure for 2022/23)</b>	40%	Not Achieved	33% (2022/23 – 49%)
<b>Carry out capital development programme</b>	Upgrade pulley system in Globe 1	Ongoing	After consultation with senior theatre technician, it was decided that while the upgrade would be nice to have, it wasn’t deemed essential and has been put on hold for the time being.
<b>Contribute to environmental sustainability</b>	All stage lighting to be converted to LED	Ongoing	With planned theatre backstage and workshop alterations due to take place early 2025, it was decided to put this development on hold until the alterations are complete. Theatre lighting is approx. 95% LED.





# Palmerston North Airport (PNAL)

## Objectives

Palmerston North Airport Ltd is a limited liability company and is 100 per cent owned by the Council.

The principal activities of the company are to provide airport facilities and services to airlines and airport users (both commercial and non-commercial) through the ownership and operation of Palmerston North Airport.

## What the company does

The Board protects and grows shareholder value and provides a return to the Council in the form of growth in company value and where appropriate annual dividends.

The Airport provides a key transport gateway that contributes to the economic development of the city and surrounding regions.

Palmerston North Airport is the primary air gateway for Central New Zealand and supports Manawātū regional economic development.

The Airport contributes to the economic growth of the city and region by providing transportation services such as scheduled passenger services and airfreight operations that link businesses to domestic and international suppliers and markets, and by bringing visitors to the region.

It also enhances a positive image of the city as a good place to do business.

## Key Achievements



**Airport activity continued to grow on prior year**, with passenger movements of 547,721, 2% up the prior year.



**PNAL made a cash contribution to PNCC** to assist with ongoing upgrades and maintenance of Airport Drive to the value of \$482,609.



**Zero lost time injury count.**

## What happened in the year

Palmerston North Airport Limited (PNAL) is a Council Controlled Organisation (CCO) and a limited liability company formed in 1989. In 2022/23 the Board reaffirmed its approach to preserving and enhancing shareholder value. The Airport's vision to be New Zealand's leading regional airport remains underpinned by five strategic objectives:

- **Commercial:** operating a financially sustainable business enabling long term success.
- **Compliance:** maintaining a safe and secure operation.
- **Customer:** improving the customer experience for all airport users.
- **Community:** contributing to regional prosperity.
- **Culture:** empowering our team members and working as one-team.

Airport activity continued to grow on prior year, with passenger movements of 547,721, 2% up the prior year. During the final quarter of the financial year an obvious weakening in passenger demand was being experienced with the cost of living pressures, combined with a higher fare environment. Notwithstanding the subdued travel environment, income of \$15.49 million was 9% ahead of the SOI.

Tight cost control remained a focus, with total operating expenditure of \$7.95 million, representing a positive 5% variance to the Statement of Intent.

Earnings before interest, tax, depreciation, and amortization, reflecting the operational performance of PNAL totalled \$7.54 million, 30% above SOI and 24% above prior year.

Airport Drive was successfully vested to Council in June 2024, ending the private ownership of one of the City's major arterial routes. Because of the vesting, PNAL recorded a one-off expense of \$5.05m, relating to the write-off of the land and infrastructure, as well as a cash contribution of \$483k to assist with ongoing upgrades and maintenance of Airport Drive.

PNAL also experienced a one-off, tax adjustment relating to the removal of tax depreciation on buildings, due to a change in tax legislation. This added a further (non-cash) \$1.1 million expense to the bottom line.

Reflecting the above one-off and non-cash expenses, PNAL recorded a Net Loss after Tax of \$2.26m. Despite this, the Directors proposed to declare a dividend for FY24 of \$195k, which aligns with the dividend projected in PNAL's FY24 SOI.

The five yearly aerodrome audit by CAA was undertaken in May 2024, with our aerodrome operating certificate renewed for a further five years.

It was pleasing to achieve a zero lost time injury count, the result of continuous improvement in our approach to airport safety and security.

Airside apron and roadway upgrades were completed. Despite complex operating conditions the surface enrichment spray treatment on airside pavements progressed, with the majority of planned runway works completed during the financial year.

Team engagement continued to benefit from ongoing investment in the Company's Whanau Kotahi / One Team wellness program. The annual team engagement survey resulted in an engagement score was 78%, down marginally on the prior year. However, this was based on a significantly increased response rate of 84% (compared to 62% in the prior year), giving a much richer and more accurate understanding of our teams engagement.

During the year PNAL introduced the Airport Ambassador role to further support the frontline team. The voluntary role has proved very popular with Ambassadors and airport customers alike. Our team of twenty airport ambassadors have quickly become an integral part of our frontline team and will play an important role as we commence terminal reconstruction later in 2024.

On the customer front, PNAL was pleased to again achieve a Net Promoter score of 45, in line with the SOI target. The result reflects the ongoing investment in and focus on airport customer experience and places the Company at a level in line with best practice amongst tourism and hospitality providers.

The Company also achieved Qualmark gold re-certification. An acknowledgement of the airport teams ongoing focus on sustainable business practice, customers and community.

Projects completed during the year included the construction of the semi-covered pick-up and drop-off lane at the front of the General carpark. At year end, progress was being made with the installation of license plate recognition technology in the General and Long Stay carparks, along with new pay stations.

A significant milestone on the company's sustainability journey to zero emissions by 2035 was achieved with PNAL achieving Level 4 – Transformation accreditation of the Airports Council International Airport Carbon Accreditation (ACA) Program. The achievement places the Company amongst a group of just 94 airports globally, and three regional airports within New Zealand, with ACA Level 4 accreditation or above.

This recognition is a result of Palmerston North Airport's comprehensive sustainability strategy, encompassing initiatives to reduce carbon emissions, enhance energy efficiency, and implement eco-friendly practices throughout airport operations. Decarbonisation initiatives have included procurement of carbon neutral electricity for the terminal and tenants, transitioning vehicles to EV or hybrid, and decommissioning outdated gas equipment with LPG or electricity.

With respect to Ruapehu Aeropark, work continued on the design of a 6,000 m<sup>2</sup> warehouse facility adjacent to the airfreight precinct on the McGregor Street extension, a rental car precinct and modifications to an existing warehouse facility for new tenants.

**Ongoing considerations**

With an estimated price tag of \$40m, the redevelopment of the terminal building will dominate PNAL’s activities in the next 2-3 years. The new terminal is an intergenerational investment with long-lasting and wide-reaching impacts on PNAL, the Shareholder and the wider community and region. The terminal will ensure PNAL can continue to offer our city and region an appropriate and resilient air gateway and continue to sustainably grow air services as we play our role in facilitating regional economic growth and prosperity.

Available debt-capacity will be absorbed by the TDP and investment in critical airside infrastructure meaning investment in commercial activity within Ruapehu Aeropark, and the ability to contribute positively to the growth of Te Utanganui will be limited within the next SOI period without additional funding being made available.

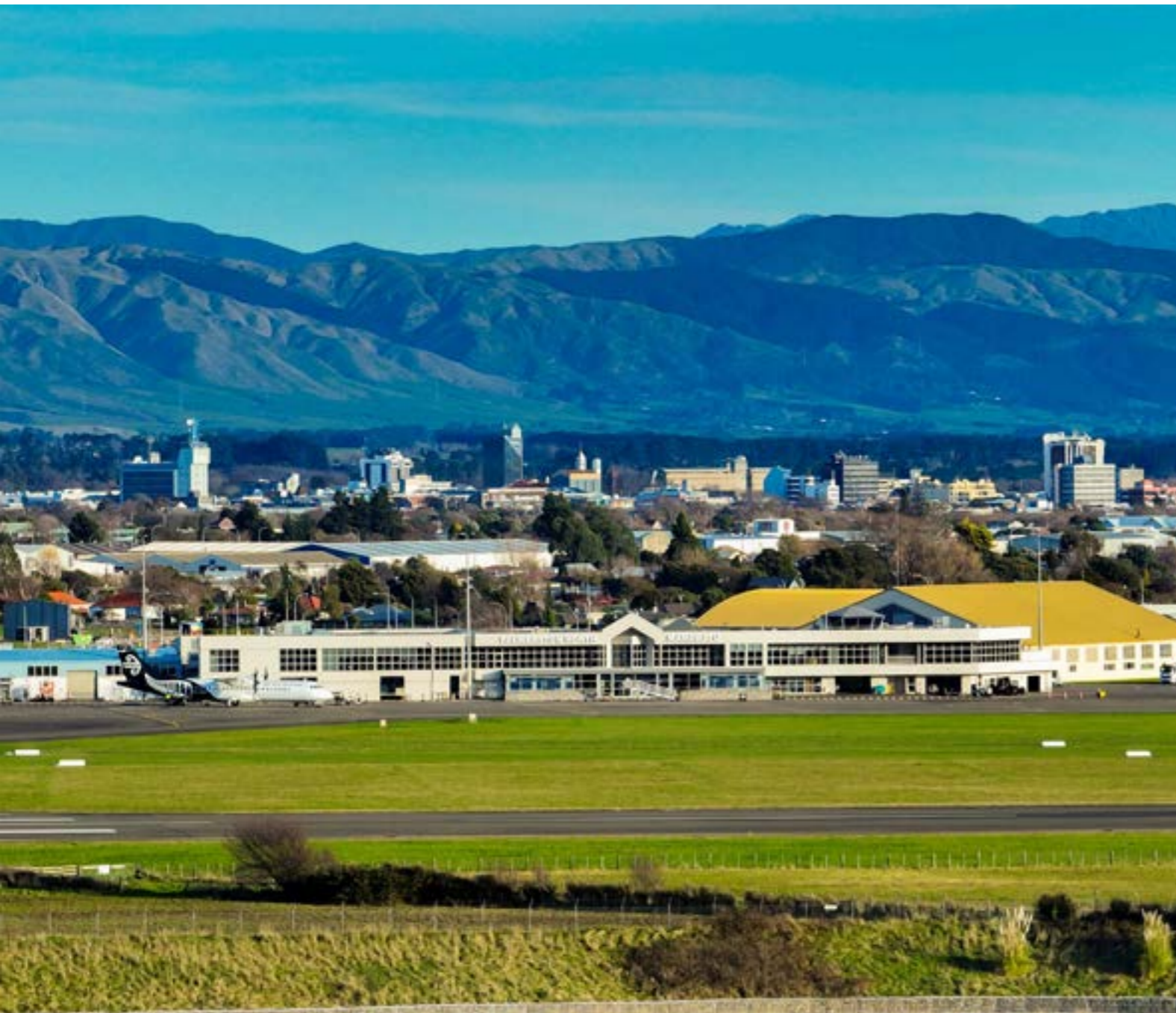
A key focus remains on resolving this constraint. By year end, funding option analysis was well advanced with the objective of ensuring PNAL will be able to prudently elevate its investment in freight and logistics and associated infrastructure. It is anticipated that this constraint will be resolved in FY25, unlocking the ability to accelerate the development of Ruapehu Aeropark further.

Underpinning all activity PNAL will maintain its focus on the wellbeing of our highly valued airport team, regulatory compliance, maintaining our customer experience levels at a level as high as reasonably practical, and the safety of all airport users.

**How did we perform**

**Compliance**

Measure	Target	Result	Comment
<b>CAA Part 139 Compliance</b>	Recertification achieved	Achieved	The 5 Yearly CAA of PNAL’s compliance with Civil Aviation Rule Part 139 was completed in June 2024 with recertification achieved on 27 June 2024.
<b>Ongoing SMS development</b>	Audit recommendations adopted	Underway	In FY24, due to auditor shortages, PNAL changes SMS auditor provider to AvSafe Consultants Ltd. AvSafe conducted their first SMS audit in March 2024 which had no material findings. PNAL are in the process of addressing the minor recommendations outlines from this audit.
<b>PFAS Management</b>	Global consent approved	Underway	PNAL has PFAS (polyfluoroalkyl substances) Management Plan in place to manage day to day operations. At year-end, PNAL was evaluating an application for a global consent to Horizons Regional Council to streamline future consenting. Alternative consenting options are also being considered. During FY24, PNAL spent \$208k o additional PFAS testing and management, with further costs also incurred in managing minor levels of PFAS detected as part of the long stay carpark extension, which was under construction at year-end.
<b>Noise Management (Ground)</b>	Ground noise mapping completed	Completed	At year-end, PNAL had received a report on ground noise emissions and was working through the results. Updates to PNAL’s noise management plan to incorporate ground noise and engine testing will be made in FY25. No noise complaints were received during FY24.
<b>Asset Management Plan</b>	<ol style="list-style-type: none"> <li>1 Landslide asset register completed</li> <li>2 Airside register updated</li> </ol>	Completed	At year-end, PNAL had received a report on ground noise emissions and was working through the results. Updates to PNAL’s noise management plan to incorporate ground noise and engine testing will be made in FY25. No noise complaints were received during FY24.



Customer

Measure	Target	Result	Comment
<b>Carpark Upgrades – Products &amp; Systems</b>	1 Phase 1 – Northern pick up / drop off covers installed	Underway	Stage 1 of the pick-up/drop-off shelters was completed in early FY24, which provides 94m of all weather protection to customers while being dropped off or picked up from the terminal. At 30 June 2024, License Plate Recognition technology was being installed in the general, longstay and rental carparks, which will provide a seamless ‘windows up’ experience for customers arriving and departing from the carparks. This system is due to go live in early FY25.
	2 Phase 2 – Infrastructure / technology updates		
<b>Terminal Development Plan</b>	Detailed design complete	Underway	At year-end PNAL was wrapping up developed design and commencing work on detailed design. An Early Contractor Involvement (ECI) contractor was also part of the design team, to ensure the design is both cost and time efficient to build. Enabling works for the new terminal are due to commence in early FY25, with demolition of Stage 1 to occur from mid FY25.
<b>Net Promoter Score</b>	Net Promoter Score of 45 or above	Average score of 45	The New Promoter score of 45 for the full year is based off 9,165 responses a 31% increase in the number of responses compared to prior year. The target of 45 is a stretch target, well above the benchmark average NPS scores from New Zealand aviation Industry of 26%.

Community

Measure	Target	Result	Comment
<b>Sustainability – Achievement of Airport Carbon Accreditation (ACA) Level 4</b>	1 ACA Level 4 achieved	Achieved	PNAL received its certification for Level 4 accreditation in December 2023. This elite status made PNAL one of only 94 airports (as at August 2024) in the world to achieve this level. Airport Carbon Accreditation (ACA) program is the only institutionally endorsed, global carbon management certification programme for airports. It independently assesses and recognises the efforts of airports to manage and reduce their carbon emissions.
	2 Additional Scope 1 & 2 carbon reduction initiatives implemented.	Achieved	
	3 Waste and potable water initiatives implemented.	Underway	
<b>Community Engagement Plan</b>	Implemented	Implemented	We have increased our support for local initiatives, ranging from theatre programs, iwi relationships, and education partnerships to sporting sponsorships. The corporate team has participated in staff/community engagement activities, including Volunteer Week, Gumboot Friday, and Maori Language Week. Additionally, we have created and implemented detailed customer journey maps for PNAL, ensuring a framework for ongoing community engagement and customer satisfaction.

Culture

Measure	Target	Result	Comment
<b>Wellness plan rollout</b>	Improved team engagement scores	78%	PNAL conducted its latest engagement survey in November 2023 with an overall engagement score of 78%. It was fantastic to see a significant increase in the response rate from staff, with 84% of staff completing the survey (compared to 62% in the prior year).
<b>Continual improvement of safety culture</b>	1 Zero lost time injuries	Zero lost time injuries	There were zero lost time injuries in the 2024 Financial Year. Due to the change in SMS auditor, PNAL's last safety culture survey occurred in March 2023, with a score of 90% (an improvement from the prior survey of 87%). A further survey is scheduled for the FY25 audit, due to occur in Quarter 3 of the 2025 Financial Year.
	2 Surveyed safety score increased	Surveyed safety score increased	

Commercial

Measure	Target	Result	Comment
<b>Total Debt</b>	\$29.3m	\$10.7m	Capital spend was below budget primarily due to the construction of the new terminal being delayed until the Financial Year 2025. This resulted in reduced debt requirements in the Financial Year 2024.
<b>Debt to Equity ratio</b>	33%	13%	As above, the reduced debt level resulted in a reduced Debt to Equity ratio.
<b>Ratio of net surplus before interest/tax/depreciation/ revaluations to total assets</b>	4%	7%	The net surplus before interest/tax/depreciation/ revaluations exceeded expectations largely due to higher aeronautical revenue than budget, as well as a strong control and focus on costs.
<b>Maintain a ratio of consolidated shareholders funds to Total Assets of at least 40%</b>	67%	78%	Due to delay in construction of the new terminals, the increase in total assets was less than budget. As a result, consolidated shareholder funds as a proportion of total assets was higher than budgeted.
<b>Interest coverage ratio of EBITDA to interest of at least 2.5 as per BNZ loan covenants.</b>	5.3	14.4	Interest expenditure was lower than budgeted resulting from the deferral of a number of budgeted capital projects. EBITDA also exceeded budget for the reasons outlined above.
<b>Maintain a tangible net worth (total tangible assets after revaluations less total liabilities) above \$80m</b>	\$87.7m	\$82.1m	The negative variance was primarily a result of the reduction in PNAL's asset base resulting from the vesting of Airport Drive (\$5.8m impact)

Measure	Target	Result	Comment
Net debt/EBITDA less than 4.5 (long term target)	5.0	1.3	Net debt was less than anticipated due to capital expenditure being lower than budgeted as outlined above. EBITDA also exceeded budget for the reasons outlined above. Achievement of this target in future years is likely to be impacted in the short term by the planned terminal redevelopment.
Funds from Operations (FFO)/Net Debt greater than 11% (long term target)	13.5%	57%	Funds from Operations exceeded budget and Net Debt was below budget for the reasons outlined above.
Passenger volumes	581,100	547,721	Passenger demand growth was suppressed due to a variety of reasons, including higher fares costs of living and challenges with Air New Zealand capacity relating to the Pratt & Whitney engine issues affecting the A320/A321 NEO fleet (with flow on consequences for regional turbo-prop aircraft and regional routes). While below budget, passenger numbers were 2.2% above prior year. Aeronautical revenue was also 16% above budget, with higher aeronautical charges more than offsetting reductions relating to reduced passenger growth.
Commercial Partnership Strategy	Partner secured for zone D warehouses	Strategy revised	PNAL has been evaluating various funding models for accelerating Ruapehu Aeropark development (including Zone D warehouses) throughout the 2024 Financial Year. This process was nearing its conclusion at year-end and will be implemented during the 2025 Financial Year.
Zone D Warehouses	Construction complete	Design phase underway	At year end, lease negotiations for the 6,000m2 of warehousing was underway with prospective tenants. Construction is pending commitment from tenants to at least 50% of the warehouse space. In the interim, the design has progressed, ready for construction to commence.

# Te Manawa Museums Trust

## Objectives

Te Manawa is one of the Council's major arts and cultural facilities.

It consists of the museum, science centre, and art gallery and is managed for the Council by the Te Manawa Museums Trust. It has key roles in promoting and supporting Kaupapa Māori and Rangitāne, the arts, culture, heritage and science, and educating visitors by providing challenging experiences and programmes.

## What the Trust does

The Trustees govern and manage Te Manawa as a significant regional cultural institution encompassing a museum, gallery and science centre.


Te Manawa is a 'Museum beyond Boundaries' of, by and for all the community and co-creates and provides educational and challenging experiences.


It is a storehouse of regionally and nationally important collections of Taonga Māori, New Zealand contemporary art, and social history.


Te Manawa hosts international touring exhibitions and develops homegrown exhibitions that challenge and stimulate the mind and celebrate the region. These are supported by learning programmes, special events, and public programmes.

Te Manawa acknowledges the people of Rangitāne as mana whenua and thanks them for their continued trust and collaboration.

## Key Achievements

 This year, Te Manawa **exceeded its external revenue targets**

 **Santa's Cave saw a record turnout** of nearly 18,000 visitors

 "Six Extinctions" had a 15-week run that **attracted more than 35,000 visitors** and is estimated to have contributed more than six million dollars to the local economy.



### What happened in the year

Last year, Te Manawa adopted a new vision statement: “Whakatō ngā kakānō o te ao marama, kia puawai.” Plant the seeds of tomorrow through the stories that it shares. This vision emphasises a renewed focus on storytelling through key disciplines of art, science, and heritage – ensuring that our collections live through the sharing of our history and identity. It also ensures that Te Manawa, as a museum and gallery, honours its roots while remaining firmly focused on the future.

With support from Palmerston North City Council and the New Zealand Rugby Museum, the Trust acquired the Peter Bush Archive - a photographic legacy of one of Aotearoa’s most prolific photographers, whose images capture the beating heart of who we were, and are, as a nation. This significant archive is at home in a regional museum that prides itself on its connections and storytelling. Te Manawa is uniquely placed to preserve Peter’s work for generations of New Zealanders to come, through its geographical and professional connections, and by embodying the very grassroots ethos that makes Peter’s work so personal and full of the Kiwi character that only a special eye can capture.

We celebrated the work of Sculptor Paul Dibble, who was sadly unable to attend his lifetime’s final exhibition and will be sorely missed. Paul was a true pioneer with a magic spark that will continue to touch landscapes from Palmerston North to Hyde Park Corner and we remain indebted to his talent and vision. We lost both Peter Bush and Paul Dibble last year, and we are grateful to have enduring connections with their families. With their support, we continue to honour their legacies. Moe mai rā kōrua. Ngā mihi aroha.

A renewed exhibition programme featured exhibitions that celebrated local talent along with a stronger focus placed on our collection. Architect Brian Elliot’s commanding designs were given new light in an exhibition that showcased the art in his architecture and recognised the unique qualities of his buildings that make them such identifiable landmarks.

This year, Te Manawa exceeded its external revenue targets.

Santa’s Cave saw a record turnout of nearly 18,000 visitors, while the Art Gallery also went from strength to strength with more than 20,000. Our overall visitation was steady and met targets, bolstered by the arrival of “Six Extinctions” from Australia. “Six Extinctions” had a 15-week run that attracted more than 35,000 visitors throughout the summer and is estimated to have contributed more than six million dollars to the local economy. More than a third of attendees were drawn to the region specifically for the exhibition, with many choosing to extend their stay.

Te Manawa continues to offer learning programmes free of charge to local schools and have strengthened its relationship with Rangitāne through Mātauranga Māori learning programmes. It now meets regularly with the iwi leadership group Te Whirikōkō and have provided professional development opportunities for staff in museum tikanga and Te Tiriti o Waitangi. Its aspiration for the coming years is to have more visible and meaningful integration of Te Ao Māori throughout the museum – vital for all organisations, but particularly for cultural institutions.

Interns from Victoria University, Massey University and IPU have been hosted by the museum, as well as showcasing the work of Māori Visual Artists from Toioho kī Āpiti and BCM students from UCOL.

A new management team and organisational structure were adopted last year, and during that time, they have worked extensively on a new revenue strategy, visitor experience strategy and an ambitious roadmap to 2030. The Te Manawa Museums Trust Board also has seen a number of changes this year. Adrian van Dyk accepted the role of Chair following Caroline Tate’s departure in February. The Board also farewellled Evan Greensides. New members appointed are Carol Thum, Simon Barnett, Sarah Rusholme, and Gillian Lawn.

COVID-19 continues to present challenges through ongoing service delays, visitation impacts during heightened case numbers, and ability to maintain staffing levels. There is no sign of this slowing down, but its ability to meet these challenges has become a part of ‘business as usual’ planning.

A review of systems was completed, leading to paper-light ways of working, more integrated and collaborative office spaces, and more efficient use of technology to boost our capability across all departments. As it seeks to grow reach, secure investment, and create spaces and experiences that add new layers to the way people engage with the museum, it is important that it is proactive, responsive, and nimble in every possible way.

The museum thanks core funder as well as the Globe Theatre and the Regent on Broadway; the New Zealand Rugby Museum; Manawatū District Council; Manawatū Chamber of Commerce; Sport Manawatū; Massey University; UCOL; IPU; and other supporters and sponsors.

### How did we perform

Measure	Target	Result	Comment
Visitor Numbers	130,000	137,172	106%
Te Manawa Experiences offsite	30,000	6,277	21%  Lower than projected due to lack of outgoing touring exhibitions.
Online Engagement	90,000	74,335	83%  Lower than projected due to staff vacancies (new staff have since been appointed)
External Revenue Target	\$510,250	\$639,461	125%
KPI’s – Audience Satisfaction	95%	98%	nil

#### 1. Innovative experiences that engage visitors

Measure	Result	Comment
Work in partnership with Rangitāne in development of exhibitions, learning resources and programmes within the museum with a focus on embedding biculturalism.	Achieved	Refresh of the Te Rangi Whenua gallery was completed with support from members of Rangitāne – including new lighting, ceiling repaint, entry signage and displays of taonga linking to the mātauranga Māori curriculum.  There is ongoing Kōrero around learning programmes. We highlighted our recently developed programmes at the Lucy MacIntosh workshop for new teachers during Local Heritage Month in March 2024 (Te Manawa Museum Society and Local History Week Workshop 2024 – Objects and Place in the Aotearoa NZ Histories Curriculum).  Katrina Gray-Sharp started as “Amorangi” in May, providing cultural advice regarding tikanga, and supporting TM in the development of its strategic objectives in this area.
Engage with and enable participation by the city’s less-represented communities.	Achieved	We have successfully relaunched NOA, an inclusive art initiative that creates a safe environment for people with different needs.
Collaborate with PNCC for the New Migrant Welcome.	Achieved	Te Manawa hosted the New Migrant Welcome on 2 September and 5 July with Palmerston North City Council. Te Manawa has reinstated after-school art classes at a very affordable rate, encouraging uptake across the community.
Provide at least two extra-curricular learning-based activities for children of these communities.	Achieved	An after-school “Hands on Science” session in partnership with Multi Cultural Centre was held in June.  Yorb Cosmodome programmes with a focus on Puanga and Matariki were delivered to Highbury Whānau groups in June.  The Yorb Cosmodore was loaned to educator Āwhina Twoomy who provided a learning opportunity at her marae in Halcombe and a Whanganui kura in June.

<b>Investigate and plan development of a Pūtaiao Science Space with designs and concepts finalised to initiate budget, fundraising, and sponsorship.</b>	Ongoing	<p>In late September a Science Curator was recruited, who is leading the concept development for the science space.</p> <p>A draft business plan was completed in May.</p>
<b>Investigate and develop partnership and collaboration opportunities.</b>	Ongoing	<p>Discussion with Science Centre Inc. has indicated that they have a strong desire to collaborate with Te Manawa on this project.</p> <p>The concept of an ongoing science is close to being finalised. It includes a dedicated Education Space. We are in the process of recruiting a project manager to oversee delivery.</p>
<b>Begin discussions with other museums/venues to collaborate on the development of new, shared touring interactives in Science and Heritage.</b>	Achieved	<p>Ongoing research, discussions and collaboration around sharing interactives and touring exhibitions with other museums and venues. This has led to hosting ACMI's Codebreakers – Women in Games and Otago Museum's Tuhura Tuarangi – Aotearoa in Space during September and October. From December to April the highly successful Six Extinctions International tourer (with support from PNCC and local businesses).</p> <p>During the next few years, we will focus our resources on developing the science space and an ongoing science function. However, ongoing networking and discussions will continue without colleges nationwide to share and host (interactive) experiences.</p>
<b>Develop and begin to implement an annual calendar of activity to activate additional engagement through events and outreach with a focus on partnership with other organisations.</b>	Achieved	<p>School Holiday Programmes throughout the year are connected with significant dates (Matariki) and touring exhibitions from other institutions.</p> <p>Christmas events included an annual collaboration with Manawatū Business After 5 Christmas Party.</p> <p>We continue to support PNCC events, offering activities at the Puanga Festival, Palmy Play Festival, and Heritage Week. We hosted the Night Market at the Museum in August in partnership with Palmy Bid, attracting 1,600 attendees.</p> <p>The Halloween Fright nights and Tamariki Trails (in partnership with Linton Community Group) attracted 1,971 attendees across four nights and provided a safe alternative to trick or treating.</p> <p>NOA inclusive art sessions restarted in Term three attracting higher numbers with the change to a morning session and through strong links to Awatapu College and support organisations.</p> <p>Highbury Weavers have reinstated a regular schedule to be on-site and engage with the public.</p> <p>Discussions are underway with NZ Police to hold Blue Light Disco events.</p> <p>We worked with Te Manawa Art Society to develop regular programmes in the Art Gallery, including talks by artists and collectors (Ron Te Kawa, Pip Steel, Paul Dibble, We come from the Earth, Look. Smell. Feel).</p>

<b>Provide access to our collections through exhibitions, offsite displays, Collections Online and other digital projects and public programmes, this will include a cycle of exhibitions of new acquisitions.</b>	Achieved	<ul style="list-style-type: none"> <li>➤ He Ara Whāriki, presenting the work of graduating students and tutors of the Maunga Kura Toi weaving programme at Te Wānanga o Aotearoa was installed on 13 October.</li> <li>➤ New Acquisitions display was on display until 24 October.</li> <li>➤ Matariki-themed objects displayed in Manawatū Journeys for Matariki (22 June to 27 July).</li> <li>➤ Bones for Halloween (24 October to 8 November).</li> <li>➤ A Waka Huia showed for a School Visit (16 September) and shells for a family visit (16 September).</li> <li>➤ A small moa skeleton, restored huia taxidermy and moa footprints were added to the 'Six Extinctions' touring exhibition (from Australia) ensuring local content.</li> <li>➤ Five Paul Dibble sculptures featured in his survey exhibition Paul Dibble: Continuum. We Come From Earth.</li> <li>➤ Japanese collection items are on display in Art Gallery in connection with Boro: Timeworn textiles of Japan.</li> <li>➤ Raranga items from the collection are displayed in Manawatū Journeys, supporting the Te Wananga o Aotearoa collection.</li> <li>➤ ANZAC display featuring heritage objects – April.</li> <li>➤ Local Sport Stories display – June.</li> <li>➤ We added 344 items to collections online this year. Currently, there are 5,687 items online (a further 400 items have been processed and are loading through the system queue during user idle times).</li> </ul>
<b>Deliver a programme of balanced, exciting and frequently changing exhibitions.</b>	Achieved	<p><b>Art Gallery</b></p> <ol style="list-style-type: none"> <li>1 Sandy Adsett – Toi Koru</li> <li>2 Richard Wotton – Overlooked Ordinary</li> <li>3 Top Art</li> <li>4 Brigham Anderson – Te Whare Tukutuku</li> <li>5 Brian Elliot – 55 Years of Architecture</li> <li>6 Paul Dibble: Continuum</li> <li>7 Toioho ki Apiti – Māori Visual Arts</li> <li>8 Sweet &amp; Sour – UCOL/Te Pūkenga BCM</li> <li>9 Rita Angus – New Zealand Modernist</li> <li>10 We come from the earth (collection-based exhibitions)</li> <li>11 Boro: The timeworn textiles of Japan (featuring complimenting display of collection items)</li> <li>12 Maungarongo Te Kawa – Te Whare Pora</li> </ol> <p><b>Museum</b></p> <ol style="list-style-type: none"> <li>1 Mātauranga Māori objects (Taonga Māori – STEM)</li> <li>2 Te Ara Whariki – Te Wānanga o Aotearoa (Taonga Māori)</li> <li>3 Raranga display from the collection (Taonga Māori)</li> <li>4 Codebreakers, Women in Gaming (STEM, touring)</li> <li>5 Tūhura Tuarangi – Aotearoa in Space (Science, touring)</li> <li>6 Six Extinctions (Science, touring) attracted 30,000 visitors.</li> <li>7 Halloween Skeletons display (Science)</li> <li>8 Santa's Cave (Heritage)</li> <li>9 Anzac Display (Heritage)</li> <li>10 Local Sport Stories display (Heritage)</li> </ol> <p><b>Total:</b></p> <p>Art – 9 – exhibitions including 3 Toi Maori</p> <p>Science/STEVI – 4 – including 1 Mātauranga Maori</p> <p>Heritage – 4 including displays of recent acquisition items (He Ara Whariki, New Acquisitions, Matariki-themed objects and bones)</p>

<b>Investigate and trial an electronic visitor monitoring system to understand visitor interactions with Te Manawa</b>	Achieved	Electronic visitor counters were trialled in the Six Extinctions exhibition along with a visitor survey (through Event insights) from which we generated an economic impact report.  Commissioned an electronic visitor counter to go live from 1 July which tracks visitation patterns. The manual and electronic counting system will remain in operation simultaneously for the first two months of implementation to compare data.
<b>Develop a “Delivery of Excellence” Visitor Experience Strategy that incorporates physical spaces.</b>	Achieved	The visitor experience strategy form part of a broader ‘roadmap for 2030’ project and updated business plan which includes principals of manaakitanga, sustainability, and cultural design.

## 2. Enhanced learning and development

Measure	Result	Comment
<b>Implement three new Mātauranga Māori learning programmes aligned with the Aotearoa New Zealand Histories Curriculum.</b>	Not Achieved	After advice from THEN: Histories of Pāmutana, this was reduced to two programmes. These are now being offered.
<b>Provide free education programmes to schools within the Palmerston North and Manawatū District Council boundaries.</b>	Achieved	Te Manawa has provided free education programmes to 59 school groups within the Palmerston North and Manawatū District Council boundaries.
<b>Seek external revenue to assist in cost of education programmes.</b>	Not Achieved	While external revenue has been sought from two providers, both applications were unsuccessful. We continue to seek funding.
<b>4,000 students will participate in ELC learning programmes.</b>	Achieved	4,063 students have participated in ELC learning programmes from 1 July 2023 – 30 June 2024.
<b>Develop a sector leadership role by providing opportunities for interns partnering with Massey University Museum Studies.</b>	Not Achieved	Te Manawa had provided opportunities for a Marketing Intern from IPU and a Mudeums Studies Intern from Victoria University, Wellington.  We currently have a ‘Collections Intern’ who will be embarking on a MA in Museums and Cultural Heritage at Auckland University next year. We also hosted a student from Fielding High School on her ‘work day’.
<b>Implement staffed public programmes for visitors during weekends and peak visitor periods.</b>	Achieved	46 staffed weekend public programmes delivered.
<b>Develop networks with other non-school education programme providers.</b>	On track and ongoing	In August we partnered with Horizons Regional Council to host a sustainability hui for local teachers, attracting 40 teachers to the day-long event.

## 3. A collaborative and future focused organisation

Measure	Result	Comment
<b>Continue to maintain strong relationships with Rangitāne at governance levels.</b>	Achieved	Peter Te Rangi and Terry Hapi serve as Rangitāne representatives on the Te Manawa Trust Board.
<b>Continue to honour and implement Te Tiriti o Waitangi partnerships with Rangitāne and other iwi of the region.</b>	Achieved	CEO and team members meet regularly with members of Te Whirikōkō iwi leadership group via PNCC.
<b>Develop clear kaupapa Māori direction and strategy for Te Manawa, including training and development opportunities.</b>	Achieved	Regular staff waiata practice held to bolster tikanga confidence and participation.  Staff-initiated fellowship group for tāngata whenua, supported by management.  Katarina Gray-Sharp started as “Amorangi” in May, providing cultural advice regarding tikanga. And supporting TM in the development of its strategic objectives in this area.  Te Papa facilitated “Tikanga in Museums” full-day workshop for all staff.
<b>Implement two new Rangitāne Mātauranga Māori Learning Programmes.</b>	Achieved	Two new Mātauranga Māori programmes are being delivered.
<b>Collaborate with founding societies on two new initiatives to grow support for Te Manawa and generate donations.</b>	Achieved	Discussions with Te Manawa Art Society to develop Manawatū Art Review partnership: a community arts engagement exercise and opportunity to develop stronger relationships with local businesses for funding.  Te Manawa Museum Society is shoulder tapping members and historians to research items in and for the collection relating to childhood (toys, games etc) in the Manawatū. They are writing and initiating articles for publication while providing input into the development of a related exhibition.  Science Centre Inc is enthusiastic to provide support, as well as contacts and potential funding opportunities for work on a new science centre and are supporting the delivery of Science programmes and demonstrations.
<b>Strengthen the relationship with the New Zealand Rugby Museum through a collaborative project or partnership.</b>	Achieved	Te Manawa acquired the Peter Bush Archive and will document and provide access to the collection in partnership with Rugby Museum.
<b>Collaborate with NZRM on a joint national marketing campaign.</b>	Not Achieved and ongoing	Initial discussions have been had with a view to using the Peter Bush Archive as the base of a joint national campaign. This has not yet been implemented.
<b>Growth philanthropic and sponsorship contributions to grow external revenue against strategic targets.</b>	Achieved	External revenue targets have been exceeded.
<b>Implement a fundraising programme that communicates the vitality of Museums and Galleries as essential to community identity and wellbeing.</b>	Achieved	Our ‘We Museum’ campaign will form the basis of our fundraising and vitality campaign. Two videos and a dedicated webpage for recruitment have been developed and will contribute to this.  A revenue strategy to support this has been developed and will be implemented.

<p><b>Identify and nurture emerging artists and Museum professionals to invest in the future of art and cultural expression and provide links to professional practice and advice.</b></p>	<p>Achieved</p>	<p>Exhibition projects with Massey University, Te Pūkenga/UCOL in the tertiary sector and MATA, and Top Art in secondary sector, enabling students to experience what it's like working with museum professionals such as curators, exhibition technicians, and designers.</p>
<p><b>Continued commitment to environmental sustainability.</b></p>	<p>Achieved</p>	<p>Replacement of all lighting with LED is complete.</p>
<p><b>Work closely with PNCC, as landlord, to understand plans to help the facility function in a more sustainable manner.</b></p> <p><b>Review systems with the aim to become digested and reduce paper use by 30%</b></p>	<p>Achieved</p>	<p>Worked with PNCC to renovate office space to make them more efficient, creating dedicated work-spaces vs storage. This includes reducing our printers from four to one and reducing our heat pumps by four.</p> <p>Paper towel recycling programme underway, paper reduction targets set as part of workspace redevelopment.</p> <p>Te Manawa has adopted the Tourism New Zealand Tiaki Promise, inspiring and helping visitors to travel safely and conscientiously.</p> <p>New financial system Wiise going live at start of new financial year. Going paper light/free from 1 July.</p>
<p><b>Work with PNCC towards a new, purpose-built, energy efficient and sustainable Te Manawa complex.</b></p>	<p>Achieved / ongoing</p>	<p>CEO is part of the steering group for the city cultural precinct and will continue to be proactive about identifying opportunities, and advocating for efficiency, vibrancy, and cultural design considerations.</p>
<p><b>Ongoing collaboration with tertiary partners.</b></p>	<p>Achieved</p>	<p>Hosted an IPU intern, a Victoria University intern, the Matatau Massey University Toioho Ki Āpiti Graduate Massey exhibition, and the UCOL/Te Pūkenga Graduate exhibition.</p>
<p><b>Maintain a Gold Qualmark standard through Tourism NZ (Hospitality and sustainability).</b></p>	<p>Achieved</p>	<p>Te Manawa maintains its gold status.</p>



# The Regent Theatre Trust

## Objectives

The Regent Theatre (Regent on Broadway), constructed as a movie theatre in 1930, is one of the Council's major arts and cultural facilities.

Completely refurbished in 1998, it consists of a 1,400-seat civic auditorium and is a regional centre for the performing arts run for the Council by The Regent Theatre Trust.

It develops, promotes, enhances and maintains the Regent as a vibrant and unique venue for live performances, community events, graduations and the performing arts attracting international, national and local performances.

## What the Trust does

The Trust works to secure the future of the Theatre by providing and enabling strategic direction to develop and increase audiences and bring new events to the Theatre. It also maintains and preserves the physical infrastructure, fixtures and fittings of a recognised heritage building as a pillar of the City's cultural heritage.

The Theatre promotes and operates the Regent to retain its vision of being New Zealand's most vibrant provincial Theatre. This contributes to the City's attractiveness by providing an exciting and innovative venue for cultural and community events with broad appeal.

The Theatre assists the City's economic growth by acting as a cultural and entertainment option for city visitors.

## Key Achievements



Achieved a **14% increase in attendees**



**Eight local school productions** throughout the year with a total of 5,287 attendances.



**Purchased a new sound desk** with the help of funding from both Central Energy Trust (\$50k) and the Friends of the Regent (\$35k).



### What happened in the year

The Theatre had a target for the year of 87,000 attendances but ended up with 99,483 - a 14% increase on that target. A high quality and variety of events contributed to this result.

With two Act 3 productions held throughout the year, (We Will Rock You & Matilda) these two-events attracted more than 18,000 attendances. Other national major events hosted at the Regent included PACANZ (4,049), Wiggles (2,225), Palmy Drag Fest (1,460), Bill Bailey (1,367), and Russell Howard (1,085). Eight local school productions were held throughout the year with a total of 5,287 attendances. Other local community users such as Te Pae Tamariki had a total of 6,000 attending the theatre (both on stage and within the audience) which contributed to a very successful event. We achieved a high percentage of our targets for the year as set out in our Statement of Intent. A total of 423 events were held over all the spaces in the theatre this year which included the main auditorium/Rehearsal Room/Regency Room against a target of 350. The target for usage was set at 70% community and 30% commercial and we achieved a 72% community use and 28% commercial use.

This year a new sound desk was purchased with the help of funding from both Central Energy Trust (\$50k) and the Friends of the Regent (\$35k). A further \$44k of assets was funded by the Friends of the Regent which included replacement of some stage cloth (borders), laptops, TVs and other technical equipment.

Maintenance of the building was continuous and carried out in conjunction with the Palmerston North City Council.

### Ongoing considerations

The Boards commitment for the strategic direction of the theatre includes to ensure that the theatre remains accessible to our community hirers. This is shown in the high percentage use of the theatre during the past 12 months (72%). This has been achieved primarily through the theatres supportive community pricing rates, which is assisted by Council Funding.

The Regent on Broadway Management and Trust Board see the support from Council as a key investment in the development and future of the performing arts in our city.

The theatre continues to work with our local schools and cultural groups to encourage and assure them that they can come to a safe working environment and make them feel comfortable and confident in utilising our venue. It is principally through these types of events, that involve youth, where we see growth in the performing arts by creating the performers and audiences of tomorrow. Commitment and networking to our commercial hirers are ongoing so that the Regent on Broadway remains a strategic venue for all appropriate professional and commercial performers and events.

### How did we perform

Measure	Target	Result	Comment
Total number of main auditorium hires annually, to be not less than.	180	Achieved	187
Total number of main auditorium national/international venue hires, to be not less than	30	Achieved	31
Total number of events overall that are held over all spaces in the theatre.	350	Achieved	423
Further develop Tours offered by the Regent for schools and community, to be not less than.	8	Not Achieved	6
Total number of variety type shows such as tribute concerts and professional performers from the commercial sector, not less than.	16	Achieved	28
Total number of tertiary graduation ceremonies held, not less than.	14	Not Achieved	13
Total number of local school concerts held, not less than.	12	Not Achieved	8
Total number of school prize-giving held, not less than.	10	Achieved	10
Total number of ethnically diverse concerts and productions, both community and professionally produced, not less than.	8	Not Achieved	5
To improve our environmental footprint following our Greenhouse Gas Emissions Inventory Report, lighting throughout the theatre will be incrementally replaced to LED Luminaires	35%	Achieved	35%
Total attendances including ticketed and non-ticketed events held, not less than.	87,000	Achieved	99,483
Total audience split to all events Community 70% / Commercial 30%.	70/30	Achieved	72/28
Number of seats sold per PNCC companion card	15	Achieved	73

# Wāhanga tuarima

## Section five

### Kōrero āpitihanga

#### Additional information

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# How to find us

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## Postal Address

Private Bag 11034  
Manawatū Mail Centre  
Palmerston North 4442

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## Customer Service Centre

32 Te Marae o Hine The Square, Palmerston North

### Open Hours:

Monday, Tuesday, Thursday and Friday, 8am-5pm

Wednesday, 9am-5pm

Contact details for all enquiries, service requests, or to contact anyone who works for the Palmerston North City Council are:

pncc.govt.nz | info@pncc.govt.nz | 06 356 8199

The Council operates a 24-hour, seven day a week, 365 days a year phone Contact Centre. This is supported by the Customer Service Centre on Te Marae o Hine The Square. There is a translation service for any who need it.

The Council's other main source of contact is through the City Library, which also has copies of Council plans and agendas.

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## City Libraries

### Central Library

4 The Square, PO Box 1948, Palmerston North  
citylibrary.pncc.govt.nz | 06 351 4100  
webmanager@library.pncc.govt.nz

### Ashhurst Library

Cnr Cambridge Street and Bamfield Street, Ashhurst  
06 326 8646

### Awapuni Library

Cnr College Street and Pitama Road, Palmerston North  
06 356 7634

### Roslyn Community Library

8 Kipling Street, Palmerston North  
06 357 9287

### Te Pātikitiki (Highbury) Community Library

157 Highbury Avenue, Palmerston North  
06 357 2108

### Youth Space

Corner Coleman Mall and George Street, Palmerston North  
06 351 4126

### Mobile Library

Has regular stops throughout the City.

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## Council Meetings

The Council encourages public participation in its activities. Meetings of the Council and its Committees are open to the public and are normally held in the Council Chamber. For information about meeting agendas and dates, contact the Customer Service Centre, look in the public notices section of newspapers, or look at our website.

pncc.govt.nz

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## Auditors

### Audit New Zealand

31 Amesbury Street, Palmerston North  
(on behalf of the Auditor General)

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## Bankers

Westpac Banking Corporation

# Glossary

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## 10-Year Plan (LTP or Long-Term Plan)

A 10-Year Plan prepared by Council every three years. It describes Council's planned contributions to its vision and goals, shows why they are necessary, how much they are expected to cost, and how success will be judged.

---

## Activity

The goods or services that the Council provides to the community. The Council has 18 Activities, e.g. Cemeteries, Water, or Parks, Sport and Recreation.

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## Annual Budget (previously Annual Plan)

This is a budget document that shows how the Council will fund any year of the 10-Year Plan. Produced in years two and three of the 10-Year Plan, it provides consistency and direction to Council activities.

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## Asset Management Plans (AMPs)

These ensure that the Council's major infrastructural assets are maintained to ensure high environmental standards and meet the future needs of the city at the lowest possible cost over the long term. Council has AMPs for roading and parking, stormwater, rubbish and recycling, wastewater, water, property, and recreation and community facilities.

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## Capital New

Expenditure which will increase the value of or create new Council assets (land, infrastructure, plant and equipment). A household analogy would be expenditure to build a new bedroom.

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## Capital Renewal

Keeping existing infrastructure and facilities up to standard.

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## Capital Revenue

Some capital new and capital renewal expenditure is partly funded by amounts received from government or other parties for transport subsidies, grants and development contributions.

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## Community Outcomes

Short or long-term outcomes that a local authority aims at to promote the social, economic, environmental, and cultural well-being of its district or region. They are the Council's Vision, Goals and Strategies.

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## Council Controlled Organisation (CCO)

An organisation in which Council (or Councils) owns or controls at least 50 per cent of the voting rights, or has the right to appoint at least 50 per cent of the directors or trustees. CCOs are mostly set up to independently manage Council facilities or deliver specific services on behalf of residents.

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## Council Controlled Trading Organisation (CCTO)

As for CCO but trading with the main purpose or intention to make a profit.

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## Depreciation

Spreading the costs of assets over their useful life.

---

## Development Contributions

Development Contributions provide Council with a way of obtaining contributions to fund infrastructure requirements due to growth. A Development Contributions Policy is required as a component of the Funding and Financial Policies in the 10-Year Plan under section 102(2)(d) of the Local Government Act 2002.

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## Financial Year

The Council's financial year runs from 1 July to 30 June. The 2022 financial year therefore covers the period 1 July 2021 to 30 June 2022.

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## Group of Activities

Groups of Activities show how the Council will work towards community outcomes. The Council has 11 Groups of Activities. Activities that provide similar services have been grouped together. Changes to the Local Government Act mean that infrastructural Activities are also Groups of Activities.

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### Level of Service

A measurable description of what the Council does (or is planning to do) for residents.

---

### Maintenance Costs

Expenditure in relation to repairs and maintenance of Council's assets.

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### Operating Expenditure

Expenditure that is necessary for the normal activities of Council. Using a household analogy, this would be paying for electricity or food.

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### Performance Measures

Performance measures show how people can judge the success of the Council. The measures in the current 10-Year Plan are part of the Council's performance framework. The Council has other more technical performance measures in documents such as Asset Management Plans.

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### Programmes

Programmes are the detailed financial actions that include capital and non-capital works within any financial year to achieve Council's outcomes.

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### Treasury Policy

This sets out when and how Council will invest, and for what purposes, and when and how Council will borrow, and for what purposes.

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### Uniform Annual General Charge (UAGC)

A component of the general rate that is levied as a uniform amount on every property.

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### Council Controlled Trading Organisation (CCTO)

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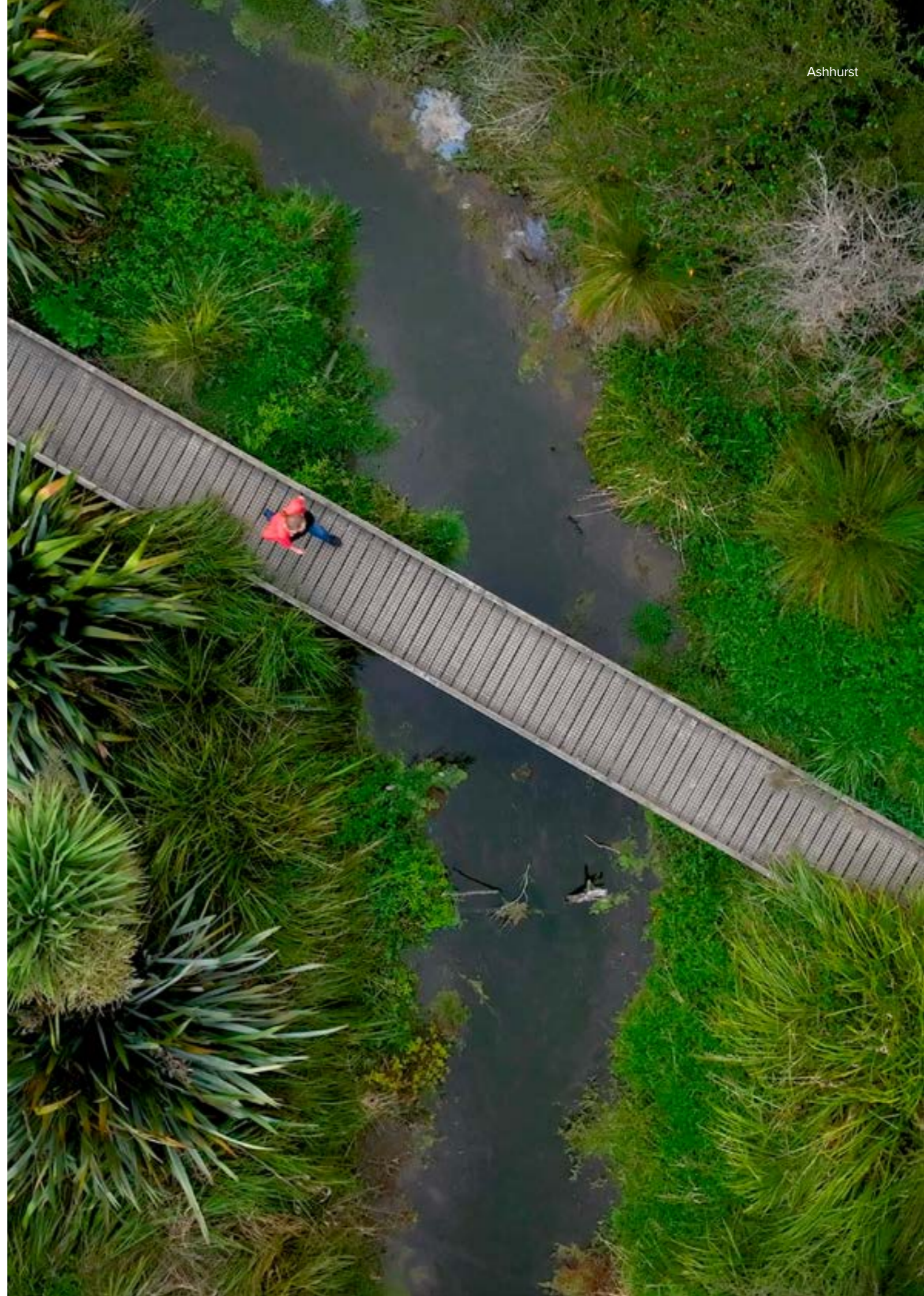
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**Te Kaunihera o Papaioea Palmerston North City Council**

[pncc.govt.nz](http://pncc.govt.nz) / [info@pncc.govt.nz](mailto:info@pncc.govt.nz) / 06 356 8199 / Te Marae o Hine – 32 The Square, Palmerston North