



**PALMY**<sup>™</sup>  
2021-2031

**Te Kaunihera o Papaioea  
Palmerston North City Council**

[pncc.govt.nz](http://pncc.govt.nz)

# TE MAHERE TŪROA 10-YEAR PLAN

**This 10-Year Plan was adopted by the Council on 7 July 2021 in accordance with the Local Government Act 2002.**

The Council acknowledges the Act prescribes the Plan is required to be adopted by 1 July 2021. Delays in preparing the Consultation Document prevented this being achieved.

The 10-Year Plan is the Council's Long Term Plan which states the Council's intentions. It is based on the Council's best information and planning at the time it was developed. If circumstances change, the Council may have to change its intentions.

All the decisions in this document are reviewable, especially during future 10-Year Plans and Annual Budgets<sup>1</sup>.

This is made clear in the Local Government Act 2002, Section 96:

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

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



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TE MAHERE TŪROA  
10-YEAR PLAN



# HE MIHI

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

Kei te mihi ake ki te pae maunga o Taranui me tōna taumata Te Ahu ā Turanga. Ko te awa e rere mai nei ko Manawatū. Ko Tānenuiarangi te tangata, ko Rangitāne te iwi, no reira ka tuku whakamihi ki te iwi o Rangitāne e pupuri nei i te mauri o tēnei whenua. Tini whetu ki te rangi, Rangitāne ki te whenua.

Tihei Mauriora!

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

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

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# A MESSAGE FROM THE MAYOR AND CHIEF EXECUTIVE

## Kia Ora Tātou,

Palmerston North remains on its growth track to be the best regional city in New Zealand. 'Our vision of Small city benefits, Big city ambition – He iti rā, he iti pounamu', was launched through our last 10 Year Plan in 2018. This bold vision is building a sustainable eco-city with an innovating and growing economy, a vibrant regional destination that is creative and liveable, and connected and safe.

**Set against an extraordinary pandemic-driven volatility and financial constraints over the last three years, along with the uncertainty of major government reforms directly ahead, this Plan strikes a balanced course that looks to the long-term future. It manages our city's momentum in order to achieve sustainable growth, while responding to our residents' immediate needs.**

Our consultation proposal on this 10 year Plan was weighted towards investing in

infrastructure to manage strong growth patterns across the decade ahead. Key indices in our city are flashing positive – from population and employment, to building consents and house prices, to the pipeline of major infrastructure and construction projects and private development.

The response from our community was extremely positive. Most of the 700 submissions we received endorsed the front-footed direction proposed,

while also suggesting areas warranting further investment. An overall consensus around keeping Palmerston North on the move as a city is hugely encouraging because this has been one of the more difficult 10 Year Plans to prepare.

The commitment in this Plan to investing in Palmerston North's future wellbeing is a pragmatic yet progressive response to a unique set of ambiguities and opportunities all tied to sustainable growth:

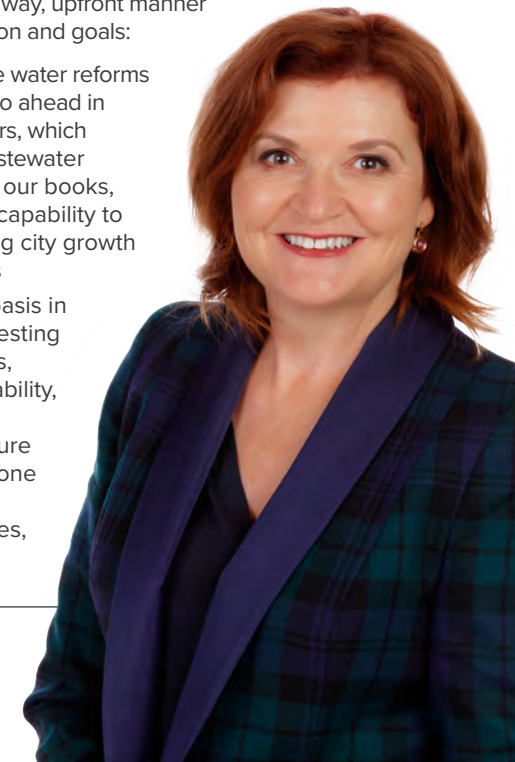
### Three Waters Reform

Across New Zealand there is a major gap between the infrastructure that cities need and what cities can afford. The government is reforming how infrastructure is consented, delivered, owned and governed to improve efficiency and safety – including for drinking water, wastewater and stormwater (services currently delivered by Councils).

Under the reforms it is expected that drinking water and wastewater will be managed by a small number of publicly owned multi-region entities instead of by Councils. Until it is clear that this cost responsibility is removed from Council balance sheets, Councils must assume ongoing responsibility for water provision in their 10 Year Plan processes.

Our Plan includes a \$350m programme for a new wastewater treatment plant, needed for a new consent to discharge treated wastewater and to improve water quality in the Manawatū River. Presently our city alone would not be able to borrow sufficient funds for the city's 'Nature Calls' wastewater upgrade; and borrowings would exceed our debt limits. In this Plan we address the situation in a confident way, upfront manner consistent with our vision and goals:

- Recognise that the water reforms are very likely to go ahead in the next three years, which would remove wastewater expenditure from our books, and catalyse our capability to invest in managing city growth and opportunities
- Proceed on this basis in order to keep investing in the city's assets, services and liveability, as opposed to preparing for Nature Calls spending alone by reducing our day-to-day services,



doing less maintenance and renewals of our infrastructure, pulling back on any new projects, and having larger rates increases

- Propose a new 10 Year Plan in consultation with the community once we have certainty on the timing and design of the Three Waters reform so that we know what we are planning for, and we can plan sensibly for the longer term.

### **Climate Change**

Together with pressures of population change, adapting to and mitigating the effects of climate change is a key long term challenge for the ageing infrastructure in New Zealand cities. We are facing an increasing frequency of extreme weather events, including more frequent heavy downpours. As a result, in Palmerston North we are improving the effectiveness of our stormwater network and moving towards more natural stormwater treatments.

Climate change impacts everything from location and construction to maintenance and operation of infrastructure. We are also changing the way our infrastructure works to lower its carbon footprint and to encourage residents to make low carbon choices, particularly by cycling, walking and using public transport.

### **Housing Supply**

Palmerston North will grow significantly over the next ten years. However housing affordability is declining so we need to ensure housing supply matches demand. To achieve this we will zone land appropriately and make sure it has the necessary infrastructure to meet residential, industrial and business demand, while reducing the carbon footprint of our infrastructure.

### **Capital Works Programme**

Palmerston North's exciting growth outlook is centred in major projects such as the Te Ahu a Turanga: Manawatū Tararua Highway, KiwiRail Regional Freight Hub, Mercury Windfarm, Defence Force projects at Linton and Ohakea, along with numerous large scale commercial projects. These projects attract investment and jobs to the city and region, however this means that contracting and consulting resources will be stretched, putting pressure on our ability to provide the capital projects in the 10 Year Plan.

An external reviewer has checked our capacity to deliver the major projects in this Plan and we are bundling separate projects into larger packages of work and starting contract negotiations earlier to give contractors more certainty of work so they can meet our needs and timeframes.

### **Earthquake prone buildings**

We own nine earthquake prone buildings and by law we must strengthen or demolish them. This is expected to cost \$150M over the next 15 years.

A significant part of our investment in sustainable growth through this Plan is an increase in the amount we are spending on renewals and maintenance. Providing infrastructure and keeping it up to standard is a major part of our remit. Infrastructure failures in other cities have had a high profile. We are determined to avoid these outcomes.

In the lead-up to this Plan we made improvements in our asset management planning and identified that, like other cities in New Zealand, we need to do more to look after our infrastructure. Therefore in this Plan we are increasing our infrastructure renewals and moving to more proactive maintenance. We are also enhancing the understanding of the condition of our assets so that we can better prioritise renewal spending to reduce the risk of asset failure and unplanned maintenance.

This proactivity applies to water and wastewater infrastructure, as well as stormwater. We will provide these services and maintain their networks in good long-term condition until any hand over that may occur as part of Three Waters reforms.

We greatly appreciate the feedback from you on the proposed investments and also suggested areas for further investment. We considered these very carefully and added some projects and services to the proposed Plan. Many of these increase our investment in our infrastructure, environment and support for the City's most vulnerable residents. They include:

- Adding and bringing forward road safety improvements such as fixing the “five dips” road between Kelvin Grove and Bunnythorpe, and improving pedestrian access at Aokautere
- Increasing the number of Council housing units we will build and limiting rent in our units to 25% of tenants' benefits
- Taking a co-ordinated look at how we can work with other Councils and groups to provide improved recreation facilities across the region – especially aquatic, indoor sports, and bowls facilities
- Increasing the funding we make available for environmental projects, sports events, and community groups
- Making neighbourhood roading and streetscape improvements in Highbury
- Increasing funding Green Corridors and street tree plantings
- Increasing our emphasis on lowering Council's carbon emissions

- Waiving overdue library book fines for children and youth from year 1 (instead of year 3)
- Providing a safety fence at Awapuni Park playground.

These adjustments were all suggested through the submissions we received from residents and groups. They do mean that rates will increase slightly more than we expected.

The overall year 1 rates increase is 8%. 80% of this is an increase in the amount we are spending on infrastructural renewals and maintenance, which strengthens our city foundations and meets future needs. We acknowledge that some people will not support this rate rise. This level supports funding of existing Council services and the projects in this Plan to achieve our vision and goals. Many of these projects will benefit the more vulnerable people in our community.

As we celebrate the city's 150th anniversary, it is clear that Palmerston North has an exciting future. We can be proud that we have created a Plan that leans into the future and also looks after the present. This is a Plan that meets our city's challenges and unlocks opportunities over the long term.

On behalf of Palmerston North City Council, we thank you for your contributions to the 2021-2031 10 Year Plan. We want to make Palmerston North a city with all the best that small and big cities can offer. Together as a community, we are moving this vision forward.



**Grant Smith** <sup>JP</sup>

Mayor



**Heather Shotter**

Chief Executive



# AUDITOR'S REPORT



## Independent Auditor's report on Palmerston North City Council's 2021 31 long-term plan

I am the Auditor General's appointed auditor for Palmerston North City Council (the Council). The Local Government Act 2002 (the Act) requires the Council's long-term plan (plan) to include the information in Part 1 of Schedule 10 of the Act. Section 94 of the Act requires an audit report on the Council's plan. Section 259C of the Act requires a report on disclosures made under certain regulations. I have carried out this work using the staff and resources of Audit New Zealand. We completed our report on 7 July 2021.

### ADVERSE OPINION

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

### BASIS FOR ADVERSE OPINION

Underlying information and assumptions in the plan are inconsistent with the Council's financial strategy

The underlying information and assumptions in the plan are not reasonable because they are inconsistent with the Council's financial strategy. The financial strategy caps the Council's debt at 200% of revenue. However, the forecasts in the plan show the Council expects to exceed its debt cap after year four of the plan (and is forecast to exceed the debt limits set by the New Zealand Local Government Funding Agency after year five). The Council notes on pages 144 and 151 that it is highly unlikely that lenders would be prepared to lend the amounts of debt that the Council is forecasting, and has included in the underlying information to the plan.

This means that the Council does not have a credible plan for funding all its activities and planned projects. Therefore, the Council needs to consider reducing levels of service, removing or deferring planned projects, or increasing rates further. None of these matters are addressed in the plan.

Because of the unreasonable underlying information and assumptions and inconsistencies with the Council's financial strategy, the plan does not provide a reasonable basis for long-term, integrated decision making, or accountability to the community.

### OPINION

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

In our opinion the disclosures on pages 238 to 243 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations) and accurately reflect the information drawn from the plan on which we have given an adverse opinion.

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

We assessed the evidence the Council has to support the information and disclosures in the consultation document. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the consultation document.

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

## EMPHASIS OF MATTERS

Without further modifying our opinion, we draw attention to the following disclosures:

### Uncertainty over three waters reforms

Pages 175 to 176 outlines the Government's intention to make three waters reform decisions during 2021. The effect that the reforms may have on three waters services provided is currently uncertain because final decisions have not yet been made. The plan was prepared as if these services will continue to be provided by the Council, but future decisions may result in significant changes, which would affect the information on which the plan has been based.

### Breach of the Local Government Act 2002

Without further modifying our opinion, we draw attention to page 2, which states the Council failed to adopt the plan before the commencement of the first year to which it relates. This is a breach of section 93(3) of the Local Government Act 2002.

## RESPONSIBILITIES OF THE COUNCIL AND AUDITOR

The Council is responsible for:

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

We are responsible for expressing an independent opinion on the plan and the disclosures required by the Regulations, as required by sections 94 and 259C of the Act. We do not express an opinion on the merits of the plan's policy content, or that the forecasts in the plan will be achieved, nor does the opinion we express, guarantee the accuracy of the information in the plan.

## INDEPENDENCE AND QUALITY CONTROL

We have complied with the Auditor General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 issued by the New Zealand Auditing and Assurance Standards Board; and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended) issued by the New Zealand Auditing and Assurance Standards Board.

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



Debbie Perera, Audit New Zealand

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

Wāhanga 1  
Section 1

**Te Ahunga Whakamua**  
**Where we are heading**

**1**

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

- Council's Strategic Direction (vision, principles and goals)
- Summary of Financial Strategy 2021-2031
- Summary of 30 Year Infrastructure Strategy

# Vision, Principles and Goals

## (Community Outcomes)

### Palmerston North 2031

Palmerston North is the heart of the Manawatū region within Central New Zealand. We are a small city with a lot to offer, and we're ambitious about where we're going. Palmerston North 2031 has been informed by our communities and is a statement of the future we want for our city. This document identifies the vision, guiding principles and strategic goals for Palmerston North to 2031.

The Vision and Goals are our Community Outcomes. Community outcomes are "the outcomes that a local authority aims to achieve in order to promote the social, economic, environmental, and cultural well-being of its district or region in the present and for the future" (s5 Local Government Act).

The Goals - and the Strategies and Plans that sit beneath them - show what Council will do to improve the economic, cultural, social, and environmental well-being in Palmerston North. Taken together they show Council's approach to sustainability.

The Innovative and Growing City Goal is about what Council will do to promote economic well-being; the Creative and Exciting City Goal is cultural well-being; the Connected and Safe Community Goal is social well-being and the Eco City Goal is environmental well-being.



**Vision:****Palmerston North: Small city benefits, big city ambition****Papaioea: He iti rā, he it pounamu**

Palmerston North celebrates its small city advantages – great quality of life, strong community, and easy affordable access to services. We are a city that embraces our people, Rangitāne iwi heritage and diversity, offering vibrancy and big city excitement without the hassle and cost. We are arty, with a creative spirit and a healthy and active city with excellent sports and recreation options.

We take seriously our responsibility to manage and renew city infrastructure for the future which our community relies upon for its health and wellbeing.

As the economic and cultural centre of our region we are ambitious, innovative and agile, and quickly adapt to change to create prosperity. We are connected and use the talents of our whole community to work as one team. We are a future-focused city that enhances our environment and ensures growth is sustainable.

**What our vision means**

Our vision for Palmerston North is to make the most of all the benefits of a small city, while offering our citizens and region the lifestyle, education and business opportunities available in much larger metropolitan cities.

We are a well-located regional city and have some significant opportunities for growth. As Auckland and northern New Zealand reaches capacity we expect many people will look for thriving places in which to base their lives and businesses. To position ourselves for this

opportunity, we must recognise that relying on typical small city advantages such as quality of life and affordability won't be enough to compete with other regional cities around New Zealand.

We will also be ambitious, agile and innovative in actively promoting and positioning our city to take advantage of these opportunities, while retaining the strengths and advantages that give our city its special character.

We are a council that takes seriously its responsibility to manage and renew the city's infrastructure for the future which underpins our community's health and wellbeing.

We will build on our strong Rangitāne Iwi heritage and grow partnerships amongst a progressive and growing Māori population. We will be clever and quick to respond to challenges and opportunities, facing them as a whole community working as one team around a united vision. We must be on people's radar, with a national and international reputation as an exciting and creative small city that attracts talented people, smart investors, new residents and industries

Like other regional cities, Palmerston North faces unprecedented challenges from global and local demographic, technological, economic, social and environmental changes that are dramatically changing the nature of work, disrupting traditional industries and influencing people's choices about where and how they live, work, study and play.

These changes are likely to have a significant impact on and create opportunities for our traditional sectors such as defence, education, agri-business, health and logistics, and we must support these sectors to adapt and expand while attracting investment and diversifying our economy. We realise we are in a competition for talent and must pursue it.

Achieving this vision will require a team effort. The City Council will build our community's capacity to take the lead on many initiatives, using Council's skills, leadership and resources to kick-start and realise opportunities, partnering the community to make dreams possible.

### **We have identified five strategic goals for achieving this vision:**

#### » **An innovative and growing city - He tāone auaha, he tāone tiputipu**

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 change to fuel sustainable growth, prosperity and wellbeing.

Target: 12,000 more jobs by 2031

#### » **A creative and exciting city - He tāone whakaihihi, tapatapahi ana**

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.

Target: A score above 65 in the Creative Cities Index by 2031

#### » **A connected and safe community - He hāpori tūhonohono, he hāpori haumarū**

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.

Target: More than 75% of people consider Palmy is a welcoming and inclusive city with a good standard of living by 2031

#### » **An eco city - Te tāone tautaiāo**

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.

Target: A 30% reduction in CO2E emissions in Palmerston North by 2031 [from the 2018 baseline]

#### » **A driven and enabling Council - He Kaunihera ahunui, whakamana i te iwi**

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

More information on Council's actions for these Goals is in Section 2 of this Plan.

The Council has an integrated set of Strategies and Plans that show how Council will work towards these Goals. The diagram on page 17 shows how these fit together. Copies of the Strategies and Plans are on our website – [pncc.govt.nz/10yp](http://pncc.govt.nz/10yp)

Council has developed a Spatial Plan that groups the key Sustainable Growth, City Centre and Manawatū River projects that contribute to the Vision – it is on page number 18. Councils in the region have produced a similar regional spatial plan. [pncc.govt.nz/10yp](http://pncc.govt.nz/10yp)

## Our guiding principles

We have adopted seven principles to guide the way Council and Elected Members interact with our communities and lead our city. The guiding principles will be evident in the way we engage, plan, make decisions and allocate resources on behalf of our city and residents.

**Inclusive:** We celebrate diversity and are inclusive and collaborative in our engagement, planning, decision making and service provision, to ensure our actions are fair and equitable.

**Open:** We are accountable and responsive to our community and transparent in our decision making. We make decisions in public whenever possible and clearly communicate the reasons behind them.

**Ambitious:** We are ambitious in our aspirations for our city. We actively pursue new options that can enhance our prosperity and wellbeing so that our residents have more opportunities.

**Bold:** We provide visionary leadership, take considered risks and make tough decisions where needed to benefit our community and sustain our future.

**Enabling:** We support our community to build its capacity to achieve its goals through community-led solutions to community issues.

**Guardianship:** We act in the public interest as responsible and ethical stewards of the city and the infrastructure assets and resources under our control, ensuring they are used efficiently and effectively to deliver public value now and into the future.

**Caring:** We care about and support the social, economic, environmental, and cultural well-being of our communities, now and in the future.

## Strategic Monitoring

The Council monitors its progress towards the Vision, Goals and Plans through its City Dashboards. The dashboards report on the measures of success for the Council's strategic goals, and provide demographic information about Palmerston North people [pncc.govt.nz/dashboards](http://pncc.govt.nz/dashboards)

Levels of Service in the 10-Year Plan are monitored through Council's Quarterly Reports.



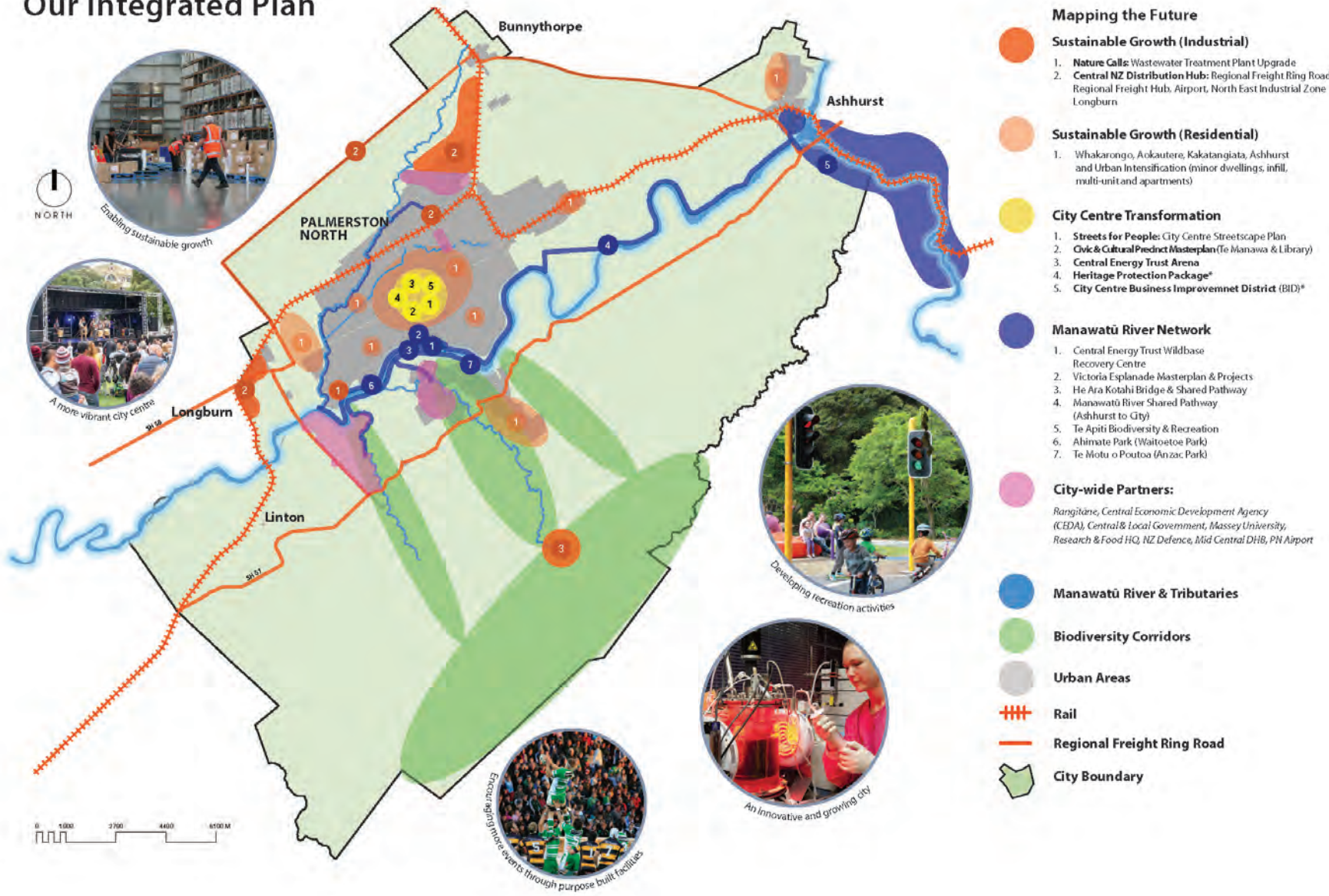
# Ahunga rautaki



# Strategic direction



# Our Integrated Plan



# Summary of Financial Strategy

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

With assets with a replacement value of about \$2 billion and debt projected to be \$163m as at 1 July 2021 the Council is conservatively geared. It has a S&P Global AA credit rating enabling it to borrow at the best rates available to local government and is currently operating well within its own prudent debt ratios and those of the NZ Local Government Funding Agency. The Council has been prepared to set rates and fees and charges at levels necessary to fund the delivery of these services and facilities and currently these rates and charges are comparable with other like Councils.

## Key elements of the Financial Strategy:

For some years the Council's strategy has had the following elements:

- » to ensure the Council's long-term financial position is sustainable
- » to recognise inter-generational funding requirements
- » to manage debt within defined levels

- » to maintain the infrastructure provided for the City by previous generations, for the use by current and future generations
- » to ensure financial capacity for future generations so they are able to fund high-priority programmes
- » timely provision of new infrastructure that builds capacity and enables the City to harness new development opportunities while avoiding the financial risks associated with over provision.

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

- » recognition of underinvestment in costs of maintaining services and assets
- » uncertainty about the level of funding required for the Nature Calls (wastewater treatment & disposal) project
- » the nature and timing of proposed water reforms
- » the impact of Covid-19
- » climate change
- » earthquake-prone buildings
- » stretched contractor resources putting upward pressure on contract prices and ability to deliver.

The combination of these uncertainties and in particular the level of borrowing assumed for the Nature Calls project mean the Council has not been able to develop a credible, sustainable long-term financial strategy. The Council has decided that it needs to proceed to invest in renewals and new infrastructure in the short term and to address the longer-term issues once there is more certainty about the three waters proposals and the favoured option for the Nature Calls project.

## Financial Overview

- » Council has assets with a replacement value of about \$2 billion that are big enough to cope with significant city growth.

- » Council has been increasing its investment in asset management planning and is progressively obtaining better condition assessments of its infrastructure assets. This information has led the Council to conclude it needs to increase its investment in both asset maintenance and asset renewal.
- » The Council's current debt levels are moderate for a regional New Zealand city (especially given the range and quality of services provided).
- » Rates levels are comparable with other districts of our size.
- » Council is planning for medium population and household growth as forecast by Infometrics plus a margin as required by the National Policy Statement for Urban Development.
- » The City has adequate appropriately zoned land or land identified for rezoning to cope with the first 10 years of growth.
- » Council believes it needs to invest in new and better catalyst projects to meet its Vision and Goals for the City.
- » The requirement to update the City's wastewater treatment and disposal system (Nature Calls) provides the greatest single challenge to long-term financial sustainability of the Council. At the present time it has been assumed that an acceptable option can be obtained for \$391.7 million (\$350 million plus inflation) but there is a high level of risk it could be more or less than this.
- » In order to fund existing Council services and key projects being proposed in the 10-Year Plan, including new capital expenditure of \$1,179 million, Council's rates and debt levels will need to increase – rates increasing from \$101 million in 2020/21 to \$191 million in 2030/31 and debt increasing from a forecast \$163 million to \$883 million.
- » These projected levels of debt would mean Council's own prudent borrowing ratios would be significantly exceeded and it is highly unlikely lenders will be prepared to lend to the Council in such circumstances.

- » The government is proposing major reform which would include the transfer of three waters functions (or at least water and wastewater) to a small number of regional water entities within the next three years. Like all Councils our Council is required to plan on the assumption this change will not occur. However, the forecast borrowing required for the Nature Calls project is such a significant component of the Council's debt projections that the Council is not in a position to develop a credible, sustainable long-term financial strategy.
- » It is proposed that once there is more certainty about the three waters proposals and the favoured option for the Nature Calls project an updated strategy will be prepared.
- » Based on these assumptions total rates will need to increase by 8.2%<sup>⌘</sup> in 2021/22, 8.1% in 2022/23, 8.3% in 2023/24, 9.5% in 2024/25, 11.7% in 2025/26 and increases of between 2.6% and 5.9% in each of the following five years.

A full copy of the Strategy can be found in section three.

<sup>⌘</sup> The Council proposes to fund a central city Palmy BID group and to set targeted rates to collect the \$250k plus GST to fund the programme. Excluding this new programme would mean total rates income for 2021/22 would increase by 8% over the budget for 2020/21.

# Summary of Infrastructure Strategy

One of the Council's major roles is providing the city's infrastructure. This covers transport, stormwater, wastewater, property and recreational assets. These all underpin economic, social, cultural and environmental well-being.

Our Annual Residents' Survey shows people are generally satisfied with the standard of our infrastructure. See link [pncc.govt.nz/survey](https://pncc.govt.nz/survey)

The total replacement cost of this infrastructure is about \$2 billion.

It is also expensive to look after. We currently spend around \$21M a year to renew it. We recognise we need to spend more on maintaining and renewing it so it can keep providing the day-to-day services people expect. We propose to step-up our renewal and maintenance over the next few years.

There are some gaps in what we know about the condition of our assets. This means we have based the increased investment in renewals and maintenance on the age of the asset and industry best practice, rather than specific knowledge of the assets. We are putting more emphasis on getting a better understanding of its condition.

Council needs to submit a resource consent application for a new wastewater treatment plant by June 2022. The 10-Year Plan includes \$350m (plus inflation) for this. It is the biggest financial and environmental decision that the City faces.

Currently, drinking water, wastewater and urban stormwater are run by Councils. Under a three year programme to reform Local Government three waters service delivery arrangements to improve outcomes, the Government is proposing that water and wastewater are managed by a small number of multi-region entities (the approach to stormwater is yet to be decided). This would affect who develops, funds and operates the new wastewater treatment plant – as well as who is responsible for renewing and maintaining waters infrastructure.

The Infrastructure Strategy also looks at the other issues we face in looking after our infrastructure:

- » Provision of a regional freight ring road including an additional river crossing
- » Developing new infrastructure for growth
- » Stormwater quality and capacity
- » Applying urban design
- » Facilities to encourage alternative transport modes
- » Security of water supply
- » Increasing the resilience of infrastructure
- » The impact of climate change
- » Modernising Central Energy Trust Arena
- » Using Council land for housing
- » Earthquake strengthening
- » Construction industry capacity

The full Strategy is in section three of this Plan.

There are no significant variations between the 10-Year Plan and Council's Water and Sanitary Service Assessments and its Waste Management and Minimisation Plan.

Wāhanga 2  
Section 2

**Te Whakamahere i te Ahunga Whakamua**  
**How we are planning to get there**

**2**

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

## Goals, strategies and plans

<b>Goal 1 - Innovative and Growing City</b>	<b>31</b>	<b>Goal 3 - Connected and Safe Community</b>	<b>73</b>	<b>Goal 5 - Driven and Enabling Council</b>	<b>127</b>
City Growth (includes Housing and Future Development, Urban Design)	32	Connected Communities (includes Libraries, Community Centres, Community Groups and Social Housing)	74	Good Governance and Active Citizenship (includes Organisational Performance and Strategic Investments)	128
Economic Development	37	Safe Communities (includes Animal Control, Civil Defence public health and safer community initiatives)	84	Council's Performance Framework and Rationale for KPIs	139
Strategic Transport (Roading)	42				
<b>Goal 2 - Creative and Exciting City</b>	<b>53</b>	<b>Goal 4 - Eco-City</b>	<b>88</b>		
Active Communities (includes Sport and Recreation, Parks, Sportsfields and Reserves)	54	Climate Change	89		
Arts, Culture and Heritage (includes Arts and Cultural Organisations/Groups)	63	Environmental Sustainability	93		
City Shaping (includes City Making, City Centre and Placemaking)	69	Manawatū River	97		
		Resource Recovery	101		
		Waters Plan (Includes Stormwater and Wastewater)	107		

# Groups of Activities and Goals – Introduction

Council implements the Vision, Goals, Strategies and Plans through its 10-Year Plan Activities. (Activities are groups of services and projects like Active Communities, Economic Development and Transport. They are key chapters in the 10-Year Plan.)

Council has aligned its Activity Structure to its Plans. This gives residents a direct “line of sight” from the Vision and Goals to our services and projects:

This section of the Plan summarises what we are aiming to achieve through our Plans and then shows tables showing the KPIs and targets we will use to measure our progress towards the Plans. Because these KPIs are more aligned to Council’s strategic direction some of them are new.

The Tables also summarise progress from our 2019 Annual Report. For more information see the full Annual Reports [pncc.govt.nz/annualreport](http://pncc.govt.nz/annualreport)

The budgets associated with these Activities are shown after the performance information. As part of this information, programmes (Operational, Capital Renewal and Capital New) are scheduled. Programmes highlight new or additional expenditure planned in each year to achieve specific Council outcomes.

The figures shown for Operating Programmes are stated gross and if they are partially funded from external sources this is reflected by the sum ‘Funded by Council (Rates and Borrowing)’ being less than what is shown as the ‘Total’.

Likewise since individual capital programmes result in the Council creating an asset (capital new), or replacing an asset (capital renewal), the total (gross) cost is shown in the programmes schedules. The total of all budgeted external funding for all capital programmes within an Activity is deducted from what is shown as the ‘Total’ to show what the Council plans to contribute (shown as ‘Funded by Council (Rates and Borrowing)’). The programme schedules also show the percentage split between how much is to fund growth (‘Growth’) and how much is to fund current or new levels of service (‘LOS’) for each.

**Council’s Strategies and Plans are on its website:** [pncc.govt.nz/10yp](http://pncc.govt.nz/10yp)





<b>Activity Financial Statements</b>											
<b>Budget</b>	<b>Whole of Council</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>
<b>2020/21</b>		<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>
<b>\$'000s</b>		<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>
<b>Revenue</b>											
Innovative & Growing City											
4,088	City Growth	6,049	6,200	6,343	6,483	6,626	6,771	6,920	7,073	7,228	7,387
727	Economic Development	1,136	1,164	1,191	1,217	1,244	1,272	1,300	1,328	1,357	1,387
Creative & Exciting City											
1,332	Active Communities	2,813	3,197	3,277	3,356	3,440	3,522	3,610	3,704	3,800	3,892
98	Arts and Heritage	96	98	100	103	105	107	110	112	115	118
City Shaping											
Connected & Safe Community											
4,494	Connected Communities	4,789	4,911	5,105	5,220	5,341	5,461	5,587	5,716	5,849	5,981
781	Safe Communities	866	887	908	928	948	969	990	1,012	1,034	1,057
Eco-City											
-	Climate change mitigation and adaption	-	-	-	-	-	-	-	-	-	-
-	Environmental sustainability	-	-	-	-	-	-	-	-	-	-
	Manawatū River	10	10	11	11	11	11	12	12	12	13
2,697	Resource Recovery	3,105	3,232	3,409	3,558	3,661	3,764	3,884	4,012	4,148	4,277
Transport											
6,840	Roading	8,825	9,139	9,613	10,164	10,042	10,501	10,789	11,085	11,389	11,702
204	Active and Public Transport	1,197	1,181	1,164	1,197	1,232	1,268	1,305	1,342	1,381	1,421
37	Water	95	98	101	374	106	109	113	117	121	124
1,336	Wastewater	1,431	1,243	1,276	1,528	1,797	2,078	2,621	2,707	2,799	2,886
2	Stormwater	6	6	6	7	7	7	7	7	8	8
Driven & Enabling Council											
1,186	Governance and Active Citizenship	220	360	231	236	385	246	252	411	263	269
427	Organisational performance	401	410	419	428	437	446	456	465	475	485

<b>Activity Financial Statements</b>											
<b>Budget</b>	<b>Whole of Council</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>
<b>2020/21</b>		<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>
<b>\$'000s</b>		<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>
3,897	Strategic Investments	4,051	4,298	4,558	4,828	5,120	5,438	5,785	5,912	6,042	6,175
28,146	Total Revenue	35,088	36,436	37,711	39,638	40,502	41,973	43,740	45,016	46,023	47,182
<b>Expenses</b>											
<b>Innovative &amp; Growing City</b>											
8,791	City Growth	9,847	10,181	10,146	10,427	10,394	10,627	10,802	11,077	11,254	11,535
4,547	Economic Development	5,477	5,660	5,924	6,059	6,165	6,307	6,447	6,581	6,721	6,863
<b>Creative &amp; Exciting City</b>											
21,500	Active Communities	20,466	21,243	22,252	23,212	23,815	24,651	25,680	26,494	26,567	27,432
8,482	Arts and Heritage	8,914	9,191	9,757	10,230	10,581	11,018	11,646	12,529	14,140	15,724
370	City Shaping	618	993	1,320	1,638	2,034	2,264	2,473	2,732	2,884	2,900
<b>Connected &amp; Safe Community</b>											
22,154	Connected Communities	23,022	23,676	24,822	25,845	26,126	26,942	27,502	28,035	28,625	29,223
2,115	Safe Communities	2,274	2,506	2,722	2,741	2,774	2,830	2,890	2,946	3,006	3,066
<b>Eco-City</b>											
	Climate change mitigation and adaption	222	287	385	406	406	409	411	414	417	420
701	Environmental sustainability	1,006	1,061	1,001	1,023	1,073	1,102	1,134	1,173	1,212	1,246
	Manawatū River	142	403	700	662	701	720	765	800	809	853
7,801	Resource Recovery	8,416	9,156	9,349	9,945	10,891	11,201	11,669	12,443	12,769	13,261
<b>Transport</b>											
24,978	Roading	26,151	27,814	30,168	31,776	32,614	35,168	36,370	37,708	40,221	42,048
5,187	Active and Public Transport	5,817	6,391	7,115	7,681	8,447	9,368	9,847	10,356	11,128	11,659
8,164	Water	8,938	9,487	10,103	11,083	11,303	12,493	13,022	13,636	13,739	13,817
10,623	Wastewater	11,940	12,268	13,455	19,010	30,666	35,632	40,102	39,843	40,201	40,536
4,015	Stormwater	4,435	4,870	5,478	5,778	5,994	7,261	7,467	7,593	9,117	9,224

<b>Activity Financial Statements</b>											
<b>Budget</b>	<b>Whole of Council</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>
<b>2020/21</b>		<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>
<b>\$'000s</b>		<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>
Driven & Enabling Council											
10,562	Governance and Active Citizenship	9,214	9,083	9,263	9,431	9,678	9,758	9,908	10,261	10,319	10,463
3,092	Organisational performance	3,110	3,602	3,353	4,559	1,364	1,337	1,295	1,366	1,366	1,372
4,662	Strategic Investments	4,791	5,053	5,495	5,734	6,025	6,358	6,571	6,733	6,852	7,001
147,742	Total Expenses	154,797	162,924	172,808	187,238	201,051	215,446	226,002	232,722	241,348	248,643
<b>119,596</b>	<b>NET OPERATING COST OF ACTIVITY GROUPS</b>	<b>119,709</b>	<b>126,489</b>	<b>135,097</b>	<b>147,601</b>	<b>160,549</b>	<b>173,473</b>	<b>182,262</b>	<b>187,706</b>	<b>195,325</b>	<b>201,461</b>
<b>Rating Requirement</b>											
(40,430)	Less Depreciation	(38,210)	(40,368)	(43,155)	(45,880)	(50,781)	(57,967)	(62,639)	(64,353)	(69,655)	(72,129)
(4,087)	Less Transfers To/(From) Reserves	(3,324)	(3,472)	(2,293)	(2,764)	2,052	2,044	1,527	1,229	855	323
19,955	Plus Net Capital Renewal (3 Year Average)	25,440	28,565	29,797	30,709	29,402	28,280	28,593	30,144	30,809	30,916
5,748	Plus Debt Repayment	5,443	6,673	8,171	10,112	14,895	19,496	24,115	26,082	28,125	30,356
<b>100,782</b>	<b>RATES REQUIREMENT</b>	<b>109,059</b>	<b>117,887</b>	<b>127,617</b>	<b>139,778</b>	<b>156,116</b>	<b>165,326</b>	<b>173,858</b>	<b>180,807</b>	<b>185,458</b>	<b>190,926</b>
2.5%		8.2%	8.1%	8.3%	9.5%	11.7%	5.9%	5.2%	4.0%	2.6%	2.9%
<b>Capital Expenditure</b>											
<b>Capital Renewals</b>											
Innovative & Growing City											
-	City Growth	-	-	-	-	-	-	-	-	-	-
300	Economic Development	661	221	1,018	178	851	408	463	215	576	1,138
Creative & Exciting City											
3,260	Active Communities	4,144	4,791	4,612	4,004	5,249	4,249	4,330	3,633	3,985	4,122
555	Arts and Heritage	885	627	437	539	536	413	395	304	397	188

<b>Activity Financial Statements</b>											
<b>Budget</b>	<b>Whole of Council</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>
<b>2020/21</b>		<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>
<b>\$'000s</b>		<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>
	City Shaping										
	Connected & Safe Community										
2,245	Connected Communities	2,874	2,715	2,545	3,257	3,003	2,314	3,159	2,850	2,929	2,608
31	Safe Communities	131	513	94	118	99	101	126	105	108	110
	Eco-City										
-	Climate change mitigation and adaption	-	-	-	-	-	-	-	-	-	-
-	Environmental sustainability	-	-	-	-	-	-	-	-	-	-
-	Manawatū River	2	6	28	3	10	27	7	22	25	12
176	Resource Recovery	421	432	432	850	844	643	1,028	842	1,076	1,857
	Transport										
4,579	Roading	5,336	4,831	5,262	6,268	7,387	8,381	8,892	9,176	9,470	9,781
1,034	Active and Public Transport	872	899	925	1,412	1,453	1,495	1,542	1,599	1,645	2,017
3,277	Water	4,376	4,925	5,257	7,579	6,134	4,708	4,302	4,096	3,887	4,295
3,642	Wastewater	5,040	4,459	4,065	6,683	4,548	5,777	4,810	5,921	5,669	7,221
860	Stormwater	875	818	1,136	960	887	808	833	861	890	918
	Driven & Enabling Council										
	Governance and Active Citizenship										
2,009	Organisational performance	2,581	2,079	1,773	1,853	1,329	1,813	1,683	1,214	1,379	1,434
1,743	Strategic Investments	2,320	2,882	2,538	3,045	3,166	3,603	3,299	2,238	4,193	3,973
23,711	Total Capital Renewals	30,518	30,196	30,123	36,749	35,494	34,740	34,868	33,077	36,228	39,672
	<b>Capital New</b>										
	Innovative & Growing City										
-	City Growth	-	-	-	-	-	-	-	-	-	-
-	Economic Development	15	7	77	16	-	-	17	-	-	-

Activity Financial Statements											
Budget	Whole of Council	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
2020/21		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Creative & Exciting City											
17,925	Active Communities	3,768	5,197	5,812	6,935	10,409	9,639	2,410	1,419	2,817	2,180
2,078	Arts and Heritage	2,618	6,162	9,474	6,468	4,420	9,109	8,177	35,700	37,237	2,625
71	City Shaping	3,992	4,411	4,684	4,943	1,915	3,223	4,303	787	-	-
Connected & Safe Community											
6,151	Connected Communities	4,569	3,779	1,427	8,749	5,572	181	336	544	2,632	200
300	Safe Communities	2,320	2,125	-	-	-	-	-	-	-	-
Eco-City											
Climate change mitigation and adaption											
82	Environmental sustainability	145	149	572	488	116	119	122	457	128	131
Manawatū River											
246	Resource Recovery	770	459	529	1,430	1,984	228	8,028	207	315	214
Transport											
5,870	Roading	17,938	20,228	20,425	37,420	27,243	27,877	32,657	33,205	44,076	10,188
3,195	Active and Public Transport	5,631	6,070	10,804	12,095	12,105	7,627	10,389	10,447	7,595	8,536
5,906	Water	7,724	8,352	10,710	13,491	18,538	13,623	6,414	557	550	332
2,813	Wastewater	5,826	6,024	22,592	124,384	126,636	132,421	1,083	2,902	1,157	3,356
1,761	Stormwater	7,062	6,003	4,755	3,235	2,143	2,702	5,851	1,537	1,653	918
Driven & Enabling Council											
155	Governance and Active Citizenship	80	-	-	-	-	-	-	-	-	-
16	Organisational performance	836	570	583	1,025	1,376	284	288	119	119	122
185	Strategic Investments	511	296	827	846	755	771	674	689	345	353
46,754	Total Capital New	67,476	74,200	95,356	222,108	213,742	207,973	81,414	88,689	98,749	29,280

Activity Financial Statements											
Budget	Whole of Council	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
2020/21		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
70,466	Total Capital Expenditure	97,994	104,396	125,478	258,857	249,237	242,713	116,282	121,766	134,977	68,952
Funded By											
2,705	External Revenue Renewal	4,719	2,742	3,033	3,787	4,366	4,938	5,221	5,392	5,562	5,907
4,616	External Revenue New	9,443	10,890	18,319	25,361	23,907	20,559	26,045	27,308	27,036	7,844
1,891	Development Contributions	2,090	2,588	3,249	5,327	7,463	9,903	10,214	10,449	10,863	10,998
-	Asset Sales	5,000	3,075	7,826	7,502						
19,955	Rates	25,440	28,565	29,797	30,709	29,402	28,280	28,593	30,144	30,809	30,916
41,299	New Borrowing / (Repayment)	51,302	56,537	63,255	186,171	184,098	179,034	46,210	48,473	60,707	13,288
70,466	Total	97,994	104,396	125,478	258,857	249,237	242,713	116,282	121,766	134,977	68,952

# Goal 1 : An Innovative and Growing City - He tāone auaha, he tāone tiputipu

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.

Our goal is for a productive local economy that supports community wellbeing. We want new industries to create employment to expand our city's opportunities. We want to drive innovation by providing support and infrastructure to enable diversification. Palmerston North will stand out by becoming a low carbon economy.

The nature of work is changing and there will be many different types of work in the future. We must work with enterprises, small and large, to enable traditional industries to evolve and new industries to emerge. The natural advantages of Palmerston North will support innovation and the development of new industries. We will position Palmerston North to take advantage of new jobs in research, development and creative industries. Palmerston North will take advantage of change to encourage sustainable growth and wellbeing.

**Target: 12,000 more jobs in Palmerston North by 2031 - Paetae: Kia piki ake ngā tūranga mahi i Papaioea mā te 12,000, i mua i te tau 2031**

## Priorities - Ngā tino o te whāinga

The priorities of Goal 1: An innovative and growing city are:

1. He whakaū i ngā ara whiwhi mahi, ara tiputipu hoki.  
Create and enable opportunities for employment and growth
2. He tautoko i te whanaketanga whare noho e hāngai ana ki ngā hiahia o te hapori  
Provide infrastructure to enable growth and a transport system that links people and opportunities
3. He whakarato pūnahahanga e pai ai te tipu o te tāone me te pūnaha arawaka, hei tūhonohono i ngā iwi ki ngā nekeneke o roto i te hapori  
Support the development of more housing that meets community needs
4. He tautoko i te whakakanorautanga o te ōhanga hei whakaiti i te whirinakitanga ki ngā ahumahi o mua  
Support the diversification of the economy to reduce reliance on traditional industries
5. He hāpai i te 'ōhanga auaha', koia hei tūāpapa whakatiputipu haere ake nei.  
Support an 'innovation economy' to underpin growth into the future
6. He whakaumu i te ōhanga kia tahuri ai tātou ki te ōhanga waro iti.  
Transform the economy to a low carbon economy

Within Goal 1 Council has the following Plans and Activities

- » City Growth
- » Economic Development
- » Transport

# City Growth - Te tipu o te tāone nui:

City Growth covers Housing and Future Development and Urban Design. For more information see Council's City Growth Plan.

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

**Urban Design:** Good urban design provides attractive and vibrant places to encourage development investment, attract and retain talent, and promote the health and wellbeing of communities. Good urban design enhances the quality of our neighbourhoods, streets,

buildings and open spaces, and creates new opportunities for the city to prosper and grow sustainably. Council intends good design to be a fundamental consideration in all elements of city growth.

## Purpose of the plan - Te take o te mahere

The 10-Year Plan levels of service for this Plan and Activity are:

- » Provide enough development capacity to meet expected demand for housing and business in the short, medium and long term
- » Perform the regulatory planning role under the Local Government Act and Resource Management Act
- » Provide public spaces (streets, open spaces, civic and community buildings and infrastructure) that are sustainable, connected, diverse, integrated, adaptable, interesting, comfortable and safe
- » Work with the development community to increase knowledge and influence urban design outcomes

These levels of service are monitored through the following measures and targets:

Levels of service	Measures of Success (with results from 2019-20)	Targets Year 1 2021-22	Targets Year 2 2022-23	Targets Year 3 2023-24	Targets 4-10
Provide enough development capacity to meet expected demand for housing and business in the short, medium and long term.	Enough land is zoned, infrastructure enabled and feasible to develop, to meet growth demand. (new – currently have 6 years capacity)	At least three years of housing and business land with services is immediately available.	At least three years of housing and business land with services is immediately available.	At least three years of housing and business land with services is immediately available.	At least three years of housing and business land with services is immediately available.



Levels of service	Measures of Success (with results from 2019-20)	Targets Year 1 2021-22	Targets Year 2 2022-23	Targets Year 3 2023-24	Targets 4-10
Perform the regulatory planning role under the Local Government Act and Resource Management Act.	Resource consent applications are processed within statutory frameworks. (65% not met due to workload)	At least 95%. (See note)	At least 95%. (See note)	At least 95%. (See note)	At least 95%. (See note)
	Building consent applications are processed within statutory frameworks. (met – 95%)	At least 95%. (See note)	At least 95%. (See note)	At least 95%. (See note)	At least 95%. (See note)
Provide public spaces (streets, open spaces, civic and community buildings and infrastructure) that are sustainable, connected, diverse, integrated, adaptable, interesting, comfortable and safe.	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)	Narrative measure outlining how urban design principles are being implemented.	Narrative measure outlining how urban design principles are being implemented.	Narrative measure outlining how urban design principles are being implemented.	Narrative measure outlining how urban design principles are being implemented.
Work with the development community to increase knowledge and influence urban design outcomes.	There is an increase in range of building types being built in the city centre and local neighbourhoods (eg different densities, co-housing, CBD residential, green buildings). (new – currently there is little innovation in the type of houses being built to meet changing demographics and needs)	Narrative measure outlining trends in the range of building types.	Narrative measure outlining trends in the range of building types.	Narrative measure outlining trends in the range of building types.	Narrative measure outlining trends in the range of building types.

Note: in setting these targets the Council acknowledges that a small number of applications will not be processed in statutory timeframes. This is because some complex consent issues cannot be resolved within statutory 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.

These are monitored every three months through the Quarterly Reports and through the Annual Report.

Council will also monitor the Plan through one-off measures that are reported annually through the City Dashboard, including:

- » Improving housing affordability
- » City-wide urban design principles are reflected in planning advice and decision-making
- » Increase in variety of residential housing typologies being consented and built
- » Increase in city centre residential living options being consented and built
- » More 'Green Star' rated buildings (Green Building Council) are constructed throughout the city
- » There are more people living and working in and around the city centre.

<b>City Growth - Activity Financial Statements</b>											
<b>Budget</b>		<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>
<b>2020/21</b>		<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>
<b>\$'000s</b>		<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>
<b>Revenue</b>											
3,256	Building Services	4,747	4,866	4,978	5,088	5,200	5,314	5,431	5,551	5,673	5,798
833	Planning Services - Private	1,302	1,334	1,365	1,395	1,426	1,457	1,489	1,522	1,555	1,590
4,088	Total Revenue	6,049	6,200	6,343	6,483	6,626	6,771	6,920	7,073	7,228	7,387
<b>Expenses</b>											
4,876	Building Services	6,406	6,609	6,884	7,091	7,039	7,208	7,314	7,514	7,617	7,823
1,964	Housing and Future development	524	586	189	193	197	201	206	210	215	220
719	Planning Services - Private	1,381	1,412	1,444	1,473	1,486	1,515	1,545	1,579	1,615	1,649
880	Planning Services - Public	1,058	1,087	1,133	1,164	1,165	1,187	1,211	1,236	1,258	1,283
353	Urban Design	478	487	497	506	507	516	527	538	549	561
8,791	Total Expenses	9,847	10,181	10,146	10,427	10,394	10,627	10,802	11,077	11,254	11,535
<b>4,702</b>	<b>NET OPERATING COST OF ACTIVITY</b>	<b>3,798</b>	<b>3,981</b>	<b>3,803</b>	<b>3,944</b>	<b>3,768</b>	<b>3,856</b>	<b>3,882</b>	<b>4,005</b>	<b>4,026</b>	<b>4,148</b>
<b>Rating Requirement</b>											
(1)	Less Depreciation	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
-	Less Transfers To/(From) Reserves	(200)	(308)	-	-	-	-	-	-	-	-
<b>4,702</b>	<b>RATES REQUIREMENT</b>	<b>3,597</b>	<b>3,673</b>	<b>3,802</b>	<b>3,944</b>	<b>3,767</b>	<b>3,855</b>	<b>3,881</b>	<b>4,004</b>	<b>4,025</b>	<b>4,147</b>
<b>Funded By</b>											
-	Asset Sales	5,000	3,075	7,340	7,502	-	-	-	-	-	-
-	New Borrowing / (Repayment)	(5,000)	(3,075)	(7,340)	(7,502)	-	-	-	-	-	-
-	Total	-	-	-	-	-	-	-	-	-	-

City Growth - Operational												
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
ID-Name	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
130-Earthquake Prone Buildings - Assessment of Compliance with the Building Act	0%	100%	14	14	93	95	97	99	101	104	106	108
762-City-wide - Urban Design - Delivering Change	0%	100%	50	51	53	54	55	56	57	59	60	61
1264-Development Contributions Fees - Support for Community Groups	0%	100%	22	22	23	23	24	24	25	25	26	26
1485-Property Development - Whakarongo Council Subdivision Development	0%	100%	(5,000)	(3,075)	-	-	-	-	-	-	-	-
1750-Property Development - Summerhays Street Residential Subdivision	0%	100%	303	318	(6,797)	20	20	20	21	21	22	22
1751-Property Development - Huia Street Redevelopment	0%	100%	-	-	(524)	(7,502)	-	-	-	-	-	-
1914-Electronic District Plan	0%	100%	-	144	42	43	44	45	46	47	48	49
1918-Compliance with new RMA requirements	0%	100%	100	103	105	107	110	112	114	117	119	122
2040-Property Development - Albert Street Depot Residential Subdivision Investigation	0%	100%	100	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>			<b>(4,411)</b>	<b>(2,423)</b>	<b>(7,006)</b>	<b>(7,160)</b>	<b>349</b>	<b>357</b>	<b>364</b>	<b>372</b>	<b>381</b>	<b>389</b>
Funded by Council (Rates and Borrowing)			589	652	334	341	349	357	364	372	381	389

# Economic Development - Te whakawhanake ōhanga

Economic Development includes International Relations. For more information see Council's Economic Development Plan.

**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.

## Purpose of the plan - Te take o te mahere

The 10-Year Plan levels of service for this Plan and Activity are:

- » Support economic wellbeing through the Central Economic Development Agency (CEDA)
- » Achieve a positive city reputation

These levels of service are monitored through the following measures and targets:

Levels of service	Measures of Success (with results from 2019-20)	Targets Year 1 2021-22	Targets Year 2 2022-23	Targets Year 3 2023-24	Targets 4-10
Support economic wellbeing through funding of external organisations.	Funding is distributed and the key objectives achieved. (met – eg through CEDA's response to Covid-19)	Narrative measure outlining outcomes achieved by the funded organisations.	Narrative measure outlining outcomes achieved by the funded organisations.	Narrative measure outlining outcomes achieved by the funded organisations.	Narrative measure outlining outcomes achieved by the funded organisations.
Achieve a positive city reputation.	Measure of success and targets to be determined (Activity is in process of being transferred to Council.	To be determined.	To be determined.	To be determined.	To be determined.

These are monitored every three months through the Quarterly Reports and through the Annual Report.

Council will also monitor the Plan through one-off measures that are reported annually through the City Dashboard, including:

- » Growing GDP
- » More businesses in the city

- » Improving survival rate of new local businesses
- » More building consents
- » Increasing number of jobs
- » Increasing median household income
- » Greater housing affordability
- » Improving local, national and international reputation of the city

<b>Economic Development - Activity Financial Statements</b>											
<b>Budget</b>		<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>
<b>2020/21</b>		<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>
<b>\$'000s</b>		<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>
<b>Revenue</b>											
563	Conference & Function Centre	910	933	954	975	997	1,019	1,041	1,064	1,087	1,111
132	Economic Development	126	129	132	135	138	141	144	147	151	154
31	City Marketing	100	103	105	107	110	112	114	117	119	122
727	Total Revenue	1,136	1,164	1,191	1,217	1,244	1,272	1,300	1,328	1,357	1,387
<b>Expenses</b>											
1,483	Conference & Function Centre	1,875	1,932	2,003	2,051	2,097	2,148	2,199	2,246	2,294	2,342
2,403	Economic Development	2,345	2,405	2,467	2,521	2,574	2,631	2,687	2,740	2,797	2,856
301	International Relations	466	511	527	539	545	557	569	582	594	606
153	City Marketing	590	607	639	653	648	663	677	692	707	723
206	Economic Events	200	205	288	295	301	308	315	322	329	336
4,547	Total Expenses	5,477	5,660	5,924	6,059	6,165	6,307	6,447	6,581	6,721	6,863
<b>3,820</b>	<b>NET OPERATING COST OF ACTIVITY</b>	<b>4,341</b>	<b>4,496</b>	<b>4,733</b>	<b>4,842</b>	<b>4,921</b>	<b>5,035</b>	<b>5,148</b>	<b>5,253</b>	<b>5,363</b>	<b>5,475</b>
<b>Rating Requirement</b>											
(470)	Less Depreciation	(470)	(492)	(506)	(519)	(533)	(548)	(562)	(571)	(580)	(589)
325	Plus Net Capital Renewal (3 Year Average)	618	472	682	479	574	362	418	643	684	586
14	Plus Debt Repayment	7	9	9	11	11	12	12	12	13	13
<b>3,690</b>	<b>RATES REQUIREMENT</b>	<b>4,497</b>	<b>4,485</b>	<b>4,918</b>	<b>4,813</b>	<b>4,973</b>	<b>4,861</b>	<b>5,015</b>	<b>5,338</b>	<b>5,480</b>	<b>5,486</b>
<b>Capital Expenditure</b>											
300	Renewal	661	221	1,018	178	851	408	463	215	576	1,138
-	New	15	7	77	16	-	-	17	-	-	-

Economic Development - Activity Financial Statements											
Budget		10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
2020/21		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
300	Total Capital Expenditure	676	228	1,094	194	851	408	480	215	576	1,138
<b>Funded By</b>											
325	Rates	618	472	682	479	574	362	418	643	684	586
(25)	New Borrowing / (Repayment)	58	(244)	412	(285)	277	46	62	(427)	(108)	552
300	Total	676	228	1,094	194	851	408	480	215	576	1,138

Economic Development - Operational												
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
ID-Name	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
1344-Major Events Fund	0%	100%	200	205	288	295	301	308	315	322	329	336
1480-Sponsorship Opportunities for Council with economic benefits	0%	100%	52	53	55	56	57	58	60	61	62	64
1842-Information Centre - Building Maintenance	0%	100%	30	31	49	50	51	53	54	55	56	57
1983-Conference & Function Centre - Building Maintenance	0%	100%	20	21	43	44	45	46	47	48	49	50
<b>TOTAL</b>			<b>302</b>	<b>310</b>	<b>435</b>	<b>445</b>	<b>455</b>	<b>465</b>	<b>475</b>	<b>485</b>	<b>496</b>	<b>507</b>
Funded by Council (Rates and Borrowing)			302	310	435	445	455	465	475	485	496	507

Economic Development - Capital Renewal												
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
ID-Name	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
251-Conference & Function Centre - Replacement of Equipment	0%	100%	36	37	37	38	39	39	39	40	38	39
270-Holiday Park - Renewals	0%	100%	400	-	262	-	131	224	-	23	24	85



<b>Economic Development - Capital Renewal</b>												
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
ID-Name	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
664-Conference & Function Centre - Renewals	0%	100%	50	103	629	54	602	56	286	58	418	916
1166-Conference & Function Centre - Equipment Purchases	0%	100%	70	72	73	75	77	78	80	82	84	85
1730-Information Centre - Building Renewals	0%	100%	10	10	16	11	1	11	57	12	12	12
1943-Information Centre Refurbishment	0%	100%	50	-	-	-	-	-	-	-	-	-
2092-C/fwd - Holiday Park - Renewals	0%	100%	45	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>			<b>661</b>	<b>221</b>	<b>1,018</b>	<b>178</b>	<b>851</b>	<b>408</b>	<b>463</b>	<b>215</b>	<b>576</b>	<b>1,138</b>
Funded by Council (Rates and Borrowing)			661	221	1,018	178	851	408	463	215	576	1,138

<b>Economic Development - Capital New</b>												
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
ID-Name	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
1535-City-wide - Campervan Dump Stations	0%	100%	-	7	77	-	-	-	-	-	-	-
1933-Brand and Marketing Critical Equipment	0%	100%	15	-	-	16	-	-	17	-	-	-
<b>TOTAL</b>			<b>15</b>	<b>7</b>	<b>77</b>	<b>16</b>	<b>-</b>	<b>-</b>	<b>17</b>	<b>-</b>	<b>-</b>	<b>-</b>
Funded by Council (Rates and Borrowing)			15	7	77	16	-	-	17	-	-	-

# Transport

Transport includes Strategic Transport and Active and Public Transport. For more information see Council's Transport Plan.

For Local Government Act purposes this is the Roads and Footpaths Group of Activities.

**Strategic transport:** Palmerston North has a network of roads, footpaths, cycleways and shared pathways and a diverse range of users. The network needs to accommodate freight transport, recreational users, and commuters. The purpose of Strategic Transport is to provide transport infrastructure that supports day-to-day city activity and city growth in ways that integrate active and public transport.

**Active and public transport:** active and public transport have health and environmental benefits for our city. Walking and cycling are the most common forms of active transport, but there are also micro-

mobility options like scootering and skateboarding. Public transport in the city consists of the urban bus service and bus connections to surrounding towns and villages. The purpose of this Active Transport is to increase the availability and uptake of active and public transport options.

Note: Horizons Regional Council provides the bus services. The City Council is responsible for bus stops and shelters, and works with Horizons to ensure services meet residents' needs.

## Purpose of the plan - Te take o te mahere

The 10-Year Plan level of service for this Plan and Activity is:

- 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

These levels of service are monitored through the following measures and targets:

Levels of service	Measures of Success (with results from 2019-20)	Targets Year 1 2021-22	Targets Year 2 2022-23	Targets Year 3 2023-24	Targets 4-10
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.	The change in the number of fatal and serious injury crashes from the previous year on the city's local road network (mandatory measure). (Not met - increase from 24 to 43)	Fewer than the previous year. Narrative measure outlining long-term accident trends and causes.	Fewer than the previous year. Narrative measure outlining long-term accident trends and causes.	Fewer than the previous year. Narrative measure outlining long-term accident trends and causes.	Fewer than the previous year. Narrative measure outlining long-term accident trends and causes.
	The average quality of ride on the sealed local road network, measured by	Greater than 80%.	Greater than 80%.	Greater than 80%.	Greater than 80%.

Levels of service	Measures of Success (with results from 2019-20)	Targets Year 1 2021-22	Targets Year 2 2022-23	Targets Year 3 2023-24	Targets 4-10
	smooth travel exposure (mandatory measure). (met – 82%)				
	The percentage of the sealed local road network that is resurfaced (mandatory measure). (Not met: 3%)	More than 3.5%.	More than 3.5%.	More than 3.5%.	More than 3.5%.
	The percentage of footpaths that meet Council standard (mandatory measure). (met – 93%)	Greater than 93% rated 3 or above (see note)	Greater than 93% rated 3 or above (see note)	Greater than 93% rated 3 or above (see note)	Greater than 93% rated 3 or above (see note)
	Percentage of requests for service relating to roads and footpaths responded to (with at least an initial response) within three working days (mandatory measure). Not met (82.7% of all requests)	Greater than 95% of safety and critical requests.	Greater than 95% of safety and critical requests.	Greater than 95% of safety and critical requests.	Greater than 95% of safety and critical requests.

Note: Council uses the Institute of Public Works Engineering Australasia Footpath Condition Rating Standard where 1 = Very Good, 2 = Good, 3 = Fair, 4 = Poor and 5 = Very Poor. Footpaths are independently graded.

These are monitored every three months through the Quarterly Reports and through the Annual Report.

Council will also monitor the Plan through one-off measures that are reported annually through the City Dashboard, including:

- Less freight traffic using the urban transport network
- Increasing walking and cycling
- Increasing passenger numbers and service satisfaction

- Decreasing carbon emissions
- Decreasing reliance on private motor vehicles

#### Significant Negative Effects

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

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

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

- Encouraging means of transport such as cycling, walking and public transport
- Safety improvements, education and enforcement programmes and speed management, especially around high risk areas such as schools

- Designing the network for traffic to flow more smoothly and to make it clearer which sorts of vehicles should be using which roads. In particular, this means:
  - getting heavy vehicles out of suburban areas and travelling on roads built to carry them
  - introducing pedestrian and cycle friendly features and making it clearer where they have more priority
- Designing the road environment to include traffic calming facilities
- Planting street trees
- Good local urban design, and city planning to reduce urban sprawl.

<b>Roading - Activity Financial Statements</b>											
<b>Budget</b>		<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>
<b>2020/21</b>		<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>
<b>\$'000s</b>		<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>
<b>Revenue</b>											
3,295	Parking	4,854	5,004	5,154	5,304	5,457	5,616	5,779	5,946	6,119	6,296
2,317	Roads	2,961	3,094	3,388	3,582	3,269	3,532	3,617	3,705	3,795	3,888
135	Street Facilities	110	118	127	163	168	173	178	183	188	194
421	Street Lighting	394	400	405	417	429	441	454	467	481	495
671	Traffic Services	506	522	538	698	719	740	761	783	806	829
6,840	Total Revenue	8,825	9,139	9,613	10,164	10,042	10,501	10,789	11,085	11,389	11,702
<b>Expenses</b>											
2,815	Parking	2,728	2,856	2,993	3,106	3,247	3,320	3,397	3,476	3,562	3,645
14,907	Roads	15,429	16,682	18,481	19,383	19,694	21,923	22,834	23,801	26,009	27,212
2,513	Street Facilities	3,512	3,686	3,968	4,154	4,375	4,514	4,649	4,791	4,935	5,397
2,021	Street Lighting	1,851	1,915	1,978	2,058	2,160	2,216	2,238	2,327	2,350	2,377
2,721	Traffic Services	2,631	2,674	2,749	3,074	3,138	3,196	3,252	3,313	3,365	3,417
24,978	Total Expenses	26,151	27,814	30,168	31,776	32,614	35,168	36,370	37,708	40,221	42,048
<b>18,138</b>	<b>NET OPERATING COST OF ACTIVITY</b>	<b>17,326</b>	<b>18,675</b>	<b>20,555</b>	<b>21,612</b>	<b>22,572</b>	<b>24,666</b>	<b>25,580</b>	<b>26,623</b>	<b>28,833</b>	<b>30,346</b>
<b>Rating Requirement</b>											
(10,142)	Less Depreciation	(10,008)	(10,391)	(11,161)	(11,557)	(12,177)	(13,546)	(13,957)	(14,398)	(16,122)	(16,691)
3,630	Plus Net Capital Renewal (3 Year Average)	2,480	2,791	3,225	3,730	4,149	4,429	4,610	4,759	4,906	5,053
1,398	Plus Debt Repayment	972	1,368	1,782	2,111	2,639	3,030	3,454	3,865	4,215	4,818
13,023	RATES REQUIREMENT	10,771	12,442	14,400	15,896	17,184	18,580	19,688	20,848	21,832	23,526

Roading - Activity Financial Statements											
Budget		10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
2020/21		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Capital Expenditure											
4,579	Renewal	5,336	4,831	5,262	6,268	7,387	8,381	8,892	9,176	9,470	9,781
5,870	New	17,938	20,228	20,425	37,420	27,243	27,877	32,657	33,205	44,076	10,188
10,449	Total Capital Expenditure	23,274	25,059	25,688	43,689	34,630	36,257	41,549	42,381	53,545	19,969
Funded By											
2,183	External Revenue Renewal	2,149	2,364	2,565	3,060	3,618	4,168	4,426	4,567	4,714	4,869
2,036	External Revenue New	3,779	5,026	9,377	16,633	11,876	11,861	18,307	21,407	21,706	3,572
657	Development Contributions	726	814	1,022	1,675	2,347	3,114	3,212	3,286	3,416	3,458
3,630	Rates	2,480	2,791	3,225	3,730	4,149	4,429	4,610	4,759	4,906	5,053
1,944	New Borrowing / (Repayment)	14,140	14,064	9,500	18,591	12,639	12,685	10,994	8,362	18,803	3,017
10,449	Total	23,274	25,059	25,688	43,689	34,630	36,257	41,549	42,381	53,545	19,969

Roading - Operational												
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
ID-Name	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
1472-Business Case work for strategic roads (PNITI)	0%	100%	240	247	510	524	-	-	-	-	-	-
1858-Tree Maintenance	0%	100%	100	103	106	109	112	116	119	123	126	130
1932-Urban Transport Improvements - Enabling PNITI - Business Case	0%	100%	101	104	217	294	-	-	-	-	-	-
1977-City-wide – Transport - Operation and maintenance of vested assets	0%	100%	-	-	-	-	79	81	83	86	88	623
2001-Transport Network & Asset Management - Operating Cost	0%	100%	230	237	244	251	259	266	274	282	290	298
2007-Road Sealed Pavement Maintenance	0%	100%	250	258	265	273	281	289	298	306	315	324
2009-Transport Advanced Investigation	0%	100%	90	93	191	197	202	208	214	221	227	233

Roading - Operational												
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
ID-Name	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
2010-Transport & three waters subdivision public good	0%	100%	150	155	212	219	225	231	238	245	252	259
2018-Transport Bridge Maintenance	0%	0%	127	131	210	216	223	229	236	243	250	257
2028-Street Tree Removals	0%	100%	160	165	308	317	327	336	346	356	366	377
2032-Transport Maintenance - new contract prices	0%	100%	-	-	-	459	585	949	977	1,005	1,034	1,064
2052- Implement Corridor Access Request Fees	0%	100%	(134)	(139)	(143)	(147)	(151)	(156)	(160)	(165)	(169)	(174)
<b>TOTAL</b>			<b>1,314</b>	<b>1,354</b>	<b>2,122</b>	<b>2,714</b>	<b>2,142</b>	<b>2,551</b>	<b>2,625</b>	<b>2,701</b>	<b>2,779</b>	<b>3,392</b>
Funded by Council (Rates and Borrowing)			830	856	1,386	1,666	1,464	1,668	1,716	1,766	1,817	2,402

Roading - Capital Renewal												
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
ID-Name	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
74-City-wide - Street Light Renewals	0%	100%	90	103	117	120	124	168	179	184	189	201
82-Off-street Parking Renewals	0%	100%	65	77	80	126	135	17	18	18	19	19
115-City-wide - Sealed Pavement Renewals (Waka Kotahi Subsidies)	0%	100%	1,650	1,804	1,965	2,404	2,811	3,471	3,572	3,675	3,782	3,892
122-City-wide - Road Drainage Renewals	0%	100%	365	382	399	417	449	484	522	564	608	655
139-City-wide - Sealed Road Resurfacing	0%	100%	2,000	2,217	2,389	2,786	3,429	3,760	4,108	4,227	4,349	4,475
162-City-wide - Vehicle Crossing Renewals	0%	100%	103	119	127	142	157	191	196	202	208	214
1805-City-wide - Transport structure component renewal	0%	100%	100	129	159	273	281	289	298	306	315	324
2074-C/fwd - City-wide - Road Drainage Renewals	0%	100%	8	-	-	-	-	-	-	-	-	-
2104-C/fwd - City-wide - Sealed Pavement Renewals	0%	100%	841	-	-	-	-	-	-	-	-	-
2105-C/fwd - City-wide - Road Drainage Replacements (Unsubsidised)	0%	100%	65	-	-	-	-	-	-	-	-	-
2109-City-wide - Sealed Pavement Renewals (No Subsidy)	0%	100%	49	-	26	-	-	-	-	-	-	-
<b>TOTAL</b>			<b>5,336</b>	<b>4,831</b>	<b>5,262</b>	<b>6,268</b>	<b>7,387</b>	<b>8,381</b>	<b>8,892</b>	<b>9,176</b>	<b>9,470</b>	<b>9,781</b>
Funded by Council (Rates and Borrowing)			3,187	2,467	2,697	3,208	3,769	4,213	4,466	4,609	4,756	4,912

Roading - Capital New												
ID-Name	Growth	LOS	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
			\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
159-Kelvin Grove Road - Safety Improvements	0%	100%	-	-	-	5,573	-	-	-	-	-	-
167-James Line (Schnell Dr to Kelvin Grove Rd) - Improvements	25%	75%	-	-	-	273	1,574	-	-	-	-	-
201-Urban Growth - Development Contributions - Transport	100%	0%	200	206	212	219	225	231	238	245	252	259
279-City-wide - Minor transport improvements	0%	100%	1,633	1,315	1,407	1,557	1,715	1,620	1,667	1,715	1,765	1,816
684-Longburn Rongotea Road/No. 1 Line - Intersection Safety Upgrade	0%	100%	250	-	-	437	2,024	2,314	-	-	-	-
839-Rangitikei St / Featherston St - Intersection Improvements	0%	100%	-	-	-	-	-	-	1,191	(613)	441	5,189
900-C/fwd - The Square East Side - Streetscape Upgrade	0%	100%	351	-	-	-	-	-	-	-	-	-
1094-Milson Line Overbridge Improvement	0%	100%	-	-	-	-	-	-	-	245	378	-
1134-City Entrance Corridors - Streetscape Improvements	0%	100%	-	103	-	-	-	-	-	-	-	-
1367-City-wide - Street Light Infill	0%	100%	846	896	923	676	-	-	-	-	-	-
1595-C/fwd - Roberts/Railway Road North Intersection Safety Realignment	0%	100%	223	-	-	-	-	-	-	-	-	-
1603-C/fwd - Industrial Growth - NEIZ - Richardsons Line Upgrade	0%	100%	15	-	-	-	-	-	-	-	-	-
1615-City-wide - Parking and Traffic Signs and Marking	0%	100%	50	52	53	66	67	69	89	-	-	-
1641-C/fwd - Urban Growth - Whakarongo - Intersection Upgrades	0%	100%	100	-	-	-	-	-	-	-	-	-
1643-C/fwd - Cuba Street urban streetscape improvements - Rangitikei to George Street (Stage 2)	0%	100%	478	-	-	-	-	-	-	-	-	-
1656-C/fwd - City-wide - Minor Road Projects	0%	100%	16	-	-	-	-	-	-	-	-	-
2123-Urban Growth - Kakatangiata - Transport	90%	10%	400	5,671	319	2,732	-	231	536	551	756	778
1682-Pioneer Highway - Improvements	75%	25%	-	-	-	-	-	-	238	490	4,034	843
2124-Urban Growth - Ashhurst - Transport	75%	25%	250	2,784	1,699	1,093	-	-	-	-	-	-
2119-Road to Zero - Transport Safety Improvements	0%	100%	1,170	1,902	2,368	1,508	2,474	1,770	2,917	3,369	2,899	-
1695-PNITI – Intersection & bridge improvements	25%	75%	918	5,260	5,561	8,920	-	-	-	-	-	-
1804-Road drainage improvements	0%	100%	80	82	85	87	90	93	95	98	101	104
1806-City-wide - Street light LED lighting improvements	0%	100%	-	-	-	650	618	-	-	-	-	-
1807-City-wide - Car park infrastructure improvements	0%	100%	475	490	425	-	-	-	-	-	-	-



Roading - Capital New												
ID-Name	Growth	LOS	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
			\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
1808-City-wide - Street amenity improvements	0%	100%	274	282	291	299	308	317	326	336	345	355
1944-Village Road upgrades to urban standard	0%	100%	-	-	234	1,858	270	289	2,143	306	2,395	324
2013-PNITI – Strategic Transport Corridor Improvements	25%	75%	-	258	5,310	8,742	10,120	10,992	20,240	24,502	25,212	-
2058-Urban Growth - NEIZ - Transport	80%	20%	7,650	-	265	1,639	2,249	-	-	-	-	-
2059-Urban Transport Improvements - Enabling PNITI	0%	100%	1,950	103	319	437	1,574	1,388	357	1,225	-	-
2061-Rural Road Safety & Accessibility Improvements	0%	100%	-	-	-	328	3,373	1,388	2,381	490	5,244	259
2065-Urban Growth - Whakarongo - Transport	100%	0%	200	206	212	328	562	7,173	238	245	252	259
2075-C/fwd - Park Road / Cook Street - Intersection Improvements	0%	100%	200	-	-	-	-	-	-	-	-	-
2076-C/fwd - Ferguson Street (Linton Street to Pitt Street) - Road Widening and Traffic Signal Installation	0%	100%	9	-	-	-	-	-	-	-	-	-
2078-C/fwd - Monrad Pencarrow Roundabout installation	0%	100%	196	-	-	-	-	-	-	-	-	-
2079-C/fwd - City-wide - Parking and Traffic Signs and Marking	0%	100%	5	-	-	-	-	-	-	-	-	-
2111-Kelvin Grove Road - Safety Improvements to intersections	0%	100%	-	619	743	-	-	-	-	-	-	-
<b>TOTAL</b>			<b>17,938</b>	<b>20,228</b>	<b>20,425</b>	<b>37,420</b>	<b>27,243</b>	<b>27,877</b>	<b>32,657</b>	<b>33,205</b>	<b>44,076</b>	<b>10,188</b>
Funded by Council (Rates and Borrowing)			14,159	15,202	11,049	20,788	15,367	16,016	14,350	11,798	22,370	6,616

Active and Public Transport - Activity Financial Statements												
Budget			10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
2020/21			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
\$'000s			\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
<b>Revenue</b>												
15	Active Transport		827	853	879	905	931	958	986	1,014	1,044	1,074
104	Footpaths		139	143	148	152	156	161	166	170	175	180
85	Public Transport		231	185	137	141	145	149	153	158	162	167
204	Total Revenue		1,197	1,181	1,164	1,197	1,232	1,268	1,305	1,342	1,381	1,421

<b>Active and Public Transport - Activity Financial Statements</b>											
Budget		10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
2020/21		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
<b>Expenses</b>											
1,688	Active Transport	2,480	2,904	3,574	3,943	4,375	4,883	5,290	5,724	6,367	6,813
3,286	Footpaths	2,967	3,019	3,138	3,180	3,224	3,318	3,379	3,427	3,497	3,567
213	Public Transport	370	468	402	558	855	1,174	1,186	1,212	1,272	1,286
5,187	Total Expenses	5,817	6,391	7,115	7,681	8,454	9,375	9,854	10,364	11,135	11,666
<b>4,982</b>	<b>NET OPERATING COST OF ACTIVITY</b>	<b>4,620</b>	<b>5,209</b>	<b>5,951</b>	<b>6,483</b>	<b>7,222</b>	<b>8,107</b>	<b>8,550</b>	<b>9,022</b>	<b>9,754</b>	<b>10,245</b>
<b>Rating Requirement</b>											
(3,335)	Less Depreciation	(2,931)	(3,152)	(3,406)	(3,729)	(4,224)	(4,882)	(5,142)	(5,400)	(5,970)	(6,278)
525	Plus Net Capital Renewal (3 Year Average)	520	581	642	705	726	749	773	850	926	1,004
450	Plus Debt Repayment	387	426	530	697	905	1,120	1,264	1,440	1,627	1,788
<b>2,623</b>	<b>RATES REQUIREMENT</b>	<b>2,597</b>	<b>3,064</b>	<b>3,717</b>	<b>4,157</b>	<b>4,629</b>	<b>5,094</b>	<b>5,444</b>	<b>5,912</b>	<b>6,337</b>	<b>6,758</b>
<b>Capital Expenditure</b>											
1,034	Renewal	872	899	925	1,412	1,453	1,495	1,542	1,599	1,645	2,017
3,195	New	5,631	6,070	10,804	12,095	12,105	7,627	10,389	10,447	7,595	8,536
4,229	Total Capital Expenditure	6,503	6,969	11,729	13,507	13,558	9,123	11,931	12,045	9,240	10,554
<b>Funded By</b>											
522	External Revenue Renewal	367	378	390	727	748	770	795	824	848	1,038
1,470	External Revenue New	2,595	2,925	5,402	5,988	5,984	3,698	5,177	5,250	3,874	4,271
525	Rates	520	581	642	705	726	749	773	850	926	1,004
1,713	New Borrowing / (Repayment)	3,020	3,085	5,296	6,087	6,100	3,906	5,186	5,121	3,592	4,241

Active and Public Transport - Activity Financial Statements											
Budget		10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
2020/21		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
<b>4,229</b>	<b>Total</b>	<b>6,503</b>	<b>6,969</b>	<b>11,729</b>	<b>13,507</b>	<b>13,558</b>	<b>9,123</b>	<b>11,931</b>	<b>12,045</b>	<b>9,240</b>	<b>10,554</b>

Active and Public Transport - Operational												
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
ID-Name	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
1442-Active Transport Behaviour Change Programmes	0%	100%	201	207	240	247	254	261	269	277	285	293
1494-Active and Public Transport Planning & Investigation	0%	100%	150	155	159	164	169	174	179	184	189	195
1878-Active Transport Innovation	0%	100%	-	52	106	109	112	116	119	123	126	130
1978-City-wide – Active Transport - Operation and maintenance of vested assets	0%	100%	-	-	-	-	-	-	-	-	-	21
1994-Cycle Path Maintenance	0%	100%	98	101	211	217	224	230	237	244	251	258
1995-Footpath Maintenance	0%	100%	69	71	73	75	78	80	82	85	87	90
2021-Innovating Streets	0%	100%	563	580	597	615	633	651	670	689	709	730
2025-Urban Bus Terminal Redevelopment Business Case	0%	100%	200	103	-	-	-	-	-	-	-	-
2037-Additional cycle path sweeping	0%	100%	100	103	212	219	225	231	238	245	252	259
<b>TOTAL</b>			<b>1,381</b>	<b>1,372</b>	<b>1,600</b>	<b>1,646</b>	<b>1,694</b>	<b>1,743</b>	<b>1,794</b>	<b>1,846</b>	<b>1,899</b>	<b>1,975</b>
Funded by Council (Rates and Borrowing)			440	454	600	617	635	654	673	692	712	754

Active and Public Transport - Capital Renewal												
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
ID-Name	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
64-City-wide - Footpath Renewals (Waka Kotahi Subsidies)	0%	100%	650	670	690	1,366	1,406	1,446	1,488	1,531	1,576	1,946
181-City-wide - Public Transport Infrastructure Renewals	0%	100%	30	31	32	33	34	35	36	49	50	52
648-City-wide - Supporting Cycle Infrastructure Renewals	0%	100%	20	21	21	14	14	14	18	18	19	19
2110-City-wide - Footpath Renewals (No Subsidy)	0%	100%	172	177	182	-	-	-	-	-	-	-

<b>TOTAL</b>			<b>872</b>	<b>899</b>	<b>925</b>	<b>1,412</b>	<b>1,453</b>	<b>1,495</b>	<b>1,542</b>	<b>1,599</b>	<b>1,645</b>	<b>2,017</b>
Funded by Council (Rates and Borrowing)			505	520	536	685	705	726	747	774	797	979
<b>Active and Public Transport - Capital New</b>												
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
ID-Name	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
243-Urban Bus Terminal Redevelopment	0%	100%	75	158	2,166	4,999	5,348	-	-	-	-	-
1121-Tennent Drive Improvements - Food HQ & Massey	0%	100%	-	268	2,761	-	40	787	3,834	2,475	-	-
1225-C/fwd - Manawatū River Shared Path Extension	0%	100%	45	-	-	-	-	-	-	-	-	-
1559-City-wide - Urban Cycle Infrastructure Network improvements	0%	100%	816	2,217	2,283	2,349	2,417	2,488	2,560	2,634	2,710	2,789
1605-C/fwd - City-wide - Footpath extensions	0%	100%	38	-	-	-	-	-	-	-	-	-
1633-C/fwd - Urban Cycle Network Development	0%	100%	843	-	-	-	-	-	-	-	-	-
1648-C/fwd - Shared path resilience improvements - Limestone to concrete	0%	100%	125	-	-	-	-	-	-	-	-	-
1653-C/fwd - City-wide - Cycle Phases at Intersections	0%	100%	42	-	-	-	-	-	-	-	-	-
1657-C/fwd - Summerhill Drive - Pedestrian and Cycle Improvements	0%	100%	103	-	-	-	-	-	-	-	-	-
2120-City-wide - Off Road Shared Path Network Improvements	0%	100%	415	453	441	453	467	480	494	508	523	538
2121-City-wide - Footpath Improvements	0%	100%	518	513	529	544	560	576	593	610	628	646
1680-City-wide - Public Transport Infrastructure Improvements	0%	100%	-	93	-	98	-	104	-	110	-	117
1803-Neighborhood Streetscape Improvements	0%	100%	330	-	32	328	34	347	36	368	38	389
1925-Urban Growth - Development Contributions - Active Transport	20%	80%	-	134	-	142	146	150	-	159	-	169
2026-Active Transport Measurement	0%	100%	200	206	212	219	225	231	238	-	-	-
2056-City-wide - Supporting Cycle Infrastructure Improvements	0%	100%	76	103	59	50	44	108	37	25	35	121
2057-Regional Shared Path Network Improvements	0%	100%	1,832	1,926	2,320	2,912	2,824	2,355	2,597	3,558	3,661	3,767
2067-C/fwd - Shared Path Connection - Riverside Drive to Railway Road	0%	100%	33	-	-	-	-	-	-	-	-	-
2068-C/fwd - Palmerston North to Bunnythorpe Shared Path	0%	100%	90	-	-	-	-	-	-	-	-	-
2108-C/fwd - Summerhill Drive - On-Street Parking Infrastructure	0%	100%	50	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>			<b>5,631</b>	<b>6,070</b>	<b>10,804</b>	<b>12,095</b>	<b>12,105</b>	<b>7,627</b>	<b>10,389</b>	<b>10,447</b>	<b>7,595</b>	<b>8,536</b>
Funded by Council (Rates and Borrowing)			3,036	3,145	5,402	6,108	6,121	3,929	5,212	5,197	3,722	4,265

# Goal 2: A Creative and Exciting City – He tāone whakaihiihi, tapatapahi ana

Our goal is for Palmerston North to be a creative and exciting place to live. We want to offer a great lifestyle in a city that reflects the diversity of city communities.

We want to support the arts to flourish and our cultural institutions to thrive as they respond to our communities' needs and interests. We want everyone to have opportunities to be active and to experience the advantages of a big city without hassle and cost. We understand that we will need to work with our partners to achieve our shared goals.

**Target: Palmerston North scores above 65 in the Creative Cities Index by 2031**

**Paetae: Kia eke a Papaioea ki te 65 neke atu i Te Tauine Tāone Auaha, i mua i te tau 2031**

## Priorities - Ngā tino o te whāinga

The priorities of Goal 2: A creative and exciting city are:

1. He waihanga i te tāone me ōna wāhi papai mō te katoa  
Create a city that has great places for all people
2. He whakanui i te hītori me te kanorautanga o te tāone, me te whakapakari i tōna pai hei kāinga mō ngā ahurea me n gā reo maha  
Celebrate the city's history and diversity, and build on the strength of being a city of many cultures and languages
3. He waihanga i te tāone auaha, he poipoi, he whakanui anō i ngā toi  
Be a creative city that nurtures and celebrates the arts
4. He whakaū i te rongonui o te tāone hei tāone whakihiihi, he nui ōna mahi ā-rēhia i ngā pō, i ngā mutunga wiki hoki  
Develop a national reputation as an exciting city with plenty to do at night and on weekends
5. He whakatenatena i te kori tinana kia eke ki tua atu i hapori kē i Aotearoa  
Be one of the most active communities in New Zealand

Within Goal 2 Council has the following Plans and Activities

- » Active communities
- » Arts and heritage
- » City shaping.

# Active Communities - He hapori whakahohe

People are generally healthier and happier in places where decision-makers prioritise physical activity. Being active contributes to all aspects of health; te whare tapa whā. The purpose of this Activity and Plan is for our community to access a range of play, active recreation and sport environments. For more information see Council's Active Communities Plan.

## Purpose of the plan - Te take o te mahere

The 10-Year Plan levels of service for this Plan and Activity are:

- 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)
- Work in partnership with external recreation organisations, and facility providers, to help increase levels of participation in play, active recreation and sport

These levels of service are monitored through the following measures and targets:

Levels of service	Measures of Success (with results from 2019-20)	Targets Year 1 2021-22	Targets Year 2 2022-23	Targets Year 3 2023-24	Targets 4-10
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	Increase in use of parks, sports fields and playgrounds. (new – baseline to be set)	Narrative measure outlining Parks Check Survey results.	Narrative measure outlining Parks Check Survey results.	Narrative measure outlining Parks Check Survey results.	Narrative measure outlining Parks Check Survey results.
	Increase in use of aquatic facilities. (Not met due to covid – previous full year of usage was 380,000 at Lido and 178,500 at Freyberg)	Usage numbers at Lido, Freyberg and Ashhurst Pools.	Usage numbers at Lido, Freyberg and Ashhurst Pools.	Usage numbers at Lido, Freyberg and Ashhurst Pools.	Usage numbers at Lido, Freyberg and Ashhurst Pools.
	Increase in use of Central Energy Trust Arena for community sport and active recreation. (new – baseline to be set)	Narrative measure outlining number of community events and hours.	Narrative measure outlining number of community events and hours.	Narrative measure outlining number of community events and hours.	Narrative measure outlining number of community events and hours.

Levels of service	Measures of Success (with results from 2019-20)	Targets Year 1 2021-22	Targets Year 2 2022-23	Targets Year 3 2023-24	Targets 4-10
Arena, walkways and shared paths, and swimming pools).	Increase in satisfaction of Council's sport and recreation facilities. (new – overall satisfaction with Council's management and maintenance of open spaces is 86% (12% neutral and 2% dissatisfied. 2021 survey)	Narrative measure outlining trends in user and resident feedback and surveys.	Narrative measure outlining trends in user and resident feedback and surveys.	Narrative measure outlining trends in user and resident feedback and surveys.	Narrative measure outlining trends in user and resident feedback and surveys.
Work in partnership with external recreation organisations, and facility providers, to help increase levels of participation in play, active recreation and sport.	Council works in partnership with external organisations. (Met. Council supports Sport Manawatū to encourage community participation in play, active recreation and sport.)	Narrative measure outlining partnership initiatives designed to increase participation and their outcomes.	Narrative measure outlining partnership initiatives designed to increase participation and their outcomes.	Narrative measure outlining partnership initiatives designed to increase participation and their outcomes.	Narrative measure outlining partnership initiatives designed to increase participation and their outcomes.

These are monitored every three months through the Quarterly Reports and through the Annual Report.

Council will also monitor the Plan through the one-off measures that are reported annually through the City Dashboard, including:

Increase in participation rates for all adults in sport and recreation

### Significant Negative Effects

Some leisure and community assets may become the gathering place for antisocial behaviour. Council manages this by crime prevention through environmental design (CEPTED) including well managed environments, sightlines/ surveillance (i.e. CCTV), lighting – only where night activity is encouraged.

Chemicals and building materials used in the maintenance of these assets may have an overall negative impact on the environment. To minimise this effect Council uses chemicals sparingly and handles them with care.

<b>Active Communities - Activity Financial Statements</b>											
<b>Budget</b>		<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>
<b>2020/21</b>		<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>
<b>\$'000s</b>		<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>
<b>Revenue</b>											
1,018	Central Energy Trust Arena	1,925	1,977	2,026	2,075	2,127	2,178	2,233	2,291	2,350	2,407
40	City Reserves	557	880	902	923	946	969	993	1,019	1,046	1,071
116	Local Reserves	131	135	138	141	145	149	152	156	160	164
57	Sportsfields	120	123	126	129	133	136	139	143	147	150
100	Swimming Pools	80	82	84	86	88	91	93	95	98	100
1,332	<b>Total Revenue</b>	<b>2,813</b>	<b>3,197</b>	<b>3,277</b>	<b>3,356</b>	<b>3,440</b>	<b>3,522</b>	<b>3,610</b>	<b>3,704</b>	<b>3,800</b>	<b>3,892</b>
<b>Expenses</b>											
6,289	Central Energy Trust Arena	6,614	6,698	6,852	6,976	7,105	7,542	7,938	8,014	8,090	8,301
3,884	City Reserves	3,798	4,043	4,300	4,530	4,846	4,991	5,162	5,315	5,411	5,541
4,070	Local Reserves	3,421	3,812	4,167	4,500	4,627	4,766	5,090	5,218	5,298	5,679
3,309	Sportsfields	3,174	3,245	3,388	3,645	3,669	3,717	3,777	4,157	3,899	3,960
1,294	Support to recreation groups	1,037	994	1,051	1,021	984	1,007	1,029	1,055	1,080	1,104
2,655	Swimming Pools	2,424	2,451	2,493	2,540	2,584	2,629	2,685	2,736	2,787	2,847
21,500	<b>Total Expenses</b>	<b>20,466</b>	<b>21,243</b>	<b>22,252</b>	<b>23,212</b>	<b>23,815</b>	<b>24,651</b>	<b>25,680</b>	<b>26,494</b>	<b>26,567</b>	<b>27,432</b>
<b>20,168</b>	<b>NET OPERATING COST OF ACTIVITY</b>	<b>17,654</b>	<b>18,046</b>	<b>18,976</b>	<b>19,857</b>	<b>20,376</b>	<b>21,129</b>	<b>22,070</b>	<b>22,790</b>	<b>22,766</b>	<b>23,540</b>
<b>Rating Requirement</b>											
(6,889)	Less Depreciation	(5,820)	(5,937)	(6,128)	(6,573)	(6,745)	(7,035)	(7,634)	(7,696)	(7,717)	(8,141)
2,400	Plus Net Capital Renewal (3 Year Average)	4,492	4,469	4,622	4,501	4,609	4,071	3,983	3,913	3,956	3,864
870	Plus Debt Repayment	1,027	1,149	1,326	1,522	1,714	1,881	2,082	2,176	2,262	2,384
<b>16,550</b>	<b>RATES REQUIREMENT</b>	<b>17,352</b>	<b>17,728</b>	<b>18,795</b>	<b>19,307</b>	<b>19,954</b>	<b>20,046</b>	<b>20,500</b>	<b>21,184</b>	<b>21,267</b>	<b>21,646</b>



<b>Active Communities - Activity Financial Statements</b>											
<b>Budget</b>		<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>
<b>2020/21</b>		<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>
<b>\$'000s</b>		<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>
<b>Capital Expenditure</b>											
3,260	Renewal	4,144	4,791	4,612	4,004	5,249	4,249	4,330	3,633	3,985	4,122
17,925	New	3,768	5,197	5,812	6,935	10,409	9,639	2,410	1,419	2,817	2,180
21,185	Total Capital Expenditure	7,912	9,988	10,424	10,939	15,657	13,888	6,740	5,052	6,802	6,302
<b>Funded By</b>											
529	External Revenue New	20	95	1,139	824	5,182	3,366	366	-	-	-
294	Development Contributions	325	283	355	582	814	1,081	1,114	1,140	1,185	1,200
2,400	Rates	4,492	4,469	4,622	4,501	4,609	4,071	3,983	3,913	3,956	3,864
17,962	New Borrowing / (Repayment)	3,075	5,141	4,309	5,033	5,052	5,371	1,278	(1)	1,661	1,238
21,185	Total	7,912	9,988	10,424	10,939	15,657	13,888	6,740	5,052	6,802	6,302

<b>Active Communities - Operational</b>												
			<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>
<b>ID-Name</b>	<b>Growth</b>	<b>LOS</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>
355-Arapuke Forest Management	0%	100%	60	53	38	40	55	45	46	48	53	95
799-Events - Major School Sports Events funding (part of Sports Events Partnership Fund)	0%	100%	89	92	94	96	98	100	102	104	107	109
1073-City-wide - Reserve Management Planning	0%	100%	64	66	67	69	71	72	74	76	78	80
1249-Arapuke Forest Park - Contribution to Manawatū Mountain Bike Club for Trail Development	0%	100%	60	62	63	65	66	68	70	71	73	75
1356-Sportsfields and Outdoor Courts - Hockey Turf Renewal Grant - Massey University	0%	100%	-	-	-	-	-	-	-	309	-	-
1422-Regional Sports Facilities Plan - Investment Process Management (Sport Manawatū)	0%	100%	20	21	21	22	22	23	23	24	24	25
1424-Active Community Access Fund - Low Income Opportunities	0%	100%	10	10	11	11	11	11	12	12	12	12
1431-Walkways and Shared Paths - Art and Heritage Trails	0%	100%	6	6	6	6	7	7	7	7	7	8

Active Communities - Operational												
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
ID-Name	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
1438-Asset Management Planning - Parks underground services investigations	0%	100%	-	-	21	22	22	23	23	24	24	25
1611-Free Swimming for Under 5 Year Olds	0%	100%	147	151	155	158	162	166	170	175	179	184
1726-Property - Condition Assessments	0%	100%	20	21	21	22	22	23	23	24	24	25
1728-Property - Underground Services Investigations	0%	100%	25	26	53	54	55	57	58	60	61	63
1885-Asset Management Improvement Plan Task Programme	0%	100%	150	411	105	-	-	-	-	-	-	-
1891-Covered Bowling Green - Feasibility Study	0%	0%	50	-	-	-	-	-	-	-	-	-
1899-Aquatic facilities and water recreation preliminary feasibility study/needs assessment	0%	100%	-	51	52	-	-	-	-	-	-	-
1906-Sportsfields/artificial turf detailed feasibility assessment	0%	0%	35	-	-	-	-	-	-	-	-	-
1912-Indoor courts preliminary feasibility study/needs assessment	0%	0%	-	-	52	54	-	-	-	-	-	-
1913-Review of the Manawatū-Whanganui Regional Sport Facility Plan (PNCC contribution)	0%	0%	50	21	-	-	-	-	-	-	-	-
1973-Arena - Building Maintenance	0%	100%	190	195	236	241	248	253	260	267	273	280
1981-City-wide Reserves - Building Maintenance	0%	100%	80	82	122	125	129	132	135	138	142	145
1985-Swimming Pools - Splashhurst Pool Maintenance Costs	0%	100%	29	30	31	31	32	33	34	35	35	36
1992-Sportsfields - Building Maintenance	0%	100%	45	46	72	73	75	77	79	81	83	85
1997-City Reserves- Memorial Park - Operate New Splashpad	0%	100%	22	23	23	24	24	25	26	26	27	28
2000-City Reserves - Walkways - Maintain existing network	0%	100%	29	30	78	80	82	84	86	88	91	93
2005-Local Reserves - Operation and Maintenance of new assets	0%	100%	95	98	183	188	192	197	202	207	212	218
2011-City Reserves - Victoria Esplanade - Operating Costs	0%	100%	45	46	94	96	98	101	103	106	109	111
2114-Sports Event Partnership Increased Funding	0%	100%	40	41	42	43	44	45	46	47	48	49
<b>TOTAL</b>			<b>1,363</b>	<b>1,581</b>	<b>1,641</b>	<b>1,519</b>	<b>1,516</b>	<b>1,541</b>	<b>1,579</b>	<b>1,929</b>	<b>1,664</b>	<b>1,745</b>
Funded by Council (Rates and Borrowing)			1,363	1,581	1,641	1,519	1,516	1,541	1,579	1,929	1,664	1,745

Active Communities - Capital Renewal												
ID-Name	Growth	LOS	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
			\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
819-Central Energy Trust Arena - Replacement of Equipment	0%	100%	45	46	46	46	47	47	47	49	49	50
1051-CET Arena - Arena Renewals	0%	100%	1,490	1,407	1,442	1,930	1,978	1,460	916	1,535	965	988
1242-Central Energy Trust Arena - Replacement for Arena Big Screen	0%	100%	-	-	-	-	866	-	-	-	-	-
1759-CET Arena - Grounds Renewals	0%	100%	45	46	47	49	50	51	52	54	55	56
1786-Recreational Buildings - Sports Pavilion and Changing Room Renewals	0%	100%	200	205	211	216	221	226	232	238	244	250
1827-Local Reserves - Renewals	0%	100%	715	756	721	714	732	749	721	823	759	828
1829-Sportsfields and Artificial Turfs - Renewals	0%	100%	285	258	143	93	141	165	668	126	703	379
1830-City Reserves - Memorial Park - Renewals	0%	100%	163	267	279	57	42	24	46	6	54	99
1831-City Reserves - Te Marae o Hine - The Square - Renewals	0%	100%	52	73	93	62	31	71	31	11	4	62
1832-City Reserves - Ashhurst Domain - Renewals	0%	100%	51	36	272	3	3	65	6	7	12	4
1834-City Reserves - Walkways - Renewals	0%	100%	101	99	114	115	118	121	125	127	130	133
1835-City Reserves - Linklater Reserve - Renewals	0%	100%	3	62	19	13	3	3	3	7	10	66
1836-Kahuterawa Outdoor Recreation Park - Renewals	0%	100%	-	-	-	8	28	49	2	7	13	20
1837-Swimming Pools - Pool Renewals	0%	100%	453	638	664	614	663	866	1,293	608	851	849
1840-City Reserves - Victoria Esplanade- Renewals	0%	100%	305	332	140	85	327	352	186	36	135	336
1960-Central Energy Trust Arena- Arena 1 Sound System Replacement-oval	0%	100%	-	205	-	-	-	-	-	-	-	-
1962-Arena Security Card System	0%	100%	15	51	53	-	-	-	-	-	-	-
1963-Central Energy Trust Arena- Score clock Replacment Arena2	0%	100%	-	-	368	-	-	-	-	-	-	-
1964-Arena Indoor Stadium Sound System Replacement	0%	100%	150	154	-	-	-	-	-	-	-	-
1965-Arena Kitchen Equipment Replacement	0%	100%	-	154	-	-	-	-	-	-	-	-
2087-C/fwd - Citywide Reserves - Renewals (Victoria Esplanade, Memorial Park, Ashhurst Domain and Te Marae o Hine)	0%	100%	54	-	-	-	-	-	-	-	-	-
2088-C/fwd - City-wide - Refurbishment and Replacement of Boundary Fences on Reserves	0%	100%	18	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>			<b>4,144</b>	<b>4,791</b>	<b>4,612</b>	<b>4,004</b>	<b>5,249</b>	<b>4,249</b>	<b>4,330</b>	<b>3,633</b>	<b>3,985</b>	<b>4,122</b>
Funded by Council (Rates and Borrowing)			4,144	4,791	4,612	4,004	5,249	4,249	4,330	3,633	3,985	4,122

Active Communities - Capital New												
ID-Name	Growth	LOS	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
			\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
111-Local Reserves - Roslyn - Edwards Pit Park Development	0%	100%	35	36	37	38	39	40	41	-	-	-
165-Outdoor Adventure Reserves - Arapuke Forest Park/Kahuterawa Development	0%	100%	7	7	5	6	6	6	6	6	6	6
558-Urban Growth - Local Reserves - Takaro - Oriana Reserve Development	0%	100%	-	101	-	-	-	-	-	-	-	-
761-C/fwd - Clearview Reserve Development	0%	100%	31	-	-	-	-	-	-	-	-	-
967-City-wide - Edibles Planting	0%	100%	5	5	5	6	6	6	6	6	-	6
990-Central Energy Trust Arena - Southern Grandstand (subject to part external funding)	0%	100%	-	-	105	647	7,735	4,979	-	-	-	-
1099-Parks and Reserves - Shade Development	0%	100%	30	31	32	11	11	11	12	12	12	13
1127-City Reserves - Victoria Esplanade - Bonsai & Shade House	0%	100%	-	-	-	571	-	-	-	-	-	-
1133-Sportsfields - Artificial Football Field (subject to part external funding)	0%	100%	-	190	2,058	-	-	-	-	-	-	-
1194-CET Arena - Future Masterplan Items	0%	100%	-	-	-	-	332	1,471	-	-	-	625
1487-Walkways and Shared Paths - Mangaone Stream Shared Path enhancement - Harness Racing Club planting strip purchase and development	0%	100%	-	-	373	-	-	-	-	-	-	-
1560-Sportsfields - Bill Brown Park - Additional Carparking	0%	100%	-	231	-	-	-	-	-	-	-	-
1584-C/fwd - Walkways and Shared Path - Purchase of Land to Extend Network	0%	100%	349	-	-	-	-	-	-	-	-	-
1634-C/fwd - Local Reserves - Takaro - Oriana Reserve Development	0%	100%	80	-	-	-	-	-	-	-	-	-
1763-CET Arena - Property Purchase	0%	100%	450	-	-	916	-	-	-	-	-	-
1838-City Growth - City Reserves - Victoria Esplanade - Exotic Aviaries	34%	66%	-	-	132	1,302	-	-	-	-	-	-
1845-City Growth - City Reserves - Te Marae o Hine - The Square - Capital New	0%	100%	138	162	82	-	113	75	-	-	-	-
1846-City Growth - City Reserves - Walkway Extensions - Capital New	34%	66%	229	324	241	247	253	259	266	273	280	286
1847-City Growth - City Reserves - Victoria Esplanade - Capital New	34%	66%	111	-	608	-	466	488	508	-	-	990
1848-City Growth - City Reserves - Linklater Reserve - Capital New	34%	66%	68	103	-	-	-	-	-	-	-	-
1849-City Growth - City Reserves - Ashhurst Domain - Capital New	34%	66%	-	-	-	-	94	294	307	-	-	-

Active Communities - Capital New												
ID-Name	Growth	LOS	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
			\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
1850-City Growth - City Reserves - Memorial Park - Capital New	34%	66%	548	225	8	84	64	-	-	-	-	-
1851-Sportsfield Improvements - Capital New	0%	100%	-	12	223	-	-	7	259	-	-	-
1852-Local Reserves - Improvements to existing reserves to close identified level of service gaps	0%	100%	150	154	147	75	66	68	-	-	-	-
1853-Local Reserves - Development of Existing Reserves - Capital New	0%	100%	25	27	293	-	-	-	-	-	-	-
1854-Swimming Pools - Splashurst Pool Enhancements	0%	100%	60	-	-	-	-	-	-	-	-	-
1855-Urban Growth - Aokautere - Reserves - Purchase and Development	100%	0%	-	-	-	1,578	106	210	3	77	91	112
1856-Urban Growth - Hokowhitu - Reserves - Purchase and Development	100%	0%	41	444	-	22	-	-	-	-	-	-
1857-Urban Growth - Kakatangita - Kikiwhenua - Reserves - Purchase and Development	0%	100%	-	2,091	303	890	-	-	-	-	-	-
1859-Urban Growth - Whakarongo - Reserves Purchase and Development	100%	0%	-	28	37	-	336	14	332	-	1,516	18
1860-Urban Growth - Ashhurst - Reserves Purchase and Development	100%	0%	-	466	11	266	-	-	-	893	27	-
1861-Urban Growth - Flyers Line - Reserves Purchase and Development	100%	0%	-	-	796	10	591	-	-	-	-	-
1862-Urban Growth - Kakangiata - Reserves Purchase and Development	100%	0%	-	-	-	-	-	1,471	-	35	765	-
1884-Local Reserves - Accessibility and Safety Improvements	0%	100%	99	102	104	107	109	112	115	118	121	124
1890-City Growth - City Reserves - Victoria Esplanade Master Plan Developments - Stage Two	34%	66%	-	-	25	-	6	5	2	-	-	-
1966-Arena 4 Powerlock Install for Emergency Connection	0%	100%	50	-	-	-	-	-	-	-	-	-
2006-City Centre Play - Fixed Play Development	0%	100%	70	72	74	75	77	79	-	-	-	-
2012-City Reserves - Victoria Esplanade - Exotic Aviaries Stage Two	34%	66%	-	-	-	-	-	45	555	-	-	-
2038-Urban Growth - Aokautere - Reserves - Development of Adderstone Reserve	0%	100%	-	-	-	85	-	-	-	-	-	-
2043-Urban Growth - Napier Road Extension - Reserve and walkways purchase and development	100%	0%	-	388	114	-	-	-	-	-	-	-
2069-C/fwd - Neighbourhood Reserves- Aokautere - Peace Tree Reserve Development	0%	100%	60	-	-	-	-	-	-	-	-	-
2070-C/fwd - Urban Growth - Whakarongo - Reserves Land Purchases	0%	100%	639	-	-	-	-	-	-	-	-	-

Active Communities - Capital New												
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
ID-Name	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
2071-C/fwd - Urban Growth - Whakarongo - Walkways Land Purchases	0%	100%	148	-	-	-	-	-	-	-	-	-
2072-C/fwd - City Reserves -Victoria Esplanade - Park Road Entrance and Parking Reconfiguration	0%	100%	159	-	-	-	-	-	-	-	-	-
2073-C/fwd - City Reserves - Victoria Esplanade - Bonsai House	0%	100%	66	-	-	-	-	-	-	-	-	-
2112-Arapuke Forest Park - Manawatū Mountain Bike Club Co-Funding building of shelter	0%	100%	100	-	-	-	-	-	-	-	-	-
2113-Mobility Scooters for Public Use	0%	100%	20	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>			<b>3,768</b>	<b>5,197</b>	<b>5,812</b>	<b>6,935</b>	<b>10,409</b>	<b>9,639</b>	<b>2,410</b>	<b>1,419</b>	<b>2,817</b>	<b>2,180</b>
Funded by Council (Rates and Borrowing)			3,748	5,102	4,673	6,111	5,226	6,273	2,044	1,419	2,817	2,180

# Arts and Heritage - Te toi me te taonga tuku iho

'The arts' refer to expressions of creativity, and encompass 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 this chapter is to develop a culturally rich city and for people to have opportunities to express

their creativity and cultural identity. For more information see Council's Arts and Heritage Plan.

## Purpose of the plan - Te take o te mahere

The 10-Year Plan levels of service for this Plan and Activity are:

- » Provide support to community organisations, cultural Council Controlled organisations and individuals to help make Palmerston North a creative and exciting city.
- » Maintain and enhance cultural facilities that provide a range of opportunities for people to access and participate in the arts
- » Work closely with Rangitāne o Manawatū to support it to be kaitiaki of its heritage places and to increase their wider community's understanding and appreciation of Rangitāne o Manawatū heritage
- » Promote and celebrate local history
- » Invest in cultural heritage buildings and places to give the community the opportunity to use and appreciate their heritage values.

These levels of service are monitored through the following measures and targets:

Levels of service	Measures of Success (with results from 2019-20)	Targets Year 1 2021-22	Targets Year 2 2022-23	Targets Year 3 2023-24	Targets 4-10
Provide support to community organisations, cultural Council-Controlled Organisations and individuals to help make Palmerston North a creative and exciting city.	Increase in patronage of Council-owned cultural facilities (Te Manawa, Globe Theatre, Regent Theatre, and Square Edge), as measured by reports provided by operators. (new – see CCO	Annual patronage numbers for the CCOs increase	Annual patronage numbers for the CCOs increase	Annual patronage numbers for the CCOs increase	Annual patronage numbers for the CCOs increase

Levels of service	Measures of Success (with results from 2019-20)	Targets Year 1 2021-22	Targets Year 2 2022-23	Targets Year 3 2023-24	Targets 4-10
Maintain and enhance cultural facilities that provide a range of opportunities for people to access and participate in the arts.	pages in Section 4 for current figures)				
	Funding is distributed and the key objectives achieved. (met – see CCO pages in Section 4 for current results)	Narrative measure outlining outcomes achieved by the CCOs.	Narrative measure outlining outcomes achieved by the CCOs.	Narrative measure outlining outcomes achieved by the CCOs.	Narrative measure outlining outcomes achieved by the CCOs.
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.	Sites of significance to Rangitāne o Manawatū are identified, protected or acknowledged. (met – eg through District Plan change C)	Narrative measure outlining the number and description of sites.	Narrative measure outlining the number and description of sites.	Narrative measure outlining the number and description of sites.	Narrative measure outlining the number and description of sites.
Invest in cultural heritage buildings and places to give the community the opportunity to use and appreciate their heritage values.	Increase in investment of earthquake-prone heritage buildings. (new – Council is currently working with building owners, eg of the old Post Office)	Narrative measure outlining investment in buildings and its outcomes.	Narrative measure outlining investment in buildings and its outcomes.	Narrative measure outlining investment in buildings and its outcomes.	Narrative measure outlining investment in buildings and its outcomes.
Promote and celebrate local history.	Heritage is part of the multi-disciplinary approach to working on Council projects. (new – occurs through Arts and Heritage Plan)	Narrative measure outlining the projects and their multi-disciplinary nature.	Narrative measure outlining the projects and their multi-disciplinary nature.	Narrative measure outlining the projects and their multi-disciplinary nature.	Narrative measure outlining the projects and their multi-disciplinary nature.



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These are monitored every three months through the Quarterly Reports and through the Annual Report.

Council will monitor these measures of success and report on these through the City Dashboards:

- » Increase in arts participation and attendance rates of residents
- » Increased representation of emerging, local and Māori artists in public art commissioned by Council

- » More community engagement and involvement in the development of heritage initiatives
- » Heritage is more prominent within the City
- » Increase in the number of scheduled heritage features contained in the District Plan
- » Decrease in vacancy rates in earthquake-prone heritage buildings

<b>Arts and Heritage - Activity Financial Statements</b>											
<b>Budget</b>		<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>
<b>2020/21</b>		<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>
<b>\$'000s</b>		<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>
<b>Revenue</b>											
-	Heritage Management	-	-	-	-	-	-	-	-	-	-
-	Other Cultural Facilities	1	1	1	1	1	1	1	1	1	1
64	Support to arts, culture & heritage groups	64	66	67	69	70	72	73	75	76	78
34	Te Manawa	31	32	33	33	34	35	36	37	38	39
98	<b>Total Revenue</b>	96	98	100	103	105	107	110	112	115	118
<b>Expenses</b>											
195	Heritage Management	195	200	205	209	214	218	223	228	233	238
2,097	Other Cultural Facilities	2,160	2,344	2,702	3,031	3,261	3,501	3,986	4,687	6,118	7,542
1,843	Support to arts, culture & heritage groups	2,213	2,203	2,286	2,338	2,359	2,456	2,493	2,562	2,627	2,677
4,348	Te Manawa	4,346	4,444	4,564	4,652	4,747	4,842	4,944	5,052	5,162	5,267
8,482	<b>Total Expenses</b>	8,914	9,191	9,757	10,230	10,581	11,018	11,646	12,529	14,140	15,724
<b>8,384</b>	<b>NET OPERATING COST OF ACTIVITY</b>	<b>8,818</b>	<b>9,093</b>	<b>9,656</b>	<b>10,127</b>	<b>10,476</b>	<b>10,911</b>	<b>11,536</b>	<b>12,417</b>	<b>14,025</b>	<b>15,606</b>
<b>Rating Requirement</b>											
(2,049)	Less Depreciation	(2,049)	(2,100)	(2,178)	(2,342)	(2,430)	(2,486)	(2,741)	(2,856)	(3,303)	(4,225)
326	Plus Net Capital Renewal (3 Year Average)	650	534	504	496	448	370	365	296	225	144
67	Plus Debt Repayment	181	243	383	600	757	874	1,100	1,312	2,123	2,991
<b>6,728</b>	<b>RATES REQUIREMENT</b>	<b>7,600</b>	<b>7,770</b>	<b>8,366</b>	<b>8,881</b>	<b>9,251</b>	<b>9,669</b>	<b>10,260</b>	<b>11,169</b>	<b>13,069</b>	<b>14,516</b>
<b>Capital Expenditure</b>											
<b>555</b>	<b>Renewal</b>	<b>885</b>	<b>627</b>	<b>437</b>	<b>539</b>	<b>536</b>	<b>413</b>	<b>395</b>	<b>304</b>	<b>397</b>	<b>188</b>
2,078	New	2,618	6,162	9,474	6,468	4,420	9,109	8,177	35,700	37,237	2,625

<b>Arts and Heritage - Activity Financial Statements</b>											
<b>Budget</b>		<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>
<b>2020/21</b>		<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>
<b>\$'000s</b>		<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>
2,633	Total Capital Expenditure	3,503	6,789	9,911	7,007	4,956	9,522	8,571	36,004	37,634	2,813
<b>Funded By</b>											
326	Rates	650	534	504	496	448	370	365	296	225	144
2,308	New Borrowing / (Repayment)	2,853	6,254	9,407	6,511	4,508	9,151	8,206	35,708	37,410	2,669
2,633	Total	3,503	6,789	9,911	7,007	4,956	9,522	8,571	36,004	37,634	2,813

<b>Arts and Heritage - Operational</b>												
			<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>
<b>ID-Name</b>	<b>Growth</b>	<b>LOS</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>
778-Arts Initiatives	0%	100%	34	35	36	37	37	38	39	40	41	42
1323-Heritage Digitization Programme (City Library)	0%	100%	50	51	52	54	55	56	57	58	60	61
1447-Earthquake prone heritage building fund	0%	100%	151	155	158	162	165	169	173	177	180	184
1464-Massey Arts Funding	0%	100%	10	10	10	11	11	11	11	12	12	12
1469-Local Heritage Programmes	0%	100%	15	16	16	16	17	17	18	18	18	19
1501-Public Sculptures Trust Funding	0%	100%	50	51	52	54	55	56	57	58	60	61
1536-Regent Theatre - Trustee Meeting Fee Grant	0%	100%	6	6	7	7	7	7	7	7	7	8
1537-Caccia Birch - Trustee Meeting Fee Grant	0%	100%	6	6	7	7	7	7	7	7	7	8
1538-Globe Theatre - Trustee Meeting Fee Grant	0%	100%	5	5	5	6	6	6	6	6	6	6
1554-Military Heritage Commemorations	0%	100%	8	8	8	9	9	9	9	9	10	10
1573-Arts Event Fund	0%	100%	50	51	52	54	55	56	57	58	60	61
1824-Care and Maintenance of Public Art and Historic Objects	0%	100%	63	24	30	30	35	50	30	31	38	36
1950-Caccia Birch - Development of a Site Masterplan	0%	100%	-	-	53	-	-	-	-	-	-	-
1988-Creative Sounds - Building Maintenance	0%	100%	10	10	16	16	17	17	17	18	18	19

Arts and Heritage - Operational												
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
ID-Name	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
1989-Te Manawa - Building Maintenance	0%	100%	-	-	32	32	33	34	35	36	37	38
2118-Contribution towards the New Zealand World Wars Memorial in Le Quesnoy, France	0%	100%	5	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>			<b>464</b>	<b>430</b>	<b>535</b>	<b>493</b>	<b>508</b>	<b>534</b>	<b>524</b>	<b>536</b>	<b>555</b>	<b>564</b>
Funded by Council (Rates and Borrowing)			464	430	535	493	508	534	524	536	555	564

Arts and Heritage - Capital Renewal												
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
ID-Name	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
213-Cultural Facilities - Renewals	0%	100%	850	616	426	501	525	402	354	292	385	144
777-Heritage Genealogy Equipment	0%	100%	25	-	-	27	-	-	29	-	-	31
1144-Manawatū Heritage (Archives Digital Repository) Renewal	0%	100%	10	10	11	11	11	12	12	12	12	13
<b>TOTAL</b>			<b>885</b>	<b>627</b>	<b>437</b>	<b>539</b>	<b>536</b>	<b>413</b>	<b>395</b>	<b>304</b>	<b>397</b>	<b>188</b>
Funded by Council (Rates and Borrowing)			885	627	437	539	536	413	395	304	397	188

Arts and Heritage - Capital New												
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
ID-Name	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
902-Property - Seismic Strengthening of Council Properties	0%	100%	1,000	6,162	9,474	6,468	4,420	9,052	8,119	35,700	37,237	2,625
1016-C/fwd - Seismic Strengthening of Council Owned Buildings	0%	100%	1,618	-	-	-	-	-	-	-	-	-
1468-Heritage Archive Shelving	0%	100%	-	-	-	-	-	57	58	-	-	-
<b>TOTAL</b>			<b>2,618</b>	<b>6,162</b>	<b>9,474</b>	<b>6,468</b>	<b>4,420</b>	<b>9,109</b>	<b>8,177</b>	<b>35,700</b>	<b>37,237</b>	<b>2,625</b>
Funded by Council (Rates and Borrowing)			2,618	6,162	9,474	6,468	4,420	9,109	8,177	35,700	37,237	2,625

# City Shaping - Te hanga o te tāone nui

## City Shaping covers:

**Citymaking** Cities around the world are trying to turn around decades of disjointed city planning to provide better outcomes for communities. Council is well positioned to connect local groups and sectors to maximise the collective impact of both public and private projects. The purpose this chapter is for citymaking to be 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. The purpose of this chapter is to recognise and protect the role of the city centre.

**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 in creating public spaces.

For more information see the Council's City Shaping Plan.

## Purpose of the plan - Te take o te mahere

The 10-Year Plan levels of service for this Plan and Activity are:

- Promote multidisciplinary working on Council and community projects to drive outcomes that deliver on multiple Council objectives
- Implement the City Centre Streetscape Plan to increase city centre vibrancy and improve the perception of the city
- 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

These levels of service are monitored through the following measures and targets:

Levels of service	Measures of Success (with results from 2019-20)	Targets Year 1 2021-22	Targets Year 2 2022-23	Targets Year 3 2023-24	Targets 4-10
Implement the City Centre Streetscape Plan to increase city centre vibrancy and improve the perception of the city.	City Centre Streetscape Plan is successfully implemented. (Completion of Square East (between Plaza and bus depot) (Not met) <a href="http://pncc.govt.nz/10yp">pncc.govt.nz/10yp</a> )	Narrative measure outlining progress on implementing the Plan	Narrative measure outlining progress on implementing the Plan	Narrative measure outlining progress on implementing the Plan	Narrative measure outlining progress on implementing the Plan

<p>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.</p>	<p>A wide range of public space projects are implemented. (Met)</p>	<p>Narrative measure outlining the public space projects, their multi stakeholder / multidisciplinary nature, and their outcomes</p>	<p>Narrative measure outlining the public space projects, their multi stakeholder / multidisciplinary nature, and their outcomes</p>	<p>Narrative measure outlining the public space projects, their multi stakeholder / multidisciplinary nature, and their outcomes</p>	<p>Narrative measure outlining the public space projects, their multi stakeholder / multidisciplinary nature, and their outcomes</p>
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These are monitored every three months through the Quarterly Reports and through the Annual Report.

Council will also monitor the Plan through the one-off measures that are reported annually through the City Dashboard, including:

- » More city centre businesses engage with the street environment

- » Increase in pedestrian and cyclist numbers
- » Decrease in city centre building vacancy rates
- » Increase in the number of people living in the city centre
- » Increase in people visiting the city centre during off-peak periods during the week
- » Increase in co-contribution for placemaking activities

City Shaping - Activity Financial Statements											
Budget		10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
2020/21		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
<b>Revenue</b>											
-	City Centre	-	-	-	-	-	-	-	-	-	-
-	Total Revenue	-	-	-	-	-	-	-	-	-	-
<b>Expenses</b>											
11	City Centre	122	485	800	1,106	1,491	1,709	1,905	2,085	2,220	2,221
231	Place activation	362	372	381	390	399	408	418	494	507	519
127	Placemaking	133	136	139	142	146	149	152	155	159	163
370	Total Expenses	618	993	1,320	1,638	2,036	2,266	2,476	2,735	2,886	2,903
<b>370</b>	<b>NET OPERATING COST OF ACTIVITY</b>	<b>618</b>	<b>993</b>	<b>1,320</b>	<b>1,638</b>	<b>2,036</b>	<b>2,266</b>	<b>2,476</b>	<b>2,735</b>	<b>2,886</b>	<b>2,903</b>
<b>Rating Requirement</b>											
(5)	Less Depreciation	(5)	(188)	(353)	(525)	(798)	(924)	(1,009)	(1,152)	(1,281)	(1,281)
47	Plus Debt Repayment	39	143	195	277	457	482	504	563	584	593
<b>412</b>	<b>RATES REQUIREMENT</b>	<b>652</b>	<b>949</b>	<b>1,162</b>	<b>1,391</b>	<b>1,695</b>	<b>1,823</b>	<b>1,971</b>	<b>2,146</b>	<b>2,189</b>	<b>2,215</b>
<b>Capital Expenditure</b>											
71	New	3,992	4,411	4,684	4,943	1,915	3,223	4,303	787	-	-
71	Total Capital Expenditure	3,992	4,411	4,684	4,943	1,915	3,223	4,303	787	-	-
<b>Funded By</b>											
-	External Revenue New	1,509	2,231	2,121	1,665	864	1,635	2,195	401	-	-
71	New Borrowing / (Repayment)	2,483	2,180	2,563	3,277	1,050	1,588	2,109	385	-	-
71	Total	3,992	4,411	4,684	4,943	1,915	3,223	4,303	787	-	-

City Shaping - Operational												
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
ID-Name	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
1167-Placemaking Co-created Project (operational)	0%	100%	35	36	37	38	39	40	42	43	44	45
1273-Palmy Unleashed	0%	100%	75	77	79	81	83	85	87	155	159	163
2017-Citycentre Pop Up Play	0%	100%	30	31	32	32	33	34	35	36	37	38
2054-Funding Palmy BID group	0%	100%	250	257	263	270	276	283	290	298	305	313
<b>TOTAL</b>			<b>390</b>	<b>401</b>	<b>411</b>	<b>421</b>	<b>432</b>	<b>442</b>	<b>453</b>	<b>531</b>	<b>545</b>	<b>558</b>
Funded by Council (Rates and Borrowing)			390	401	411	421	432	442	453	531	545	558

City Shaping - Capital New												
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
ID-Name	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
1330-Placemaking Co-created Project (capital)	0%	100%	15	16	16	17	17	18	-	-	-	-
1440-Cuba Street urban streetscape improvements - Rangitikei to George Street (Stage 2)	0%	100%	900	-	-	-	-	-	-	-	-	-
1476-City Centre Laneways Programme	0%	100%	-	21	191	22	202	-	-	-	-	-
1638-C/fwd - City Centre Lighting and Projection Demonstration Project	0%	100%	118	-	-	-	-	-	-	-	-	-
2122-CBD Streets for People	0%	100%	2,959	4,375	4,158	3,265	1,695	3,206	4,303	787	-	-
2077-Cuba Street urban streetscape improvements - Rangitikei to George Street (Stage 3)	0%	100%	-	-	319	1,639	-	-	-	-	-	-
<b>TOTAL</b>			<b>3,992</b>	<b>4,411</b>	<b>4,684</b>	<b>4,943</b>	<b>1,915</b>	<b>3,223</b>	<b>4,303</b>	<b>787</b>	-	-
Funded by Council (Rates and Borrowing)			2,483	2,180	2,563	3,277	1,050	1,588	2,109	385	-	-



# Goal 3 - A Connected and Safe Community - He hapori tūhonohono, he hapori haumarū

Our goal is for Palmerston North to be a city where everyone feels connected and included. We want to be a safe city, where people have access to the housing they need and opportunities to connect with others. We want communities to have access to accessible and appropriate social support.

We understand that we need to work with our partners towards achieving our shared goals. We can achieve better outcomes with our communities by working effectively together.

**Target: More than 75% of people consider Palmerston North is a welcoming and inclusive city with a good standard of living**

**Paetae: Kia eke ki tua atu i te 75% o te marea e kī ana he tāone whakahei, he tāone whakauruuru a Papaioea, ā, e papai ana te paerewa noho**

## Priorities - Ngā tino o te whāinga

The priorities of Goal 3: A Connected and safe community are:

1. He whakawhanake, he whakarato, he tautoko, he hapahapai i ngā ratonga, i ngā taiwhanga, i ngā takunetanga, e tuia ai he hapori tūhonohono, hapori whakahei, whakauruuru anō hoki. Develop, provide, support or advocate for services, facilities, and events that create a connected, welcoming and inclusive community
2. He whakaū i te hauora o te hapori, e whai wāhi ai te katoa ki te whare noho me te paenoho kiritata hauora, haumarū anō hoki. Ensure the city has a healthy community where everyone has access to healthy, safe and affordable housing and neighbourhoods
3. He tautoko i ngā hapori ki te whakatutuki i ō rātou awhero. Support communities to achieve their aspirations
4. He whakaū i te tāone e mauritau ai, e noho haumarū ai ōna tāngata  
Be a city where people feel safe and are safe

Within Goal 3 Council has the following Plans and Activities

- Connected communities
- Safe communities.

# Connected communities

## - He hapori tūhonohono

Connected Communities covers:

**Community facilities:** 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.

The purpose of this chapter is for communities to have access to community facilities. 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, capitalise 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 organisations 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 is a major public health issue in New Zealand. Poor quality housing is associated with negative social outcomes, for individuals and for communities. The provision of social housing is one of the responses Council can make to contribute to an improvement in social outcomes for the community. The purpose

of this chapter is to provide warm, safe and affordable social housing and to have a strong 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. The purpose of this chapter is to improve the health of communities in Palmerston North.

**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.

### Council classifies events as:

- » Local: events providing social benefits for residents, with the potential for growth
- » Programmed: the core business for many of the region's venues e.g. theatre and museum programmes
- » Major: large-scale events which attract significant benefits for the city through interest, profile or visitation [refer to the Economic development plan under Goal 1]
- » Iconic: events that attract national interest and define Palmerston North's identity.

For more information see the Council's Connected Communities Plan.

### Purpose of the plan - Te take o te mahere

The 10-Year Plan levels of service for this Plan and Activity are:

- » Provide the City Library that collects, curates and provides 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

- Provide library programmes that support the development of literacy in all its forms
- Provide public toilets throughout the city, to a standard that meets public expectations
- Support community centre management groups to provide community centres that are responsive to the needs of their communities
- Provide cemetery services that are responsive to community needs
- 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
- Support and fund communities and for-purpose organisations to build community, neighbourhood and organisational capacity and capability
- 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

These levels of service are monitored through the following measures and targets:

Levels of service	Measures of Success (with results from 2019-20)	Targets Year 1 2021-22	Targets Year 2 2022-23	Targets Year 3 2023-24	Targets 4-10
<p>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.</p> <p>Provide library programmes that support the development of literacy in all its forms.</p>	<p>Library users are satisfied with the services and programmes provided (physical and online). (met – 773,450 visits (covid affected), items used 4.12 times)</p>	<p>More than 800,000 visits a year. Average use per item per year is at least 4 (physical items). Narrative measure outlining the development and use of digital collections. Narrative measure outlining the results of user and residents' satisfaction surveys.</p>	<p>More than 800,000 visits a year. Average use per item per year is at least 4 (physical items). Narrative measure outlining the development and use of digital collections. Narrative measure outlining the results of user and residents' satisfaction surveys.</p>	<p>More than 800,000 visits a year. Average use per item per year is at least 4 (physical items). Narrative measure outlining the development and use of digital collections. Narrative measure outlining the results of user and residents' satisfaction surveys.</p>	<p>More than 800,000 visits a year. Average use per item per year is at least 4 (physical items). Narrative measure outlining the development and use of digital collections. Narrative measure outlining the results of user and residents' satisfaction surveys.</p>

Levels of service	Measures of Success (with results from 2019-20)	Targets Year 1 2021-22	Targets Year 2 2022-23	Targets Year 3 2023-24	Targets 4-10
	Library programmes reflect the changing needs of communities. (met – 2350 programmes)	Narrative measure number and description of programmes and their outcomes.	Narrative measure number and description of programmes and their outcomes.	Narrative measure number and description of programmes and their outcomes.	Narrative measure number and description of programmes and their outcomes.
Provide public toilets throughout the city, to a standard that meets public expectations.	Accessible and gender-neutral toilets are provided throughout the city, and especially in places where there is the most community activity. (met – all renewals and new installations are accessible and gender neutral)	Narrative measure outlining number, type and location of toilets, plus annual satisfaction survey results)	Narrative measure outlining number, type and location of toilets, plus annual satisfaction survey results)	Narrative measure outlining number, type and location of toilets, plus annual satisfaction survey results)	Narrative measure outlining number, type and location of toilets, plus annual satisfaction survey results)
Support community centre management groups to provide community centres that are responsive to the needs of their communities.	Community centres are well used. (not met due to covid. Aim is to have an average 1400 hours usage per year)	Narrative measure outlining use of centres and range of use with them).	Narrative measure outlining use of centres and range of use with them).	Narrative measure outlining use of centres and range of use with them).	Narrative measure outlining use of centres and range of use with them).
Provide cemetery services that are responsive to community needs.	Visitors to cemeteries are satisfied with the services provided. (new – 69% satisfied 24% neutral, 6% dissatisfied (2021 survey))	Narrative measure outlining user and residents survey trends.	Narrative measure outlining user and residents survey trends.	Narrative measure outlining user and residents survey trends.	Narrative measure outlining user and residents survey trends.
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.	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%).	Narrative measure outlining survey results and tenant feedback.	Narrative measure outlining survey results and tenant feedback.	Narrative measure outlining survey results and tenant feedback.	Narrative measure outlining survey results and tenant feedback.

Levels of service	Measures of Success (with results from 2019-20)	Targets Year 1 2021-22	Targets Year 2 2022-23	Targets Year 3 2023-24	Targets 4-10
	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)	Standards met.	Standards met.	Standards met.	Standards met.
Support and fund communities and for-purpose organisations to build community, neighbourhood and organisational capacity and capability.	More community-led projects are supported by Council. (new - the Community Funding Policy is being reviewed and will include community leases of Council-owned land or buildings.)	Narrative measure outlining description of activities funded and their outcomes.	Narrative measure outlining description of activities funded and their outcomes.	Narrative measure outlining description of activities funded and their outcomes.	Narrative measure outlining description of activities funded and their outcomes.
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. (Footnote: this includes economic events that create and enable opportunities for employment and growth.)	There are increases in: <ul style="list-style-type: none"> <li>participation in community and city centre events</li> <li>satisfaction with the annual programme of events</li> <li>the range and diversity of community-led events in the city. (new)</li> </ul>	Narrative measure outlining number and range of events, plus participation and satisfaction with events.	Narrative measure outlining number and range of events, plus participation and satisfaction with events.	Narrative measure outlining number and range of events, plus participation and satisfaction with events.	Narrative measure outlining number and range of events, plus participation and satisfaction with events.

These are monitored every three months through the Quarterly Reports and through the Annual Report.

Council will also monitor the Plan through the one-off measures that are reported annually through the City Dashboard, including:

- » Community centre users are satisfied with the community centre facilities and services
- » Visitors to CET Wildbase Recovery are satisfied with the service provided
- » Visitors to cemeteries are satisfied with the services provided
- » Users of public toilets are satisfied with the services provided
- » There is significantly more social housing in Palmerston North
- » There is an increase in community volunteering by people age under 65 years
- » Decreasing prevalence of people smoking in public outdoor areas

- » Healthy beverages replace sugar sweetened beverages at Council funded events and functions.
- » Shade is available at public outdoor areas
- » Increase in occupancy rate for bookable public spaces and Council-owned facilities
- » Reduction in waste generated by events
- » Increased community participation in events
- » Increase in local volunteers involved in events in the city
- » Increase in the range and diversity of community-led events in the city
- » Engagement and consultation methods match the significance of the issue and the preferences and needs of interested and affected people
- » Increase in the diversity of those who are 'having a say', either through formal processes such as standing as a candidate for election, writing a submission, speaking in public comment, or informal opportunities, such as attending consultation drop-in sessions, nominations for civic awards

<b>Connected Communities - Activity Financial Statements</b>											
<b>Budget</b>		<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>
<b>2020/21</b>		<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>
<b>\$'000s</b>		<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>
<b>Revenue</b>											
706	Cemeteries	735	755	774	792	812	832	852	875	897	919
141	Community Centres	139	142	146	150	153	157	161	165	169	173
215	Libraries	275	282	289	296	303	311	318	327	335	343
2,822	Social Housing	2,939	3,012	3,159	3,229	3,300	3,373	3,447	3,523	3,600	3,680
52	Central Energy Trust Wildbase	52	53	55	56	57	59	60	62	63	65
47	Community & Commemorative Events	40	41	43	44	47	48	50	52	55	56
511	Public Health	610	625	639	653	668	682	697	713	728	744
4,494	<b>Total Revenue</b>	<b>4,789</b>	<b>4,911</b>	<b>5,105</b>	<b>5,220</b>	<b>5,341</b>	<b>5,461</b>	<b>5,587</b>	<b>5,716</b>	<b>5,849</b>	<b>5,981</b>
<b>Expenses</b>											
1,159	Cemeteries	1,350	1,368	1,420	1,434	1,458	1,511	1,553	1,593	1,623	1,675
766	Community Centres	1,065	903	944	952	956	966	981	995	1,024	1,101
9,832	Libraries	9,956	10,205	10,689	11,238	10,866	11,047	11,319	11,530	11,757	11,990
434	Public toilets	482	589	664	718	731	758	775	806	826	854
3,667	Social Housing	3,525	3,742	3,936	4,132	4,681	5,083	5,122	5,166	5,293	5,334
2,793	Support to community groups	2,394	2,459	2,531	2,594	2,611	2,669	2,728	2,802	2,847	2,909
990	Central Energy Trust Wildbase	928	954	1,000	1,032	1,033	1,055	1,079	1,104	1,127	1,151
1,220	Community & Commemorative Events	1,318	1,375	1,425	1,463	1,506	1,520	1,557	1,601	1,644	1,675
1,294	Public Health	2,004	2,081	2,214	2,281	2,285	2,333	2,387	2,439	2,483	2,533
22,154	<b>Total Expenses</b>	<b>23,022</b>	<b>23,676</b>	<b>24,822</b>	<b>25,845</b>	<b>26,126</b>	<b>26,942</b>	<b>27,502</b>	<b>28,035</b>	<b>28,625</b>	<b>29,223</b>
<b>17,661</b>	<b>NET OPERATING COST OF ACTIVITY</b>	<b>18,233</b>	<b>18,765</b>	<b>19,717</b>	<b>20,624</b>	<b>20,785</b>	<b>21,480</b>	<b>21,915</b>	<b>22,319</b>	<b>22,776</b>	<b>23,242</b>

<b>Connected Communities - Activity Financial Statements</b>											
<b>Budget</b>		<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	
<b>2020/21</b>		<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>
<b>\$'000s</b>		<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>
<b>Rating Requirement</b>											
(3,979)	Less Depreciation	(3,661)	(3,802)	(3,972)	(4,064)	(4,386)	(4,650)	(4,693)	(4,728)	(4,840)	(4,947)
1,764	Plus Net Capital Renewal (3 Year Average)	1,989	2,209	2,312	2,269	2,034	2,008	2,239	2,234	2,375	2,521
424	Plus Debt Repayment	489	577	662	708	918	1,065	1,099	1,137	1,175	1,233
15,870	RATES REQUIREMENT	17,050	17,750	18,719	19,538	19,351	19,903	20,559	20,962	21,486	22,050
<b>Capital Expenditure</b>											
2,245	Renewal	2,874	2,715	2,545	3,257	3,003	2,314	3,159	2,850	2,929	2,608
6,151	New	4,569	3,779	1,427	8,749	5,572	181	336	544	2,632	200
8,396	Total Capital Expenditure	7,443	6,494	3,972	12,006	8,575	2,495	3,495	3,395	5,561	2,808
<b>Funded By</b>											
-	External Revenue Renewal	-	-	79	-	-	-	-	-	-	-
582	External Revenue New	253	613	-	-	-	-	-	251	1,457	-
1,764	Rates	1,989	2,209	2,312	2,269	2,034	2,008	2,239	2,234	2,375	2,521
6,050	New Borrowing / (Repayment)	5,201	3,672	1,581	9,737	6,541	486	1,256	910	1,729	287
8,396	Total	7,443	6,494	3,972	12,006	8,575	2,495	3,495	3,395	5,561	2,808



<b>Connected Communities - Operational</b>												
ID-Name	Growth	LOS	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
			\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
812-Youth Council Grants and Scholarships	0%	100%	8	9	9	11	11	11	11	12	12	12
1157-Military Heritage Commemorations (Events)	0%	100%	28	28	30	31	36	32	33	36	35	38
1262-Ashhurst Christmas Lights	0%	100%	2	2	3	3	3	3	3	4	4	4
1448-Welcoming Communities	0%	100%	100	103	105	107	110	112	114	117	119	122
1463-Play Palmy	0%	100%	5	5	5	5	6	6	6	6	6	6
1465-Contestable Community Events Fund	0%	100%	26	26	27	27	28	29	30	30	31	32
1506-Community Events	0%	100%	433	444	463	474	486	498	510	533	546	559
1574-Hancock Community House Management Fund	0%	100%	61	63	64	66	67	69	70	72	73	75
1898-City-wide community facilities needs assessment	0%	100%	100	-	-	-	-	-	-	-	-	-
1935-Cats - Public Education & Colonies Management	0%	0%	10	15	16	16	16	17	17	18	18	18
1941-City Library (all sites) - Removal of overdue fines (Youth and Childrens)	0%	100%	40	41	42	43	44	45	46	48	49	50
1945-City Library (all sites)- Library Management System replacement or upgrade	0%	100%	-	-	63	323	44	-	-	-	-	-
1952-Companion Card	0%	0%	10	10	10	-	-	-	-	-	-	-
1980-CET Wildbase Recovery Centre - Building Maintenance	0%	100%	36	37	57	58	60	61	63	64	66	68
1982-Library - Building Maintenance	0%	100%	51	52	101	103	106	108	111	114	117	120
1987-Community Centres - Building Maintenance	0%	100%	19	20	31	32	32	33	34	35	36	37
1991-Public Toilets - Building Maintenance	0%	100%	92	94	125	128	131	135	138	142	145	149
2020-Cemeteries - Digitisation of historical cemetery records	0%	100%	20	21	-	-	-	-	-	-	-	-
2023-Increase to Community Development Small Grants Fund #2	0%	100%	61	62	64	65	66	68	69	71	72	74
2041-Property - Accessibility of Council Facilities Assessment	0%	100%	100	-	-	-	-	-	-	-	-	-
2116-Funding for Strategic Priority Grants (increased funding)	0%	100%	133	136	139	142	145	149	152	155	159	162
<b>TOTAL</b>			<b>1,333</b>	<b>1,169</b>	<b>1,354</b>	<b>1,635</b>	<b>1,392</b>	<b>1,375</b>	<b>1,408</b>	<b>1,455</b>	<b>1,489</b>	<b>1,525</b>
Funded by Council (Rates and Borrowing)			1,333	1,169	1,354	1,635	1,392	1,375	1,408	1,455	1,489	1,525

Connected Communities - Capital Renewal												
ID-Name	Growth	LOS	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
			\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
40-Noise Measuring Equipment for Noise Complaints - Rolling Replacement	0%	100%	-	46	-	-	49	-	-	51	-	-
178-City Library (all sites) Replacement of Shelving, Furniture and Equipment	0%	100%	36	104	38	39	41	41	42	43	73	44
180-Social Housing - Renewals	0%	100%	500	513	524	472	482	493	503	514	526	537
186-Public Toilets - Renewals	0%	100%	160	164	168	216	221	226	186	190	195	250
188-City Library Replacement and Purchase of Library Materials	0%	100%	750	796	842	862	884	905	928	952	977	1,000
202-Central Library Interior Design Renewals	0%	100%	20	103	21	22	22	23	23	24	24	25
203-Community Libraries, Youth Space, Blueprint and Mobile Library Interior Design Renewals	0%	100%	31	31	33	33	34	35	36	37	37	38
265-Community Centres - Renewals	0%	100%	220	308	84	313	287	102	151	464	293	125
563-Cemeteries - Kelvin Grove - Crematorium Office reconfiguration to address health and safety issues	0%	100%	266	-	-	-	-	-	-	-	-	-
1120-Community Libraries - Renewals	0%	100%	50	51	53	237	243	34	151	36	281	38
1136-CET Wildbase Recovery Centre - Renewals	0%	100%	100	103	105	108	111	113	116	119	122	125
1138-Digital Technology to Support 21st Century Citizens and Service (Renewal)	0%	100%	51	73	54	55	79	58	60	85	61	63
1139-Radio Frequency Identification (RFID) Materials Management	0%	100%	25	-	53	-	28	-	58	-	31	-
1269-Bylaw Signage - Replacement	0%	100%	6	6	7	7	7	7	7	7	7	7
1452-Community Stage - repair	0%	100%	50	-	-	-	-	-	-	-	-	-
1742-Social Housing - Grounds Renewals	0%	100%	130	31	31	32	33	34	606	35	36	37
1744-Social Housing - Hard Surface Renewals	0%	100%	-	103	105	-	110	112	-	-	-	-
1769-Community Agency Facilities - Renewals	0%	100%	120	51	21	345	133	23	64	24	24	75
1775-Central Library - Renewals	0%	100%	100	103	105	108	111	-	116	119	122	125
1796-Cemeteries - Building Renewals	0%	100%	20	41	42	43	44	45	46	48	49	50
1828-Cemeteries - Non-Building Asset Renewals	0%	100%	87	88	100	204	86	63	66	102	71	70
1968-Community Mobile Big Screen Replacement	0%	100%	-	-	-	162	-	-	-	-	-	-
1971-CET Wildbase Recovery Signage	0%	100%	-	-	79	-	-	-	-	-	-	-
1972-CET Wildbase Recovery Digital Capacity	0%	100%	-	-	79	-	-	-	-	-	-	-

2089-C/fwd - Cemeteries - Kelvin Grove - Roading and Footpath Refurbishment	0%	100%	13	-	-	-	-	-	-	-	-	-
2090-C/fwd - Public Toilets - Renewals	0%	100%	67	-	-	-	-	-	-	-	-	-
2091-C/fwd - Cemeteries - Crematorium Chapel Interior Renewals	0%	100%	66	-	-	-	-	-	-	-	-	-
2103-C/fwd - Bylaw Signage - Replacement	0%	100%	6	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>			<b>2,874</b>	<b>2,715</b>	<b>2,545</b>	<b>3,257</b>	<b>3,003</b>	<b>2,314</b>	<b>3,159</b>	<b>2,850</b>	<b>2,929</b>	<b>2,608</b>
Funded by Council (Rates and Borrowing)			2,874	2,715	2,466	3,257	3,003	2,314	3,159	2,850	2,929	2,608

<b>Connected Communities - Capital New</b>												
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
ID-Name	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
161-Public Toilets - New City-wide Toilets	0%	100%	250	-	263	-	276	-	290	-	305	-
1130-Urban Growth - City West - New Community Centre	59%	41%	-	866	-	-	-	-	-	354	2,058	-
1196-Cemeteries - Kelvin Grove - Renewal of staff facilities	0%	100%	-	252	-	-	-	-	-	-	-	-
1459-Social Housing - Additional Social Housing Units	0%	100%	-	-	1,049	8,574	4,381	-	-	-	-	-
1561-Community Centres - Kelvin Grove Community Centre Carpark	0%	100%	240	-	-	-	-	-	-	-	-	-
1581-C/fwd - Bunnythorpe Community Facility	0%	100%	344	-	-	-	-	-	-	-	-	-
1585-C/fwd - City-wide - Public Toilets	0%	100%	96	-	-	-	-	-	-	-	-	-
1639-C/fwd - Social Housing - Papaioea Stage 2	0%	100%	686	-	-	-	-	-	-	-	-	-
1667-C/fwd - Seismically brace the HVAC piping	0%	100%	260	-	-	-	-	-	-	-	-	-
1743-Social Housing - Papaioea Place Redevelopment - Stage 3	0%	100%	1,689	2,050	-	-	-	-	-	-	-	-
1833-City Growth - Cemeteries - Extensions to burial and ashes areas to meet demand	0%	100%	48	200	115	176	517	181	46	190	269	200
1882-City Growth - Cemeteries - Expansion of Kelvin Grove Cemetery Roading network	0%	100%	-	-	-	-	398	-	-	-	-	-
1896-Social Housing - Healthy Homes Compliance Items Purchase	0%	100%	900	410	-	-	-	-	-	-	-	-
1948-Events and Festival Equipment Purchase	0%	100%	55	2	-	-	-	-	-	-	-	-
<b>TOTAL</b>			<b>4,569</b>	<b>3,779</b>	<b>1,427</b>	<b>8,749</b>	<b>5,572</b>	<b>181</b>	<b>336</b>	<b>544</b>	<b>2,632</b>	<b>200</b>
Funded by Council (Rates and Borrowing)			4,316	3,167	1,427	8,749	5,572	181	336	294	1,176	200

# Safe Communities - He hapori haumarū

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.

For more information see the Council's Safe Communities Plan.

## Purpose of the plan - Te take o te mahere

The 10-Year Plan levels of service for this Plan are:

- Coordinate and facilitate the work of the Safety Advisory Board to enable the fulfilment of its strategic plan
- Achieve the Manawatū Whanganui Civil Defence Emergency Management Group goal to build resilience and disaster preparedness for civil defence and emergency situations
- 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

These levels of service are monitored through the following measures and targets:

Levels of service	Measures of Success (with results from 2019-20)	Targets Year 1 2021-22	Targets Year 2 2022-23	Targets Year 3 2023-24	Targets 4-10
Coordinate and facilitate the work of the Safety Advisory Board (SAB) to enable the fulfilment of its strategic plan.	The SAB carries out a range of successful initiatives. (met – recent initiatives include a safe trading zone in The Square, City Ambassadors, and helping frontline workers be more effective with vulnerable communities).	Narrative measure (outlining description of SAB initiatives and their outcomes).	Narrative measure (outlining description of SAB initiatives and their outcomes).	Narrative measure (outlining description of SAB initiatives and their outcomes).	Narrative measure (outlining description of SAB initiatives and their outcomes).
Achieve the Manawatū-Whanganui Civil Defence Emergency Management Group goals to build resilience and disaster preparedness for civil	Increasing preparedness for emergencies in Palmerston North. (new- through working with local communities, schools, businesses and community groups).	Narrative measure outlining Manawatū-Wanganui CDEM preparedness 2-yearly survey trends and	Narrative measure outlining Manawatū-Wanganui CDEM preparedness survey trends and	Narrative measure outlining Manawatū-Wanganui CDEM preparedness survey trends and	Narrative measure outlining Manawatū-Wanganui CDEM preparedness survey trends and

defence and emergency situations.		description of initiatives.	description of initiatives.	description of initiatives.	description of initiatives.
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.	Bylaws are reviewed on legal timeframe and enforced. (new -- recently reviewed Water Supply Bylaw and are reviewing Trade Waste and Stormwater Drainage Bylaws).	Narrative measure outlining description of programme to develop and review bylaws and their outcomes.	Narrative measure outlining description of programme to develop and review bylaws and their outcomes.	Narrative measure outlining description of programme to develop and review bylaws and their outcomes.	Narrative measure outlining description of programme to develop and review bylaws and their outcomes.

These are monitored every three months through the Quarterly Reports and through the Annual Report.

Council will also monitor the Plan through the one-off measures that are reported annually through the City Dashboard, including:

- Increasing perception of safety in Palmerston North
- More residents are satisfied with dog control outcomes
- Decreasing problem-gambling
- Decreasing alcohol-related harm
- Decrease in crime in Palmerston North

<b>Safe Communities - Activity Financial Statements</b>											
<b>Budget</b>		<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>
<b>2020/21</b>		<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>
<b>\$'000s</b>		<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>
<b>Revenue</b>											
781	Animal Control	866	887	908	928	948	969	990	1,012	1,034	1,057
781	Total Revenue	866	887	908	928	948	969	990	1,012	1,034	1,057
<b>Expenses</b>											
908	Animal Control	957	1,178	1,301	1,320	1,321	1,337	1,358	1,381	1,399	1,421
818	Civil Defence	892	915	934	953	971	991	1,012	1,024	1,045	1,077
388	Safer Community Initiatives	424	413	486	468	482	501	521	541	562	569
2,115	Total Expenses	2,274	2,506	2,722	2,741	2,774	2,830	2,890	2,946	3,006	3,066
<b>1,334</b>	<b>NET OPERATING COST OF ACTIVITY</b>	<b>1,408</b>	<b>1,619</b>	<b>1,814</b>	<b>1,813</b>	<b>1,826</b>	<b>1,861</b>	<b>1,900</b>	<b>1,934</b>	<b>1,972</b>	<b>2,009</b>
<b>Rating Requirement</b>											
(24)	Less Depreciation	(24)	(115)	(250)	(260)	(274)	(285)	(296)	(302)	(311)	(318)
42	Plus Net Capital Renewal (3 Year Average)	236	242	104	106	109	111	113	108	110	112
83	Plus Debt Repayment	75	127	177	178	183	188	194	199	194	122
<b>1,435</b>	<b>RATES REQUIREMENT</b>	<b>1,695</b>	<b>1,873</b>	<b>1,845</b>	<b>1,837</b>	<b>1,844</b>	<b>1,875</b>	<b>1,911</b>	<b>1,939</b>	<b>1,966</b>	<b>1,926</b>
<b>Capital Expenditure</b>											
31	Renewal	131	513	94	118	99	101	126	105	108	110
300	New	2,320	2,125	-	-	-	-	-	-	-	-
331	Total Capital Expenditure	2,451	2,638	94	118	99	101	126	105	108	110
<b>Funded By</b>											
42	Rates	236	242	104	106	109	111	113	108	110	112

289	New Borrowing / (Repayment)	2,216	2,396	(9)	12	(10)	(10)	13	(2)	(2)	(2)
331	Total	2,451	2,638	94	118	99	101	126	105	108	110

Safe Communities - Operational												
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
ID-Name	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
1458-New MPI Code of Welfare compliance	0%	100%	57	58	60	61	62	64	65	67	68	70
1539-City Ambassadors	0%	100%	70	36	37	-	-	-	-	-	-	-
<b>TOTAL</b>			<b>127</b>	<b>94</b>	<b>96</b>	<b>61</b>	<b>62</b>	<b>64</b>	<b>65</b>	<b>67</b>	<b>68</b>	<b>70</b>
Funded by Council (Rates and Borrowing)			127	94	96	61	62	64	65	67	68	70

Safe Communities - Capital Renewal												
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
ID-Name	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
1512-CCTV replacements	0%	100%	80	513	84	86	88	90	92	94	96	98
1569-Replacement of wearable cameras for parking and animal control officers	0%	100%	20	-	-	22	-	-	23	-	-	-
1737-Animal Shelter - Renewals	0%	100%	-	-	10	11	11	11	11	12	12	12
2097-C/fwd - CCTV replacements	0%	100%	31	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>			<b>131</b>	<b>513</b>	<b>94</b>	<b>118</b>	<b>99</b>	<b>101</b>	<b>126</b>	<b>105</b>	<b>108</b>	<b>110</b>
Funded by Council (Rates and Borrowing)			131	513	94	118	99	101	126	105	108	110

Safe Communities - Capital New												
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
ID-Name	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
1552-Animal Shelter - New Building	0%	100%	2,100	2,125	-	-	-	-	-	-	-	-
2080-C/fwd - Animal Shelter - New Building	0%	100%	220	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>			<b>2,320</b>	<b>2,125</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Funded by Council (Rates and Borrowing)			2,320	2,125	-	-	-	-	-	-	-	-

# Goal 4: An Eco city - Te tāone tautaiiao

We understand that Palmerston North has a responsibility to respond to climate change for the benefit of everyone. Our goal is for Palmerston North to decrease carbon emissions and reduce our ecological footprint. We want to protect and enhance our natural and built environments, accommodate growth through intensification, and support active transport. We will work with our partners towards achieving our shared goals.

**Paetae: Kia 30% te hekenga o te tuku hauhā (CO2) i Papaioea, i mua i te tau 2031**

**Target: 30% reduction in CO2e emissions in Palmerston North by 2031**

## Priorities - Ngā tino o te whāinga

The priorities of Goal 4: An eco city are:

1. He kauanuanu, he hapahapai i te mauri o te awa o Manawatū.  
Respect and enhance the mauri of the Manawatū River
2. He mahitahi ki te hapori ki te whakaiti i te tukutanga o te waro.

3. He whakahaumanu i te kanorau koiora māori.  
Regenerate native biodiversity
4. He whakapau pūtea ki ngā momo pūnahahanga e whakamarohitia ai, e whakapūmautia ai te taiao.  
Invest in infrastructure that services to protect, enhance and preserve the environment
5. He whakamahi i te mana ā-ture o te Kaunihera me ana kaupapahere kia toitū ai te whanaketanga o te tāone i te wātonu, ā, haere ake nei.  
Use Council's legislative powers and policies to ensure urban development is sustainable now and into the future
6. He whakaako i te hapori, mātua rā ko ngā kaupapuri whare, ki te whaihua o te whakapau moni kia hoahoaina ai he whare toitū, whare kākāriki hoki.  
Educate the community, in particular, property owners, on the benefits of investing in sustainable building design and green buildings
7. He whakaatu i te hautūtanga me te mahi tika, mā te whakawhanake me te whakatinana i tētahi mahere taiao toitū mō te Kaunihera me ōna takunetanga, taiwhanga anō hoki.  
Demonstrate leadership and best practice by developing and implementing an environmental sustainability plan for the Council, Council-run events, and facilities

Within Goal 4 Council has the following Plans and Activities:

- » Climate change
- » Environmental sustainability
- » Manawatū River
- » Resource recovery
- » Waters.



# Climate change - Te āhuarangi hurihuri

The climate is changing, bringing changes to long-term weather patterns and increasing the frequency of drought and flooding. The purpose of this plan is to understand the impacts of climate change and to reduce Council and citywide greenhouse gas emissions.

For more information see the Council's Climate Change Plan.

## Purpose of the plan - Te take o te mahere

The 10-Year plan levels of service for this Plan and Activity are:

- Foster sustainable practices and behaviours so that city residents and organisations become more sustainable
- Develop policies and plans and work with city stakeholders to achieve the target of a 30% reduction in greenhouse gas emissions by 2031 (from the 2018 baseline) and continue to reduce greenhouse gas emissions from Council's own activities

These levels of service are monitored through the following measures and targets (note, the same KPIs are deliberately used for the next Activity):

Levels of service	Measures of Success (with results from 2019-20)	Targets Year 1 2021-22	Targets Year 2 2022-23	Targets Year 3 2023-24	Targets 4-10
Foster sustainable practices and behaviours so that city residents and organisations become more sustainable.	Increase in sustainable practices. (met. Current initiatives include running an 8-week Sustainable Living Course in local neighbourhoods))	Narrative measure outlining projects and initiatives that foster sustainable practices / behaviours and their impacts.	Narrative measure outlining projects and initiatives that foster sustainable practices / behaviours and their impacts.	Narrative measure outlining projects and initiatives that foster sustainable practices / behaviours and their impacts.	Narrative measure outlining projects and initiatives that foster sustainable practices / behaviours and their impacts.
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.	Decrease in Council's total organisational emissions. (new - PNCC emissions have fallen from 26,444tCO <sub>2</sub> e in 2015/16, to 21,260tCO <sub>2</sub> e in 2018/19: a 20% reduction. Non-landfill related emissions have fallen from 6,719tCO <sub>2</sub> e to 5266tCO <sub>2</sub> e: down 22%.	Narrative measure outlining greenhouse gas reduction initiatives and their impacts.	Narrative measure outlining greenhouse gas reduction initiatives and their impacts.	Narrative measure outlining greenhouse gas reduction initiatives and their impacts.	Narrative measure outlining greenhouse gas reduction initiatives and their impacts.

Work with iwi and community groups to re-establish bush, particularly along waterways, and to control introduced predators.	Measured through Manawatū River level of service.(new)	(see Manawatū River Activity)	(see Manawatū River Activity)	(see Manawatū River Activity)	(see Manawatū River Activity)
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These are monitored every three months through the Quarterly Reports and through the Annual Report.

Council will also monitor the Plan through one-off measures that are reported annually through the City Dashboard, including:

- Decrease in Council's total organisational emissions
- Decrease in citywide emissions

Climate change mitigation and adaption - Activity Financial Statements										
Budget	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
2020/21	2021/2	2022/2	2023/2	2024/2	2025/2	2026/2	2027/2	2028/2	2029/3	2030/3
\$'000s	2	3	4	5	6	7	8	9	0	1
\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
<b>Revenue</b>										
- Climate change mitigation and adaption	-	-	-	-	-	-	-	-	-	-
- Total Revenue	-	-	-	-	-	-	-	-	-	-
<b>Expenses</b>										
Climate change mitigation and adaption	222	287	385	406	406	409	411	414	417	420
- Total Expenses	222	287	385	406	406	409	411	414	417	420
<b>- NET OPERATING COST OF ACTIVITY</b>	<b>222</b>	<b>287</b>	<b>385</b>	<b>406</b>	<b>406</b>	<b>409</b>	<b>411</b>	<b>414</b>	<b>417</b>	<b>420</b>
<b>Rating Requirement</b>										
- Less Depreciation	-	(33)	(68)	(102)	(102)	(102)	(102)	(102)	(102)	(102)
- Plus Debt Repayment		22	45	69	71	72	75	77	79	81
<b>- RATES REQUIREMENT</b>	<b>222</b>	<b>276</b>	<b>362</b>	<b>372</b>	<b>374</b>	<b>379</b>	<b>383</b>	<b>388</b>	<b>394</b>	<b>399</b>
<b>Capital Expenditure</b>										
- New	1,000	1,025	1,049	-	-	-	-	-	-	-
Total Capital Expenditure	1,000	1,025	1,049	-	-	-	-	-	-	-
<b>Funded By</b>										
- New Borrowing / (Repayment)	1,000	1,025	1,049	-	-	-	-	-	-	-
- Total	1,000	1,025	1,049	-	-	-	-	-	-	-

Climate change mitigation and adaption - Operational												
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
ID-Name	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
1920-Climate Change and Sustainability Resource	0%	0%	100	103	105	107	110	112	114	117	119	122
2019-PNCC zero-carbon feasibility study	0%	100%	-	-	31	-	-	-	-	-	-	-
<b>TOTAL</b>			<b>100</b>	<b>103</b>	<b>136</b>	<b>107</b>	<b>110</b>	<b>112</b>	<b>114</b>	<b>117</b>	<b>119</b>	<b>122</b>
Funded by Council (Rates and Borrowing)			100	103	136	107	110	112	114	117	119	122

Climate change mitigation and adaption - Capital New												
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
ID-Name	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
1888-Low Carbon Fund	0%	100%	1,000	1,025	1,049	-	-	-	-	-	-	-
<b>TOTAL</b>			<b>1,000</b>	<b>1,025</b>	<b>1,049</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Funded by Council (Rates and Borrowing)			1,000	1,025	1,049	-	-	-	-	-	-	-

# Environmental Sustainability - Te toitūtanga taiao

**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 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.

For more information see Council's Environmental Sustainability Plan.

## Purpose of the plan - Te take o te mahere

The 10-Year Plan levels of service for this Plan and Activity are:

- Work with iwi and community groups to re-establish bush, particularly along waterways, and to control introduced predators
- Foster sustainable practices and behaviours so that city residents and organisations become more sustainable.

These levels of service are monitored through the following measures and targets (note, the same KPIs are deliberately used for the previous Activity):

Levels of service	Measures of Success (with results from 2019-20)	Targets Year 1 2021-22	Targets Year 2 2022-23	Targets Year 3 2023-24	Targets 4-10
Foster sustainable practices and behaviours so that city residents and organisations become more sustainable.	Increase in sustainable practices.(met. Current initiatives include running an 8-week Sustainable Living Course in local neighbourhoods)	Narrative measure outlining projects and initiatives that foster sustainable practices / behaviours and their impacts.	Narrative measure outlining projects and initiatives that foster sustainable practices / behaviours and their impacts.	Narrative measure outlining projects and initiatives that foster sustainable practices / behaviours and their impacts.	Narrative measure outlining projects and initiatives that foster sustainable practices / behaviours and their impacts.

Work with iwi and community groups to re-establish bush, particularly along waterways, and to control introduced predators.	Measured through Manawatū River level of service (see next Activity)	(see next Activity)	(see next Activity)	(see next Activity)	(see next Activity)
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These are monitored every three months through the Quarterly Reports and through the Annual Report.

Council will also monitor the Plan through one-off measures that are reported annually through the City Dashboard, including:

- » Increase in schools and learning centres participating in EnviroSchools Programme

- » Improvement in Council's environmental performance (e.g. per capita / average basis) in terms of:
  - » Energy Efficiency
  - » Water Consumption
  - » Waste Generation
  - » Waste Diversion
  - » Carbon emissions from transportation
  - » Increase in native birds
  - » Decrease in predators
  - » Improvement in water quality

Environmental sustainability - Activity Financial Statements											
Budget		10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
2020/21		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
<b>Revenue</b>											
-	Biodiversity	-	-	-	-	-	-	-	-	-	-
-	Total Revenue	-	-	-	-	-	-	-	-	-	-
<b>Expenses</b>											
314	Biodiversity	409	373	383	394	405	417	430	450	469	484
160	Support to environmental groups	161	165	169	174	178	182	187	192	197	201
227	Sustainable Practices	435	523	449	456	490	503	517	532	546	562
701	Total Expenses	1,006	1,061	1,001	1,023	1,073	1,102	1,134	1,173	1,212	1,246
<b>701</b>	<b>NET OPERATING COST OF ACTIVITY</b>	<b>1,006</b>	<b>1,061</b>	<b>1,001</b>	<b>1,023</b>	<b>1,073</b>	<b>1,102</b>	<b>1,134</b>	<b>1,173</b>	<b>1,212</b>	<b>1,246</b>
Rating Requirement											
-	Less Depreciation	-	(4)	(8)	(32)	(55)	(59)	(64)	(68)	(72)	(77)
13	Plus Debt Repayment	18	23	28	39	49	54	59	65	78	67
<b>714</b>	<b>RATES REQUIREMENT</b>	<b>1,024</b>	<b>1,081</b>	<b>1,022</b>	<b>1,029</b>	<b>1,066</b>	<b>1,097</b>	<b>1,130</b>	<b>1,170</b>	<b>1,218</b>	<b>1,236</b>
<b>Capital Expenditure</b>											
82	New	145	149	572	488	116	119	122	457	128	131
82	Total Capital Expenditure	145	149	572	488	116	119	122	457	128	131
<b>Funded By</b>											
-	External Revenue New	-	-	281	251	-	-	-	-	-	-
82	New Borrowing / (Repayment)	145	149	291	237	116	119	122	457	128	131
82	Total	145	149	572	488	116	119	122	457	128	131

Environmental sustainability - Operational												
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
ID-Name	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
268-Arapuke Forest Park/Kahuterawa Pest Control and Biodiversity Protection and Enhancement	0%	100%	60	62	64	65	67	69	71	74	76	79
764-City-wide - Council Facility Energy Use Monitoring	0%	100%	57	59	60	62	63	64	66	67	69	70
835-Ashhurst Domain - Biodiversity Improvements as Part of Manawatū Gorge Project	0%	100%	44	46	47	48	49	51	52	54	56	58
1080-City-wide -Biodiversity Increased Plant and Animal Pest Control	0%	100%	30	31	32	33	34	35	36	37	38	39
1145-Green Corridors Project - Continued Development	0%	100%	90	93	96	98	101	104	107	111	114	118
1450-Predator Free Palmerston North	0%	100%	25	26	27	27	28	29	30	31	32	33
1453-Freshwater Body Improvements	0%	100%	41	42	44	45	46	47	49	50	52	54
1916-Delivery of sustainable education outcomes	0%	100%	-	-	42	43	44	45	46	47	48	49
2055-Investigate Envirohub and Resource Recovery Centre	0%	100%	-	103	-	-	-	-	-	-	-	-
2117-Massey Botanical Gardens Masterplan - Funding towards	0%	100%	50	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>			<b>397</b>	<b>462</b>	<b>410</b>	<b>421</b>	<b>432</b>	<b>444</b>	<b>457</b>	<b>471</b>	<b>485</b>	<b>499</b>
Funded by Council (Rates and Borrowing)			397	462	410	421	432	444	457	471	485	499

Environmental sustainability - Capital New												
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
ID-Name	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
1077-Citywide - Biodiversity Enhancement Through Native Planting	0%	100%	30	31	32	33	34	35	36	369	38	39
1451-Property - LED Lighting Upgrades	0%	100%	75	77	79	80	82	84	86	88	90	92
1924-Improving remote monitoring capabilities	0%	100%	40	41	42	-	-	-	-	-	-	-
1959-Envirohub and Resource Recovery Centre (subject to external funding)	0%	100%	-	-	419	375	-	-	-	-	-	-
<b>TOTAL</b>			<b>145</b>	<b>149</b>	<b>572</b>	<b>488</b>	<b>116</b>	<b>119</b>	<b>122</b>	<b>457</b>	<b>128</b>	<b>131</b>
Funded by Council (Rates and Borrowing)			145	149	291	237	116	119	122	457	128	131



# Manawatū River - Te Awa o Manawatū

The Manawatū River is a significant natural and cultural feature of our city. Implementation of the Manawatū River Framework guides the development of the river environment. The purpose of this chapter is for the Manawatū River to be a cultural, environmental and recreation resource which is connected with all aspects of city life.

For more information see the Council's Manawatū River Plan.

## Purpose of the plan - Te take o te mahere

The 10-Year Plan levels of service for this Plan and Activity are:

- » 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

These levels of service are monitored through the following measures and targets:

Levels of service	Measures of Success (with results from 2019-20)	Targets Year 1 2021-22	Targets Year 2 2022-23	Targets Year 3 2023-24	Targets 4-10
Understand the relationship Rangitane 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.	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. (new - recent projects are Green Corridors, Urban Eels and Esplanade Entranceways)	Narrative measure outlining public use the river, biodiversity and native plantings, and connectivity of features.	Narrative measure outlining public use the river, biodiversity and native plantings, and connectivity of features.	Narrative measure outlining public use the river, biodiversity and native plantings, and connectivity of features.	Narrative measure outlining public use the river, biodiversity and native plantings, and connectivity of features.

These are monitored every three months through the Quarterly Reports and through the Annual Report.

Council will also monitor the Plan through one-off measures that are reported annually through the City Dashboard, including:

- » 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

Manawatū River - Activity Financial Statements										
Budget	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
<b>Revenue</b>										
- Manawatū River	10	10	11	11	11	11	12	12	12	13
- Total Revenue	10	10	11	11	11	11	12	12	12	13
<b>Expenses</b>										
Manawatū River	142	403	700	662	701	720	765	800	809	853
- Total Expenses	142	403	700	662	701	720	765	800	809	853
- <b>NET OPERATING COST OF ACTIVITY</b>	<b>132</b>	<b>393</b>	<b>690</b>	<b>651</b>	<b>690</b>	<b>709</b>	<b>754</b>	<b>789</b>	<b>797</b>	<b>841</b>
<b>Rating Requirement</b>										
- Less Depreciation	-	(105)	(230)	(275)	(285)	(291)	(320)	(339)	(339)	(375)
Plus Net Capital Renewal (3 Year Average)	12	12	14	13	15	19	18	20	27	27
- Plus Debt Repayment		75	165	193	211	229	239	261	271	281
- <b>RATES REQUIREMENT</b>	<b>144</b>	<b>375</b>	<b>639</b>	<b>583</b>	<b>631</b>	<b>666</b>	<b>692</b>	<b>730</b>	<b>755</b>	<b>774</b>
<b>Capital Expenditure</b>										
Renewal	2	6	28	3	10	27	7	22	25	12
- New	2,671	3,342	1,035	582	530	170	665	119	122	125
Total Capital Expenditure	2,673	3,348	1,063	585	540	197	672	141	147	137
<b>Funded By</b>										
Rates	12	12	14	13	15	19	18	20	27	27
- New Borrowing / (Repayment)	2,661	3,336	1,050	571	525	178	654	122	121	109

Manawatū River - Activity Financial Statements										
Budget	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
- Total	2,673	3,348	1,063	585	540	197	672	141	147	137

Manawatū River - Operational												
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
ID-Name	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
1486-City Reserves - Te Apiti Manawatū Gorge Development	0%	100%	-	51	105	-	-	-	-	-	-	-
1998-City Reserves - Manawatū River Park - Operation and Maintenance	0%	100%	38	39	82	84	86	88	90	93	95	98
<b>TOTAL</b>			<b>38</b>	<b>90</b>	<b>187</b>	<b>84</b>	<b>86</b>	<b>88</b>	<b>90</b>	<b>93</b>	<b>95</b>	<b>98</b>
Funded by Council (Rates and Borrowing)			38	90	187	84	86	88	90	93	95	98

Manawatū River - Capital Renewal												
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
ID-Name	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
1825-City Reserves - Manawatū River Park - Renewals	0%	100%	2	6	28	3	10	27	7	22	25	12
<b>TOTAL</b>			<b>2</b>	<b>6</b>	<b>28</b>	<b>3</b>	<b>10</b>	<b>27</b>	<b>7</b>	<b>22</b>	<b>25</b>	<b>12</b>
Funded by Council (Rates and Borrowing)			2	6	28	3	10	27	7	22	25	12

Manawatū River - Capital New												
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
ID-Name	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
1435-City Reserves - Manawatū River Park - Water Front Precinct Lighting	34%	66%	928	924	-	-	-	-	-	-	-	-
1844-City Growth - City Reserves - Manawatū River Park - Capital New	34%	66%	1,538	703	744	199	143	-	549	-	-	-
1892-City Growth - City Reserves - Manawatū River Park - Hokowhitu Lagoon Development Plan	34%	66%	-	10	76	108	-	-	-	-	-	-
1894-City Growth - City Reserves - Manawatū River Park - Marae Tarata Development Plan - Implementation	34%	66%	55	103	216	275	387	170	116	119	122	125

Manawatū River - Capital New												
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
ID-Name	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
1895-City Growth - City Reserves - Manawatū River Park - Te Motu o Poutoa Development Plan - Implementation	34%	66%	150	1,602	-	-	-	-	-	-	-	-
<b>TOTAL</b>			<b>2,671</b>	<b>3,342</b>	<b>1,035</b>	<b>582</b>	<b>530</b>	<b>170</b>	<b>665</b>	<b>119</b>	<b>122</b>	<b>125</b>
Funded by Council (Rates and Borrowing)			2,671	3,342	1,035	582	530	170	665	119	122	125

# Resource Recovery - Te whakaaraara rawa

The Waste Minimisation Act 2008 requires Council to adopt a Waste Management and Minimisation Plan (WMMP). The WMMP describes how the Council will manage and minimise waste effectively and efficiently. The Council adopted its WMMP in December 2019.

The WMMP is the foundation of the Resource Recovery Plan. The purpose of this plan is to reduce the impact of waste on our environment. Less waste will go to landfill and we will reuse, recover and recycle more materials.

For more information see Council's Resource Recovery Plan.

## Purpose of the plan - Te take o te mahere

The 10-Year Plan levels of service for this Plan and Activity are:

- 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.

These levels of service are monitored through the following measures and targets:

Levels of service	Measures of Success (with results from 2019-20)	Targets Year 1 2021-22	Targets Year 2 2022-23	Targets Year 3 2023-24	Targets 4-10
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).	Compliance with resource consents for the Resource Recovery Activity measured by the number of abatement notices, infringement notices, enforcement orders and convictions.(met – 100%)	100% compliance.	100% compliance.	100% compliance.	100% compliance.
Manage hazardous waste in an environmentally responsible manner.	Decrease in per capita volume of waste sent to landfill. (new. This occurs through Council's Waste Management and Minimisation Plan 2019. Go to <a href="http://pncc.govt.nz/10yp">pncc.govt.nz/10yp</a> )	Narrative measure outlining Council initiatives to decrease waste sent to landfill.	Narrative measure outlining Council initiatives to decrease waste sent to landfill.	Narrative measure outlining Council initiatives to decrease waste sent to landfill.	Narrative measure outlining Council initiatives to decrease waste sent to landfill.

These are monitored every three months through the Quarterly Reports and through the Annual Report.

Council will also monitor the Plan through one-off measures that are reported annually through the City Dashboard, including:

- Decrease in per capita volume of waste sent to landfill
- Increase in the proportion of waste diverted from landfill (target 48% by 2025)

### Significant Negative Effects

- Waste to Landfill: Landfilling of rubbish presents an adverse effect on the receiving environment - Council has set goals through its Waste Management and Minimisation Plan 2019 to increase the proportion of waste diverted from landfill from 38% to 48% by 2025.
- Gas Emissions from the Awapuni Closed Landfill: Decomposition of organic material placed into landfill over time generates various gases including methane, ammonia, hydrogen sulphide and nitrogen, which are released into the atmosphere. To mitigate this, a grid of collection wells has been established on the closed Awapuni landfill, with the collected gas being used for energy generation. This reduces the release of emissions. An odour control programme is in place at the Awapuni site to

combat the impacts of malodour transgressing the site boundaries.

- Leachate: Leachates discharging and sediment eroding from the landfill can result in degradation of the environment if not contained. Mitigation of these effects is undertaken through a system of leachate and stormwater collection which is returned to the wastewater treatment plant. Groundwater monitoring for potentially toxic substances is required in accordance with the operative resource consent.
- Odour and noise from composting operations: Composting equipment creates noise and the decomposition of organic waste also produces odour. To reduce this, odour and noise are managed and monitored through the day to day operations. Some processing operations, for example, turning are required to comply with the conditions set out within the resource consent.
- Windblown Recycling Materials: Paper and other lightweight recycling material are prone to wind displacement, particularly at the exposed Awapuni site. Mitigation is through the presence of a perimeter fence which intercepts windblown materials which is periodically cleaned, ensuring visual presentation of the site.

Resource Recovery - Activity Financial Statements											
Budget		10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	
2020/21		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
<b>Revenue</b>											
247	Landfill Management	223	231	237	243	250	257	265	274	284	292
1,213	Waste Management	1,261	1,359	1,488	1,585	1,631	1,677	1,730	1,788	1,848	1,906
1,237	Waste Minimisation	1,621	1,641	1,684	1,730	1,780	1,829	1,888	1,950	2,017	2,079
2,697	Total Revenue	3,105	3,232	3,409	3,558	3,661	3,764	3,884	4,012	4,148	4,277
<b>Expenses</b>											
233	Landfill Management	425	510	540	563	597	642	675	731	762	790
1,781	Waste Management	1,741	1,879	2,043	2,171	2,232	2,299	2,376	2,460	2,548	2,631
5,788	Waste Minimisation	6,250	6,766	6,765	7,211	8,062	8,260	8,618	9,253	9,459	9,839
7,801	Total Expenses	8,416	9,156	9,349	9,945	10,891	11,201	11,669	12,443	12,769	13,261
<b>5,104</b>	<b>NET OPERATING COST OF ACTIVITY</b>	<b>5,311</b>	<b>5,924</b>	<b>5,940</b>	<b>6,387</b>	<b>7,230</b>	<b>7,438</b>	<b>7,785</b>	<b>8,431</b>	<b>8,621</b>	<b>8,984</b>
<b>Rating Requirement</b>											
(923)	Less Depreciation	(923)	(957)	(989)	(1,017)	(1,076)	(1,186)	(1,212)	(1,548)	(1,640)	(1,687)
305	Plus Net Capital Renewal (3 Year Average)	423	571	709	779	839	838	982	1,258	1,382	1,498
811	Plus Debt Repayment	709	419	443	292	332	379	379	604	621	644
<b>5,297</b>	<b>RATES REQUIREMENT</b>	<b>5,520</b>	<b>5,958</b>	<b>6,102</b>	<b>6,441</b>	<b>7,325</b>	<b>7,469</b>	<b>7,935</b>	<b>8,745</b>	<b>8,983</b>	<b>9,438</b>
<b>Capital Expenditure</b>											
176	Renewal	421	432	432	850	844	643	1,028	842	1,076	1,857
246	New	770	459	529	1,430	1,984	228	8,028	207	315	214
422	Total Capital Expenditure	1,191	891	961	2,280	2,829	872	9,056	1,048	1,392	2,071

Resource Recovery - Activity Financial Statements											
Budget		10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	
2020/21		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
<b>Funded By</b>											
305	Rates	423	571	709	779	839	838	982	1,258	1,382	1,498
117	New Borrowing / (Repayment)	768	320	252	1,501	1,990	34	8,074	(210)	10	572
422	Total	1,191	891	961	2,280	2,829	872	9,056	1,048	1,392	2,071

Resource Recovery - Operational												
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
ID-Name	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
974-City-wide - Rubbish & Recycling - Communication, Education and Resource Materials	0%	100%	30	31	32	33	34	35	36	37	38	39
1425-Awapuni Closed Landfill - Waste Mixed Colour Glass Stockpile Processing	0%	100%	-	48	49	51	52	54	55	57	59	61
1724-City-wide - Diversion of Waste from Landfill - Investigation Studies	0%	100%	125	207	80	82	84	87	89	92	95	98
1811-City-Wide - Bi-Annual Hazardous Waste Day	0%	100%	-	-	53	-	-	58	-	61	-	66
1886-City-wide - Rubbish & Recycling - Resource Consent Application Renewals	0%	100%	-	-	13	107	-	-	34	31	-	-
1908-City-Wide - Rubbish & Recycling - Asset Condition Assessments	0%	100%	50	52	53	33	34	35	36	37	38	39
1909-Waste Minimisation Levy - Contestable Fund	0%	100%	40	41	42	44	45	46	48	49	51	52
2044-City-Wide - Kerbside Food Waste - Investigations and Trial	0%	100%	-	197	74	-	-	-	-	-	-	-
2063-Waste Minimisation Education	0%	100%	35	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>			<b>280</b>	<b>576</b>	<b>397</b>	<b>348</b>	<b>249</b>	<b>313</b>	<b>298</b>	<b>365</b>	<b>282</b>	<b>356</b>
Funded by Council (Rates and Borrowing)			280	576	397	348	249	313	298	365	282	356



Resource Recovery - Capital Renewal												
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
ID-Name	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
185-Closed Landfills and Transfer Stations - Site Renewals	0%	100%	35	36	37	360	62	40	42	43	64	66
612-Recycling - City-wide Wheelie Bin and Crate Renewals	0%	100%	78	120	162	217	269	316	379	518	678	939
649-Recycling - Materials Recovery Facility Renewals	0%	100%	160	140	90	129	95	156	117	121	184	246
1368-City-wide - Public Space Rubbish & Recycling Bins Renewals	0%	100%	45	47	48	49	50	52	54	55	57	59
1374-City-wide - Recycling Drop Off Facilities - Renewals	0%	100%	9	9	11	10	22	12	11	11	19	12
1721-Composting Activity Site Renewals	0%	100%	8	8	8	9	290	9	367	32	10	10
1784-Rubbish and Recycling Buildings - Renewals	0%	100%	70	72	74	76	56	58	60	61	64	524
2086-C/fwd - Closed Landfills and Transfer Stations - Site Renewals	0%	100%	16	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>			<b>421</b>	<b>432</b>	<b>432</b>	<b>850</b>	<b>844</b>	<b>643</b>	<b>1,028</b>	<b>842</b>	<b>1,076</b>	<b>1,857</b>
Funded by Council (Rates and Borrowing)			421	432	432	850	844	643	1,028	842	1,076	1,857

Resource Recovery - Capital New												
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
ID-Name	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
506-City-wide - Public Space Rubbish & Recycling Bins Development	0%	100%	64	66	67	69	56	58	60	61	64	66
657-Urban Growth - Recycling - City-wide Wheelie Bins and Crates	0%	100%	70	72	74	76	79	81	83	86	89	92
721-Awapuni Closed Landfill - Landscaping Development	0%	100%	25	26	27	20	20	21	21	22	23	24
727-Recycling - Materials Recovery Facility Development	0%	100%	-	-	-	-	-	-	7,143	-	-	-
1105-Awapuni Closed Landfill - Weighbridge and Ancillary Infrastructure Development	0%	100%	-	-	-	-	393	-	685	-	102	-
1371-Closed Landfills and Transfer Stations - Safety, Security and Development	0%	100%	159	181	53	142	67	35	-	-	-	-
1373-City-wide - Recycling Drop Off Facilities - Development	0%	100%	42	72	-	1,091	1,122	-	-	-	-	-
1410-Recycling - City-wide Recycling Services to Commercial/orgnisational Properties Development	0%	100%	40	41	42	33	34	35	36	37	38	33
1783-Rubbish and Recycling Buildings - Staff Welfare and Health and Safety Improvements	0%	100%	300	-	-	-	-	-	-	-	-	-

Resource Recovery - Capital New												
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
ID-Name	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
1810-City-wide - Diversion of Waste from Landfill - New Materials Development	0%	100%	70	-	265	-	213	-	-	-	-	-
<b>TOTAL</b>			<b>770</b>	<b>459</b>	<b>529</b>	<b>1,430</b>	<b>1,984</b>	<b>228</b>	<b>8,028</b>	<b>207</b>	<b>315</b>	<b>214</b>
Funded by Council (Rates and Borrowing)			770	459	529	1,430	1,984	228	8,028	207	315	214

# Waters Plan - Te mahere mō ngā wai (Wastewater, Water, Stormwater)

The Plan covers Wastewater, Water supply and Stormwater.

Significant central government reform has been proposed for the future management of the three waters. The Government is considering shifting the three waters management functions of councils to new regional entities. If the reforms proceed, the role of Council in managing three waters infrastructure could be significantly changed. For more information see Council's Waters Plan.

The Waters Plan and Activity primarily contribute to the Council's goal of an Eco city.

For Local Government Act Water Supply; Sewerage and the treatment and disposal of sewerage (wastewater); and Stormwater Drainage are three separate Groups of Activities.

## Purpose of the Waters plan

The 10-Year Plan levels of service for this Plan and Activity are:

- Council provides stormwater services to protect buildings from inundation from flooding in major events
- Council provides wastewater services for the safe collection, treatment and disposal of the city's wastewater
- Council provides water services for the provision of safe and readily available water

These levels of service are monitored through the following measures and targets:

Levels of service	Measures of Success (with results from 2019-20)	Targets Year 1 2021-22	Targets Year 2 2022-23	Targets Year 3 2023-24	Targets 4-10
Stormwater Drainage Provide stormwater services to protect buildings from inundation from flooding in major events.	The number of flood event per year resulting in stormwater from the Council's stormwater system entering a habitable floor in an urban area (mandatory measure).(met - none)	Less than 5.	Less than 5.	Less than 5.	Less than 5.
	The number of habitable floors per 1,000 properties within urban stormwater service areas affected by a	Less than 2.	Less than 2.	Less than 2.	Less than 2.

	flood event (mandatory measure). (met - none)				
	Median time to attend a flooding event (note: a flooding event is one resulting in stormwater entering a habitable building) (mandatory measure). (met - none)	Less than 2 hours.	Less than 2 hours.	Less than 2 hours.	Less than 2 hours.
	The number of complaints received about the performance of Council's stormwater system per 1,000 properties connected (mandatory measure). (met – 9.6)	Less than 15.	Less than 15.	Less than 15.	Less than 15.
	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 (mandatory measure). (met – 100%)	100%.	100%.	100%.	100%.

<b>Levels of service Sewerage and the treatment and disposal of sewerage</b>	<b>Measures of Success (with results from 2019-20)</b>	<b>Targets Year 1 2021-22</b>	<b>Targets Year 2 2022-23</b>	<b>Targets Year 3 2023-24</b>	<b>Targets 4-10</b>
Provide wastewater services for the safe collection, treatment and disposal of the city's wastewater.	Number of dry weather wastewater overflows from Council's wastewater system per 1,000 connections per year (mandatory measure). (met – 0.61)	Less than 1.	Less than 1.	Less than 1.	Less than 1.
	Complaints per 1,000 connections about wastewater odour, system faults, system blockages and Council's response to issues with the wastewater system (mandatory measure). (met – 12.43)	Less than 15.	Less than 15.	Less than 15.	Less than 15.
	Median time for attending to overflows resulting from blockages or other faults (mandatory measure). (met – 0.56)	Less than 1.5 hours.	Less than 1.5 hours.	Less than 1.5 hours.	Less than 1.5 hours.
	Median time for resolution of overflows resulting from blockages or other faults (mandatory measure). (met – 4.27)	Less than 8 hours.	Less than 8 hours.	Less than 8 hours.	Less than 8 hours.
	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	100%.	100%.	100%.	100%.

	Council in relation to resource consents. (met – 100%)				
<b>Levels of service Water Supply</b>	<b>Measures of Success (with results from 2019-20)</b>	<b>Targets Year 1 2021-22</b>	<b>Targets Year 2 2022-23</b>	<b>Targets Year 3 2023-24</b>	<b>Targets 4-10</b>
Provide water services for the provision of safe and readily available water.	Compliance with Part 4 (bacteria compliance criteria) of the Public Health Act 1956 (as amended by the Health (Drinking Water) Amendment Act 2007 (mandatory measure)). (met – 100%)	100%.	100%.	100%.	100%.
	Compliance with Part 5 (protozoal compliance criteria) of the Public Health Act 1956 (as amended by the Health (Drinking Water) Amendment Act 2007 (mandatory measure)). (met – 100%)	100%.	100%.	100%.	100%.
	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 (mandatory measure). Not met (43.65)	Less than 40.	Less than 40.	Less than 40.	Less than 40.
	Average consumption of drinking water per day per resident (mandatory measure). (met – 197 litres)	Less than 360 litres.	Less than 360 litres.	Less than 360 litres.	Less than 360 litres.

	Median response time for urgent call out attendance (mandatory measure). (met – 0.225 hours)	Less than 2 hours.	Less than 2 hours.	Less than 2 hours.	Less than 2 hours.
	Median response time for resolution of urgent call outs (mandatory measure). (met – 0.73 hours)	Less than 7 hours.	Less than 7 hours.	Less than 7 hours.	Less than 7 hours.
	Median response time for non-urgent call out attendance (mandatory measure). (met – 2.03 hours)	Less than 10 hours.	Less than 10 hours.	Less than 10 hours.	Less than 10 hours.
	Median response time for resolution of non-urgent call outs (mandatory measure). (met - 4.8 hours)	Less than 75 hours.	Less than 75 hours.	Less than 75 hours.	Less than 75 hours.
	Percentage of real water loss from the water reticulation network (mandatory measure). (met – 18.2%)	Less than 20%.	Less than 20%.	Less than 20%.	Less than 20%.

These are monitored every three months through the Quarterly Reports and through the Annual Report.

Council will also monitor the Plan through one-off measures that are reported annually through the City Dashboard, including:

- A regional resource consent for wastewater discharge is lodged by June 2022
- District Plan is updated to address stormwater detention, water sensitive design and restrict impervious surface by June 2024
- City-wide stormwater discharges are consented by Horizons Regional Council by June 2024.

### Significant Negative Effects

#### Stormwater

- Failure of the system resulting in flooding of habitable residential and commercial buildings.
- Stormwater entry to the wastewater network through cross-connections and illegal connections resulting in excess volumes of wastewater to be treated and potential detrimental impacts on the quality of treated effluent discharged.
- Pollution and contamination of the stormwater from runoff and cross-connections with the wastewater network, resulting in contaminants entering the stormwater network and discharging to streams and the Manawatū River.

Council mitigates these in a range of ways:

- Property damage due to flood events is addressed by a range of measures including capital works to address capacity constraints, effective building control to set minimum building floor levels, site specific detention and attenuation of stormwater in new growth and infill sub-divisions.

- Runoff from industrial areas with the potential for adverse stormwater contamination is managed through the building consenting and trade waste regulatory processes.
- The clean-up for any pollution incidents is managed by emergency response plans (with Horizons Regional Council).
- A comprehensive programme of monitoring, inspection and corrective work to reduce the volume of stormwater infiltration and inflow into the wastewater system.
- Identifying and targeting sites that are at high risk of discharging significant contaminants.
- Behaviour change initiatives within the community focus on reducing illegal dumping, littering and discharging of hazardous substances into the stormwater system.

#### Wastewater:

- Discharge of treated wastewater effluent or overflows of untreated wastewater from the WWTP to the Manawatū River adversely affecting river quality.
- Odours from wastewater infrastructure such as pumping stations, treatment facilities, and pipeline vents adversely affecting local residents.
- The disposal of wastewater treatment by-products, such as bio-solids adversely affecting the receiving environment.

All of these potential negative effects are managed as part of the day-to-day operation of the Wastewater Activity.

The quality of effluent discharged to the Manawatū River is regulated by resource consent. The consent conditions ensure that negative effects associated with the discharge are managed to acceptable levels. The Council is currently undertaking a robust Best Practical Options review of treatment options prior to the application of a new consent.



The entry of stormwater to the wastewater system during heavy rainfall is addressed by reducing the entry of stormwater to the wastewater system on private properties, renewal of pipelines where there is excessive entry of stormwater through defects in the pipes, and providing additional capacity in parts of the wastewater system.

There are no reported odour issues associated with the wastewater reticulation system however a small number of odour complaints are received regarding the operation of the WWTP on Totara Rd. Some of the complaints relate to composting activities at the Council composting operations, however in general the odour suppression system in place and careful management of the disposal of wastewater treatment by-products is effective.

**Water:**

- » The effect on public health and quality of life should the water supply not meet water quality standards.
- » Property damage resulting from mains failures.
- » The effect on the environment of damming and extraction of water from the Turitea Stream.
- » The effect on the environment of discharges of chlorinated water from maintenance activities or pipeline failures.

- » The effect on the environment of disposal of water supply treatment by-products.
- » Risks from natural events such as large earthquakes and significant floods.

All of these potential negative effects are managed as part of the day to day operation of the Water Activity. Water quality from the Treatment Plant is strictly controlled with a certified Quality Assurance process in place. The Water Safety Plan (Public Health Risk Management Plan) ensures the risks in providing drinking-water have been identified and mitigation measures are in place. Renewal programmes minimise the incidence of infrastructure failures.

The damming and extraction of water from the Turitea Stream is regulated by conditions of resource consents to ensure that potential adverse effects are managed to acceptable levels. Discharges of chlorinated water are of short duration, chlorine levels in the water are low, and any effects are likely to be localised and relatively minor. The discharge of water treatment by-products are covered by the resource consent, and have less than minor impact.

<b>Wastewater - Activity Financial Statements</b>											
<b>Budget</b>		<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>
<b>2020/21</b>		<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>
<b>\$'000s</b>		<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>
<b>Revenue</b>											
955	Wastewater Collection	6	6	6	7	7	7	7	7	8	8
381	Wastewater Treatment and Disposal	1,425	1,237	1,269	1,522	1,790	2,071	2,614	2,700	2,792	2,878
1,336	Total Revenue	1,431	1,243	1,276	1,528	1,797	2,078	2,621	2,707	2,799	2,886
<b>Expenses</b>											
4,827	Wastewater Collection	5,461	5,681	6,514	6,695	6,777	7,016	7,055	7,096	7,349	7,418
5,796	Wastewater Treatment and Disposal	6,479	6,587	6,941	12,315	23,889	28,616	33,046	32,747	32,852	33,119
10,623	Total Expenses	11,940	12,268	13,455	19,010	30,666	35,632	40,102	39,843	40,201	40,536
<b>9,286</b>	<b>NET OPERATING COST OF ACTIVITY</b>	<b>10,509</b>	<b>11,025</b>	<b>12,179</b>	<b>17,482</b>	<b>28,869</b>	<b>33,554</b>	<b>37,481</b>	<b>37,136</b>	<b>37,401</b>	<b>37,650</b>
<b>Rating Requirement</b>											
(4,251)	Less Depreciation	(4,195)	(4,344)	(4,512)	(4,950)	(7,421)	(10,106)	(12,740)	(12,758)	(12,982)	(13,001)
3,028	Plus Net Capital Renewal (3 Year Average)	3,905	5,069	5,099	5,670	5,045	5,503	5,467	6,270	6,394	6,945
466	Plus Debt Repayment	370	510	674	1,183	3,916	6,775	9,840	10,139	10,486	10,804
8,529	RATES REQUIREMENT	10,589	12,260	13,440	19,384	30,410	35,727	40,048	40,787	41,298	42,399
<b>Capital Expenditure</b>											
3,642	Renewal	5,040	4,459	4,065	6,683	4,548	5,777	4,810	5,921	5,669	7,221
2,813	New	5,826	6,024	22,592	124,384	126,636	132,421	1,083	2,902	1,157	3,356
6,454	Total Capital Expenditure	10,866	10,482	26,657	131,068	131,185	138,198	5,893	8,824	6,826	10,577
<b>Funded By</b>											
-	External Revenue Renewal	1,407	-	-	-	-	-	-	-	-	-

Wastewater - Activity Financial Statements											
Budget		10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
2020/21		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
-	External Revenue New	895	-	-	-	-	-	-	-	-	-
482	Development Contributions	533	1,022	1,283	2,104	2,949	3,912	4,035	4,128	4,292	4,345
3,028	Rates	3,905	5,069	5,099	5,670	5,045	5,503	5,467	6,270	6,394	6,945
2,944	New Borrowing / (Repayment)	4,126	4,392	20,275	123,294	123,190	128,783	(3,609)	(1,575)	(3,860)	(713)
6,454	Total	10,866	10,482	26,657	131,068	131,185	138,198	5,893	8,824	6,826	10,577

Wastewater - Operational												
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
ID-Name	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
1319-Totara Road Wastewater Treatment Plant - Consent Renewal Upgrade Options Analysis	0%	100%	1,251	1,212	1,096	482	624	670	571	-	-	-
1401-City-wide - Infiltration & Inflow Investigations	0%	100%	250	259	478	491	505	519	536	553	572	590
1614-Stormwater - Open channels and drains - maintenance	0%	100%	-	52	106	109	112	115	119	123	127	131
1683-Totara Rd WWTP - Migrate data collection and plant performance data to cloud based system	0%	100%	50	-	-	-	-	-	-	-	-	-
1687-Project management for delivery programme	0%	100%	80	-	-	-	-	-	-	-	-	-
1690-Condition assessment of critical 3 waters assets	0%	0%	100	-	-	-	-	-	-	-	-	-
1716-City-wide - Wastewater Facility Condition Assessment Programme	0%	100%	50	52	85	87	90	92	95	98	102	105
1717-City-wide - Wastewater Pipeline Condition Assessment Programme	0%	100%	175	181	393	404	415	427	440	455	470	485
1718-City-wide Pressure Wastewater systems operation	0%	100%	2	2	65	67	68	70	73	75	78	80
1719-City-wide - Decommissioning of Redundant Wastewater Mains	0%	100%	200	207	212	218	224	231	238	246	254	262
1720-Operate and Maintain Wastewater Network Model	0%	100%	10	10	53	55	56	58	60	61	64	66
1802-Wastewater Pump Stations - Building Maintenance	0%	100%	10	10	22	23	24	24	25	26	27	28
1814-Wastewater Treatment Pond Sludge Removal	0%	100%	-	-	-	3,381	1,683	-	-	-	-	-
1843-Wastewater Treatment Plant - Building Maintenance	0%	100%	35	36	74	76	79	81	83	86	89	92

Wastewater - Operational												
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
ID-Name	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
1974-City-wide - Wastewater - Operation and maintenance of vested assets	0%	100%	-	-	-	-	-	-	-	-	-	35
1999-Wastewater Reticulation Network Maintenance	0%	100%	68	73	144	148	152	156	161	166	172	177
2004-Wastewater Reticulation Pump Stations Operation & Maintenance	0%	100%	20	21	21	22	22	23	24	25	25	26
<b>TOTAL</b>			<b>2,301</b>	<b>2,115</b>	<b>2,750</b>	<b>5,561</b>	<b>4,055</b>	<b>2,467</b>	<b>2,425</b>	<b>1,915</b>	<b>1,980</b>	<b>2,077</b>
Funded by Council (Rates and Borrowing)			2,071	2,115	2,750	5,561	4,055	2,467	2,425	1,915	1,980	2,077

Wastewater - Capital Renewal												
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
ID-Name	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
54-City-wide - Wastewater Pipe Renewal	0%	100%	2,100	2,381	2,655	2,945	3,254	3,576	3,929	4,304	4,705	5,244
65-City-wide - Wastewater Pump Station Renewal	0%	100%	300	311	340	349	421	115	119	123	127	131
179-Totara Road Wastewater Treatment Plant - Minor Equipment Renewals	0%	100%	510	414	425	436	449	461	238	246	254	262
1068-Totara Road Wastewater Treatment Plant - Replacement of Inlet Pumps	0%	100%	160	-	212	1,309	-	-	-	-	-	-
1380-Totara Rd WWTP - Biogas Generator Major Overhauls	0%	100%	300	155	159	273	135	173	208	184	254	459
1589-C/fwd - Totara Road Wastewater Treatment Plant - Minor Equipment Renewals	0%	100%	316	-	-	-	-	-	-	-	-	-
1665-C/fwd - Totara Road Wastewater Treatment Plant - Replacement of Inlet Pumps	0%	100%	217	-	-	-	-	-	-	-	-	-
1714-City-wide Wastewater Trunk Mains Renewal	0%	100%	200	1,139	212	1,309	224	1,384	238	984	254	1,049
1799-Wastewater Treatment Plant - Buildings Renewals	0%	100%	50	52	53	55	56	58	60	61	64	66
1801-Wastewater Pump Stations - Building Renewals	0%	100%	8	8	8	9	9	9	10	10	10	10
1887-Water Operations - Small plant and Equipment - Renewals	0%	100%	3	-	-	-	-	-	8	9	-	-
2094-C/fwd - City-wide - Wastewater Pipe Renewal	0%	100%	240	-	-	-	-	-	-	-	-	-
2095-C/fwd - City-wide - Wastewater Pump Station Renewal	0%	100%	193	-	-	-	-	-	-	-	-	-
2101-C/fwd - Replacement of potable water service in WWTP	0%	100%	220	-	-	-	-	-	-	-	-	-

Wastewater - Capital Renewal												
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
ID-Name	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
2102-C/fwd - PS Telemetry unit compatibility upgrade	0%	100%	22	-	-	-	-	-	-	-	-	-
2106-C/fwd - Eastern Trunk Main - Hokowhitu Campus Renewal	0%	100%	40	-	-	-	-	-	-	-	-	-
2107-C/fwd - Totara Road Wastewater Treatment Plant - High Voltage Power renewals	0%	100%	162	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>			<b>5,040</b>	<b>4,459</b>	<b>4,065</b>	<b>6,683</b>	<b>4,548</b>	<b>5,777</b>	<b>4,810</b>	<b>5,921</b>	<b>5,669</b>	<b>7,221</b>
Funded by Council (Rates and Borrowing)			3,634	4,459	4,065	6,683	4,548	5,777	4,810	5,921	5,669	7,221

Wastewater - Capital New												
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
ID-Name	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
66-Totara Road Wastewater Treatment Plant - Resilience Programme	0%	100%	560	735	828	480	853	877	-	-	-	-
73-Urban Growth - Development Contributions - Wastewater	100%	0%	100	104	106	109	56	58	60	61	64	66
210-Urban Growth - NEIZ - Wastewater	100%	0%	600	155	531	545	561	-	-	-	-	-
628-Totara Road Wastewater Treatment Plant - Consent Renewal Upgrade	20%	80%	-	-	18,507	120,377	123,864	128,995	-	-	-	-
1000-Urban Growth - Whakarongo - Wastewater	100%	0%	200	486	283	-	-	-	-	-	-	-
1055-Urban Growth - Kakatangiata - Wastewater	100%	0%	53	-	-	344	337	-	-	-	-	-
1074-Totara Road Wastewater Treatment Plant - Earthquake Strengthening of Civil Structures	0%	100%	200	1,035	1,062	-	-	-	-	-	-	-
1412-Urban Growth - Ashhurst - Wastewater	50%	50%	-	-	-	327	-	-	-	-	-	-
1597-C/fwd - Urban Growth - Kakatangiata - Installation of Wastewater Systems	0%	100%	315	-	-	-	-	-	-	-	-	-
1616-City-wide - Wastewater Pump Station - Capacity Upgrade	0%	100%	660	714	690	676	685	704	726	750	776	800
1617-Totara Road Wastewater Treatment Plant - Biogas System Improvements	0%	100%	1,400	1,190	-	-	-	-	-	-	-	-
1619-Totara Road Wastewater Treatment Plant - Inlet Screens	0%	100%	40	-	-	-	-	-	-	-	-	-
1625-C/fwd - Urban Growth - Installation of Wastewater Systems for New Industrial Areas - NEIZ Extension Area	0%	100%	75	-	-	-	-	-	-	-	-	-
1677-Upsizing of Kairanga Bunnythorpe Road Sewer and Storage	0%	100%	450	-	-	-	-	-	-	-	-	-

<b>Wastewater - Capital New</b>												
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
ID-Name	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
1689-Three Waters Data Centre Upgrade	0%	100%	84	-	-	-	-	-	-	-	-	-
1711-Industrial Growth - Longburn Industrial Park - Wastewater	100%	0%	50	621	-	-	-	-	-	-	-	-
1712-City-wide Wastewater wet weather overflow mitigation	0%	100%	200	621	212	763	224	1,384	238	1,845	254	2,229
1821-City-wide Wastewater Pipeline Realignment of at-risk mains	0%	100%	50	259	53	382	56	404	60	246	64	262
2030-Urban Growth - Aokautere - Wastewater	100%	0%	-	104	319	382	-	-	-	-	-	-
2066-C/fwd - Totara Road Wastewater Treatment Plant - New Storage Shed for critical equipment	0%	100%	153	-	-	-	-	-	-	-	-	-
2081-C/fwd - WWTP - Health and Safety Upgrades	0%	100%	152	-	-	-	-	-	-	-	-	-
2082-C/fwd - Totara Road Wastewater Treatment Plant - High Voltage Power resilience upgrades	0%	100%	162	-	-	-	-	-	-	-	-	-
2083-C/fwd - Totara Road Wastewater Treatment Plant - Inlet Screens	0%	100%	252	-	-	-	-	-	-	-	-	-
2084-C/fwd - Three Waters Resilience - Installing Telemetry	0%	100%	69	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>			<b>5,826</b>	<b>6,024</b>	<b>22,592</b>	<b>124,384</b>	<b>126,636</b>	<b>132,421</b>	<b>1,083</b>	<b>2,902</b>	<b>1,157</b>	<b>3,356</b>
Funded by Council (Rates and Borrowing)			4,930	6,024	22,592	124,384	126,636	132,421	1,083	2,902	1,157	3,356

<b>Water - Activity Financial Statements</b>											
Budget											
2020/21	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
\$'000s	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
<b>Revenue</b>											
29	Water Collection	29	30	31	302	32	33	34	36	37	38
8	Water Distribution	56	58	59	61	63	64	67	69	71	73
-	Water Treatment	10	10	11	11	11	12	12	12	13	13
37	Total Revenue	95	98	101	374	106	109	113	117	121	124
<b>Expenses</b>											

<b>Water - Activity Financial Statements</b>											
<b>Budget</b>		<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	
<b>2020/21</b>		<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>
<b>\$'000s</b>		<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>
2,001	Water Collection	2,702	2,721	2,958	3,513	3,268	3,697	3,871	4,267	4,291	4,252
3,900	Water Distribution	4,392	4,620	4,830	5,120	5,491	6,175	6,482	6,655	6,710	6,792
2,263	Water Treatment	1,844	2,145	2,315	2,450	2,544	2,622	2,669	2,714	2,738	2,773
8,164	Total Expenses	8,938	9,487	10,103	11,083	11,303	12,493	13,022	13,636	13,739	13,817
<b>8,126</b>	<b>NET OPERATING COST OF ACTIVITY</b>	<b>8,843</b>	<b>9,388</b>	<b>10,002</b>	<b>10,709</b>	<b>11,197</b>	<b>12,384</b>	<b>12,909</b>	<b>13,519</b>	<b>13,618</b>	<b>13,693</b>
<b>Rating Requirement</b>											
(3,271)	Less Depreciation	(3,090)	(3,236)	(3,404)	(3,536)	(3,745)	(4,170)	(4,355)	(4,468)	(4,696)	(4,696)
3,807	Plus Net Capital Renewal (3 Year Average)	4,553	5,921	6,323	6,140	5,048	4,369	4,095	4,093	4,064	4,055
601	Plus Debt Repayment	631	823	1,036	1,303	1,638	2,087	2,426	2,634	2,720	2,808
<b>9,265</b>	<b>RATES REQUIREMENT</b>	<b>10,938</b>	<b>12,896</b>	<b>13,958</b>	<b>14,617</b>	<b>14,138</b>	<b>14,670</b>	<b>15,076</b>	<b>15,778</b>	<b>15,706</b>	<b>15,859</b>
<b>Capital Expenditure</b>											
3,277	Renewal	4,376	4,925	5,257	7,579	6,134	4,708	4,302	4,096	3,887	4,295
5,906	New	7,724	8,352	10,710	13,491	18,538	13,623	6,414	557	550	332
9,183	Total Capital Expenditure	12,100	13,277	15,967	21,070	24,671	18,331	10,716	4,654	4,437	4,627
<b>Funded By</b>											
-	External Revenue Renewal	796	-	-	-	-	-	-	-	-	-
-	External Revenue New	391	-	-	-	-	-	-	-	-	-
332	Development Contributions	367	337	423	694	972	1,290	1,331	1,361	1,415	1,433
-	Asset Sales	-	-	486	-	-	-	-	-	-	-
3,807	Rates	4,553	5,921	6,323	6,140	5,048	4,369	4,095	4,093	4,064	4,055
5,044	New Borrowing / (Repayment)	5,992	7,019	8,735	14,236	18,651	12,672	5,290	(800)	(1,042)	(861)

Water - Activity Financial Statements											
Budget	-	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
2020/21		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
9,183	Total	12,100	13,277	15,967	21,070	24,671	18,331	10,716	4,654	4,437	4,627

Water - Operational												
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
ID-Name	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
898-Water Supply Development Planning	0%	100%	50	-	-	131	-	-	-	-	-	-
1052-Turitea Dams - Dam Safety Assurance Programme	0%	100%	-	-	42	-	-	-	-	49	-	-
1246-Three Waters Public Education - Water	0%	100%	40	41	42	44	45	46	48	49	51	52
1798-Water Treatment Plant - Buildings Maintenance	0%	100%	30	31	62	72	74	76	79	81	84	87
1812-City-wide - Water Supply Network Modelling	0%	100%	15	16	16	16	17	17	18	18	19	20
1813-City-wide - Water Supply Condition Assessments	0%	100%	50	52	32	33	34	35	36	37	38	39
1870-Turitea Dams - Consent Renewal - Hydroelectricity	0%	100%	-	-	-	-	-	-	-	246	-	-
1871-Bunnythorpe - Water Safety Plan Update	0%	100%	25	-	-	-	-	-	-	-	-	-
1872-Longburn - Water Safety Plan Update	0%	100%	25	-	-	-	-	-	-	-	-	-
1881-Water Pump Station - Building Maintenance	0%	100%	10	10	16	16	17	17	18	18	19	20
1900-Ashhurst - Water Safety Plan Update	0%	100%	25	-	-	-	-	29	-	-	-	-
1902-Palmerston North - Water Safety Plan Update	0%	100%	-	-	-	55	-	-	-	-	64	-
1905-Turitea Dams - Turitea Forest Harvest	0%	100%	-	-	(486)	-	-	-	-	-	-	-
1975-City-wide – Water supply - Operation and maintenance of vested assets	0%	100%	-	-	-	-	-	-	-	-	-	31
1996-Turitea Dams - Catchment Management	0%	100%	100	104	207	213	219	225	232	240	248	256
2053-Implement Commercial Backflow Fee	0%	100%	-	-	-	-	-	-	-	-	-	-
TOTAL			370	254	(68)	579	405	445	430	739	523	505
Funded by Council (Rates and Borrowing)			370	254	417	579	405	445	430	739	523	505



Water - Capital Renewal												
ID-Name	Growth	LOS	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
			\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
88-Turitea WTP - Falling Main Rehabilitation	0%	100%	-	-	106	927	1,347	-	-	-	-	-
199-City-wide - Water Supply Bore and Network Facility Renewals	0%	100%	300	518	891	627	215	105	703	133	94	170
207-Turitea WTP - Equipment and Facility Renewals	0%	100%	299	607	395	273	455	308	362	591	318	524
214-City-wide - Water Toby and Manifold Renewals	0%	100%	325	518	531	545	561	577	595	630	652	672
218-City-wide - Water Main Renewals	0%	100%	2,113	2,394	2,671	3,016	3,271	3,478	2,399	2,478	2,562	2,642
663-Ashhurst - Water Supply Rising Main Renewal - Stage 3	0%	100%	-	-	-	872	-	-	-	-	-	-
1061-City-wide - Water Supply Reservoir Renewals	0%	100%	-	311	-	-	-	-	-	-	-	-
1385-City-wide - Water Supply Resilience - Telemetry Replacement	0%	100%	23	-	-	-	-	-	-	-	-	-
1646-C/fwd - Turitea Water Treatment Plant - Equipment and Facility Renewals	0%	100%	579	-	-	-	-	-	-	-	-	-
1700-City-wide - Water Meter Renewals	0%	100%	200	333	342	351	17	23	19	33	22	41
1701-City-wide - Water Supply Valve & Hydrant Renewals	0%	100%	200	207	212	218	224	173	179	184	191	197
1797-Water Treatment Plant - Building Renewals	0%	100%	30	31	32	33	34	35	36	37	38	39
1822- Water Pump Stations - Building Renewals	0%	100%	8	8	8	9	9	9	10	10	10	10
2042-Turitea WTP - Raw Water Main Renewal	0%	100%	40	-	69	709	-	-	-	-	-	-
2099-C/fwd - City-wide - Water Toby and Manifold Renewals	0%	100%	71	-	-	-	-	-	-	-	-	-
2100-C/fwd - City-wide - Water Supply Bore and Network Facility Renewals	0%	100%	188	-	-	-	-	-	-	-	-	-
TOTAL			4,376	4,925	5,257	7,579	6,134	4,708	4,302	4,096	3,887	4,295
Funded by Council (Rates and Borrowing)			3,580	4,925	5,257	7,579	6,134	4,708	4,302	4,096	3,887	4,295

Water - Capital New												
ID-Name	Growth	LOS	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
			\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
124-Turitea WTP - Drinking Water Standards Upgrades	0%	100%	350	1,697	1,524	1,017	-	-	-	-	-	-
132-City-wide - Water Supply Resilience - Trunk Mains	10%	90%	113	1,232	1,588	1,562	1,122	1,154	-	-	-	-
135-Urban Growth - Bunnythorpe Extension - Water Supply	90%	10%	-	-	-	141	1,597	-	-	-	-	-

Water - Capital New												
ID-Name	Growth	LOS	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
			\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
246-Urban Growth - Development Contributions - Water Supply	100%	0%	250	259	265	273	281	288	298	307	318	328
651-City-wide - Water Supply Resilience - Seismic Strengthening	0%	100%	-	-	-	273	281	288	-	-	-	-
986-Turitea Dams - Aeration Upgrade	0%	100%	35	26	127	-	-	-	-	-	-	-
1004-Urban Growth - Whakarongo - Water Supply	100%	0%	379	572	43	1,173	869	-	-	-	-	-
1005-Urban Growth - NEIZ - Water Supply	100%	0%	585	-	966	-	-	-	-	-	-	-
1054-Ashhurst - Water Quality Improvements	0%	100%	-	207	1,371	-	-	-	-	-	-	-
1170-Urban Growth - Kakatangiata - Water Supply	100%	0%	250	460	-	545	281	3,749	1,598	-	38	-
1285-C/fwd - Urban Growth - Whakarongo - Installation of Water Supply Systems	0%	100%	50	-	-	-	-	-	-	-	-	-
1286-C/fwd - Urban Growth - Installation of Water Supply Systems to an Expanded North East Industrial Zone	0%	100%	58	-	-	-	-	-	-	-	-	-
1289-C/fwd - City-wide - Seismic Strengthening of Water Structures	0%	100%	1,032	-	-	-	-	-	-	-	-	-
1384-City-wide - Water Supply Resilience - Additional Reservoirs	0%	100%	30	186	2,124	1,854	1,908	-	-	-	-	-
1387-Urban Growth - New North-East Water Supply Bore	100%	0%	-	-	-	-	561	1,154	1,786	-	-	-
1388-Palmerston North - District Metering Areas for Water Supply	0%	100%	320	-	-	-	-	-	95	61	191	-
1389-City-wide - Water Supply Resilience - Security of Supply	0%	100%	375	-	-	-	1,962	779	-	-	-	-
1544-C/fwd - Turitea Water Treatment Plant - Construction of Duplicate Water Pipeline from Lower Dam to Harts Road Reservoirs	0%	100%	1,046	-	-	-	-	-	-	-	-	-
1607-City-wide - Health & Safety - Water Treatment Chemical Handling	0%	100%	355	-	-	-	-	-	-	-	-	-
1608-C/fwd - City-wide - New water supply reservoirs to replace an earthquake prone reservoir and enhance supply storage through out the city	0%	100%	391	-	-	-	-	-	-	-	-	-
1663-C/fwd - Palmerston North - District Metering Areas	0%	100%	201	-	-	-	-	-	-	-	-	-
1696-City-wide - Drinking Water Standards Upgrades	0%	100%	150	-	-	1,309	1,347	-	-	-	-	-
1697-Turitea WTP - Water Supply Resilience - Upgrades	0%	100%	1,286	826	-	1,581	729	519	-	184	-	-
1815-Industrial Growth - Longburn Industrial Park - Water Supply	100%	0%	-	-	-	273	3,086	2,884	-	-	-	-
1841-Urban Growth - Ashhurst - Water Supply	50%	50%	-	247	-	-	345	252	-	-	-	-
1863-City-wide - Water Supply Resilience - Generators	0%	100%	200	-	-	-	-	-	-	-	-	-

<b>Water - Capital New</b>												
ID-Name	Growth	LOS	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
			\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
1864-Longburn Extension - Water Supply	0%	100%	-	-	59	579	-	-	-	-	-	-
1873-City-wide - Water Main Upgrades - Firefighting	0%	100%	-	155	159	164	-	-	-	-	-	-
1874-Turitea Dams - Health & Safety Improvements	0%	100%	15	-	-	-	-	-	-	-	-	-
1880-Urban Growth - Aokautere - Water Supply	100%	0%	-	-	-	218	1,683	-	-	-	-	-
1883-Water Operations -Small Plant & Equipment - New	0%	100%	43	16	8	3	3	3	4	4	4	4
2048-City-wide - Water Toby and Manifold enhancements	0%	100%	-	2,303	2,363	2,413	2,483	2,552	2,634	-	-	-
2060-City-wide - Commercial Water Meters	0%	100%	160	166	112	115	-	-	-	-	-	-
2085-C/fwd - Turitea WTP - Drinking Water Standards Upgrades	0%	100%	50	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>			7,724	8,352	10,710	13,491	18,538	13,623	6,414	557	550	332
Funded by Council (Rates and Borrowing)			7,332	8,352	10,710	13,491	18,538	13,623	6,414	557	550	332

<b>Stormwater - Activity Financial Statements</b>												
Budget	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31		
\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
<b>Revenue</b>												
2 Stormwater Collection and Disposal		6	6	6	7	7	7	7	7	7	8	8
2 Total Revenue		6	6	6	7	7	7	7	7	7	8	8
<b>Expenses</b>												
4,015 Stormwater Collection and Disposal		4,435	4,870	5,478	5,778	5,994	7,261	7,467	7,593	9,117	9,224	
4,015 Total Expenses		4,435	4,870	5,478	5,778	5,994	7,261	7,467	7,593	9,117	9,224	
<b>4,012 NET OPERATING COST OF ACTIVITY</b>		<b>4,429</b>	<b>4,863</b>	<b>5,472</b>	<b>5,771</b>	<b>5,987</b>	<b>7,254</b>	<b>7,460</b>	<b>7,586</b>	<b>9,109</b>	<b>9,217</b>	

Stormwater - Activity Financial Statements											
Budget		10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	
2020/21		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
<b>Rating Requirement</b>											
(1,909)	Less Depreciation	(1,909)	(2,018)	(2,196)	(2,272)	(2,329)	(3,390)	(3,414)	(3,474)	(5,152)	(5,167)
861	Plus Net Capital Renewal (3 Year Average)	943	971	994	885	842	834	861	890	885	877
206	Plus Debt Repayment	150	308	449	566	652	716	795	944	1,004	1,068
<b>3,171</b>	<b>RATES REQUIREMENT</b>	<b>3,613</b>	<b>4,125</b>	<b>4,719</b>	<b>4,949</b>	<b>5,151</b>	<b>5,415</b>	<b>5,703</b>	<b>5,945</b>	<b>5,846</b>	<b>5,995</b>
<b>Capital Expenditure</b>											
860	Renewal	875	818	1,136	960	887	808	833	861	890	918
1,761	New	7,062	6,003	4,755	3,235	2,143	2,702	5,851	1,537	1,653	918
2,621	Total Capital Expenditure	7,937	6,821	5,891	4,194	3,030	3,509	6,685	2,398	2,543	1,835
<b>Funded By</b>											
126	Development Contributions	139	132	166	272	381	506	522	534	555	562
861	Rates	943	971	994	885	842	834	861	890	885	877
1,634	New Borrowing / (Repayment)	6,855	5,717	4,731	3,038	1,806	2,169	5,301	975	1,103	396
2,621	Total	7,937	6,821	5,891	4,194	3,030	3,509	6,685	2,398	2,543	1,835

<b>Stormwater - Operational</b>												
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
ID-Name	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
1369-City-wide Data Collection and WQ Monitoring	0%	100%	100	104	202	207	213	219	226	234	242	249
1614-Stormwater - Open channels and drains - maintenance	0%	100%	250	290	297	305	314	391	388	373	127	131
1709-City-wide - Stormwater Condition Assessments	0%	100%	110	114	117	120	123	127	131	61	64	66
1710-City-wide - Stormwater Modelling, Consenting and Planning	0%	100%	140	145	198	204	209	215	222	230	237	245
1930-City-wide - Maintenance of Stormwater Treatment Devices	0%	0%	18	18	53	55	56	58	60	61	64	66
1976-City-wide – Stormwater - Operation and Maintenance of vested assets	0%	100%	-	-	-	-	-	-	-	-	-	14
2002-Stormwater Reticulation Network Maintenance	0%	100%	24	25	64	66	68	70	72	74	77	79
2003-Stormwater Pump Station Operation & Maintenance	0%	100%	24	25	25	26	27	28	29	30	31	31
<b>TOTAL</b>			<b>665</b>	<b>720</b>	<b>957</b>	<b>983</b>	<b>1,011</b>	<b>1,107</b>	<b>1,127</b>	<b>1,063</b>	<b>841</b>	<b>881</b>
Funded by Council (Rates and Borrowing)			665	720	957	983	1,011	1,107	1,127	1,063	841	881

<b>Stormwater - Capital Renewal</b>												
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
ID-Name	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
20-City-wide - Stormwater Pump Station Renewals	0%	100%	225	176	499	305	213	115	119	123	127	131
1062-City-wide - Stormwater Network Renewal Works	0%	100%	650	642	637	654	673	692	714	738	763	787
<b>TOTAL</b>			<b>875</b>	<b>818</b>	<b>1,136</b>	<b>960</b>	<b>887</b>	<b>808</b>	<b>833</b>	<b>861</b>	<b>890</b>	<b>918</b>
Funded by Council (Rates and Borrowing)			875	818	1,136	960	887	808	833	861	890	918

<b>Stormwater - Capital New</b>												
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
ID-Name	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
51-Urban Growth - Development Contributions - Stormwater	100%	0%	200	207	212	218	112	12	12	123	127	131
197-Urban Growth - NEIZ - Stormwater	100%	0%	1,300	1,087	-	-	-	-	-	-	-	-
1001-Urban Growth - Whakarongo - Stormwater	100%	0%	3,950	2,070	106	-	-	-	-	-	-	-

Stormwater - Capital New												
ID-Name	Growth	LOS	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
			\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
1060-City-wide - Stormwater Network Improvement Works	0%	100%	760	787	1,317	829	853	865	714	738	763	787
1065-Urban Growth - Kakatangiata - Stormwater	100%	0%	-	-	850	382	-	1,384	-	-	636	-
1284-C/fwd - Urban Growth - Whakarongo - Installation of Stormwater Systems	0%	100%	99	-	-	-	-	-	-	-	-	-
1372-City-wide Stormwater Pump Stations Improvement	0%	100%	480	497	499	371	281	358	-	-	127	-
1704-Urban Growth - Aokautere - Stormwater	100%	0%	-	362	-	-	449	-	-	430	-	-
1706-City-wide - Stormwater Network Resilience	0%	100%	130	223	175	-	-	-	-	-	-	-
1707-City-wide - Land purchase associated with streams and channels	0%	100%	-	207	-	-	224	-	-	246	-	-
1708-City-wide - Stormwater Flood Mitigation	0%	100%	143	564	1,036	1,097	224	83	5,125	-	-	-
2034-Urban Growth - Ashhurst - Stormwater	100%	0%	-	-	560	120	-	-	-	-	-	-
2035-Urban Growth - Napier Rd Extension - Stormwater	100%	0%	-	-	-	218	-	-	-	-	-	-
<b>TOTAL</b>			<b>7,062</b>	<b>6,003</b>	<b>4,755</b>	<b>3,235</b>	<b>2,143</b>	<b>2,702</b>	<b>5,851</b>	<b>1,537</b>	<b>1,653</b>	<b>918</b>
Funded by Council (Rates and Borrowing)			7,062	6,003	4,755	3,235	2,143	2,702	5,851	1,537	1,653	918

# Goal 5: A Driven and Enabling Council - He Kaunihera ahunui, whakamana i te iwi

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

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

**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**

(This is measured through the Residents' Survey)

One external Plan plans sits beneath this goal and describes Council's activities for the first three years of the 2021-2031 10-Year Plan: **Good governance and active citizenship.**

This Goal also covers how the Chief Executive will deliver on the Council's vision through the Council organisation, including:

- » Financial services
- » Information Management
- » Customer Services
- » Human Resources.

# Good Governance and Active Citizenship - Te mahere mō te mana urungi papai tonu me te kirirarautanga hohe

## Purpose of Good Governance and Active Citizenship

The Good Governance and Active Citizenship Plan contributes to the success of all the plans across each of the goals, as community and elected members engage in the direction setting and leadership

activities which lead to good decision-making and ownership of community solutions.

For more information see Council's Good Governance and Active Citizenship Plan.

The 10-Year Plan levels of service for this Plan and Activity are:

- Actively engage residents in decision-making
- Clearly communicate the purpose and value of Council facilities and services
- Provide a range of opportunities for residents to engage with decision-making processes
- Administer committee and Council meeting processes which are open to the public
- Run local body elections every three years and any polls
- Support Elected Members to excel at good decision making

These levels of service are monitored through the following measures and targets:

Levels of service	Measures of Success (with results from 2019-20)	Targets Year 1 2021-22	Targets Year 2 2022-23	Targets Year 3 2023-24	Targets 4-10
Actively engage residents in decision-making and provide a range of opportunities for residents to engage with decision-making processes	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	Narrative measure outlining satisfaction trends.	Narrative measure outlining satisfaction trends.	Narrative measure outlining satisfaction trends.	Narrative measure outlining satisfaction trends.



	having a say: 34%, 46%, 19% respectively - 2020 Results				
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These are monitored every three months through the Quarterly Reports and through the Annual Report.

Council will also monitor the Plan through one-off measures that are reported annually through the City Dashboard, including:

- Engagement and consultation methods match the significance of the issue and the preferences and needs of interested and affected people
- Voting participation rate over the next two local body elections increases to 50%

- More people accessing meeting agendas through the PNCC website and increased views of recorded meetings
- Increase in the diversity of those who are 'having a say', either through formal processes such as standing as a candidate for election, writing a submission, speaking in public comment, or informal opportunities, such as attending consultation drop-in sessions, nominations for civic awards
- More Māori vote, advocate, and serve as public leaders (Whānau Ora's 5-10 year outcome measure of 'whānau are participating fully in society')
- Progress in our assessment levels against the Welcoming Communities Standard "Civic Engagement and Participation"
- Youth participation is assessed as being at Level 4 of Shier's participation pathway

<b>Governance and Active Citizenship - Activity Financial Statements</b>											
<b>Budget</b>		<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>
<b>2020/21</b>		<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>
<b>\$'000s</b>		<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>
<b>Revenue</b>											
20	Councillor Meetings and Administration	10	10	11	11	11	11	12	12	12	12
1,160	Direction Setting	210	215	220	225	230	235	240	246	251	256
6	Elections	-	134	-	-	143	-	-	153	-	-
1,186	Total Revenue	220	360	231	236	385	246	252	411	263	269
<b>Expenses</b>											
2,618	Councillor Meetings and Administration	2,343	2,317	2,375	2,541	2,456	2,493	2,660	2,600	2,638	2,819
6,399	Direction Setting	5,372	4,953	5,286	5,265	5,310	5,594	5,541	5,627	5,906	5,843
43	Elections	27	301	44	29	305	30	31	338	44	33
1,502	Mayoral and Chief Executive's Office	1,472	1,512	1,558	1,595	1,606	1,641	1,677	1,697	1,731	1,768
10,562	Total Expenses	9,214	9,083	9,263	9,431	9,678	9,758	9,908	10,261	10,319	10,463
<b>9,376</b>	<b>NET OPERATING COST OF ACTIVITY</b>	<b>8,994</b>	<b>8,723</b>	<b>9,032</b>	<b>9,195</b>	<b>9,293</b>	<b>9,512</b>	<b>9,656</b>	<b>9,850</b>	<b>10,056</b>	<b>10,194</b>
<b>Rating Requirement</b>											
(3)	Less Depreciation	(3)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)
10	Plus Debt Repayment	19	8	8	8	8	8	9	9	9	9
9,383	RATES REQUIREMENT	9,010	8,720	9,029	9,192	9,290	9,509	9,654	9,848	10,054	10,193
<b>Capital Expenditure</b>											
155	New	80	-	-	-	-	-	-	-	-	-
155	Total Capital Expenditure	80	-	-	-	-	-	-	-	-	-

Governance and Active Citizenship - Activity Financial Statements										
Budget	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
<b>Funded By</b>										
155	New Borrowing / (Repayment)	80	-	-	-	-	-	-	-	-
155	Total	80	-	-	-	-	-	-	-	-

Governance and Active Citizenship - Operational												
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
ID-Name	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
1190-Smokefree Education	0%	100%	5	5	5	5	5	6	6	6	6	6
1911-Strategic monitoring	0%	100%	-	87	89	91	93	95	97	99	102	104
1922-Elections- Representation Review	0%	100%	-	15	16	-	-	-	-	12	12	-
1936-Funding for Section 17a Review	0%	100%	-	31	52	54	55	56	57	58	60	61
1949-Civic and Cultural Precinct Master Plan	0%	0%	250	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>			<b>255</b>	<b>138</b>	<b>163</b>	<b>150</b>	<b>153</b>	<b>157</b>	<b>160</b>	<b>175</b>	<b>179</b>	<b>171</b>
Funded by Council (Rates and Borrowing)			255	138	163	150	153	157	160	175	179	171

Governance and Active Citizenship - Capital New												
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
ID-Name	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
2096-C/fwd - Improve participation in Council and Committee meetings	0%	100%	80	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>			<b>80</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Funded by Council (Rates and Borrowing)			80	-	-	-	-	-	-	-	-	-

Organisational performance - Activity Financial Statements												
Budget		10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
2020/21		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
<b>Revenue</b>												
260	Civic Administration Building	270	277	283	289	296	302	309	316	323	330	
101	Financial Services	101	103	105	107	109	111	113	115	117	120	
66	Print Synergy	30	30	31	32	32	33	34	35	35	36	
427	Total Revenue	401	410	419	428	437	446	456	465	475	485	
<b>Expenses</b>												
235	Civic Administration Building	724	748	778	792	799	833	847	868	904	919	
538	Financial Services	579	597	619	636	650	665	680	687	699	713	
18	Human Resources											
3,315	Information Services	2,180	2,621	2,323	3,460	245	178	118	144	104	77	
33	Marketing & Communications	348	362	370	380	387	395	403	414	421	430	
(78)	Print Synergy	266	287	303	355	372	381	389	425	439	462	
4,061	Total Expenses	4,097	4,615	4,392	5,622	2,453	2,452	2,438	2,538	2,567	2,601	
<b>3,634</b>	<b>NET OPERATING COST OF ACTIVITY</b>	<b>3,696</b>	<b>4,205</b>	<b>3,973</b>	<b>5,194</b>	<b>2,016</b>	<b>2,006</b>	<b>1,982</b>	<b>2,072</b>	<b>2,091</b>	<b>2,116</b>	

Organisational performance - Activity Financial Statements											
Budget		10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
2020/21		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
<b>Rating Requirement</b>											
(1,620)	Less Depreciation	(1,580)	(1,928)	(2,229)	(2,505)	(2,526)	(2,588)	(2,635)	(2,695)	(2,712)	(2,718)
(969)	Less Internal Rates Recovered	(987)	(1,014)	(1,039)	(1,063)	(1,089)	(1,115)	(1,143)	(1,171)	(1,200)	(1,230)
-	Less Transfers To/(From) Reserves	(2,824)	(2,857)	(1,979)	(2,442)	2,380	2,380	1,870	1,579	1,213	689
1,593	Plus Net Capital Renewal (3 Year Average)	2,055	1,901	1,651	1,665	1,608	1,570	1,425	1,342	1,401	1,319
190	Plus Debt Repayment	284	337	146	183	204	242	256	270	276	281
<b>2,827</b>	<b>RATES REQUIREMENT</b>	<b>645</b>	<b>645</b>	<b>524</b>	<b>1,031</b>	<b>2,593</b>	<b>2,494</b>	<b>1,756</b>	<b>1,398</b>	<b>1,070</b>	<b>457</b>
<b>Capital Expenditure</b>											
2,009	Renewal	2,581	2,079	1,773	1,853	1,329	1,813	1,683	1,214	1,379	1,434
16	New	836	570	583	1,025	1,376	284	288	119	119	122
2,025	Total Capital Expenditure	3,418	2,649	2,356	2,878	2,705	2,097	1,971	1,333	1,499	1,556
<b>Funded By</b>											
1,593	Rates	2,055	1,901	1,651	1,665	1,608	1,570	1,425	1,342	1,401	1,319
433	New Borrowing / (Repayment)	1,362	747	705	1,213	1,097	527	546	(9)	98	237
2,025	Total	3,418	2,649	2,356	2,878	2,705	2,097	1,971	1,333	1,499	1,556

Organisational performance - Operational												
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
ID-Name	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
225-PNCC Website Upgrade	0%	100%	-	-	-	236	-	-	-	257	-	-
1520-Digital Transformation	0%	100%	1,500	2,563	3,880	5,251	438	448	458	468	478	488
1572-Enterprise Resource Planning (ERP) System Replacement	0%	100%	420	1,846	393	402	411	420	429	438	448	458
1727-Property - Facilities Management Software	0%	100%	-	-	336	43	44	45	46	47	48	49
1929-Workforce Transformation	0%	100%	250	256	262	268	274	280	286	-	-	-
1990-CAB - Cleaning Budget Shortfall	0%	100%	86	88	90	92	94	96	98	100	102	104
2062-IT Infrastructure Improvements	0%	100%	50	15	16	16	16	17	17	18	18	18
2064-C/fwd - Enterprise Resource Planning (ERP) System Replacement	0%	100%	2,109	58	58	58	58	58	58	58	58	58
<b>TOTAL</b>			<b>4,415</b>	<b>4,826</b>	<b>5,034</b>	<b>6,366</b>	<b>1,335</b>	<b>1,363</b>	<b>1,392</b>	<b>1,386</b>	<b>1,152</b>	<b>1,176</b>
Funded by Council (Rates and Borrowing)			4,415	4,826	5,034	6,366	1,335	1,363	1,392	1,386	1,152	1,176

Organisational performance - Capital Renewal												
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
ID-Name	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
53-Computer Replacement - Rolling Replacements	0%	100%	496	508	520	531	543	555	567	580	580	580
58-Network Additions and Upgrades	0%	100%	42	43	44	43	44	44	44	45	45	46
68-Aerial Photography	0%	100%	41	42	43	44	45	46	47	48	49	50
86-Property - Furniture Replacements	0%	100%	100	103	105	107	110	112	114	29	30	31
221-Print Synergy - Replacement of Print Synergy Machinery	0%	100%	35	10	42	11	11	11	12	12	12	12
272-Staff Cafeteria - Replacement of Equipment	0%	100%	6	6	6	6	6	7	7	7	6	6
281-CAB - Renewals	0%	100%	1,200	1,179	734	536	438	504	229	351	478	244
318-Telecommunications Replacement - Council Buildings	0%	100%	101	157	151	137	98	165	193	-	-	-
755-Replacement of Parking Enforcement Hand Helds and iPhones	0%	100%	56	-	-	60	-	-	-	-	-	-
784-Replacement of Council's Photocopiers/Printers	0%	100%	31	31	128	163	34	34	71	143	179	37
1672-C/fwd - Replacement of Council's Photocopiers/Printers	0%	100%	40	-	-	-	-	-	-	-	-	-

Organisational performance - Capital Renewal												
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
ID-Name	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
1673-C/fwd - Operational Property -Civic Administration Building - Refurbishments	0%	100%	36	-	-	-	-	-	-	-	-	-
1732-Depot - Hard Surfaces Renewals	0%	100%	200	-	-	214	-	336	400	-	-	427
2027-Video and Audio Equipment	0%	100%	8	-	-	-	-	-	-	-	-	-
2098-C/fwd - Computer Replacement - Rolling Replacements	0%	100%	191	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>			<b>2,581</b>	<b>2,079</b>	<b>1,773</b>	<b>1,853</b>	<b>1,329</b>	<b>1,813</b>	<b>1,683</b>	<b>1,214</b>	<b>1,379</b>	<b>1,434</b>
Funded by Council (Rates and Borrowing)			2,581	2,079	1,773	1,853	1,329	1,813	1,683	1,214	1,379	1,434

Organisational performance - Capital New												
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
ID-Name	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
60-Information Management Strategic Plan Project - New Software Applications	0%	100%	106	109	111	114	116	116	117	119	119	122
1736-CAB - Rubbish and Recycling Compound	0%	100%	80	-	-	-	-	-	-	-	-	-
1826-CAB - Workplace Transformation	0%	100%	500	308	315	750	1,095	-	-	-	-	-
2047-Property - Furniture transformation	0%	100%	150	154	157	161	164	168	172	-	-	-
<b>TOTAL</b>			<b>836</b>	<b>570</b>	<b>583</b>	<b>1,025</b>	<b>1,376</b>	<b>284</b>	<b>288</b>	<b>119</b>	<b>119</b>	<b>122</b>
Funded by Council (Rates and Borrowing)			836	570	583	1,025	1,376	284	288	119	119	122

<b>Strategic Investments - Activity Financial Statements</b>											
<b>Budget</b>		<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>
<b>2020/21</b>		<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>
<b>\$'000s</b>		<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>
<b>Revenue</b>											
3,483	External Contracts	3,796	4,036	4,291	4,554	4,841	5,153	5,493	5,614	5,738	5,864
294	Investment Property	255	261	267	273	279	285	292	298	305	311
120	Investments	-	-	-	-	-	-	-	-	-	-
3,897	Total Revenue	4,051	4,298	4,558	4,828	5,120	5,438	5,785	5,912	6,042	6,175
<b>Expenses</b>											
3,445	External Contracts	3,299	3,567	3,906	4,212	4,453	4,764	5,103	5,229	5,314	5,432
469	Investment Property	671	689	734	744	749	763	773	790	806	817
447	Investments	556	532	589	511	556	564	427	445	464	482
301	Investments in Companies (including Airport)	264	264	265	266	266	267	268	268	269	270
4,662	Total Expenses	4,791	5,053	5,495	5,734	6,025	6,358	6,571	6,733	6,852	7,001
765	NET OPERATING COST OF ACTIVITY	740	755	936	906	904	920	786	820	810	825
<b>Rating Requirement</b>											
(1,561)	Less Depreciation	(1,542)	(1,555)	(1,555)	(1,608)	(1,662)	(1,707)	(1,752)	(1,787)	(1,823)	(1,824)
	Less Transfers To/(From) Reserves	(300)	(308)	(315)	(322)	(329)	(336)	(343)	(351)	(358)	(366)
1,349	Plus Net Capital Renewal (3 Year Average)	2,564	2,822	2,916	3,272	3,356	3,047	3,243	3,468	3,474	2,910
99	Plus Debt Repayment	84	105	115	171	229	281	328	375	390	372
<b>651</b>	<b>RATES REQUIREMENT</b>	<b>1,545</b>	<b>1,820</b>	<b>2,097</b>	<b>2,418</b>	<b>2,499</b>	<b>2,205</b>	<b>2,262</b>	<b>2,525</b>	<b>2,493</b>	<b>1,918</b>
<b>Capital Expenditure</b>											
1,743	Renewal	2,320	2,882	2,538	3,045	3,166	3,603	3,299	2,238	4,193	3,973
185	New	511	296	827	846	755	771	674	689	345	353



Strategic Investments - Activity Financial Statements											
Budget		10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
2020/21		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
1,928	Total Capital Expenditure	2,831	3,179	3,365	3,891	3,921	4,375	3,973	2,927	4,538	4,326
Funded By											
<b>1,349</b>	<b>Rates</b>	<b>2,564</b>	<b>2,822</b>	<b>2,916</b>	<b>3,272</b>	<b>3,356</b>	<b>3,047</b>	<b>3,243</b>	<b>3,468</b>	<b>3,474</b>	<b>2,910</b>
579	New Borrowing / (Repayment)	267	357	449	619	565	1,328	729	(541)	1,064	1,416
1,928	Total	2,831	3,179	3,365	3,891	3,921	4,375	3,973	2,927	4,538	4,326

Strategic Investments - Operational												
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
ID-Name	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
1792-Parks Depot - Building Maintenance	0%	100%	20	21	50	51	53	54	55	56	57	59
1885-Asset Management Improvement Plan Task Programme	0%	100%	50	205	157	-	-	-	-	-	-	-
<b>TOTAL</b>			<b>70</b>	<b>226</b>	<b>208</b>	<b>51</b>	<b>53</b>	<b>54</b>	<b>55</b>	<b>56</b>	<b>57</b>	<b>59</b>
Funded by Council (Rates and Borrowing)			70	226	208	51	53	54	55	56	57	59

Strategic Investments - Capital Renewal												
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
ID-Name	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
80-Council Small Mobile Plant and Equipment - Replacement	0%	100%	225	231	236	241	246	252	257	263	269	275
85-Depot - Buildings and Structures Renewals	0%	100%	200	103	105	27	27	336	400	-	-	427
1753-Investment Properties - Building Renewals	0%	100%	25	384	26	241	246	28	46	23	24	49
1791-Parks Depot - Building Renewals	0%	100%	5	5	21	54	1	22	1	12	24	-
1879-Council's Plant and Vehicle - Replacements	0%	100%	1,793	1,929	1,914	2,370	2,311	2,736	2,474	1,419	2,795	3,094
1970-Gordon Kear Forest Culvert Replacements	0%	100%	25	26	26	27	27	28	29	29	30	31

Strategic Investments - Capital Renewal												
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
ID-Name	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
2022-Property - Hard Surfaces Renewals	0%	100%	-	205	210	86	307	201	92	491	1,052	98
2093-C/fwd - Depot - Buildings and Structures Renewals	0%	100%	47	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>			<b>2,320</b>	<b>2,882</b>	<b>2,538</b>	<b>3,045</b>	<b>3,166</b>	<b>3,603</b>	<b>3,299</b>	<b>2,238</b>	<b>4,193</b>	<b>3,973</b>
Funded by Council (Rates and Borrowing)			2,320	2,882	2,538	3,045	3,166	3,603	3,299	2,238	4,193	3,973

Strategic Investments - Capital New												
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
ID-Name	Growth	LOS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
99-New Vehicles and Plant to enable the delivery of improved Council services	0%	100%	393	296	303	310	317	324	331	338	345	353
1875-Fleet - Upgrade to Electric Vehicles - Capital New	0%	100%	-	-	524	536	438	448	343	351	-	-
1903-Garage - Workshop Safety and Operating Improvements	0%	100%	118	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>			<b>511</b>	<b>296</b>	<b>827</b>	<b>846</b>	<b>755</b>	<b>771</b>	<b>674</b>	<b>689</b>	<b>345</b>	<b>353</b>
Funded by Council (Rates and Borrowing)			511	296	827	846	755	771	674	689	345	353

# Council's Performance Framework and Rationale for KPIs

This is a new section in the 10-Year Plan. It meets paragraph 44 of PBE-FRS 48 standards. This will require Council to outline the rationale behind its selection, measurement and reporting of KPIs in the 10-Year Plan.

It does not come into effect until 2022/23 but Council is complying with it early as it relates to the KPIs that are set through the 10-Year Plan.

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 10-Year Plan pulls together Council's Strategies and Plans, and the 10-Year Plan Activities align with these Plans [pncc.govt.nz/10yp](http://pncc.govt.nz/10yp). Hence Council's 10-Year Plan KPIs are part of its overall strategic monitoring framework. Performance measures in the 10-Year Plan 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 and discusses the 10-Year Plan measures through Quarterly Reports to its Finance and Audit Committee. Residents need to look at these reports and Council's Plan monitoring through the City Dashboards to get a good overall understanding of how well Council is performing. The Residents' Survey also helps residents get a good picture of how Council is performing. The survey asks residents how satisfied they are with Council services – and some of these are used as KPIs in the 10-Year Plan. It also gives a good overall picture of how typical residents view Council's leadership and governance.

## Rationale for 10-Year Plan Measures.

The Department of Internal Affairs sets some mandatory KPIs that all Councils need to include in their 10-Year Plans. These are marked as "mandatory measures" in the 10-Year Plan.

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 strict quantitative measures eg in the KPI about Council achieving a *decrease in per capita volume of waste sent to landfill*, Council could have simply used a quantitative measure on the tonnage of waste sent to landfill. Instead it has chosen to use a narrative measure that will show the tonnage, assess whether it is decreasing in line with Council's aims, and outline any trends and the key reasons for them.

Council has two KPIs that measure its performance in setting how well it processes building and resource consent applications within statutory frameworks. In setting targets for these 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.



Wāhanga 3  
Section 3

**Ngā Kōrero Ahumoni, Reiti Hoki**  
**Financial and Rating Information**

**3**

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

- Financial Strategy 2021-2031
- 30 Year Infrastructure Strategy
- Financial Overview and Forecast  
Financial Statements
- Long-term Plan Disclosure Statement  
for Period Commencing 1 July 2021
- What We Provide and What it Costs the  
Average Residential Ratepayer
- Revenue and Financing Policy
- Significant Forecasting Assumptions
- Statement of Accounting Policies
- Rating System, Rates and Funding  
Impact Statements

# Financial Strategy

## 2021-2031

### 1. Introduction

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

- Goal 1:** An innovative and growing city
- Goal 2:** A creative and exciting city
- Goal 3:** Connected and safe communities
- Goal 4:** An eco-city
- Goal 5:** A driven and enabling Council

More detail about these is outlined in section 2 of the 10-Year Plan.

### 2. Purpose

The purpose of the Financial Strategy is to:

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

**[Note: This Financial Strategy is an integral component of the Council's 10-Year Plan. It should be read in conjunction with the Plan, which amplifies many aspects of the Strategy in relevant sections. The Strategy also links closely with the 30 Year Infrastructure Strategy.]**

### 3. Approach

This strategy is structured in the following manner:

- Financial overview
- The current financial position of the Council
- Desired future financial position and challenges being faced
- Guiding financial management principles
- What this means for 2021-31 including debt and rates forecasts
- Appendices:
  - Growth assumptions
  - Cost of providing for growth
  - Looking after present infrastructure
  - Policy on giving security for borrowings
  - Financial investments

### 4. Financial overview

- Council has assets with a replacement value of about \$2 billion that are big enough to cope with significant city growth.
- Council has been increasing its investment in asset management planning and is progressively obtaining better condition assessments of its infrastructure assets. This information has led the Council to conclude it needs to increase its investment in both asset maintenance and asset renewal.
- The Council's current debt levels are moderate for a regional New Zealand city (especially given the range and quality of services provided).
- Rates levels are comparable with other districts of our size.
- Council is planning for medium population and household growth as forecast by Infometrics plus a margin as required by the National Policy Statement for Urban Development.
- The City has adequate appropriately zoned land or land identified for rezoning to cope with the first 10 years of growth.

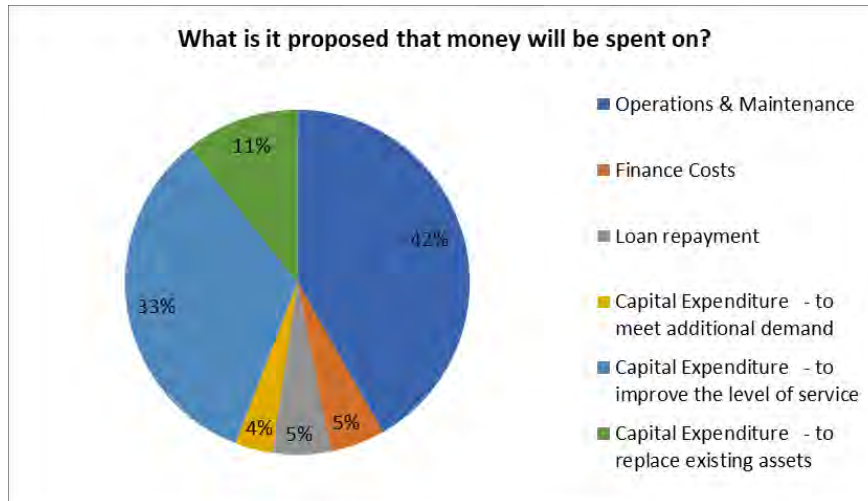
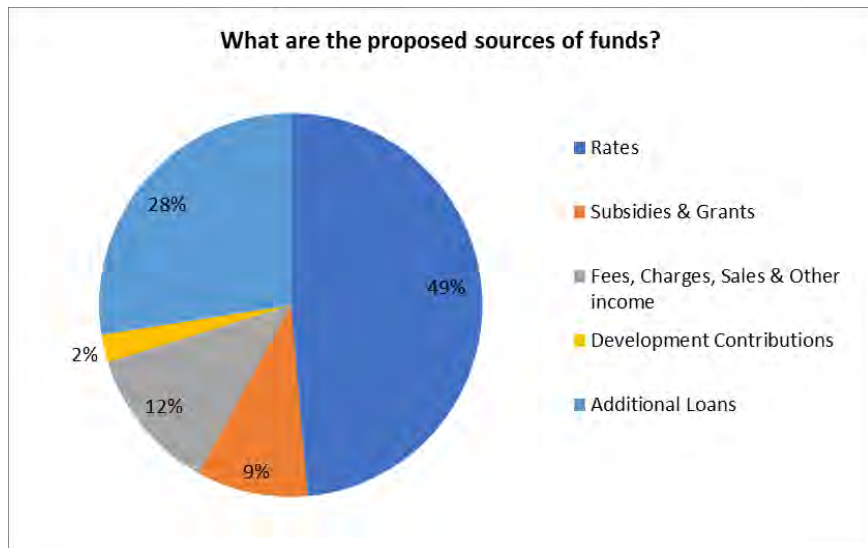
- Council believes it needs to invest in new and better catalyst projects to meet its Vision and Goals for the City.
- The requirement to update the City's wastewater treatment and disposal system (Nature Calls) provides the greatest single challenge to long-term financial sustainability of the Council. At the present time it has been assumed that an acceptable option can be obtained for \$391.7 million (\$350 million plus inflation) but there is a high level of risk it could be more or less than this.
- In order to fund existing Council services and key projects being proposed in the 10-Year Plan, including new capital expenditure of \$1,179 million, Council's rates and debt levels will need to increase – rates increasing from \$101 million in 2020/21 to \$191 million in 2030/31 and debt increasing from a forecast \$163 million to \$883 million.
- These projected levels of debt would mean Council's own prudent borrowing ratios would be significantly exceeded and it is highly unlikely lenders will be prepared to lend to the Council in such circumstances.
- The government is proposing major reform which would include the transfer of three waters functions (or at least water and wastewater) to a small number of regional water entities within the next three years. Like all Councils our Council is required to plan on the assumption this change will not occur. However, the forecast borrowing required for the Nature Calls project is such a significant component of the Council's debt projections that the Council is not in a position to develop a credible, sustainable long-term financial strategy.

- It is proposed that once there is more certainty about the three waters proposals and the favoured option for the Nature Calls project an updated strategy will be prepared.
- Based on these assumptions total rates will need to increase by 8.2%<sup>1</sup> in 2021/22, 8.1% in 2022/23, 8.3% in 2023/24, 9.5% in 2024/25, 11.7% in 2025/26 and increases of between 2.6% and 5.9% in each of the following five years.

<sup>1</sup> The Council proposes to fund a central city Palmy BID group and to set targeted rates to collect the \$250k plus GST to fund the programme. Including this new

programme means total rates income for 2021/22 will increase by 8.2% over the budget for 2020/21. Excluding it the increase would be 8%.





**5. Current Financial Position of the Council**

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

With assets of about \$2 billion and debt projected to be \$163m as at 1 July 2021 the Council is conservatively geared. It has a S&P Global AA credit rating enabling it to borrow at the best rates available to local government and is currently operating well within its own prudent debt ratios and those of the NZ Local Government Funding Agency. The Council has been prepared to set rates and fees and charges at levels necessary to fund the delivery of these services and facilities and currently these rates and charges are comparable with other like Councils.

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

- to ensure the Council's long-term financial position is sustainable
- to recognise inter-generational funding requirements
- to manage debt within defined levels
- to maintain the infrastructure provided for the City by previous generations, for the use by current and future generations
- to ensure financial capacity for future generations so they are able to fund high-priority programmes
- timely provision of new infrastructure that builds capacity and enables the City to harness new development opportunities while avoiding the financial risks associated with over provision.
- In developing this strategy, the Council has focused on:
- what needs to be done to ensure the City's infrastructure can continue to provide desired levels of service and meet any

- growth in demand
- what level of rates is required to meet the infrastructure needs
- how to create sufficient borrowing 'capacity' to cope with future high-priority programmes.

As a result, the approach has been to:

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

### 6. Desired Future Financial Position and Challenges being faced

Council's broad desire is to maintain the financial strategy that has served it well, the key elements of which are outlined above.

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

#### 6.1 Recognition of underinvestment in costs of maintaining services and assets

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

and information management) there is a need to increase funding for maintenance and renewal.

#### 6.2 Uncertainty about the level of funding required for the Nature Calls (wastewater treatment and disposal upgrade) project

Although this is not a new issue the Council is committed to determining a best practicable option for wastewater treatment and disposal by June 2021 and to lodge a resource consent application by June 2022. Capital expenditure (assumed to be \$350 million plus inflation) is scheduled for 2023-2027 and significantly impacts on the Council's projected financial position, in particular the level of borrowing required.

#### 6.3 The nature and timing of proposed water reforms

In a three-year programme to reform local government three waters service delivery arrangements to improve service delivery outcomes, the government is proposing they are managed by a small number of multi-region entities instead. At this point, the Council has agreed to consider the proposal and, as a result, has been granted \$9.4m of central government funding to bring forward some critical renewals and advance key water and wastewater resilience projects. The timing and design of these reforms is not clear. Due to this uncertainty Councils preparing their 2021 10-Year Plans are assuming the status quo. As the Nature Calls project is such a significant component of the Council's planned overall capital expenditure programme whether or not it is ultimately the responsibility of the Council to deliver it has a real and significant impact on the credibility of the financial strategy.

#### 6.4 The impact of Covid-19

Recognising a potential loss in income from a range of services and that there may be many in the community with uncertain income as a consequence of Covid-19 the Council decided to reduce its budgeted operating expenditure for 2020/21 and to increase rates

by 1.95%, rather than the 4.4% increase originally proposed. This means that for a number of the Council's activities there is a catchup required for operating expenses budgets. The 10-Year Plan has been prepared on the assumption that there will not be a repeat of the nationwide lockdown and that supply channels for goods and services will remain open. There are increasing examples of worldwide disruptions to these channels and as a consequence goods are either unavailable when required or if they are available the cost (especially the transport component) will have increased significantly.

### 6.5 Climate change

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

### 6.6 Earthquake-prone buildings

More of the Council's buildings than previously assuming have now been assessed as earthquake prone. Although the remediation can be staged over 15 years the potential cost (\$150 million plus) is significant. Whilst they remain assessed as earthquake prone it is not possible to obtain re-instatement insurance cover meaning the Council is exposed to significantly more risk for many of its major buildings.

### 6.7 Sustainable city growth

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

the Manawatū is stretching contractor resources and putting upward pressure on contract prices and ability to deliver.

## 7. Key forecasting assumptions

Council has made a number of significant forecasting assumptions in preparing its 10-Year Plan. These are contained in section 3 of the Plan.

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

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

## 8. Guiding financial management principles

### 8.1 Equity between generations

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

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

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

## 8.2 Levels of service, priorities and funding levels

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

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

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

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

The level of new capital expenditure that is considered sustainable will be governed by Council's ability to service and repay debt. This will be assessed against a series of prudent guidelines, which are outlined in section 9.5 of this Financial Strategy.

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

The Council will aim to ensure that the total rates set each year are sufficient to cover net annual operating expenses (excluding depreciation). In addition they will cover the projected three-year rolling average cost of renewals and a contribution towards repaying

debt over the effective life of the assets (to a maximum of 30 years) funded from the borrowing.

## 8.3 Funding and financial policies

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

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

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

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

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

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

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

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

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

## 9. What this means for 2021-31

### 9.1 Levels of service

The aim is to maintain the current services as a minimum. New environmental and building standards, changed expectations regarding modes of transport and forms of leisure, climate change and a range of other factors outlined in the Infrastructure Strategy led to pressure to improve levels of service for a number of activities. It has also been recognised that in a number of areas additional funding needs to be committed to ensure assets and service levels are properly maintained. The 10-Year Plan includes progressively increased levels of funding to bridge this gap. Council believes that, subject to the significant forecasting assumptions, there will be sufficient revenue to fund the levels of service outlined. More information about each activity is provided in section 2 of this 10-Year Plan.

### 9.2 Asset condition

Council has assets with a replacement value of more than \$1.8 billion (mainly infrastructure like roads and pipe networks). It is committed to maintaining and renewing these in a responsible way so that they do not become run down. Most of the infrastructure is assumed to be in good condition, with much of it in the early to mid-point phase of its life cycle. Additional focus is now being placed on obtaining better

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

### 9.3 Sustainability of long-term funding

As many of the City's key assets, particularly its infrastructure, are in the early to middle of their life cycles, the peak for capital renewal expenditure is not expected for another 30 to 50 years, depending on the activity. It has been recognised that through a better understanding of asset condition the Council is facing increased renewals costs especially for roading, property, three waters and information management. The 10-Year Plan includes provision for a significant increase in renewal funding in the early years.

Council's present approach is to fund the net cost of capital renewals from rates. The amount funded from rates in each year is calculated using a formula that averages the expected renewal expenditure in the current and next two years. Over the 10-year period of the Plan, forecast capital renewal expenditure totals \$342 million and it is assumed that \$46 million of this will be funded from external subsidies and grants, leaving a net sum of \$296 million to be funded from rates. The Council's rolling average calculation formula achieves this aim.

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

The present funding arrangements are adequate to meet forecast costs for now, but Council recognises that in the longer-term additional revenue will be needed to fund a higher level of renewal. One of the big challenges for the future is deciding which generations should bear the cost of the increased level of renewals. This will be considered in more detail at each three-yearly review of the 10-Year Plan.

#### 9.4 Level of capital development

As outlined in section 3, the Plan assumes there will be significant City growth over the 10 years and that the Council will need to provide infrastructure to support this. Council does not wish to constrain desirable City growth through a lack of key infrastructure, but in order to make the Plan affordable, future commitments will need to be reviewed regularly to ensure the proposed investment continues to support the Vision and Goals and is financially sustainable. The largest single programme impacting on the Council's financial position is the requirement to upgrade the City's wastewater treatment and disposal system. More information about this is outlined in the Infrastructure Strategy and the Significant Forecasting Assumptions. In summary:

Council's resource consent to discharge treated wastewater from the treatment plant into the Manawatū River is due to expire in 2028. As part of the new consent process a review of the wastewater treatment and disposal options needs to be completed shortly and the new consent application lodged by June 2022. A process is under way to further refine the shortlisted options before there is further community consultation. Ultimately the Council will need to balance regulatory compliance requirements with community expectations and Council's ability to pay.

For the purposes of the 10-Year Plan the following budgetary provisions have been made:

- \$5.9 million to complete the options analysis and obtain the consent
- \$392 million (\$350 million plus inflation) between 2023 and 2027 to undertake the capital upgrades.

The amount of this provision does not signal that a particular option has yet been determined.

The 10-Year Plan assumes there will be total capital expenditure of \$1,521 million over the 10-year period comprising \$342 million for capital renewals and \$1,179 million for new capital works.

#### 9.5 Level of debt

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

<i>BORROWING LIMITS</i>	<i>POLICY MAXIMUM</i>	<i>FORECAST LEVEL AT 30 JUNE 2022</i>	<i>FORECAST MAXIMUM DURING 10 YEARS</i>	<i>FORECAST LEVEL AT 30 JUNE 2031</i>
Net external debt as a percentage of total assets	<20%	10.8%	29.2%	27.8%
Net external debt as a percentage of total revenue	<200%	147%	399%	371%
Net interest as a percentage of total revenue	<15%	3.5%	10.7%	10.4%

Net interest as a percentage of annual rates income	<20%	4.7%	13.4%	13.0%
Liquidity	>110%	>110%	>110%	>110%

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

*Net external debt is defined as total external debt less liquid financial assets and liquid investments.*

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

*Liquid financial assets are defined as overnight cash deposits, wholesale/retail bank term deposits no greater than 30 days and bank-issued RCDs less than 181 days.*

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

*Liquidity is defined as external debt plus committed, unutilised bank facilities plus investments divided by external debt.*

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

However as demonstrated above the Council's projected borrowing requirements (including the amount assumed for the Nature Calls wastewater project) of \$392 million means this ratio is projected to be exceeded from 2024/25 onward.

At these levels it is highly likely the Council's credit rating would be lowered and funding agencies would not be prepared to lend the sums required.

The Council believes it has little option but to adopt the proposed 10-Year Plan and forecasts and in doing so recognises that in the longer term it is not financially sustainable under current ownership and funding arrangements.

Given the uncertainty of the forecast costs (especially in relation to Nature Calls), and the future structure for the management of the three waters Council has determined that for the time being the forecast programme of capital development and consequential borrowing requirements are appropriate.

Once these two key uncertainties are determined the Council will be in a better position to consider planning for the longer term. An updated 10-Year Plan will be prepared at that time, possibly in advance of the next scheduled update in 2024.

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

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

Council's 2018-28 10-Year Plan recognised that it needed to repay more debt in the short term to leave financial capacity to borrow for essential works in the future (in particular, the expected upgrades to the wastewater treatment plant). Provision was made for accelerated debt repayments totalling \$49.8 million over the seven years from 2021/22.

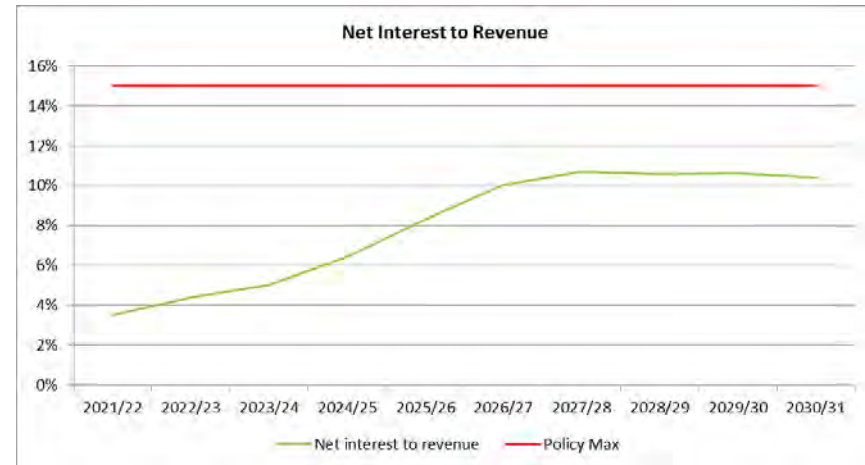
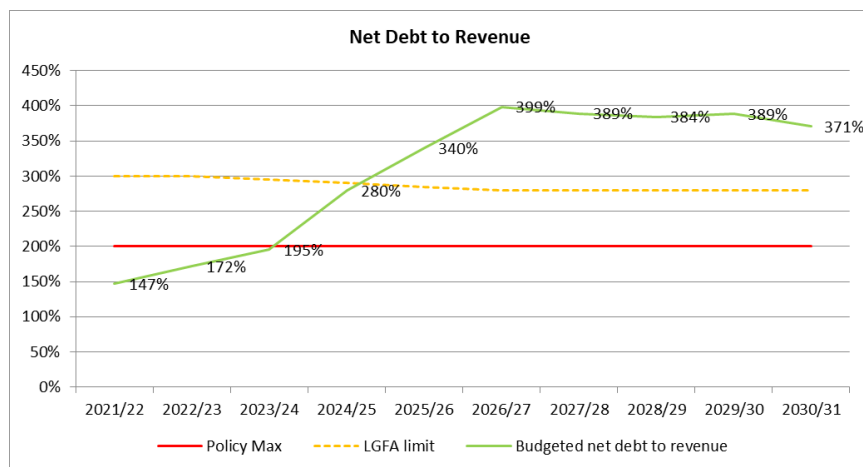
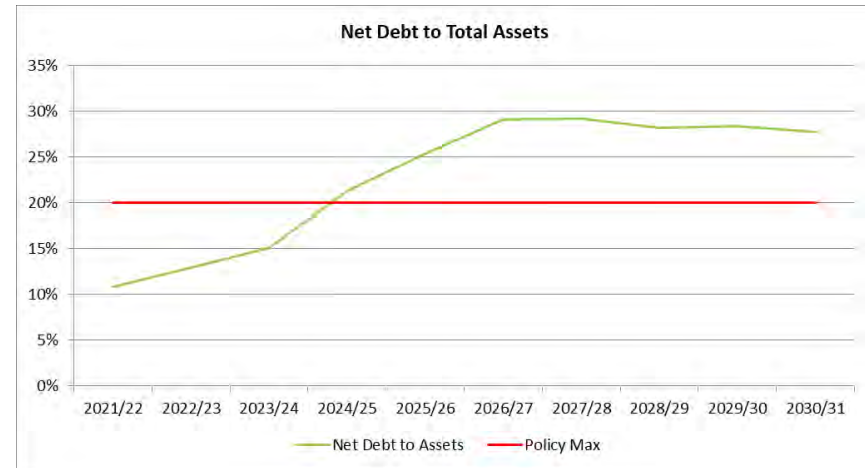
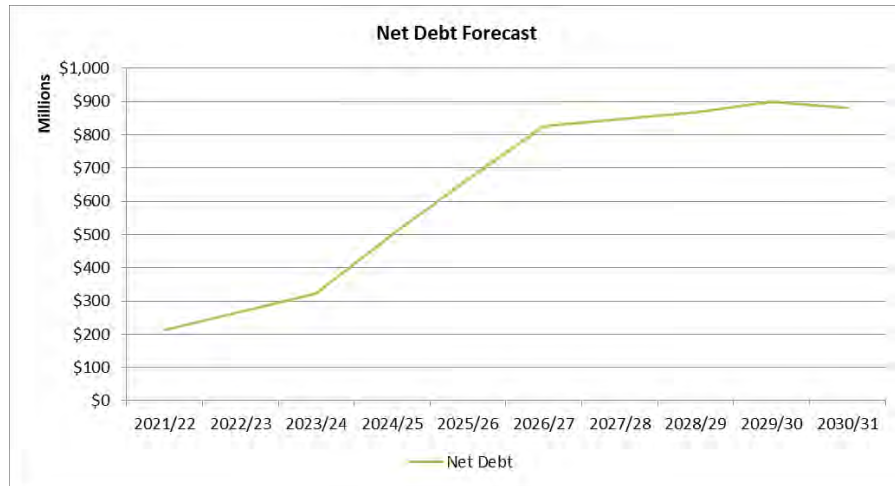
These accelerated debt repayment provisions have now been removed from the budgets in the 2021-31 10-Year Plan.

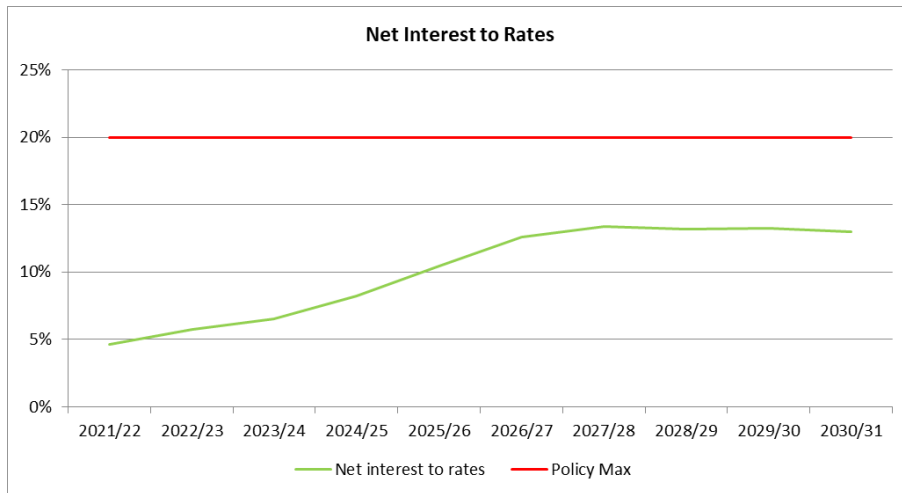
The combination of the debt repayment for present debt and the additional debt needed to fund new capital items means the following movements in the Council's debt levels are forecast over the 10-year period:

Forecast movement in debt(\$m)	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	Total
Planned expenditure on new capital items	67.5	74.2	95.4	222.1	213.7	208.0	81.4	88.7	98.7	29.3	1,179.0
less external subsidies and grants	(9.4)	(10.9)	(18.3)	(25.4)	(23.9)	(20.6)	(26.0)	(27.3)	(27.0)	(7.8)	(196.7)
less development contributions	(2.1)	(2.6)	(3.2)	(5.3)	(7.5)	(9.9)	(10.2)	(10.4)	(10.9)	(11.0)	(73.1)
Additional debt required to fund new capital programmes	55.9	60.7	73.8	191.4	182.4	177.5	45.2	50.9	60.8	10.4	909.1
less debt repayment funded from rates	(5.4)	(6.7)	(8.2)	(10.1)	(14.9)	(19.5)	(24.1)	(26.1)	(28.1)	(30.4)	(173.5)
less net proceeds of Residential Subdivision	(2.7)	(2.8)	(7.8)	(7.5)	0.0	0.0	0.0	0.0	0.0	0.0	(20.8)
plus operating expenditure spread over life of investment	1.0	3.2	2.3	2.8	(2.1)	(2.0)	(1.5)	(1.2)	(0.9)	(0.3)	1.2
plus short term funding for capital renewals in advance of funding from rates	0.4	(1.1)	(2.7)	2.3	1.7	1.5	1.1	(2.5)	(0.1)	2.8	3.3
Additional debt required	49.2	53.3	57.4	178.8	167.2	157.5	20.6	21.2	31.7	(17.4)	719.4



These movements result in Council's total debt increasing from \$163 million to \$883 million, as shown in the following graph:





**9.6 Fees and charges for services**

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

Some activities (such as civil defence) are funded entirely from rates because they benefit everyone.

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

**9.7 Rates**

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

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

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

- Total rates<sup>2</sup> will increase by no more than the Local Government Cost Index (LGCI)<sup>3</sup>:
  - Plus additional rates obtained from growth<sup>4</sup> in the rating base
  - plus 3% (to fund costs of higher standards and new services)
  - plus increase in funding required for asset renewal<sup>5</sup>

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

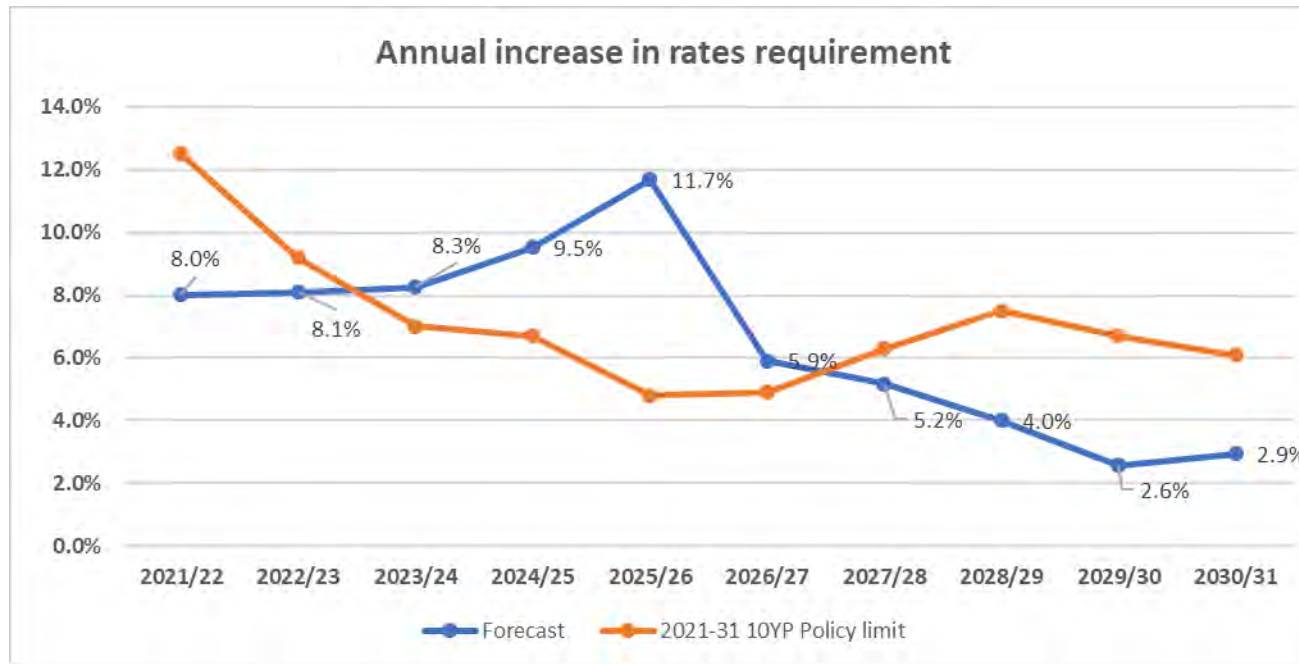
<sup>2</sup> Total rates excludes rates on Council properties but includes metered water revenue.

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

published by BERL in September 2020 was used in this Plan.

<sup>4</sup> Assumed to be 0.4% each year

<sup>5</sup> Assumed to be 5.4% for 2021/22 & 2.9% for 2022/23



At this stage, the 10-Year Plan does not achieve the policy aims for some years. To meet its Vision and Goals for the City, the Council believes rates need to increase by more than its target limit at least in the short term, and then again when the full impact of the proposed wastewater system upgrade takes effect. The actual increase each year will be determined in the light of updated circumstances and the development of each Annual Plan.

Rates are made up of two parts, a fixed component that is the same for each property and a variable component based on the land value. For 2021/22, the fixed part (\$1,299 for residential properties) is proposed to be made up of the following:

<b>CHARGE TYPE</b>	<b>CHARGE</b>	<b>WHAT IT PAYS FOR</b>
<b>Water</b>	\$307	The cost of providing water
<b>Wastewater</b>	\$296	The cost of treating and disposing of wastewater
<b>Kerbside Recycling</b>	\$130	The cost of kerbside recycling
<b>Rubbish &amp; Public Recycling</b>	\$66	General rubbish and recycling costs, including transfer stations, cleaning up fly tipping, community education
<b>General</b>	\$500	Contributes to paying for all other Council services and helps ensure all properties contribute a more equal share of cost rather than it all being based on the land value

The portion which is based on the land value is charged as a rate in the dollar which depends on how the property is used. Commercial property is charged at a higher rate than residential property. Residential property is charged at a higher rate than rural/semi-serviced property.

Council is legally required to obtain updated rating valuations at least every three years. The values from 2018 will be used again in 2021/22 and the new values obtained in 2021 will be used for the three years from 2022/23.

More details about the rating system are shown in section 3 of this 10-Year Plan.

## Appendix One

**Palmerston North now and over the next 10 years**

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

Since 2006, the population has grown at an average rate of 0.8% a year and has accelerated over the last three years to 1.2% a year. At June 2020, Palmerston North's population was estimated to be 90,400.

The Council has adopted medium growth population and household projections from Infometrics plus the additional margins required by the National Policy Statement for Urban Development. They are higher than the high growth assumptions made in the previous 10-Year Plan and assume the population will grow at an average annual rate of 1.1% from 2021 to 2031 (1,089 people a year) and that the number of households will increase by 1.4% (504) annually over the same period.

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

of housing choice in urban areas, with more intensive development making use of existing infrastructure.

Strong housing growth has occurred in the past three years. Growth in land values has made intensification more attractive for landowners and greenfield capacity has been consumed quickly. This is driving the need to bring forward long-term growth options to satisfy short and medium term demand. Significant capacity is proposed to be rezoned and serviced over the first three years of the 10-Year Plan. More detail about this can be found in the Infrastructure Strategy.

The 10-Year Plan makes provision for network and community infrastructure at Whakarongo to support new greenfield housing, and for developing Council-owned land (Tamakuku Terrace) in the area. Provision has been made for servicing land in the first stage (Kikiwhenua) of Kakatangiata (formerly known as City West).

Limited greenfields capacity remains in Aokautere and there are other greenfields pockets that can be developed without the need for substantial infrastructure.

Adequate land is available for office and retail activities in the central city and nearby business zones, with industrial development capacity in the City's north-east and at Longburn. KiwiRail has lodged a notice of requirement with the Council, seeking to designate land in the north east industrial area as a rail hub. The proposed development will not draw significant demand on water and wastewater infrastructure but will have a significant impact on transport infrastructure in the area and will place greater emphasis on the need for a regional freight ring road.

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

The City has a uniquely diverse community, with a prominent defence workforce, large numbers of young and transient tertiary students, and a strong connection to the wider Manawatū area. The population is relatively young, with a median age of 34.2. This is

3.2 years younger than the national median age. The fastest growing group is people aged over 65.

Palmerston North is also becoming increasingly ethnically diverse. Along with the City's changing age and ethnic profile, there has been a change in household composition. More than 60% of households are made up of only one family, and a quarter of all households have only one member. The changing nature of the community needs to be considered when determining infrastructure investment.

## Appendix Two

**The costs of providing for growth**

As a consequence of anticipated growth in population and changes in land use, Council will incur significant new capital expenditure and operating costs. For each activity, the 10-Year Plan

identifies the specific capital expenditure programmes it is anticipating will be required. Any operating costs associated with the programmes are incorporated in the operating budgets. These are summarised in the following table:

<b>ACTIVITY GROUP</b>	<b>GROWTH-RELATED CAPITAL EXPENDITURE FOR 10 YEARS (EXCLUDING RENEWALS) (\$000)</b>	<b>ADDITIONAL OPERATING COSTS ASSOCIATED WITH GROWTH-RELATED EXPENDITURE (INCLUDES DEPRECIATION &amp; INTEREST ON BORROWING) (\$000)</b>
Connected & Safe Community	1,934	219
Creative & Exciting City	14,091	8,205
Eco-City	3,183	2,326
Stormwater	15,258	7,624
Transport	72,907	17,170
Wastewater	84,865	40,613
Water	28,684	9,569
<b>TOTAL</b>	<b>\$220,923</b>	<b>\$85,726</b>

The Council's Revenue and Financing Policy outlines how expenditure and operating costs are to be funded for each activity. The Development Contributions Policy outlines how capital expenditure incurred for growth-related network and community infrastructure will be funded, and what proportion of the costs will be funded from development contributions assessed on development. It has been assumed that growth-related capital expenditure will amount to \$217 million over the 10-year period and that revenue from development contributions will amount to \$73 million over that time. The Council will try not to commit expenditure for growth too far in advance of when the infrastructure is needed. The level of development contribution revenue received will depend on the actual timing of development. The revenue forecast represents our best assessment of timing for the associated growth, and is consistent with our overall growth forecasts.

## Appendix Three

**Looking after existing infrastructure**

In fulfilling its responsibilities as a local authority, Council is legally required to provide residents with the key components of a city's infrastructure. The level of service in each case depends on a combination of factors, including Council's assessment of what the community wants and is prepared to pay for, the standards imposed by law, and resource consent conditions.

The Council's assessment of what the community wants is determined in a number of ways, including feedback from the 10-Year Plan and Annual Plan processes, obtaining residents' views and consulting from time to time about specific issues.

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

The 10-Year Plan incorporates the following provisions for renewal of network infrastructure:

	<b>TOTAL CAPITAL RENEWAL EXPENDITURE FOR 10 YEARS (\$000)</b>
Eco-City	8,568
Stormwater	8,985
Transport	88,642
Wastewater	54,194
Water Supply	49,561
<b>TOTAL</b>	<b>\$209,950</b>

As part of the Council's Funding Policy, capital renewal expenditure is drawn directly from rates. The amount funded from rates in each year is currently calculated using a formula that averages the expected renewals expenditure in the current and next two years. Capital renewal expenditure is determined from Council's Asset Management Plans. Council reviews longer-term capital renewal expenditure to assess whether the three-year average capital renewal funding is sustainable over the following 20 years. The forecast average level of renewals to be funded from rates will increase from \$20 million in 2020/21 to approximately \$25 million in 2021/22, \$29 million in 2022/23, \$30 million in 2023/24 and between \$28 million and \$31 million each year after that. This increase will impact on the total rates requirement and place restraints on other expenditure if Council is to live within its guidelines for the maximum percentage increase in total rates.



## Appendix Four

**Policy on giving securities for borrowing**

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

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

In unusual circumstances, with prior Council approval, a specific charge may be given over one or more Council assets. Physical assets will be pledged only when:

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

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

## Appendix Five

**Financial investments and equity securities****Financial investments**

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

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

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

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

### Equity securities

The Council currently maintains equity securities in the following entities:

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

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

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

ENTITY & RATIOS	TARGET
<b>Palmerston North Airport Ltd (for 2021/22)</b>	
Net surplus before interest/tax/revaluations to total assets	4%
Net surplus after interest/tax to consolidated shareholders' funds	3%
Maintain ratio of shareholders' fund to total assets > 40%	72%
Interest cover (net surplus before interest and tax to interest) >=2.5	6.5
Maintain a net tangible worth >\$50m	\$71.3m
Maintain a customer satisfaction Net Promoter Score >=30	Achieve
Passenger throughput p.a.	480,000
CAA part 139 certification	Maintain
Lost time injuries to those who work within airport community	Zero
Achievement of ACA level 2 & other sustainability initiatives	Level 2 achieved
Emission reduction targets for waste & water	Achieve
<b>Central Economic Development Agency Ltd</b>	
No specific financial targets	
<b>Civic Financial Services Ltd and NZ Local Government Funding Agency</b>	
No specific targets	

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

It is expected that any other equity investments held by Council in future would only be as a result of a gift, through a restructuring of

Council or to enable Council to participate in a central government or regional initiative to provide a key infrastructural activity. From time to time, Council will establish 'shelf' companies to be able to respond appropriately to any opportunities that arise.

10 Year Budget at a Glance							
Area of Spend	2021-31	2021-31	How operating expenses are funded			For every \$100 of rates this much goes on this	
	Capital Expenditure	Expenses	Rates	Other			
	\$1,520.7m	\$2,043.0m					
Innovative & Growing City	\$5.9m	\$168.5m	Rates 51%	Other 49%			\$6
Creative & Exciting City	\$248.7m	\$375.4m	Rates 85%	Other 15%			\$20
Transport	\$451.2m	\$427.8m	Rates 48%	Other 52%			\$14
Connected & Safe Community	\$62.2m	\$291.6m	Rates 73%	Other 27%			\$14
Eco-City	\$37.6m	\$130.5m	Rates 66%	Other 34%			\$6
Water	\$129.9m	\$117.6m	Rates 98%	Other 2%			\$9
Wastewater	\$480.6m	\$283.7m	Rates 85%	Other 15%			\$19
Stormwater	\$44.8m	\$67.2m	Rates 100%	Other 0%			\$3
Driven & Enabling Council	\$59.9m	\$180.7m	Rates 47%	Other 53%			\$8

# Infrastructure Strategy

## 2021 – 51

### Infrastructure Strategy 2021 – 51

#### 1. Introduction

The Council is required to prepare an Infrastructure Strategy for a period of at least 30 years to inform its 10-Year Plan. The Infrastructure Strategy has been directly informed by the city's vision and goals, supporting strategies and asset management plans, and sits alongside the Financial Strategy. The Strategy covers transport, stormwater, wastewater, water, property and recreational assets.

One of the primary and significant purposes of local government is to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future. Council infrastructure plays a significant role in achieving this.

Renewing and maintaining existing infrastructure and developing new infrastructure is expensive. The key issues in the 10-Year Plan and Infrastructure Strategy is how Council addresses the cost of this over time. Infrastructure represents a significant proportion of Council expenditure and is also an important enabler of economic growth. The way that Council invests in infrastructure has a significant influence on the extent to which it will deliver on its Vision and Goals for Palmerston North. For these reasons, it is important that the Infrastructure Strategy aligns with the Council's broader strategic direction, including the Financial Strategy.

#### 2. Purpose

The purpose of the Infrastructure Strategy is to:

- (a) identify significant infrastructure issues for Palmerston North City over the period 2021–51
- (b) identify the principal options for managing those issues and the implications of those options.

#### 3. Background

##### 3.1 Strategic direction

The Vision for Palmerston North is **small city benefits, big city ambition**. This Vision is supported by five goals and strategies. Key extracts from the strategies are detailed in sections 3.2 to 3.6 of this Infrastructure Strategy.

##### **Goal 1:** An innovative and 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 change to fuel sustainable growth, prosperity and wellbeing.

##### **Goal 2:** A creative and 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.

##### **Goal 3:** Connected and safe communities

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 with 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.

**Goal 4:** An eco city

The Council wants 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.

**Goal 5:** A driven and 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.

**3.2 Innovating and Growing City Strategy**

Palmerston North is the major economic hub for the Manawatū–Whanganui region for education, research health services, retailing, business services such as banking and finance, insurance, and professional services, government administration, agribusiness and logistics. The city's growing economic influence within the region is demonstrated by the number of people commuting to work in Palmerston North from surrounding local authority areas, and the expansion of the city's labour market region over the past 25 years. With 36% of the regional population, Palmerston North has 49% of jobs and 49% of earnings for the region. Projected growth in the economy will lead to more industrial, commercial and residential development, all of which requires additional infrastructural capacity.

Palmerston North is expanding, and Council wants to accelerate the city's growth and prosperity. Having a ready supply of land with infrastructure to support the city's growth will ensure Council can harness new development opportunities and increase Palmerston North's competitiveness. Council will provide infrastructure in a timely way while managing the financial risks of providing too much infrastructure in multiple locations. Integrating land use planning and infrastructure can be a powerful economic development tool. The Government has provided strong direction about this, particularly for housing, in its National Policy Statement for Urban Development (2020).

The Council has adopted the medium growth household and population projections from Infometrics plus the additional margins

required by the National Policy Statement for Urban Development. Despite taking a medium growth approach, the projections exceed the high growth assumptions made in the previous Long Term Plan.

The following population projections are assumed:

- 10-year projection 2021–31, 1089 people per annum at 1.1%
- 20 year projection 2021–41, 1039 people per annum at 1.0%
- 30 year projection 2021–51, 1002 people per annum at 1.0%.

The following household projections are assumed:

- 10-year projection 2021–31, 504 households per annum at 1.4%
- 20 year projection 2021–41, 459 households per annum at 1.2%
- 30 year projections 2021–51, 432 households per annum at 1.1%.

**Housing**

As required under the National Policy Statement for Urban Development, Council's main role is to make sure land and infrastructure are available to accommodate growth and provide market choice, while responding to changing demographics. Housing choices now allowed under the District Plan include multi-unit developments and minor dwellings. The planning framework also enables apartments in or near the city centre, including as part of a mixed-use development. The demand for infill housing is expected to continue and extend to areas west of the city. Lifestyle blocks are directed away from productive land and need to have their own infrastructure. Strong housing growth has occurred in the past three years. A significant feature of housing growth has been as a result of infill and multi-unit development. The traditional housing preference for greenfield development has been overtaken by intensification. This has likely been influenced by large value uplifts in land value, which has made intensification attractive for landowners. Greenfield capacity has also been consumed quickly, which is driving the need to bring forward long-term growth options to satisfy short and medium term demand. Significant capacity is proposed to be rezoned and serviced over the first three years of this long term plan to meet greenfield housing demand over the next 30 years. Changes will also be made to the District Plan to further encourage and enable more intensification, to place less reliance on growing the city outward. Additional growth in

the outlying villages (Ashhurst, Longburn, Bunnythorpe and Linton) will also need to be explored to provide greater locational and price point choices for the market.

Council wants land for new sections for housing within the various greenfield sites within the Whakarongo growth area brought to the market quickly. The Council will work closely with landowners and develop its Council-owned site within Whakarongo, under a subdivision named Tamakuku Terrace. To release pressure and meet updated growth projections, significant capacity at Kākātangiata (formerly called City West), between Palmerston North and Longburn, identified for medium- to long-term greenfield housing sites will need to be released earlier than previously anticipated. The first stage of Kākātangiata has recently been rezoned. This area is referred to as Kikiwhenua, and is the area bound by the Mangaone Stream, Te Wanaka Road and Pioneer Highway (the Racecourse land).

Limited greenfield housing capacity remains at Aokautere, but additional land is being planned to be rezoned and serviced to enable significant housing capacity. As well as the Hokowhitu Residential Area, Council will work with landowners at Napier Road and Flyers Line, where small greenfields additions can be made without the need for substantial new infrastructure. Affordable and first homes are in high demand in all locations throughout the city. An area within Ashhurst is also being sought to be provided by rezoning and servicing land for over 300 additional homes. Council will also work with landowners at Roxburgh Crescent to enable a transition from Industrial to Residential and to encourage medium density housing to be built.

Rezoning and servicing the wider Kākātangiata growth area, Aokautere and Ashhurst will ensure there is adequate supply of greenfield housing for more than 30 years, based on medium growth projections.

### Office and retailing

The formal planning framework for future growth in office and retailing is well settled. The District Plan expects new stand-alone office or retail

activities to be established in one of the four central business zones, where significant capacity is available. New office and retailing should leverage off planned public investment in the city centre.

Council will look at ways to help fill vacancies in larger office blocks in the city centre, including looking at long-term leases for public parking. Office activities are expanding in business areas on the city centre fringes, where intimate purpose-built offices with onsite parking are meeting market preferences.

Vacant land at Rangitikei Street is zoned for large-format retailing. Further work is needed to determine whether the land should be made available for other uses, such as housing or mixed-use development.

### Industrial

The formal planning framework for future industrial development is well settled. Industrial land has been made available to the north-east of the city and at Longburn. The north-east is earmarked for large-format freight, distribution and logistics activities, while Longburn is best suited to wet or processing industries. Both locations are well placed for the new regional ring road. Industrial capacity also exists within the historical industrial spine adjacent to the rail corridor at Tremaine Avenue and at the airport. The Longburn site has significant legacy issues with private wastewater and water services which will require significant investment in upgrading of services. A potential shortfall in small and medium scale industrial activities from 2024 onwards was identified in the Housing and Business Needs Assessment that Council published in May 2019. Therefore, more industrial land will need to be identified, rezoned and serviced to ensure adequate supply is available to the market from 2024 onwards.

The regional freight ring road is important to service projected industrial growth. Council will undertake a collaborative planning exercise to direct future investment in rail in the north-east and at Longburn. Integrating rail to form a significant intermodal freight and distribution hub is a major strategic issue. Rail access at Longburn is limited to sidings only and rail is unavailable at the north-east. Traffic flows



compromise the industrial land adjacent to the rail corridor at Tremaine Avenue.

KiwiRail have lodged a notice of requirement with the Council, seeking to designate land in the North East Industrial Area as a rail hub. The rail hub is expected to be developed over a 10 year period but will not be at full capacity for 30 years. The rail hub is not expected to draw significant demand on water or wastewater infrastructure; however, the transport network between Bunnythorpe and Palmerston North will need to change to accommodate the development. There are also likely to be stormwater management issues that will need to be resolved through the designation process. The rail hub development will place greater emphasis on the need for a regional freight ring road.

Council needs to work with infrastructure owners at Longburn to make future development possible. Much of the existing infrastructure is privately owned, not up to modern standards or does not allow for future growth. Council intends to invest in infrastructure in this location and recoup the cost through Development Contributions. Specific planning has been done to support the future growth of Fonterra's industrial activities at Longburn.

## Rural

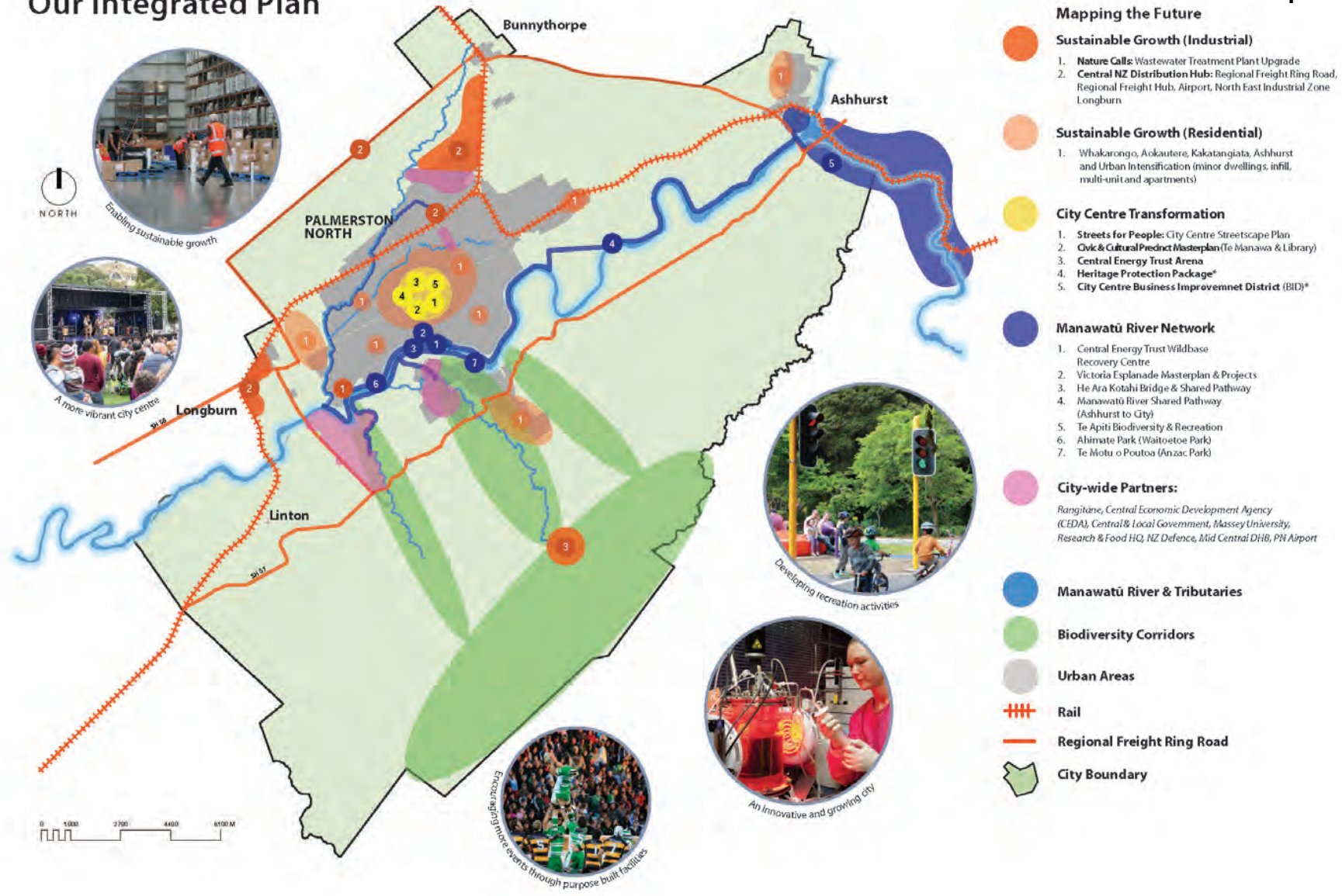
The formal planning framework for rural subdivision and development is well settled. The District Plan discourages lifestyle blocks and further fragmentation of productive farmland. Substantial capacity for lifestyle blocks is provided on the foothills of the Tararua Ranges, to ensure they remain a legitimate housing choice for the city.

The District Plan discourages the provision of urban services, particularly reticulated services, in rural areas because it is an inefficient form of infrastructure investment. It also blurs the lines between rural and urban development and leads to confusion about future development opportunities. Many landowners see the provision of urban services as legitimising intensification, while others believe it undermines the rural amenity they sought out.

The Innovative and Growing City Strategy, together with other catalyst projects, is summarised in the following Spatial Plan:

# Our Integrated Plan

# Spatial Plan



### Mapping the Future

#### Sustainable Growth (Industrial)

1. Nature Calls: Wastewater Treatment Plant Upgrade
2. Central NZ Distribution Hub: Regional Freight Ring Road, Regional Freight Hubs, Airport, North East Industrial Zone Longburn



#### Sustainable Growth (Residential)

1. Whakarongo, Aokautere, Kakatangiata, Ashhurst and Urban Intensification (minor dwellings, infill, multi-unit and apartments)



#### City Centre Transformation

1. Streets for People: City Centre Streetscape Plan
2. Civic & Cultural Precinct Masterplan (Te Manawa & Library)
3. Central Energy Trust Arena
4. Heritage Protection Package\*
5. City Centre Business Improvement District (BID)\*



#### Manawātū River Network

1. Central Energy Trust Wildbase Recovery Centre
2. Victoria Esplanade Masterplan & Projects
3. He Ara Kotahi Bridge & Shared Pathway
4. Manawātū River Shared Pathway (Ashhurst to City)
5. Te Aputi Biodiversity & Recreation
6. Ahimata Park (Waitoatoe Park)
7. Te Motu o Poutoa (Anzac Park)



#### City-wide Partners:

Rangitane, Central Economic Development Agency (CEDA), Central & Local Government, Massey University, Research & Food HQ, NZ Defence, Mid Central DHB, PN Airport



#### Manawātū River & Tributaries



#### Biodiversity Corridors



#### Urban Areas



#### Rail



#### Regional Freight Ring Road



#### City Boundary

### 3.3 Creative and Liveable Strategy

To help Palmerston North compete for people, talent and investment, as well as improving how the city is perceived by locals, visitors, potential new citizens and investors, creative city-making needs to inform the way that Council invests in infrastructure.

Charles Landry, an international authority on cities and creativity, visited Palmerston North in 2013 to find out how local people view the city and assess the city against his Creative City Index. In his report, Landry said place-making now plays an important role: "Most cities historically were built in a very functional way, encapsulated in the cliché 'roads, rates and rubbish' (a hardware focus). In the last two decades, however, there has been a major shift related in large part to global competition between cities and the need to attract the best talents. Urban development is now concerned with combining hardware and software and so focus on what places look and feel and how emotionally satisfactory they are as well as how they attract activity. In this approach there is a stronger focus on walkability and the need to downgrade the power of the car. Place-making is now an aim and requires a completely different skill set, spread throughout a local authority and its external stakeholders. This new approach is concerned with building communities and places, not only infrastructure." This approach needs to be applied to the way Council invests in infrastructure in Palmerston North.

### 3.4 Connected Communities Strategy

Palmerston North has a uniquely diverse community, with a prominent defence workforce, large numbers of young and transient tertiary students, and a strong connection to the wider Manawatū. The city is relatively young; by 2043 the average age is projected to be 37 – five years younger than for New Zealand overall. However, the fastest-growing age group in Palmerston North is people aged over 65. In future, the city will be home to a large older population, as well as growing numbers of children and young people.

The ethnic mix of Palmerston North also continues to become more diverse, and it is arguably the most ethnically diverse provincial city in New Zealand. Pasifika and Asian people are projected to make up a growing proportion of the population, behind only NZ European (73%) and Māori (22%) by 2028. Since 2004, Palmerston North has become home to small groups of former refugees from the Republic of Congo, Burma, Bhutan and Syria.

Along with the city's changing age and ethnic profile comes a change in household composition. More than 60% of the 30,000 households are made up of only one family, and a quarter of all households have only one member.

Infrastructure investment needs to recognise the changing nature of the Palmerston North community.

### 3.5 Eco City Strategy

The Ministry for the Environment advises that "climate change is the biggest environmental challenge of our time. Each one of us needs to work on ways to cut our emissions, adapt to the effects of climate change, and become more resilient to the changes that are coming. Climate change is already affecting our climate. It is likely to impact our agriculture and other climate-sensitive industries, our native ecosystems, infrastructure, health and biosecurity, as well as having broader social and economic impacts". In Palmerston North, climate change is expected to result in a higher frequency of intense rainfall events.

The Manawatū River is the heart of the city and region, and the mauri of the river is a direct reflection of the city's values. The city is increasingly looking to the waterways it once turned its back on, only to find that those waterways are not in the same state as they were before. Council is a signatory to the Manawatū River Leaders Accord along with other councils, iwi, businesses and community groups. In the Accord, Council has made a series of commitments towards improving the mauri of the Manawatū River.

Adapting to the effects of climate change, playing a part to slow climate change and managing the city's impact on the Manawatū River are critical drivers within the Eco City Strategy that will inform Council's approach to infrastructure investment.

#### 4. City infrastructure

##### 4.1 Description and value

Transport, stormwater, wastewater, water, property, parks and reserves assets provide core infrastructure services that underpin the economic and social activity of the city.

The transport network consists of 556 km of road, 106 bridges, 569km of footpaths, 8,600 streetlights, 33 sets of traffic signals, more than 2,700 central city car parking spaces, 105km of on and off-road cycle lanes / paths and more than 13,900 street trees.

The stormwater drainage network consists of 290 km of piped drain, 8 km of culverts, 5,511 manholes, connections to more than 17,500 properties, 89 floodgates, and other structures.

The wastewater network consists of 422 km of pipelines, 5,794 manholes, 37 wastewater pumping stations, and connections to about 30,000 properties. In addition, the Totara Road wastewater treatment plant treats all of the city's wastewater before discharge to the Manawatū River.

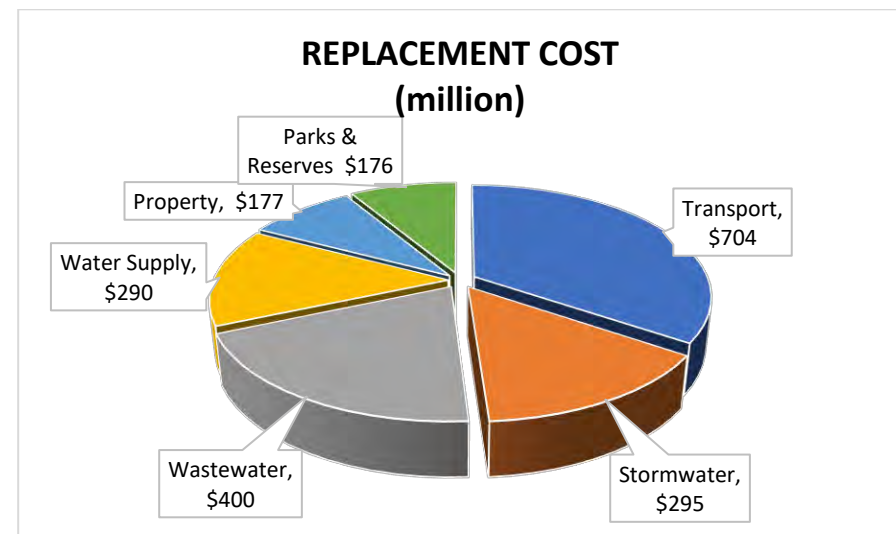
The water supply assets provide for water collection, treatment and distribution. The infrastructure for water collection consists of two dams at Turitea Reserve, and 21 water supply bores and pump stations. The Turitea Water Treatment Plant treats water collected in the dams. The distribution network consists of 548km of main pipelines, 196km of service lines, 4,650 valves, 3,128 hydrants, 2,097 meters, 448 backflow preventers and 28,162 tobies connecting to properties.

The property assets consist of thirty three operational properties, eight cultural properties (including libraries), 407 social housing units, eight community centres, three swimming pools, 3 cemeteries and the Central Energy Trust Arena multi-use events complex.

The parks and reserves assets comprise of seven city reserves (including walkways), 106 local reserves (including suburb reserves, neighbourhood / small neighbourhood reserves, esplanade reserves, ecological and special character reserves), three aquatic facilities, and 24 sports fields.

This infrastructure has been developed largely over the past 150 years as the city has grown. The total replacement cost of this infrastructure is approximately \$2 billion. The replacement cost for each of the asset areas is as shown in the following diagram:

The cost for each of the asset areas is as shown in the following diagram:



## 4.2 Condition and performance

Most of the infrastructure is assumed to be in good condition, with much of it in the early to midpoint phase of its life cycle. On average, approximately \$21.2 million per annum has been spent on renewing the infrastructure over the past three years.

Renewal expenditure over the past 3 years			
Activity	2017/18 \$M	2018/19 \$M	2019/20 \$M
Transport	5.29	5.86	5.79
Stormwater	0.26	0.58	0.67
Wastewater	3.45	3.46	2.63
Water	3.27	3.61	3.79
Property	4.69	5.12	6.55
Parks and Reserves	2.28	2.08	4.06
<b>Total</b>	<b>19.24</b>	<b>20.71</b>	<b>23.49</b>

Expectations for **transport** have changed to include greater emphasis on the movement of people and goods, rather than vehicles. This means delivering the regional freight ring road, providing for pedestrians, cyclists and those catching the bus and treating streets as public spaces that work for all users to achieve multiple outcomes. More work is required in all of these areas and should be the strategic focus of the transport activity. The way that Council assesses the performance of the transport activity should also be changed to reflect this new strategic focus. The conditions of road pavement assets are showing signs of decline. Especially on our busiest roads. Renewals and maintenance activities need to be focussed to maintain levels of service on these roads.

The life of road pavement surface varies from 12 to 30 years, depending on the type of surface and level of traffic. The overall condition of footpaths has improved over the last few years, with a targeted renewals programme ensuring the majority of footpaths are in the top half of the condition rating scale. Approximately 75% of bridges are greater than 50 years old, with significant renewal requirements expected between 2030 and 2050.

Like transport, the expectations for **stormwater** infrastructure have changed. There is a need to improve the performance, amenity and quality of our open drains and urban streams. This is to both to mitigate the flooding risk associated with the impacts of climate change, where more frequent high intensity rainfall are expected, but also to acknowledge their cultural significance as tributaries of the Manawatū River. Development has increased the amount and speed of rainwater going into urban waterways, increasing peak flow rates, and the levels of soil sediment and other contaminants going directly into the river system. Water-sensitive design approaches to development and the adoption of a wider use of tools such as water tanks, green roofs, swales, rain gardens and detention ponds will all help. Climate change is expected to bring higher-intensity rainfall events that will increase the frequency of nuisance flooding on both roads and properties as well as increase the level of property damage and loss due to flood events.

Stormwater drainage infrastructure generally only operates during major rainfall events and as a result, pipeline and culvert assets have a very long life (more than 150 years). Most of these assets are only in the early stage of their life cycles and are assessed as being in very good condition. Exceptions to this are those sections of the network damaged by tree root intrusion, high vehicle loads and the ingress of sediment and debris. Most of the older stormwater pump stations have recently been renewed and the condition rating for stormwater pump stations is also very good. The key deficiencies are associated with the condition of the electrical and control systems and the lack of standby pumps should the existing pump fail. Performance of the stormwater drainage system is also rated as good, although there is some street ponding for short periods at times of major storm events and this is recognised in the level of service provided.

The overall condition of **wastewater** pipelines and pumping stations is assumed to be good, with more than 60% of the system installed since 1960. The average life of pipes is about 90 years. The key deficiencies are associated with inadequate information about the

condition of critical trunk sewers, the presence of abandoned sewers which have not been decommissioned and unreliable pump station electrical and control equipment which needs renewal. Blockages of the network can occur as a result of tree root intrusion and uneven grades caused by ground settlement, although these are minimised through a targeted maintenance regime. Stormwater inflow and infiltration, although on par with wastewater networks worldwide, will continue to increase without investment in targeted fault remediation.

While the wastewater treatment plant performs as designed Council has agreed, following a review by Horizons Regional Council, to consent conditions requiring identification of a Best Practicable Option by June 2021 and lodgement of new consents associated with upgrading the plant by June 2022. The Council is currently working through the options assessment and selection process to confirm and detail the best practicable option for the upgrade.

In the **water** network, about 59% of pipelines are less than 30 years old and expected to have a life of more than 100 years. Problems experienced with discoloured water as a result of iron and manganese build-up in cast-iron pipes have largely been overcome in Palmerston North. Most of our old cast iron mains, which were the ones causing these issues, have been replaced. There are still 29km of cast iron mains on our networks. These are planned for replacement in the next few years. Our renewal programme will also concentrate on replacing some of our asbestos cement (AC) network. This material was used extensively in the 1970s and 1980s, but around the country people are finding that a lot of these mains are failing decades before expected. Renewing our cast iron and AC mains will give us a more resilient network with reduced leakage and improved water quality. Issues with discoloured water in Ashhurst will be addressed with additional treatment of the bore water and are not caused by the water mains themselves.

Maintenance and renewal regimes for **building** assets have kept them in overall good condition, although this is having been

primarily with a reactive focus as opposed to a focus on preventative and planned maintenance. As a result, a higher level of both maintenance and renewals is now due across the building portfolio. This includes social housing units, many of Council's operational facilities and the City Library. Although there has been considerable renewal investment in recent years in some areas of the portfolio such as sports field changing room facilities and public toilets, more is needed in these areas and overall. The Central Energy Trust Arena is generally in good condition, with areas in need of upgrading to be addressed through the Arena Masterplan Development.

The seismic strengthening of our earthquake-prone buildings will occur incrementally and will require significant investment over the next 15 years. Council has identified nine earthquake-prone buildings or facilities within its building portfolio which will need to be strengthened to meet new legislative requirements. The affordability of this work is a challenge for us, as we try to strengthen our buildings to meet the required National Building Standards (NBS) while ensuring we spend in a financially sustainable way. The change in building standards means there is a chance that there may be more earthquake-prone buildings identified in the future.

Council takes a city-wide approach to the management of parks and reserves assets and assesses the condition of all assets annually. Resources are targeted to the poorest performing assets within the network, to minimise the whole of life cost of ownership, whilst delivering the agreed level of service. A proactive approach is taken to asset maintenance. As a result, most parks and reserves assets are currently in very good to excellent condition. The long-term renewal programme is based on forecast future condition and the changing needs of the City.

There are no significant disposal issues for assets coming to the end of their useful life in the period of this strategy.

### 4.3 Critical assets

Critical assets, based on their failure affecting a large number of people or having a high cost, are:

- Transport: Fitzherbert Ave and Saddle Road bridges
- Stormwater drainage: large-diameter pipelines and major pump stations
- Wastewater: wastewater treatment plant, major pump stations and large-diameter pipelines
- Water supply: Turitea dams, water treatment plant, water reservoirs and large-diameter pipelines
- Property: Civic Administration Building and Central Energy Trust Arena.
- Parks and reserves: cemeteries and crematoriums and swimming pools

## 5. Significant infrastructure issues and principal options

### 5.1 Introduction

Council's significant infrastructure issues over the next 30 years involving high expenditure, high risk, strategic priorities and/or high public interest are identified as:

- Three Waters Reform
- Wastewater treatment and upgrading
- Provision of a regional freight ring road including an additional river crossing
- Developing new infrastructure for growth
- Renewal and maintenance of infrastructure
- Stormwater quality and capacity
- Applying urban design
- Facilities to encourage alternative transport modes
- Security of water supply
- Increasing the resilience of infrastructure
- The impact of climate change
- Modernising Central Energy Trust Arena

- Using Council land for housing
- Earthquake strengthening
- Construction Industry Capacity
- Asset performance and condition

### 5.2 Three Waters Reform

Currently, Council is responsible for managing “the three waters” comprising water supply, wastewater and stormwater.

New Zealand's three waters system is facing significant challenges. Central Government is undertaking a three-year programme to reform local government three waters service delivery arrangements.

Local government in New Zealand is facing urgent challenges in the provision of these services including funding infrastructure deficits, complying with increased safety standards and environmental expectations, building resilience to natural hazards and climate change into three waters networks, and supporting growth.

The Government is looking at reforming how these waters are managed. Its current thinking is drinking water and wastewater should be managed by a small number of multi-region entities. These entities would be publicly owned, with mechanisms to stop the privatisation of water supplies. The size, shape and design of these entities is still being worked through.

The main reason for the reforms is the huge cost of meeting public health and environmental standards for water and wastewater. Central Government has estimated a \$30-40 billion deficit in waters funding across the country. Total spending by local government each year is \$1.5b, so the problem is significant - fixing water and wastewater problems is unaffordable for most Councils. It's a significant problem for us (see the previous section on Nature Calls).

Residents connected to the water or wastewater networks will still have to fund the networks, but the new entities will have economies of scale. They will have stronger balance sheets, more access to capital, and alternative ways of funding their work.

These reforms are still just a Central Government proposal, and there is a lot of detail to work through. We've agreed to participate in the exploration of these reform options and, as a result, we received \$9.4m in Central Government grant funding to bring forward some critical renewals and advance key water and wastewater resilience projects.

While the government is developing detailed proposals, we're preparing this 10-Year Plan on the assumption we'll continue to manage and fund the three waters. If the reforms go ahead we'll need to develop a new 10-Year Plan to reassess our priorities.

### 5.3 Wastewater treatment and upgrading

The resource consent for the discharge from Council's main wastewater treatment plant to the Manawatū River is due to expire in 2028. Following a review in 2013 of the impact of the current discharge on the Manawatū River, Council agreed to new conditions of consent which require a best practicable option review for its wastewater treatment and disposal to be completed by June 2021 and a new consent application to be lodged by June 2022. The BPO review currently underway is looking to identify ways to mitigate the impact of the city's wastewater discharge on the river, particularly when the river level is low. Council is actively engaging with the community through this process to help identify the preferred treatment and discharge option. Financial provision of at least \$1 million has been made for each year until 2023/24 to undertake detailed investigations and secure the resource consents for this project.

The range of potential operating and capital costs have been estimated as ranging from \$200 to \$700m, however they are

approximate only and will not be known with any confidence until the best practicable option investigation review is completed and the consent is granted.

Council does not wish to prejudge which **option** might be chosen (or which consents will be granted through the regulatory process) but is required to make adequate financial provision for the final outcome. A number of factors will influence the final outcome, and it is likely that national and regional policies for water quality will change before a final decision is made. Whatever option is chosen, it will have a significant impact on Council's debt levels and rates requirements. For the purpose of the 10-Year Plan, it has been assumed that a solution will be provided with a capital outlay of \$350 million (\$391.7m including inflation) and that the expenditure will be incurred between 2023 and 2027. The final option could cost more or less.

The 10-Year Plan assumption has been chosen as a way to ensure that the Council's longer-term plans demonstrate it can cope with a project of this size and scale, and to transparently show the public the possible implications for debt and rates. It has also been assumed there will be additional operating costs of \$6.5 million per annum from 2026 on top of the debt servicing and repayment costs.

When designing and selecting the preferred wastewater treatment and discharge option, it is important for Council to have a good understanding of trade waste production, including the intentions of current industry in the city, the likelihood of new industry being attracted to the city, and the preferred locations for that industry. Oversizing the treatment plant would be inefficient, while undersizing could mean the city misses development opportunities. The infrastructure costs associated with servicing industries with significant trade waste discharges may be more cost effectively accommodated in other locations in New Zealand particularly where wastewater need only be partially treated before discharge via an ocean outfall.



Council has been conscious of the potential scale and financial impact of this project, including when it has programmed its other likely commitments. If the final option chosen costs more than has been assumed, the Council may need to review its priorities in later years of the Plan to be able to operate within its prudential borrowing limits.

#### 5.4 Provision of a regional freight ring road including an additional river crossing

Council has been collaborating with Waka Kotahi NZ Transport Agency, Horizons Regional Council and neighbouring local councils on the proposed regional freight ring road for more than a decade. Waka Kotahi have developed the Palmerston North Integrated Transport Initiative (PNITI) to guide investment in strategic transport in the city. PNITI is a package of interventions to support the freight and distribution potential of the region, assist in building the region's resilience and provide a safer, more effective connection between some of the region's key industrial areas whilst improving access and safety for Palmerston North residents. The key opportunities identified in the PNITI for strategic transport investment are:

- (a) Economic growth, development and investment;
- (b) Grow Palmerston North as a distribution and transport hub;
- (c) Reduce freight on residential and place-based streets;
- (d) Reduce the travel time between key destinations;
- (e) Improvement in levels of service at key intersections;
- (f) Reduce the number of deaths and serious injuries on the transport network;
- (g) Reduce carbon emissions from land transport;

PNITI considers a programme of investment to deliver on the investment objectives. This includes delivering the regional freight ring road, a future additional Manawatū River crossing, improvements around Bunnythorpe, connections to the North East Industrial Zone, accessibility and safety improvements throughout

the city. We will be taking the lead on many of the elements of the PNITI programme with Waka Kotahi leading others.

Our initial focus is on activating the regional freight ring road. This includes improvements to key intersections and bridges that are currently inaccessible to heavy vehicles. In the medium to long-term, our focus will be on improving other parts of the regional ring road and the strategic transport network around Bunnythorpe. Waka Kotahi is expected to take the lead on improvements on existing state highways, parts of the regional ring road and the second Manawatū River crossing. Delivering the PNITI and the provision of a further river crossing will only be viable for Council with financial assistance from Waka Kotahi.

Council's engagement with Waka Kotahi over these issues relate to advocacy in delivery of the regional freight ring road in particular timing, ownership and funding. This strategy details a default position with Council as the sole roading authority in regard to delayed timing and restricted funding. The Council will continue to advocate to Waka Kotahi on progressing the regional freight ring road as early as possible to address the transportation issues identified above.

We have maintained a future proposed budget for a further river crossing at 2040-2043. The intention is that this would complete the regional ring road in association with other improvements prior to this time. There remains uncertainty around the necessary location and timing of such an additional crossing. This will be influenced by the previous investment at this point and pace of development in the city.

#### 5.5 Development of new infrastructure for growth

The location of new greenfields urban development is well settled. This is useful, as it means there is a high level of certainty about the location of new infrastructure to service greenfields growth. District Plan changes to rezone land for Kākātangiata (formerly referred to as City West), Aokautere and Ashurst will be progressed throughout

2021 to supply significant urban growth capacity. A Future Development Strategy will be prepared in 2022 to help shape the next long term plan and will be informed by a Housing Needs Assessment which will be completed in June 2021.

While rezoning land makes it available for development, greenfields development cannot proceed until network infrastructure is provided. Development goes in cycles, and demand can vary according to a range of factors, many of which are out of Council's control. One factor Council can control is the timing of new infrastructure. Having 'shovel-ready' land can be a strong incentive for new development because it means that land is zoned and network infrastructure is available. This process requires the Council to put infrastructure in place in advance of development, and this comes at a cost. While that cost is ultimately recovered at a later date, there is a risk that the Council provides the infrastructure too early and faces increased holding costs, or the Council provides the infrastructure too late and discourages new development.

Matching the capacity of new infrastructure with the likely activities that will occur in greenfields areas, particularly for new industrial development, can also be challenging. Unlike housing development, which has a reasonably uniform demand for infrastructure, the capacity required to service different types of industry can vary significantly. For example, food processing or pharmaceutical activities place a heavy demand on water and wastewater, while freight and distribution activities place a heavy demand on roads. It is important that Council has a good understanding of the industry that is likely to occur, the industry it would like to attract, and the preferred locations for different types of industry so that it can appropriately match infrastructure with land use. Oversizing infrastructure is inefficient, while undersizing means the city could miss development opportunities.

The Council has signalled a desire for more brownfield development, and the District Plan now makes an increased range of housing types possible. However, predicting the location,

demand and type of brownfield development that will occur, and the impact on infrastructure capacity, can be difficult. The assumption is that 38% of all new houses will be infill or brownfield developments in the existing urban area, with the balance being 50% greenfields and 12% rural. There is a risk that infrastructure planning focuses on greenfields development because it involves new infrastructure. It is important that infrastructure capacity is provided to accommodate the projected increased housing density and that housing preferences are monitored to ensure that any changes inform future planning.

The reality is that other than good planning, the Council has limited options to address issues affecting the development of new infrastructure for growth. Council has strong aspirations for growth and it is important to have a clear strategic framework that directs where growth will occur and to align infrastructure with this direction. Council should also be as agile as possible in planning and infrastructure provision. Being clear about the type of industry and inward investment the city is seeking is also important. The infrastructure costs associated with servicing certain types of wet industry may be more easily accommodated in other locations that can address wastewater via an ocean outfall. Secure funding sources are also important. Council will continue to recover the costs of growth via development contributions, but should also advocate to government for funding support for infrastructure to service growth and alternative funding sources.

The National Policy Statement for Freshwater Management requires Council to ensure that water quality is maintained or enhanced. As new areas are zoned for development and water bodies and stormwater management matters are a feature of enabling growth, the effects of development will be factored into ensuring the requirements of the NPSFM will be given effect to. This includes requiring stormwater detention, protection of waterways and natural revegetation near waterways to improve habitats and water quality. This approach is being addressed in planning for key growth areas of the city, particularly at Kakatangiata, Aokautere and

Napier Road. The Council may need to take a more active role in co-ordinating landowner development interests in some of these growth areas to ensure the outcomes of the NPSFM can be met.

## 5.6 Renewal of infrastructure

In order to provide service to the community Council's infrastructure needs to be maintained and then later renewed. This is a national issue. Councils across New Zealand are facing major challenges with their infrastructure as part of a national conversation, with high-profile examples of infrastructure issues in some other cities. We need to get ahead of this which means we must ensure infrastructure enables our city.

Generally, as assets age they require a higher level of maintenance to provide the required level of service which means there can be a point at which it is more cost effective to renew an asset than to go on maintaining it. Sometimes a higher level of maintenance can delay a costly renewal. It depends on the kind of asset as to which is the best approach. Council endeavours through its asset management processes to choose the most cost-effective option in the long term. However, where the asset is a critical asset and failure could affect many people it takes a conservative approach to renewing the asset to reduce the risk of failure.

Adequate condition and performance data is required to accurately assess the quantum of expenditure required over the next 30 years to renew assets in the most cost-effective way. As stated below the asset management maturity assessment found that there are significant gaps in this data. This means that the financial requirements for renewals have been based on available data (such as age) and the relevant industry best practice for factors such as expected life.

This available data would suggest that there is potentially a significant amount of deferred renewals for most asset groups, but this cannot be confirmed until additional condition and performance data is collected. In this regard, there is a level of

uncertainty regarding the extent of the renewals backlog. The exception to this is Park assets where condition and performance information shows that there is not a backlog of renewals. Apart from the Parks and reserves assets the historic assumption was that there were little in the way of deferred renewals. However, trends in the condition data that could be obtained (including failures) and more intensive analysis of the available data over the past three years has caused this assumption to be revised. This analysis shows that a greater level of investment than previously assessed is required in the next 30 years for the backlog not to increase any further. For this reason, Council is proposing to increase its investment in renewals to address the backlog to ensure that levels of service are maintained for the community in the future. A more targeted response to how Council prioritises investment in renewals will come with the roll out of our asset condition programme. This programme will enable the nature of the renewals backlog to be understood in greater detail and result in optimised investment decisions in the future.

The Council has limited options for renewal of infrastructure. It has a statutory responsibility to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future. Infrastructure is a key enabler to provide for these wellbeing's. Council seeks to provide infrastructure that is efficient, effective and appropriate to present and anticipated future circumstances. Council must look after the infrastructure it already has, which means it must be renewed when it reaches the end of its useful life. Council could choose to defer renewals, but this would place an increased financial burden on future generations and is unlikely to meet the purpose of local government.

As the city grows and ages, it has an increasing amount of infrastructure to renew. The current generation must pay for the renewal of all previously established infrastructure. Future generations will be required to pay for the renewal of all previously established infrastructure and any new infrastructure yet to be established. While population growth spreads future renewal costs

across a greater number of people, keeping up with renewals is expensive. The way Council develops new infrastructure to support the growth of the city can affect the amount of renewals Council will face in the future. For example, brownfield redevelopment and making use of existing infrastructure can be more efficient than new greenfield infrastructure.

A total of about \$738 million (present-day cost) over the next 30 years is estimated to be required to ensure the transport, stormwater, wastewater, water, property and parks assets infrastructure is kept in good condition so that it can provide the same level of service to the community. This is equivalent to expenditure of about \$24.4 million (present day cost) per annum. This is an increase over the average of \$21 million per annum that has been spent over the past three years.

Activity	Average annual renewal expenditure (Present-day costs \$M)
Transport	\$8.9
Stormwater	\$0.7
Wastewater	\$5.8
Water	\$3.3
Property	\$2.8
Parks and Reserves	\$3.1
<b>Total</b>	<b>\$24.7</b>

Given the size of the expenditure, the renewals programme represents an opportunity to make a significant contribution to Council's strategic direction. More attention is required to examine which renewals present an opportunity to provide infrastructure in a different way to deliver outcomes consistent with Council direction. For example, all renewals on streets identified within the cycle network plan represent an opportunity to contribute toward improving cycling infrastructure.

## 5.7 Application of urban design

The Council has tried to include urban design principles in public and private development since 2010. Good progress has been made influencing private development via the Sectional District Plan Review, which has incorporated urban design principles into a number of zones. A variety of design-led planning documents, such as the City Centre Streetscape Plan (Streets for People), Manawatū River Framework and Central Energy Trust Arena Master Plan, have been prepared to inform significant Council investment in infrastructure. The development of all of these planning documents considered a range of options which were assessed by Council and subject to specific public engagement. Significant budgets have been included in the 2021 Long Term Plan to deliver on these planning documents, which will demonstrate the social and economic benefits of good urban design. A total of \$34.2 million (\$37.5m with inflation) is included to deliver the City Centre Streetscape Plan, including the new urban bus terminal, over the 10 years. The priorities and scheduling of works are as follows:

- City Centre Streetscape Plan – Square East (Plaza to ANZ)
- City Centre Streetscape Plan – Main Street East (bus terminal and canopies)
- City Centre Streetscape Plan – Broadway
- City Centre Streetscape Plan - Rangitikei Street
- City Centre Streetscape Plan – Square West
- City Centre Streetscape Plan – Church Street
- City Centre Streetscape Plan – Square North
- City Centre Streetscape Plan - Inner Square

Urban design is important because, since the 1950s, most authorities have broken their city into individual infrastructural parts that are managed by separate disciplines. The need for urban design has grown out of this siloed approach to city and infrastructure development. Urban design is not just about making infrastructure look pretty. It is fundamental to the way people engage, use and perceive a city. Creativity is essential, and urban design can make a

significant contribution to the big-city ambition component of the city vision. It is critical to attracting and retaining young talent.

Council investment in day-to-day infrastructure represents a significant opportunity to make integrated city-making a fundamental driver for all new infrastructure, particularly for transportation, property, recreational assets and stormwater. There are fewer opportunities to influence urban design outcomes via water and wastewater infrastructure. Further change, new processes and support are required to ensure a multi-disciplinary approach to the planning and delivery of Council projects. The use of design expertise is essential.

The **options** for improving the application of urban design to infrastructure relate to improving internal processes, education, advocacy and working in a multi-disciplinary way. Some cities have made radical changes, such as transferring major capital budgets to an urban design team or requiring formal sign-off on major capital projects. While some progress has been made, further work on internal processes is required to truly deliver on this issue.

## 5.8 Facilities to encourage walking, cycling and public transport

Palmerston North has an excellent track record of facilitating daily car journeys. While Council has provided additional capacity for cars via wider roads, more lanes, traffic lights, roundabouts, car parking and slip-lanes, it has been less successful in providing modern facilities for walking, cycling and public transport. While the car will continue to be an important mode of transport, walking, cycling and public transport are the areas where the biggest changes are needed. In many cases, this will mean reallocating existing street space, such as on-street parking and traffic lanes, for another purpose.

The Council has made good progress with off-road walking and cycling facilities, and generally have good footpath coverage. However, Council needs to consider how it treats and prioritises

space for pedestrians and cyclists at pinch-points, intersections and crossings within existing transport corridors, particularly as existing urban areas are intensified. Street design, way-finding and planning need to allow for the space and safety needs of cyclists and pedestrians.

Like walking and cycling, public transport has many benefits. It reduces congestion and carbon emissions and can increase mobility for people who are unable or unwilling to drive a car, walk or ride a bike. Strong public transport networks make a significant contribution to city liveability scores. The current urban terminal at Main Street is near capacity and the design is problematic. This strategy includes funding for a new urban terminal at the current location, which would improve both functionality and the streetscape.

The broad **options** available to Council are to continue with catalyst projects such as the pedestrian and cycle bridge and extensions to the shared path network, or combine the catalyst projects with incremental change as part of delivering the day-to-day transportation infrastructure. This strategy, together with a number of other strategic planning documents adopted by the Council, promotes the second option.

Council adopted an Urban Cycle Network Masterplan in 2019. Its purpose is to map out an investment programme for the urban cycle network and to create an environment and culture that encourages more people in Palmerston North to choose cycling more often. The Urban Cycle Network Masterplan commits council to:

- Reduce traffic speeds around schools and shops
- Expand the network of cycle lanes, including physically separated cycleways
- Support school and workplace travel planning, education about sharing roads and paths courteously, events like street festivals, recreation tours and competitions.

The implementation of the Urban Cycle Network Masterplan requires significant investment to achieve its ambitions. New programmes are included in the Long Term Plan to deliver on the masterplan.

Waka Kotahi are preparing to launch a One Network Framework (ONF) to help provide more detail on the function of transport corridors and differentiate areas of on-street activity. The ONF will require changes to transport networks to ensure integration between land-use and transport and to ensure a consistent design and use for different street and road typologies. This new classification system will also identify future state intentions for transport, which will assist Council's in planning for new state highways, or devolution of state highways to local roads. The ONF is likely to have significant relevance for the next Long Term Plan, when it will be fully implemented.

### 5.9 Security of water supply

An adequate supply of drinking water is a fundamental requirement for the health and general wellbeing of the community. An adequate water supply also underpins economic activity in the city. Council must comply with the New Zealand Drinking Water Standards and any resource consents issued, both now and in the future, by Horizons Regional Council under the One Plan. Compliance with New Zealand Drinking Water Standards is a critical to maintaining public health. A government inquiry revealed that a number of water supplies around New Zealand are not complying with current standards. As a result, there is likely to be greater scrutiny of the quality of Council's water supply and the quality assurance and risk management processes in place to prevent a contamination event from causing illness.

Central government has established a new water regulator (Taumata Arowai) who will take over responsibility for drinking water regulation from District Health Boards. From July 2021, new more stringent water quality standards will require investment by us in the near future in more advanced treatment, more stringent monitoring

and quality assurance. Key investments will include investment in UV disinfection or other protozoa water removal for all the City's water sources including the Turitea Water Treatment Plant and the bores.

Council will also need to increase capacity to deal with potential seismic events or mechanical faults. Seismic strengthening of key assets, such as reservoirs, is needed to reduce the risk of a major asset failure and service disruption in a significant event as well as reduce the duration of any loss of service. Resilience will also be increased by providing a second crossing of the Manawatū River and reinforcing the trunk main network across the city.

Over the period of this strategy, significant investment is required to ensure the water supply remains secure and safe for the community. Three aspects are addressed in this strategy and include refurbishment of the city's bores, plus extra treatment barriers at the plant to meet anticipated changes to the New Zealand Drinking Water Standards.

Several of the city's bores have declining yields and issues with sand ingress, and they need to be redeveloped or replaced over the next 10 years to ensure security of water supply.

The Turitea Water Treatment Plant supplies more than half of the city's water and is linked to the Ngahere Park reservoirs by a single large pipeline. This pipeline is nearing the end of its life and will need to be renewed within the next five years. It also passes along the treatment plant access road, which is subject to slips. As a result, there is a relatively high risk of damage to this supply line and loss of supply from this source for several weeks. A duplicate pipeline is currently in construction and will be completed later in 2021 and will allow renewal of the existing pipeline to occur and reduce the risk of losing the supply of water to the city from the water treatment plant.

Water supplied to the community meets the New Zealand Drinking Water Standards. These standards are reviewed regularly and with the establishment of the new regulator, revised drinking water

standards are planned to be released in early 2021 for adoption in July 2021. To respond to those changes the city is likely to require an additional level of treatment protection (barrier) at its Turitea water treatment plant and bore sites to maintain compliance with the standards. It may also be necessary to add storage to each of the bore sites to provide additional contact time for chlorine disinfection so that water delivered to the network meets the free available chlorine guidance levels. This will enhance the safety of the water supply. Some provision is made in this strategy for these additional treatment processes, but detailed planning for the implementation of any improvements will be required once the new drinking water standards are released.

The Eco-city strategy notes the following:

- (a) The costs and benefits of reducing water pressure need to be weighed up. Reducing water pressure could prevent significant wastage of water and reduce maintenance costs for water infrastructure. However, the community may not accept lower water pressure and there may be implications for commercial fire system compliance.
- (b) The Council will investigate domestic water saving and storage solutions to identify potential water demand savings and wastewater flow reduction. District-wide resilience will be improved by connecting Palmerston North's water supplies to its satellite communities.

### 5.10 Increasing resilience of infrastructure

One of the outcomes of the Christchurch earthquakes is an increasing focus on understanding and improving the resilience of local authority infrastructure, particularly those assets that are critical to delivering core services.

In recent years, substantial work has been undertaken to assess the seismic strength and impact of maximum probable floods on key infrastructure such as the Council's major bridges (Manawatū River

Bridge, Milson Line Bridge and Saddle Road Bridge) and the Turitea water supply dams.

These have been assessed as having sufficient strength (apart from the Milson Line Bridge) to withstand the required seismic design loadings. The bridges have also been assessed as being capable of withstanding major flood events. The Milson Line bridge does carry some higher risk in a major seismic event but is scheduled for improvements in 2032.

Other key infrastructure that is critical to the continuation of services, such as the water and wastewater treatment plant civil structures, the crematorium, large pumping stations and large diameter pipelines, have also been assessed and work is currently underway on the detailed design and strengthening of these structures to meet the required code levels for withstanding seismic shock. Programmes for completing the strengthening of critical wastewater and water structures where there are known weaknesses are included in this Strategy and will improve resilience of supply. The duplication of the water trunk pipeline from the Water Treatment Plant to the Ngahere Park reservoirs, which is currently underway, is an important project that will increase the resilience and security of water supply for the city.

District-wide resilience will be improved by connecting the city's water and wastewater to the villages of Longburn, Ashhurst and Bunnythorpe. The Council received \$9.4m in Central Government funding to bring forward targeted renewals and advance key water and wastewater resilience projects in 2021. Cumulatively these work programmes will increase the resilience of service delivery to the community.

Generally, the transport network, with its grid network, has a high level of resilience to seismic activity, with particular lifeline risks for wider connection being the bridges identified above and those under Waka Kotahi jurisdiction, namely SH3 Ashhurst Bridge and SH56 Opiki Bridge. Delivery of a regional freight ring road including an additional road bridge over the Manawatū River will improve

transport resiliency and reinforce trunk main networks across the city. The regional freight ring road is a package of interventions to support the freight and distribution potential of the region, assist in building the region's resilience and provide safer, more effective connection between the region's key industrial areas.

A key part of increasing the resilience of the city's infrastructure is to require new infrastructure to be built to a standard that will better withstand the effects of seismic events such as liquefaction. The ongoing review of the District Plan will address this matter, particularly for new greenfields development where liquefaction susceptibility of land is assessed as part of the technical review of areas proposed for urban development. A key part of improving the resilience of the city's infrastructure is to require new infrastructure to be built to a standard that will be built to a standard that will better withstand the effects of seismic events and impacts such as liquefaction. The ongoing review of the District Plan and Council's Engineering Standards for Land Development will address these matters.

The Council's engineering standards for land development were revised in 2016, incorporating requirements for increased resilience with engineering works. A further review planned for 2021 is likely to incorporate further requirements to strengthen the resilience of the pipe infrastructure as these practices are developed nationally.

Increased resiliency of infrastructure is addressed in the impact of climate change issue. The specific **options** for improving resiliency are best addressed as part of individual infrastructural projects, rather than a more general assessment of options.

### 5.11 Impact of climate change

The Ministry for the Environment advises that climate change is the biggest environmental challenge of our time. The way Council invests in infrastructure can influence how much the city mitigates climate change by reducing emissions and adapting to the effects of a changing climate.

The Council target is a 30% reduction in CO<sub>2</sub>e in Palmerston North by 2031. The task of lowering the carbon footprint forces Council to identify its inefficiencies and improve the way it delivers infrastructure to improve energy efficiency, make better use of trees and natural systems, and take advantage of the opportunities offered by new technologies like LED lighting. To achieve this target, Council needs to provide infrastructure that enables the rest of the city to make low-carbon choices, particularly for transport space, and support the provision of fast-charging stations for electric vehicles.

The Ministry of the Environment predicts that over the longer term, the Manawatū-Wanganui region will become warmer and be subject to more extreme weather events, with the region experiencing more frequent heavy rainfall events as well as more frequent droughts. Horizons Regional Council has increased its standard for defining areas prone to flooding from 1% AEP (1-in-100-year) flood event to a 0.5% (1-in-200-year) flood event and completed significant upgrades to the Lower Manawatū Flood Protection scheme to take account of this change.

This has significant implications for infrastructure, with many assets having life cycles of more than a hundred years, and in some cases much more. Council needs to take account of expected long-term changes when building new infrastructure. The largest impact is on stormwater infrastructure. More frequent heavy downpours could lead to short-term localised ponding in some areas. New infrastructure associated with development for growth will be designed with the aim of achieving hydraulic neutrality for the development as a whole where possible (i.e. not increasing the peak flows from the development area) and will take into account the expected stormwater loadings.

There are also likely to be additional peak stormwater flows in the existing network as a result of infill development. Modelling has been carried out to assess the impact of additional stormwater loading on the network, and provision has been made for



stormwater network improvements over the period of this Strategy to enable some mitigation of the worst of the flooding issues to be addressed. Water-sensitive design and green infrastructure approaches to development and a wider use of tools such as water tanks, green roofs, swales, rain gardens and detention ponds will all help and will be encouraged if not required. Council has recently tried to take a more naturalised approach to managing stormwater. This is apparent in Norton Park, where a trial wetland has been established, as well as the nearby Edwards Pit Park, where Council has created and planted a series of wetlands to reduce pollution, illegal dumping and damage to critical assets and habitats. Council is actively renovating the open streams and drains within the city both to improve their drainage capacity and to transform them into green corridors to provide improved biodiversity and more sustainable stormwater management.

Changes to rainfall patterns will lead to issues for our sportsfields and walkways, because there will be more heavy downpours, leading to flooded surfaces (and possibly short-term closures) and slips. In addition to more intense rainfall it is likely long dry periods, or drought events, will also occur more frequently. This will put a strain on park trees and plants, restricting their growth or even causing them to die. If new parks and reserves infrastructure is not designed to cope with intense extremes of weather, then the contribution our green assets make to our city will diminish and biodiversity will be lost.

From time to time, water restriction measures need to be put into place for consumers during dry periods when water levels in the dams become low. Without changes in consumer behaviour this may occur on a more frequent basis given a reduction in the sustainable yield available from the Turitea dams. Council are trialling the implementation of a Summer Watering Period when regardless of the weather, consumers are encouraged to adopt water conservation measures as standard practice during summer. Even with such measures, additional bore supply capacity will be

required to compensate for the lower sustainable yield from the dams.

In terms of **options**, the Resource Management Act and Local Government Act require the Council to adapt to the effects of climate change. While there is no explicit statutory obligation to mitigate climate change by reducing Council and city emissions, there is a growing international commitment from states, cities and the private sector to reduce carbon emissions. Agreements such as the 2015 Paris Accords and the Compact of Mayors, of which Palmerston North is a signatory, provide formal mechanisms to report on emissions and share practical knowledge.

The Climate Change Response (Zero Carbon) Amendment Act 2019 introduced a new framework to assist the move to a low emissions and climate resilient society. This includes new requirements for local authorities to set emissions reduction target and mitigation policies and provide reports on progress.

### 5.12 Modernisation of Central Energy Trust Arena

Central Energy Trust Arena is the regional hub for sports in the lower North Island and the city's central hub for sport. It caters for some 36 different sporting codes in eight indoor and several outdoor facilities. In addition, Central Energy Trust Arena accommodates a range of community activities, trade shows, exhibitions, conferences, concerts and a host of other leisure and recreational functions.

National and international speedway events (some 23 meets per year) are held at Arena 1 and during those events occupy a substantial proportion of Central Energy Trust Arena overall, with extensive parking and pit requirements. The 'open pits' arrangement is one of the few available (internationally), allowing the public to come into close contact with the stock cars and teams.

While some of the Arenas and facilities are fit for purpose, others such as Arena 5 and aspects of the Pascal Street frontages to Arenas 2, 3 and 4 need to be improved. An all-weather artificial turf has been developed for the rear Fields (Arena 6), which used to suffer from flooding. This has dramatically enhanced the usability of this space. Improved capacity of Arena 1 is also needed along the southern and western embankments and re-use of modular seating no longer needed within Arena 2 is to be utilised.

Council adopted the Central Energy Trust Arena Master Plan in December 2017 to inform future investment and address the issues detailed above. Four alternative development **options** were considered during the development of the Central Energy Trust Arena Master Plan, and these have been detailed in the Master Plan itself.

The preferred option proposes considerable change to the southern end of Central Energy Trust Arena, with a focus on addressing the speedway pits and their location, the entrance into the Arena complex as well as future-proofing the southern embankment.

The preferred masterplan includes:

- Relocation and improvement of the speedway pits;
- Redevelop the Arena 5 building into multi-sport and community facility;
- New Cuba Street main entrance and plaza;
- Upgrade of the western concourse and southern embankment;
- Construction of a new South Grandstand;
- Improved rear fields (Nos. 2, 3, 4, 5) including new artificial turfs reconfigured with new Oakley Street access;
- Service sheds relocated; and
- Pascal Street frontage to Arenas 2 and 3 upgraded, new services and drop-off.

The redevelopment of the speedway pits, western concourse, south embankment, and the new entrance plaza and Cuba Street

access have been completed in 2020/21 and has significantly transformed the Arena complex and made a considerable movement towards meeting the goals of the masterplan.

The sense of arrival at Central Energy Trust Arena was poor, with ill-defined entries and entrance spaces onto Cuba Street and an unremarkable quality of design for the street interface, fencing, planting, gates and building frontages. Acquisition of the south-east corner properties (Waldegrave/Cuba Streets) has enabled construction to begin on redeveloping this frontage and give effect to the Arena Masterplan. Council has also expressed the view that the quality of the Central Energy Trust Arena has a significant impact on the perception of Palmerston North by locals and visitors.

The Master Plan also details specific priorities and costing for projects which were included in the 2018-28 10-Year Plan and projects beyond that timeframe. These projects have been updated and included in this Strategy.

### 5.13 Use of Council land for housing and development

While Palmerston North housing is more affordable than many other growing metropolitan cities in New Zealand, house prices have been increasing and as the city grows it is susceptible to the sharp increases experienced in other cities. While this risk is being addressed via strategic land-use planning, changes to the District Plan and the provision of growth infrastructure, the Council can also use its own land for housing and development to provide increased choice, competition, and revenue. This is an activity the Council has undertaken in the past, although there has been no activity in recent years.

The Council owns a significant portion of the Whakarongo Residential Area and has included specific infrastructural programmes to develop this land for housing. This is in addition to the growth infrastructure programmes required to service the broader Whakarongo Residential Area. Council has opted to develop this land itself and sell to new owners to build their own

homes. Council will oversee the development of each home through the administration of a design guide and covenants. To minimise cost and risk, Council has opted not to build houses itself. The 10-Year Plan also includes a series of investigations of other Council owned land to decide whether they are appropriate for development.

If the Council-led development at Whakarongo is successful and the investigation of other Council-owned land identifies opportunities for further development, this is an activity the Council has signalled that it would like to increase its involvement in. Longer term it is likely there are further opportunities for using Council land for housing and development over and above those sites specifically identified for investigation in the 10-Year Plan.

Huia Reserve is one of these sites. In 2020, Council released a proposal to change the use of the site to enable the sale or development of the reserve for housing. Following public consultation, Council agreed to progress the change. This requires Government changing the reserve status through a legislative change and then a District Plan change to rezone the site to Residential. This will be progressed throughout 2021.

The land formerly leased by the Terrace End Bowling Club (Summerhays St) is another site that Council has agreed to investigate repurposing for housing. The bowling club has amalgamated with another club in North Street, which has left the site available for alternative use. Half of the site is already zoned residential and the other half is zoned Recreation. A District Plan change will need to be carried out to rezone the entire site to Residential. Once rezoned, the Council can develop the site and sell on. Another opportunity is relocating the Council depot from the current site on the corner of Ferguson and Albert Streets and redeveloping this land for housing. The depot site is already zoned residential and is ideally suited for medium to high-density development.

## 5.14 Seismic Strengthening of Council Buildings & Civic and Cultural Precinct Masterplan

The seismic strengthening of our earthquake-prone buildings will occur incrementally and will require significant investment over the next 15 years. Strengthening our earthquake-prone buildings is all about ensuring people can safely get out of a building in the event of a moderate-large earthquake. If the buildings are not seismically strengthened, they will continue to pose a risk to people's safety, should they not be able to evacuate.

As at May 2019, the following buildings and facilities have been identified as earthquake-prone buildings (EPBs):

- Civic Administration Building (CAB)
- Square Edge
- Central Library
- Kelvin Grove Crematorium
- Wastewater Treatment Plant
- Regent Theatre
- Keith Street Power Station
- Te Manawa Museum of Art, Science and History
- Caccia Birch House

The redevelopment of the Central Library and Te Manawa Complex were included in the 2018 10-Year Plan. However, Council deferred both redevelopment projects due to:

- Seismic issues with the Central Library building were subsequently discovered
- A further needs assessment was required to inform the proposed Civic and Cultural Precinct Masterplan (CCPMP)

A Draft CCPMP was prepared in 2019 to inform future investment in Te Manawa, the Civic Administration Building and the Conference and Function Centre. The Draft CCPMP was placed on-hold when it was discovered the Central Library was an earthquake-prone building. Council has allocated funds to complete the CCPMP to

assist with the broader revitalisation of the city centre and to provide direction to future investment to the Council's core Civic and Cultural facilities, including the Central Library. This work will build on the work completed on the Draft CCPMP in 2019 and explore alternative funding and delivery options. It will also investigate options to deliver mixed-use and housing developments within the Civic and Cultural Precinct. The outcomes and delivery options recommended by the updated CCPMP may impact on the priorities and delivery options of programme 902 in future 10-Year Plan processes.

Council has created work programme 902 – Seismic Strengthening of Council Properties. Using Council's Earthquake Prone Building Policy, the programme allows for both the planning, design, consenting and construction. The programme targets seismic strengthening work to be completed incrementally over the next 15 years. We will be investing around \$157 million over the next 15 years. Council has developed the following priority order for seismic strengthening of all our EPBs after considering several different factors.

*Table 1 Priority Order for Seismic Strengthening and Costs over the next 15 years*

Order of Priority	Year Strengthening Commences	Approx. Cost (Millions)
1. Kelvin Grove Crematorium*	2021	\$0.5M
2. Wastewater Treatment Plant*	2021	\$2.0M

3. CAB	2023	\$15M
4. Square Edge	2025	\$10M
5. Regent Theatre	2027	\$15M
6. Central Library	2029	\$60.5M
7. Te Manawa Museum of Art, Science and History	2031	\$51M
8. Caccia Birch House	2033	\$2.6M
9. Keith Street Power Station	2035	\$0.5M

\*Strengthening of the Crematorium and the Wastewater Treatment Plan are planned to start in the 2021 year with a budget in that year of \$1m & \$0.6m respectively.

The affordability of this work is a challenge for us, as we try to strengthen our buildings to meet the required National Building Standards (NBS.) We also need to ensure that we spend in a financially sustainable way.

As seismic strengthening progresses this may also coincide with asbestos remediation and fire upgrade work that may need to be completed within our older buildings. The Building Act 2004 requires all territorial authorities in high seismic areas to report annually to MBIE on their progress in identifying potential EPBs. For this reason there is potential for more EPBs to be identified.

### 5.15 Construction Industry Capacity

The City is projected to grow significantly over the next 10 years. Major infrastructure projects and private development including Te Ahu a Turanga: Manawatū Tararua Highway, KiwiRail Regional Freight Hub, Mercury Energy Turitea Wind Farm, Regional Freight Ring Road, FoodHQ, Defence regeneration at Linton and Ohakea, Countdown Distribution Centre and a variety of Council infrastructure projects will continue to drive this growth across the Region and the city. With this significant pipeline of central government, residential and commercial infrastructure investment

the capacity of the existing construction market to respond to this sustained period of infrastructure investment is becoming stretched.

Over the next 10 years there is a risk that Council's access to a constrained construction market will lead to an upward pressure on contracting prices, extend delivery timeframes and cause uncertainty regarding infrastructure delivery. This is likely to impact on Council's ability to deliver on its own infrastructure programme over the life of the 10-Year Plan. While it is positive for the local economy to have sustained investment over the next 10 years it will be a challenge for Council to compete in a crowded market to access the limited construction market resource in the Region. This is particularly so when competing with Central Government infrastructure investment given the scale of projects like Te Ahu a Turanga: Manawatū Tararua Highway and the Defence regeneration at Linton and Ohakea.

Given the construction industry constraint over the 10-Year Plan period Council have considered its programme of work and taken the opportunity to push out non-critical programmes. The Council will have to respond to this challenge and may have to consider options such as:

- Aggregating projects into larger packages and/or multi-year contracts to provide greater certainty to contractors and support investment in resources and capacity building e.g. recent roading maintenance, renewal and capital new contract includes significant value of "capital new" projects
- Starting procurement earlier and allowing longer lead times so that contract delivery obligations can be accommodated within a contractor's forward work commitments. This will require more provision for funding of multi-year programmes of work.
- Engaging proactively with the contracting market including providing a clear indication of Council's forward pipeline of work.

Final consideration of the 10-Year Plan capital programme was informed by a deliverability review of key infrastructure projects based on:

- Budget impacts of industry cost increases
- Ability to deliver to proposed timing
- Risk of project delay associated with critical assets

Key findings of the review were:

- The majority of the proposed capital programme was considered robust
- Some rapid escalations in cost expected to continue
- Long lead-in times required for some assets
- Infrastructure necessary as an enabler for other projects
- Growth programmes represent up to 25% of the budget

A summary of the proposed changes in response to the deliverability review are provided below:

	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
Total Budget (19.05.21)	\$83,829,648	\$81,090,303	\$86,862,960
Revised Total Budget (apply Cost Risk)	\$88,385,331	\$89,047,853	\$92,723,485
Total Budget Review (apply deliverability review)	\$82,806,597	\$86,552,099	\$98,444,370
Change of Totals	<b>\$1,023,051</b>	<b>(\$5,461,796)</b>	<b>(\$11,581,410)</b>

The key outcomes associated with re-phasing work across the first three years were identified as:

- Allowing for increased bundling of programmes to de-risk procurement and delivery

- Enabling more time to build up resourcing to deliver
- Minimal impact on rates

### 5.16 Asset Performance and Condition

An independent review of the maturity of Council's asset management (AM) approach was undertaken in 2019. The assessment found we have significant gaps across our asset areas in terms of condition and performance data. There is a particular need to prioritise the collection of condition information on our critical assets. Although some work has been done in the past to assess asset criticality and condition, we are not using the information well. For example, our wastewater pipes have good CCTV data, but it's not always reliably loaded into our asset data base. An example of the extent of the gap in our asset condition knowledge is that we have condition data for:

- 17% of our wastewater assets
- 4% of our stormwater assets
- 99.8% of condition rating for water assets is assumed based on age and expected life as very little condition assessment has been carried out

Council has sound condition data for roading, property and parks and reserves assets. However, the extent of the gap across our Three Waters assets mean:

- Council is carrying unknown risk relating to asset failure and impacts on levels of service to the community
- Council is carrying a risk of increased operational and reactive maintenance if asset failure occurs
- Council is not in a position to optimise investment decisions relating to the prioritisation of renewals and mitigation of associated risk

- Associated financial risk associated with unexpected asset failure and reactive maintenance

Staff and contractors working on maintenance and renewal of our assets need to be collecting good quality condition data. This needs to feed into our asset data bases and used to better inform and optimise our investment in the maintenance and renewal of our assets.

Our Asset Management Improvement Plan will prioritise a review of our policy governing our asset condition and performance assessment. We will need to complete condition surveys on all our critical assets, and schedule regular inspections with the frequency based on asset criticality. While unexpected failure of our water assets in the past has prompted a programme to increase the collection of condition data through physical surveys, we will need to develop a comprehensive condition assessment programme across all our assets. We will need to work towards developing processes for contractors and in-house staff to collect condition information using real time mobile data applications to increase efficiency in this area. Subject to 10-Year Plan funding decisions, proposed condition assessment programmes have been developed to address the issue of lack of condition data for our wastewater plant (programme 1716), wastewater pipelines (programme 1717), water supply (programme 1813), citywide stormwater (programme 1709), rubbish and recycling (programme 1908) and property (programme 1726). While uncertainty exists regarding the condition of our assets, the purpose of these programmes is to address the condition data gap. Collectively these programmes will form a coherent condition programme that is identified as a key task in Council's Asset Management Improvement Plan.

## 6. How council intends to manage its infrastructure assets

### 6.1 Renewals

As noted in section 5.6, Council has limited options for renewing infrastructure. It has a statutory responsibility to meet the current and future needs of communities for good-quality local infrastructure in a way that is most cost-effective for households and businesses. 'Good-quality' in this context means infrastructure that is efficient, effective, and appropriate to present and anticipated future circumstances. This means Council must look after the infrastructure it already has. This is usually done by renewing assets when they reach the end of their useful life. Council could choose to defer renewals, but this would place an increased financial burden on future generations and is unlikely to meet the primary purpose of local government with respect to good quality infrastructure.

More specific renewal details for each asset group are provided in section 7.

### 6.2 Growth or decline in demand for services

Forecasting future demand considers how future changes may impact on the demand for an asset and the services it provides. Once the implications of future changes are understood a plan about how best to meet the level of demand, or not, can be made. Understanding the key drivers of demand is the first step in forecasting future demand. The main issues Council consider are:

- Council Strategy
- Population Growth
- Household Growth
- City Growth – Residential, Commercial and Industrial
- Economic Growth
- Legislation, Policy and Guidelines
- Technology Advances

- Customer expectations
- Iwi Partnerships
- Sustainability and the effects of climate change
- Natural hazards and adverse weather events.

As noted in section 3.3, Palmerston North is expanding, and the Council wants to accelerate the city's growth and prosperity. Having a ready supply of land with infrastructure to support the city's growth will ensure Council can harness new development opportunities and increase Palmerston North's competitiveness. The Council has adopted the medium growth household and population projections from Infometrics plus the additional margins required by the National Policy Statement for Urban Development Capacity. The specific population and household projections are detailed in section 3.2.

Commercial office and retail development is expected to utilise existing infrastructure capacity within the city centre. Industrial development is projected at the NEIZ and Longburn, with significant new infrastructure investment required at the NEIZ. The infrastructure servicing the industrial land at Longburn is currently privately owned and is in poor condition and requires upgrading both to meet the needs of current users and satisfy demand from undeveloped land.

There has been little demand pressure on many Council services and assets to date. However, as the city enters a growth phase this may change.

The Council currently has the following activity demand management strategies in place:

- Water: Education, flow restriction, pressure reduction, and metering
- Wastewater: Education, trade waste charges, peak discharge restrictions

- Stormwater: Education regarding illegal discharges to drain, attenuation and detention requirements for new development
- Solid Waste: Education and waste fees
- Parks and Property: User fees, charges and rentals, sports field scheduling

### 6.3 Increases or decreases in levels of service

Taking into account Council's broader strategic framework, the anticipated increases in levels of service relate to the following infrastructure and assets:

- City centre streetscapes (see programme 2122)
- Urban bus terminal (see programme 243)
- Central Energy Trust Arena (see programmes 990 and 1194)
- Seismic strengthening (see programme 902)
- Victoria Esplanade (see programmes 1847, 1838, 1890 and 2012)
- Manawatū River Park. See programme (programme 1435, 1844, 1894, 1892 and 1895)
- Council housing - Papaioea Place (see programmes 1743 and 1459)
- LED street lighting (see programme 1806)
- Water-sensitive design and green infrastructure (see programme 1930)
- Design infrastructure to accommodate the effects of climate change and natural hazards (see programme: 1708)
- Regional shared path network improvements (see programme 1677 and 2120)
- PNITI programmes. (see programmes 1688, 1690, and 2013)
- Road to Zero – transport safety improvements (see programmes 2119 and 159)
- Village streetscape improvements (see programme 1803)
- Innovating streets for people / tactical urbanism (see programme 2021)

- For specific levels of service see the activity pages of the 10-Year Plan. This is background information that will be provided alongside the Infrastructure Strategy.

### 6.4 Public health and environmental outcomes Wastewater

The Council is required to lodge applications for new resource consents for its current wastewater discharge to the Manawatū River by June 2022. The Best Practicable Option (BPO) review, which is well advanced is required to identify a preferred option for treatment and discharge of the city's wastewater by June 2021. Council is actively engaging with the community to help identify the preferred option. For the 10-Year Plan, it has been assumed that a solution will be provided with a capital outlay of \$350 million (plus inflation) between 2023 and 2027.

#### Climate change

The Council target is a 30% reduction in CO<sub>2e</sub> in Palmerston North by 2031. The task of lowering our carbon footprint forces Council to identify its inefficiencies and improve the way it delivers infrastructure to improve energy efficiency, make better use of trees and natural systems, and take advantage of the opportunities offered by new technologies like LED lighting. To achieve this target, the Council needs to provide infrastructure that enables the rest of the city to make low-carbon choices, particularly for transport space, and support the provision of fast-charging stations for electric vehicles.

#### Stormwater

There will be additional peak stormwater flows in the existing network as a result of climate change and increasing infill development. Water-sensitive design and green infrastructure approaches to development and a wider use of tools such as water tanks, green roofs, swales, rain gardens and detention ponds will all



help and be encouraged. Council has recently tried to take a more naturalised approach to managing stormwater. This is apparent in Norton Park, where a trial wetland has been established, as well as the nearby Edwards Pit Park, where Council has created and planted a series of wetlands to reduce pollution, illegal dumping and damage to critical assets and habitats. Council is renovating open drain corridors and urban waterways, to improve stormwater conveyance capacity, biodiversity and more sustainably manage stormwater.

### 6.5 Service Delivery

Service delivery is provided by a mixture of using in house resources and externally contracted resources. Operation and maintenance of the stormwater, wastewater and water assets (three waters), property and parks and reserves assets are largely provided by in house resources apart from swimming pools for which a long term facilities management contract is in place. Some property maintenance is also contracted externally.

Roading maintenance is provided through a long-term externally tendered maintenance contract, which includes pavement renewals and road resealing. While currently Council has a number of separate external roading contracts for specialist areas such as road marking, lighting, traffic signals and footpath renewals, a new road maintenance, renewals and minor capital works contract has been tendered. This contract, which is due to be awarded in March 2021, will have a duration of nine years and provide for the delivery of up to \$14m of maintenance, renewal and capital works in the roading space. The bringing together of nearly all of the maintenance, renewal and minor capital work in a single contract is designed to support the development of a collaborative delivery model which contributes to improved quality, timeliness and optimisation of Council's budget as well as addressing the current contractor capacity constraint.

Renewal of assets and construction of new assets is undertaken through a combination of external contractors and internal

resources. The majority of three waters pipe network asset renewal and construction of new assets, along with a range of concrete construction totalling around \$6m per annum is undertaken by the Council's civil construction team. The balance of specialist projects and larger capital projects, particularly in water and wastewater treatment and property and recreation areas, is delivered using a diverse mix of small and medium sized external contractors. Council is working to rationalise the number of external contractor relationships and to achieve improved value and service as well as reduce risk. It is doing this by aggregating delivery of common services across Council in large multi-year contracts procured through competitive tender processes. For example, mowing and vegetation management, mechanical and electrical maintenance and renewals as well as pest management.

### 6.6 Data Reliability

Renewal and maintenance forecasts are based on that data available about Council's assets, their performance and their condition. Data about the assets is kept on Council's asset management systems. Most asset registers are over 85 +/-5% complete in terms of physical attributes, construction date and asset location, and have a high level of accuracy in this regard. While Council has a sound knowledge of the physical attributes, construction date and asset location there is limited condition data available for our assets.

However, as stated previously there are significant gaps in condition and performance data. The exception is parks and reserves assets, with condition and performance of assets is assessed at least annually. The condition rating of the assets of the remaining asset groups comes from periodic survey of the assets, but there are currently insufficient condition assessments being carried out, particularly on critical assets. Performance ratings are rarely recorded. Programmes are being developed to develop a current condition and performance baseline, with processes to keep this data maintained.

Processes for new assets to be entered into the system are currently being improved. Data collection and verification is ongoing with Council's knowledge of its assets improving all the time.

## 7. Infrastructure assets: The most likely scenario

The Council prepared 30-year Asset Management Plans (AMPs) during 2020. These AMPs set out the programmes that are assessed as optimal for the maintenance, renewal and development of the assets. The programmes from these plans have informed the 10-Year Plan process, although there has been some adjustment during this process to the scope and timing of some programmes to fit better with Council priorities and community affordability.

The most likely 30-year scenario for the management of Council assets comprises the infrastructure programmes that form part of the 10-Year Plan in years 1–10 and the AMP programmes for years 11–30.

The following sections outline the major programmes in each of the asset areas (that also cover the significant infrastructure issues identified in Section 5) together with indicative present day costs, when a decision by council can be expected, and what options can be expected to be considered.

Section 7.6 shows inflation adjusted 30 year financial forecasts for each year for the first 10 years and then the five year average for the remainder of the 30 years for operational, renewal and capital development programmes. The capital development programme also shows the overall split between expenditure for growth and for increased level of service.

Council's AMPs give further information about the management of the assets and programmes that are part of the most likely scenario.

## 7.1 Transport

### Renewal

Renewal of transport infrastructure covers assets comprising roads, footpaths, parking, street facilities, street lighting and traffic services and requires around \$8.9 million (present-day cost) on average to be spent annually over 30 years to maintain these assets in good condition. Generally, the lifecycle of the transport assets, apart from bridges, is shorter than those in the pipe networks.

The major expense is incurred in rehabilitation of the sealed pavements and resurfacing of sealed roads with about 2km of pavement rehabilitation and 25–30km of resurfacing being undertaken each year. Footpath renewals have also been accelerated. The largest single renewal is the renewal or replacement of the Milson Line overbridge scheduled for 2029–31.

### Capital development (growth and LOS)

Major transport programmes include the following:

- growth programmes to service Whakarongo, Kākātangiata (formerly City West) and North East Industrial Zone
- Streets for People streetscape upgrade
- new urban bus terminal
- extensions to the shared path and on-road cycle path network
- transport safety improvements
- regional freight ring road and further bridge crossing.

Besides the major expenditure items listed in the table below, there are a variety of other capital programmes over 30 years to improve safety for all road users, including pedestrians, particularly at intersections, road widening and road realignment in places to accommodate increasing traffic demands and maintain the level of service.

### Transport programmes, principal options and timing of decisions

Major programmes	When	\$m present-day costs	\$m cost with inflation	When Council decision likely	Expected principal options to be considered
<b>Renewals</b>					
Sealed pavement renewals (115, 2104, 2109)	2021-51	85.9	131.8	Appropriate level of renewal decided through each 10-Year Plan process	<ul style="list-style-type: none"> <li>• <b>Renewals of pavements to maintain the current LOS and minimise long term maintenance costs</b></li> <li>• Only renew sealed pavements when LOS is no longer met.</li> </ul>
Sealed road resurfacing (139)	2021-51	99.0	152.6	Appropriate level of renewal decided through each 10-Year Plan process	<ul style="list-style-type: none"> <li>• <b>Replacement of a sealed road surface layer to ensure the agreed level of service is maintained</b></li> <li>• Only reseal roads when LOS is no longer met.</li> </ul>
Footpath renewals (64)	2021-51	46.5	74.1	Appropriate level of renewal decided through each 10-Year Plan process	<ul style="list-style-type: none"> <li>• <b>Renew footpaths at a greater rate than existing to improve overall condition of the stock</b></li> <li>• Cease to renew footpaths and only carry out maintenance when failure occurs</li> <li>• Renew footpaths at the current rate</li> </ul>
<b>Development</b>					
Infrastructure to support Whakarongo residential development (2065, 1641)	2021-33	8.9	10.3	The schedule and timing of roading infrastructure established through the 2021-31 10-Year Plan process	<ul style="list-style-type: none"> <li>• <b>Provision of infrastructure in line with PNCC engineering standards and the Whakarongo Structure Plan</b></li> <li>• No allocation provided for new infrastructure, leave provision to the developer</li> </ul>
Infrastructure to support NEIZ industrial development (2058, 1603)	2021-26	11.4	11.8	Through the 2021-31 10-Year Plan process.	<ul style="list-style-type: none"> <li>• <b>Continuation of programme established in 2015-25 10-Year Plan to service the NEIZ Extension. Timing of programmes subject to demand and alignment with other</b></li> </ul>

Major programmes	When	\$m present-day costs	\$m cost with inflation	When Council decision likely	Expected principal options to be considered
					<p><b>private and public investment interests.</b></p> <ul style="list-style-type: none"> <li>Do nothing. Development may not occur.</li> </ul>
Infrastructure to support Kākātangiata (formerly City West) residential development (2123)	2021-42	29.6	40.8	The development of this area will be subject to further investigation and planning process under the RMA over the next few years.	<ul style="list-style-type: none"> <li><b>Provision of infrastructure in line with PNCC engineering standards and the Kākātangiata Structure Plan (in development).</b></li> <li>No allocation provided for new infrastructure, leave provision to the developer.</li> </ul>
Streets for People - Urban design streetscape (2122)	2021-29	22.6	24.7	The overall scope of the project was endorsed by Council in 2016. The decision around timing for the different stages is part of the 2021-31 10-Year Plan process following earlier consultation. Later stages may be modified in future 10-Year Plan processes.	<ul style="list-style-type: none"> <li><b>Deliver the full scope of the Streets for People programme</b></li> <li>Keep the pre-existing urban city layout and stop progressing improvements to CBD amenity and city image.</li> </ul>
Bus terminal (243)	2021-25	11.6	12.7	The broad programme has been considered as part of the City Centre Streetscape programme. There will be a further Council decision on the best option before implementing a programme over the period 2020-24.	<ul style="list-style-type: none"> <li><b>Complete the urban bus terminal development</b></li> <li>Minor upgrade of infrastructure, lighting, landscaping and roading only</li> <li>Let the bus terminal remain as it is</li> </ul>
Shared pathways (2057, 1225, 2120, 1648, 2067, 2068)	2021-31	28.5	32.8	This is a programme of developing shared pathways around the city. The broad on-going programme has been decided through the 2021-31 10-Year Plan process. It may be modified in subsequent 10-Year Plans.	<ul style="list-style-type: none"> <li><b>Create new shared paths that link regional centres - Bunnythorpe, Feilding, Ashhurst and Aokautere</b></li> <li>Deliver some or part of the network</li> <li>Incomplete shared path network meaning Council strategic direction not met.</li> </ul>
Manawatū River Bridge (187)	2037-43	112.0	189.3	From around 2040 onwards noting that demand on the Fitzherbert corridor is under constant monitoring. Decisions around the strategic transport route are connected with the PNITL investment and may change this timeframe	<ul style="list-style-type: none"> <li><b>Construct a new bridge to link Te Matai Road and Staces Road</b></li> <li>Test downstream bridge alternatives in the business case process</li> <li>Defer from research, design, and delivery of a new bridge</li> </ul>

Major programmes	When	\$m present-day costs	\$m cost with inflation	When Council decision likely	Expected principal options to be considered
Urban cycle network improvements (1559, 1631, 1633, 1653, 1657, 2056)	2021-31	21.7	24.9	A decision on investment priority was made in 2019. Appropriate level of investment decided through each 10-Year Plan process.	<ul style="list-style-type: none"> <li>• <b>Deliver the full scope of the Urban Cycle Network Masterplan with additional cycle lane and signal phasing works</b></li> <li>• Remain at current state.</li> </ul>
PNITI (2013, 2059, 1695)	2021-30	114.8	133.4	Through 2021-31 10-Year Plan process.	<ul style="list-style-type: none"> <li>• <b>Ring road transport improvements</b></li> <li>• <b>Intersection and bridge improvements</b></li> <li>• <b>Strategic transport corridor improvements.</b></li> </ul>
Road to zero (2119, 159)	2021-30	23.0	26.0	Appropriate level of investment decided through each 10-Year Plan process.	<ul style="list-style-type: none"> <li>• <b>Improve network safety through speed management, intersection upgrades, corridor improvements, and access control management</b></li> <li>• <b>Address the vertical realignment and widening of five dips on Kelvin Grove Road to improve sightlines and adjoining properties</b></li> </ul>
Ashhurst growth (2124)	2021-25	5.6	5.8	The schedule and timing of roading infrastructure established through the 2021-31 10-Year Plan process	<ul style="list-style-type: none"> <li>• <b>Provision of infrastructure in line with PNCC engineering standards and the future structure plan(s) (in development)</b></li> <li>• No allocation provided for new infrastructure, leave provision to the developer.</li> </ul>
Rural road safety and accessibility (2061, 1595)	2024-34	15.7	19.4	Appropriate level of investment decided through each 10-Year Plan process.	<ul style="list-style-type: none"> <li>• <b>Deliver all the road safety and accessibility projects</b></li> <li>• Deliver some of the projects as they are discrete</li> <li>• No allocation provided for any new infrastructure, leave provision to the developer.</li> </ul>

## 7.2 Stormwater Renewal

While there is an ongoing programme of minor renewals of stormwater assets, there are few major renewal programmes of work required during this period. The exception are some significant stormwater mains where the pipes have collapsed due to poor material quality, excessive external loads or aggressive root intrusion. Most stormwater assets are in reasonable condition as they operate in a less aggressive environment compared to the wastewater network and consequently have longer asset lives. Generally, the stormwater system is still in the early stages of its life cycle.

### Capital development (growth & LOS)

There are major programmes during this period for extending the stormwater system to the Whakarongo and Kākātangiata Residential areas and the North East Industrial Zone to provide for predicted residential and industrial growth. However, it is also

expected that developers will make provision either individually or collectively to manage stormwater within their own properties in accordance with the principles of achieving hydraulic neutrality prior to discharge to the receiving drainage channels. Council is involved in facilitating the consenting, provision and construction of detention storage and wetland treatment systems. In addition, there is an ongoing programme of stormwater improvement works to mitigate flooding and inundation issues as well as improve stormwater discharge quality. Further modelling work has been undertaken to inform this programme and take into account the likely changes in frequency and intensity of storm events that is likely to occur as a result of climate change and increasing density of infill housing over this period. Large scale mitigation works including major new drainage and detention infrastructure is planned to effectively mitigate the increased flooding likely to result from climate change.

## Stormwater Principal Options and Timing of Decisions

Major programmes	When	\$m present-day cost	\$m cost with inflation	When council decision likely	Expected principal options to be considered
<b>Renewals</b>					
Citywide renewal works (1062)	Ongoing 2021-51	18.0	27.5	Appropriate level of renewal decided through each 10-Year Plan process	<ul style="list-style-type: none"> <li>• <b>Full replacement of stormwater pipes and manholes due to structural or service problems</b></li> <li>• Renewal of pipes and manholes only when the network is significantly underperforming and on reactive basis</li> <li>• Defer renewal of the network.</li> </ul>
Citywide pump renewals (20)	Ongoing 2021-51	2.5	3.1	Appropriate level of renewal decided through each 10-Year Plan process	<ul style="list-style-type: none"> <li>• <b>Renew pump stations at greater level than current</b></li> <li>• Renewal will be as required or necessary only</li> </ul>

Major programmes	When	\$m present-day cost	\$m cost with inflation	When council decision likely	Expected principal options to be considered
					<ul style="list-style-type: none"> <li>Defer the renewal of stormwater pump stations.</li> </ul>
<b>Development</b>					
Provision of stormwater systems for Whakarongo residential development (1001, 1284)	2021-24	6.1	6.2	The schedule and timing of stormwater infrastructure established through the 2021-31 10-Year Plan process. A council decision has already been made.	<ul style="list-style-type: none"> <li><b>Provision of infrastructure in line with the Whakarongo Structure Plan, PNCC engineering standards and low-impact design principles.</b></li> <li>No further progression of the proposed attenuation pond construction and leave to developers to construct</li> </ul>
Stormwater systems for NEIZ Extension (197)	2021-23	2.4	2.4	NEIZ Extension rezoned 2016. Timing of stormwater infrastructure established through 2021-31 10-Year Plan process.	<ul style="list-style-type: none"> <li><b>Design and construct stormwater systems in line with NIEZ Structure Plan, PNCC engineering standards and low-impact design principles to service an expanded NIEZ</b></li> <li>A localised, conventional infrastructure approach, though the Council's sustainability goals would not be met</li> <li>No allocation provided for any new infrastructure, leave provision to the developer</li> </ul>
Stormwater systems for Kākātangiata residential growth area (1065)	2021-30	2.9	3.3	Indicative timing given as part of 2021-31 10-Year Plan process. Infrastructure will be delivered in time to facilitate development, as development progresses.	<ul style="list-style-type: none"> <li><b>Current infrastructure to remain and unable to support development</b></li> <li>Upgrade the relevant infrastructure to enable development</li> </ul>
Stormwater Improvement works, including new pump stations (1060, 1372)	2021-51	16.3	21.8	Ongoing decision making through 10-Year Plan and Annual Plan processes to meet specific issues in the stormwater system.	<ul style="list-style-type: none"> <li><b>Address the issues identified in the citywide flood model</b></li> <li><b>Significant electrical and mechanical improvements at the pump station</b></li> <li>Ensure only the current capacity and requirements are met</li> <li>No allocation provided for any new infrastructure.</li> </ul>
Citywide stormwater flood mitigation (1708)	2021-28	7.2	8.3	Through the 2021-31 10-Year Plan process	<ul style="list-style-type: none"> <li><b>Undertake large capital projects to reduce catchment-wide risk flooding</b></li> </ul>

Major programmes	When	\$m present-day cost	\$m cost with inflation	When council decision likely	Expected principal options to be considered
					<ul style="list-style-type: none"> <li>No allocation for capital works to mitigate citywide flooding.</li> </ul>
Stormwater management improvements for Aokautere urban growth area (1704)	2021-29	1.1	1.2	Indicative timing given as part of 2021-31 10-Year Plan process. Infrastructure will be delivered in time to facilitate development as development progresses.	<ul style="list-style-type: none"> <li><b>Carry out mitigation works in all the severely affected gullies to allow further development</b></li> <li>Leave the gullies to self-stabilise</li> </ul>
Stormwater improvements for Ashhurst urban growth area (2034)	2021-25	0.6	0.7	Indicative timing given as part of 2021-31 10-Year Plan process. Infrastructure will be delivered in time to facilitate development as development progresses.	<ul style="list-style-type: none"> <li><b>Design and construct stormwater systems in line with PNCC engineering standards and low-impact design principles.</b></li> <li>No allocation provided for any new infrastructure, leave provision to the developer.</li> </ul>
Stormwater improvements for Napier Rd Urban Growth Area (2035)	2021-25	0.2	0.2	Indicative timing given as part of 2021-31 10-Year Plan process. Infrastructure will be delivered in time to facilitate development as development progresses.	<ul style="list-style-type: none"> <li><b>Design and construct stormwater systems in line with PNCC engineering standards and low-impact design principles.</b></li> <li>No allocation provided for any new infrastructure, leave provision to the developer.</li> </ul>

### 7.3 Water Renewal

Most of the pipe network is in very good physical condition. However, there are some major items for renewal and refurbishment during this period, as discussed below.

Over the period 2010–14, pipeline renewal was focused on replacing cast iron pipes to address the discoloured water issue. Subsequently, the focus has been on replacing asbestos cement (A/C) pipelines. The life of these pipelines is proving to be less than originally expected resulting in a higher number of pipe breaks and increased maintenance costs. An enhanced A/C replacement programme is now programmed through to 2030 to maintain the

serviceability of the network. There is also a need to renew the supply main from the Lower Turitea Dam through to Ngahere Park reservoir. This will be done following the completion of the duplication of the pipeline from the Water Treatment Plant to the Ngahere Park Reservoirs which is currently underway so as to also increase the resilience and security of this supply. The rising main from the Ashhurst bore to the reservoirs has been identified for some time as in need of replacement. The lower half of the rising main has been renewed and the remainder of the alignment will be renewed by the end of 2022-23. The other area of major renewal investment required in this period is the replacement or redevelopment of several of the bores feeding the city's water supply. Bores programmed over the next few years include Ashhurst, Takaro and



Roberts Line with other bores programmed for redevelopment over the following 25 years. Significant investment in renewal of critical components of the water supply network are also programmed including significantly enhanced investment in renewal of tobies (as part of installed new meter ready manifolds with backflow prevention), meters and critical shut-off or sluice valves. These are critical as they contribute to the risk of contaminants entering the network and the level of disruption required to repair a break in the network.

### **Capital development (growth & LOS)**

There are major programmes during this period for extending the water system to the Whakarongo and Kākātangiata Residential areas and North East Industrial Zone to provide for projected residential and industrial growth. Some seismic strengthening of water structures is scheduled to increase the resilience of our water supplies. There are also proposals to build new reservoirs to increase available storage and improve treatment

Other major programmes that provide for ensuring a secure and safe water supply for the city include providing additional treatment barriers at the Turitea water treatment plant to meet the expected more stringent NZ drinking water standards proposed for adoption in July 2021. It is expected that UV treatment of all water sources will be required (surface water and bore water treatment plants) as well as provision of storage to provide adequate contact time for chlorine disinfection to achieve current free available chlorine guideline levels at all bores. As indicated above, there is already some provision in this Strategy for implementing UV treatment at the Turitea water treatment plant over the period 2021–24. There is also provision for adding storage to some bores so that the required contact time to meet the new drinking water standards can be met. However, once new standards are released it will be necessary to review both the timing and financial provision required in order to meet them.

There are other programmes over the 30 year period covering access road improvements, upgrading communication technology, pressure management and various new water pipeline linkages to increase the resilience and reliability of the water supply system.

## Water principal options and timing of decisions

Major programmes	When programmed	\$m present-day cost	\$m cost with inflation	When Council decision likely	Expected principal options to be considered
<b>Renewals</b>					
Rehabilitation of pipeline from Lower Dam to Ngahere Park reservoirs (88)	2023-26	2.2	2.4	Appropriate level of renewal decided through each 10-Year Plan process	<ul style="list-style-type: none"> <li>• <b>Rehabilitate the existing main to prolong serviceable life</b></li> <li>• Replace existing main, resulting in two new falling mains</li> <li>• Continue using the existing main, without rehabilitation, until it is unserviceable.</li> </ul>
Network pipeline renewal (218)	Ongoing 2021-51	57.7	84.4	Appropriate level of renewal decided through each 10-Year Plan process	<ul style="list-style-type: none"> <li>• <b>Rolling renewals. Renew when the mains approach the end of their useful life</b></li> <li>• Proactive replacement of all Asbestos Cement (AC) and Cast-Iron mains, even if they are not at the end of their useful life</li> <li>• No proactive renewals. Mains only renewed reactively on failure</li> </ul>
Water bore headworks and station renewals (199, 2100)	Ongoing 2021-51	11.3	18.1	Appropriate level of renewal decided through each 10-Year Plan process	<ul style="list-style-type: none"> <li>• <b>Enhanced renewals including replacement of electrical controls and mechanical fittings</b></li> <li>• Renew components when they approach the end of their useful life</li> <li>• No proactive renewals. Components only renewed reactively on failure.</li> </ul>
Equipment and facility renewals at the Turitea Water Treatment Plant (207, 1646)	Ongoing 2021-51	12.2	18.3	Appropriate level of renewal decided through each 10-Year Plan process	<ul style="list-style-type: none"> <li>• <b>Rolling renewals of the components as they tend toward the end of their useful life</b></li> <li>• Replace all components, as soon as possible, with modern equivalents</li> <li>• Components are only renewed reactively on failure.</li> </ul>
Water Toby and Manifold Renewals (214, 2099)	2021-31	4.9	5.8	Appropriate level of renewal decided through each 10-Year Plan process	<ul style="list-style-type: none"> <li>• <b>Replace all over the first four years of the LTP, as planned</b></li> <li>• Replace all tobies with manifolds in Year 1 of the LTP</li> </ul>

Major programmes	When programmed	\$m present-day cost	\$m cost with inflation	When Council decision likely	Expected principal options to be considered
					<ul style="list-style-type: none"> <li>No proactive renewals. Wait until tobies reach the end of their useful life then replace with manifolds</li> </ul>
<b>Development</b>					
Development of water supply network for Whakarongo residential growth (1004, 1285)	2021-26	2.9	3.1	Indicative timing given as part of 2021-31 10-Year Plan process. Infrastructure will be delivered in time to facilitate development, as development progresses.	<ul style="list-style-type: none"> <li><b>Fund infrastructure, lead and enable development</b></li> <li>Don't fund infrastructure, instead either constrain development or ask developer to construct all assets and vest them in Council</li> </ul>
Development of water supply for NEIZ industrial growth area (1005, 1286, 1387)	2021-28	4.6	5.1	Indicative timing given as part of 2021-31 10-Year Plan process. Infrastructure will be delivered in time to facilitate development, as development progresses.	<ul style="list-style-type: none"> <li><b>Find an appropriate site, drill a bore, and bring into full production</b></li> <li>Refrain from sinking another bore, instead relying on current facilities.</li> <li>Further investigation work to be done to identify options</li> </ul>
Development of water supply for Kākātangiata residential growth (1170)	2021-33	7.3	8.6	Indicative timing given as part of 2021-31 10-Year Plan process. Infrastructure will be delivered in time to facilitate development, as development progresses.	<ul style="list-style-type: none"> <li><b>Fund, lead and enable development to provide water infrastructure for Kākātangiata</b></li> <li>Leave the area as is, resulting in halted residential growth</li> </ul>
Bunnythorpe water supply extension (135)	2024-26	1.6	1.7	The Palmerston North water supply will be extended to join with Bunnythorpe following completion of the KiwiRail hub and provision of water supply to their freight partners.	<ul style="list-style-type: none"> <li><b>Eventual extension of water supply for Palmerston North to include Bunnythorpe</b></li> <li>Extension of the water supply from the North-East Industrial Zone to the KiwiRail freight hub, and not the further distance to Bunnythorpe</li> </ul>
Improvements to water supply at Longburn Industrial Park (1815)	2024-27	5.5	6.2	The Palmerston North water supply will be extended to join with Longburn in future years after the supply has been extended to service Kākātangiata development.	<ul style="list-style-type: none"> <li><b>Reticulation improvements addressing the shortfalls in the Longburn supply enabling further development</b></li> <li>Leave the reticulation in its current condition, restricting the development in Longburn to its current level</li> </ul>
Development of water supply in Ashhurst (1815)	2022-27	0.8	0.8	Indicative timing given as part of 2021-31 10-Year Plan process. Infrastructure will be delivered in	<ul style="list-style-type: none"> <li><b>Invest to address shortfalls and enable development in Ashhurst</b></li> </ul>

Major programmes	When programmed	\$m present-day cost	\$m cost with inflation	When Council decision likely	Expected principal options to be considered
				time to facilitate development, as development progresses.	<ul style="list-style-type: none"> <li>Restrict Ashhurst development to its current levels</li> </ul>
Development and growth of water supply for Aokautere (1880)	2024-26	1.7	1.9	Indicative timing given as part of 2021-31 10-Year Plan process. Infrastructure will be delivered in time to facilitate development, as development progresses.	<ul style="list-style-type: none"> <li><b>Cater for growth of Aokautere by supporting the development of their water supply</b></li> <li>Delay the funding allocation constraining the development of this area</li> </ul>
Seismic strengthening of water structures to meet building code (651, 1289)	2024-27	1.8	1.9	Through the 2021-31 10-Year Plan process	<ul style="list-style-type: none"> <li><b>Strengthen facilities where there are known weaknesses, ensuring a resilient water supply</b></li> <li>Complete the above, but within one year of the Long-Term Plan</li> <li>Let the facilities continue on as is, even though they are vulnerable to a seismic event</li> </ul>
Upgrades to respond to review of NZ Drinking Water Standards (network and Water Treatment Plant) (1696, 124, 2085)	2021-25	7.0	7.4	Indicative timing has been given as part of 2021-31 10-Year Plan process. Delivery will be dependent on timing and requirements of updated Drinking Water Standards.	<ul style="list-style-type: none"> <li><b>Installation of UV disinfection equipment</b></li> <li>Investigate options and select an option other than UV disinfection</li> <li><b>Complete identified upgrade work in the first two years of the Long-Term Plan, as planned</b></li> <li>Complete the above, but within one year of the Long-Term Plan</li> <li>With the impending arrival of regional or multi-regional entities, Council could choose to defer upgrades and have the incoming</li> </ul>
New water supply reservoirs to increase resilience (1384, 1608)	2021-26	6.0	6.5	Through 2021-31 10-Year Plan and subsequent 10-Year Plan processes.	<ul style="list-style-type: none"> <li><b>Construct new reservoirs at the bore sites at the timing indicated to allow for greater security of supply</b></li> <li>Construct the reservoirs at an enhanced rate to obtain security of supply sooner</li> <li>Let the current water storage network remain and risk security of supply</li> </ul>

## 7.4 Wastewater Renewal

The Totara Road Wastewater Treatment Plant (WWTP) was opened in 1969. Significant parts of the treatment plant components are now reaching the end of their asset lives or have reached the limit

of their capacity such that renewal or refurbishment and upgrade is urgently required. Council is currently implementing detailed design and construction work to replace and upsize capacity for the inlet screens, screening solids handling facilities, lift pumps, grit removal

systems and sedimentation tank solids handling and removal equipment totalling nearly \$4m. In addition, work has started on the detailed design and implementation of seismic strengthening work with modifications to the sedimentation tanks. Further renewal and refurbishment work is also planned for the next few years covering aerators, sludge pumps, water supply pipelines, high voltage power supply capacity in the site, electrical power controls and substation capacity, back-up generator capacity and bio-gas piping and storage equipment. A portion of this work has been facilitated by the Central Government Three Waters Grant.

Some major capital investment such as the duplication of the primary sedimentation system has been deferred pending the outcome of the Best Practicable Options (BPO) review underway as this could result in the selection of a preferred treatment and discharge option which requires a different configuration of the treatment process.

Within the network there is an ongoing pipe renewal programme throughout the period of the Strategy replacing around 2.5km of pipes per year to maintain the serviceability of the network. The programme has been augmented by specific programmes to renew critical trunk sewers and decommission abandoned sewers running under roads and private properties. These programmes are integrated with investment in a stormwater infiltration and control programme to try to manage and reduce the very high wet weather peak flows in the network. . There are also 36 pump stations for which replacement of pumps and electrical equipment is provided for.

### Capital development (growth & LOS)

There are major programmes during this period for extending the wastewater system to the Whakarongo, and Kākātangiata Residential areas and North East Industrial Zone to provide for residential and industrial growth. Some seismic strengthening of the civil structures at the WWTP is scheduled to bring these up to building code standards.

New investment is proposed to address wet weather capacity constraints in the network and achieve a consistent wet weather overflow standard through a combination of expanded wet weather storage and upsized pipework. However, the most significant expenditure during this period will be the implementation of a new wastewater treatment and discharge solution following on from the BPO review. This review is to identify the best practicable solution for the city's wastewater disposal and treatment so as to meet the higher environmental standards required by Horizon's One Plan. New resource consents need to be applied for before June 2022. The process for Council investigating all practicable options for treatment and disposal of the city's wastewater is well advanced with a preferred option to be identified by June 2021. A provision of \$350 million (plus inflation ) for capital expenditure has been included in the 2021-31 10-Year Plan to cover the cost of this project, but this sum will be subject to review as investigations and the consenting process provide greater certainty as to the specific option and costs associated with implementation.

Major programmes	When	\$m present-day cost	\$m cost with inflation	When council decision likely	Expected principal options to be considered
<b>Renewals</b>					
Treatment plant renewals (179, 1589)	2021-51	8.0	10.9	Appropriate level of renewal decided through each 10-Year Plan process	<ul style="list-style-type: none"> <li>• <b>Renew minor mechanical and electrical equipment at the current level of funding</b></li> <li>• Renew at greater rate than the existing</li> <li>• Cease to renew any minor electrical and mechanical equipment.</li> </ul>
Pipeline renewals (54, 2094)	Ongoing 2021-51	93.3	142.4	Appropriate level of renewal decided through each 10-Year Plan process	<ul style="list-style-type: none"> <li>• <b>Renew wastewater pipes at a greater rate than existing schedule indicates</b></li> <li>• Renew wastewater network at current rate</li> <li>• Cease to renew any parts of the wastewater network.</li> </ul>
Wastewater trunk mains Renewal (1714, 2106)	2021-51	13.9	20.1	Appropriate level of renewal decided through each 10-Year Plan process	<ul style="list-style-type: none"> <li>• <b>Trunk mains to be renewed at a greater level than currently</b></li> <li>• Trunk mains will be renewed within the current renewal program</li> <li>• Remain with trunk mains on a repair and maintenance only basis.</li> </ul>
<b>Development</b>					
Extension of network to service Whakarongo residential development (1000)	2021-24 and 2031-32	1.0	1.0	Indicative timing given as part of 2021-31 10-Year Plan process. Infrastructure will be delivered in time to facilitate development, as development progresses.	<ul style="list-style-type: none"> <li>• <b>Install gravity sewer network and connect to existing trunk mains to maintain LOS</b></li> <li>• Leave the trunk wastewater network as it is and don't extend</li> </ul>
Extension and upgrading of network to service North East Industrial Zone (NEIZ) (210, 1625)	2021-26	2.3	2.5	Indicative timing given as part of 2021-31 10-Year Plan process. Infrastructure will be delivered in time to facilitate development, as development progresses.	<ul style="list-style-type: none"> <li>• <b>Install a gravity network using gravity pipes, a pump station, and rising main</b></li> <li>• Install a pressure sewer system to service the individual lots</li> <li>• Install a vacuum sewer system in the NEIZ area.</li> </ul>
Extension of network to service Kākātangiata residential development (1055, 1597)	2021-22 and 2024-26	1.0	1.0	A decision on the low-pressure pipe system is set to be in 2021/22. The rest of the network will be decided on as development progresses.	<ul style="list-style-type: none"> <li>• <b>Install a pressure system with on-site pump stations for individual lots</b></li> <li>• Install gravity sewer network that links in with the Maxwells line pump station</li> <li>• Install vacuum sewer system for the Kākātangiata development.</li> </ul>

Major programmes	When	\$m present-day cost	\$m cost with inflation	When council decision likely	Expected principal options to be considered
Upgrade the sewer mains in Ashhurst (1412)	2024-25	0.3	0.3	The budget has been approved to initiate the design phase of this programme. Construction is planned for 2024/25 in the 10-Year Plan	<ul style="list-style-type: none"> <li>• <b>Upgrade capacity in the network from a 150mm pipe to a 225mm pipe</b></li> <li>• Keep network as is and only upgrade when asset is due for replacement</li> </ul>
Development of wastewater system at the Longburn Industrial Park (1711)	2021-23	0.7	0.7	Indicative timing given as part of 2021-31 10-Year Plan process. Infrastructure will be delivered in time to facilitate development, as development progresses.	<ul style="list-style-type: none"> <li>• <b>Pressure sewer system to service individual lots</b></li> <li>• Install a conventional gravity network to service area</li> <li>• Let the private owner repair assets as and when required</li> </ul>
Upgrade the required sections of network in Aokautere and Pacific Drive (2030)	2022-25	0.8	0.8	Indicative timing given as part of 2021-31 10-Year Plan process. Infrastructure will be delivered in time to facilitate development, as development progresses.	<ul style="list-style-type: none"> <li>• <b>Upgrade existing gravity network</b></li> <li>• Keep the existing network unchanged, risking sewer surcharge</li> </ul>
Seismic strengthening of wastewater structures to meet building code requirements (1074)	2021-24	2.2	2.3	The budget has been confirmed for phase one of the programme. Awaiting confirmation for the next three phases of the programme, where a decision is likely to be made on these in the next financial year.	<ul style="list-style-type: none"> <li>• <b>Plan strengthening program based on report from consultants to upgrade structures to correct standards</b></li> <li>• Postpone seismic strengthening until business process outsourcing (BPO) options are confirmed.</li> </ul>
Treatment plant consent renewal upgrade (628)	2023-27	350.0	391.7	Investigation into finding the Best Practicable Option for the future treatment and disposal of the city's wastewater has begun. Council is required to have made the final decision on the BPO for the wastewater scheme by June 2021. The consent will be lodged before June 2022.	<ul style="list-style-type: none"> <li>• Acquire land</li> <li>• Partially utilise the river</li> <li>• Partially utilise the ocean</li> <li>• A hybrid of any of the above locations</li> </ul> <p><b>And design a new treatment plant process to comply with discharge requirements.</b></p>
Wastewater wet weather overflow mitigation (1712)	2021-41	14.2	19.3	Indicative timing given as part of 2021-31 10-Year Plan process.	<ul style="list-style-type: none"> <li>• <b>Upgrade dedicated parts of the network to create storage and build offline storage where more capacity is required, and the catchment is bigger</b></li> </ul>

Major programmes	When	\$m present-day cost	\$m cost with inflation	When council decision likely	Expected principal options to be considered
					<ul style="list-style-type: none"> <li>• Leave network at its current capacity.</li> </ul>

## 7.5 Property assets

### Renewal

The major renewal programmes throughout the 30-year period include:

- Social Housing refurbishments
- Cultural facilities refurbishments
- CAB refurbishments
- Further redevelopment of the Central Energy Trust Arena

### Capital development (growth & LOS)

Major property programmes include the following:

- The development of a new social housing complex
- Construction of a new Animal Shelter
- Further redevelopment of the Central Energy Trust Arena
- Seismic strengthening of Council-owned earthquake-prone buildings
- Redevelopment of both the Central Library Building and Te Manawa as part of the seismic strengthening outcomes



### Property, principal options and timing of decisions

Major programmes	When	\$m present-day cost	\$m cost with inflation	When Council decision likely	Expected principal options to be considered
<b>Renewals</b>					
Social housing renewals (180)	Ongoing 2021-51	12.8	17.3	Appropriate level of renewal decided through each 10-Year Plan process	<ul style="list-style-type: none"> <li>• <b>Provide facilities that are safe, fit for purpose, and support the activity</b></li> <li>• Provide enhanced housing quality</li> <li>• Only address issues as assets fail.</li> </ul>
Cultural facilities renewal (213)	Ongoing 2021-51	10.8	15.3	Appropriate level of renewal decided through each 10-Year Plan process	<ul style="list-style-type: none"> <li>• <b>Provide facilities that are safe, fit for purpose, and support the activity</b></li> <li>• Enhance to be industry leading facilities</li> <li>• Tend to the assets when they fail.</li> </ul>
Civic Administration Building refurbishments (281, 1673)	Ongoing 2021-51	11.9	15.6	Appropriate level of renewal decided through each 10-Year Plan process	<ul style="list-style-type: none"> <li>• <b>Proactive refurbishment of CAB workspaces</b></li> <li>• Refurbish the CAB over the whole 10-year period, not in first few years</li> <li>• Leave the CAB workspaces as their current state, only refurbishing when failure occurs.</li> </ul>
Central Energy Trust Arena Manawatū asset refurbishment (1051)	Ongoing 2021-51	27.9	37.6	Appropriate level of renewal decided through each 10-Year Plan process	<ul style="list-style-type: none"> <li>• <b>Provide facilities that are safe, fit for purpose, and support the activity</b></li> <li>• Address the assets only when failure occurs.</li> </ul>
Hard surfaces renewals (2022)	2022-51	5.4	7.2	Appropriate level of renewal decided through each 10-Year Plan process	<ul style="list-style-type: none"> <li>• <b>Provide facilities that are safe, fit for purpose, and support the activity</b></li> <li>• Address the assets only when failure occurs.</li> </ul>
Community centre renewals (265)	2021-51	6.4	9.1	Appropriate level of renewal decided through each 10-Year Plan process	<ul style="list-style-type: none"> <li>• <b>Maintains the current level of service</b></li> <li>• Considerable renovations potentially required, and some rebuild options considered</li> <li>• Only address issues as assets fail</li> </ul>
Depot building and structures renewals (85, 2093)	2021-51	3.6	5.0	Appropriate level of renewal decided through each 10-Year Plan process	<ul style="list-style-type: none"> <li>• <b>Focus on functionality, compliance and provide the ability to upgrade inadequate staff facilities so it is fit for purpose</b></li> <li>• Maintain current standard of facility</li> </ul>

Major programmes	When	\$m present-day cost	\$m cost with inflation	When Council decision likely	Expected principal options to be considered
					<ul style="list-style-type: none"> <li>• Only address issues as assets fail</li> </ul>
Public toilet renewals (186)	2021-51	4.7	6.6	Appropriate level of renewal decided through each 10-Year Plan process	<ul style="list-style-type: none"> <li>• <b>Provide facilities that are safe, fit for purpose, and support the activity</b></li> <li>• Only address issues as assets fail.</li> </ul>
Conference and function centre renewals (664)	2021-51	4.0	5.0	Appropriate level of renewal decided through each 10-Year Plan process	<ul style="list-style-type: none"> <li>• <b>Maintains the facility to ensure it is safe, fit for purpose and functional</b></li> <li>• Enhance to be industry leading facilities</li> <li>• Only address issues as assets fail.</li> </ul>
Recreational building renewals – sports pavilion and changing rooms (1786)	2021-31 and 2036-46	4.0	5.4	Appropriate level of renewal decided through each 10-Year Plan process	<ul style="list-style-type: none"> <li>• <b>Provide facilities that are safe, fit for purpose, and support the activity</b></li> <li>• Enhanced facilities</li> <li>• Only address issues as assets fail.</li> </ul>
<b>Development</b>					
Development of additional social housing units (1459)	2023-26	6.5	7.0	Through the 2021-31 10-Year Plan process and subsequent 10-Year Plan processes. The location and scope of the programme are yet to be determined.	<ul style="list-style-type: none"> <li>• <b>Redevelop an existing housing complex</b></li> <li>• Build new units on a greenfield site</li> <li>• Let the social housing capacity remain at its current level.</li> </ul>
Development of a new animal shelter (1552, 2080)	2021-23	4.4	4.4	Through the 2021-31 10-Year Plan process and subsequent 10-Year Plan processes. A decision is likely to be made within years one and two of the next 10-Year Plan.	<ul style="list-style-type: none"> <li>• <b>Build a new Animal Shelter facility</b></li> <li>• Attempt to retro-fit the existing facility to meet Code requirements</li> </ul>
Central Energy Trust Arena – includes masterplan items, property purchase, and southern grandstand development (1194, 1763, 990)	2021-34	43.5	53.3	The Arena Masterplan was adopted in 2018 to inform the 2018-28 10-Year Plan which includes programmes to deliver on the Masterplan. Future 10-Year Plans will determine investment priorities beyond 2021.	<ul style="list-style-type: none"> <li>• <b>Proceed with all projects in the masterplan</b></li> <li>• Reduce the scope and only proceed with some of the masterplan options</li> <li>• Defer from completing the remaining masterplan items</li> <li>• <b>Purchase both properties (78 and 80 Waldegrave Street)</b></li> <li>• Do not purchase the properties – impacting the masterplan</li> <li>• <b>Construct a roof over new seating and existing embankment seating</b></li> <li>• Leave the southern embankment as it is</li> </ul>

Major programmes	When	\$m present-day cost	\$m cost with inflation	When Council decision likely	Expected principal options to be considered
Seismic strengthening of Council-owned buildings (902, 1016)	2021-35	156.7	189.5	Through the 2021-31 10-Year Plan process and subsequent 10-Year Plan processes	<ul style="list-style-type: none"> <li>• <b>Strengthen properties to an optimum outcome between highest NBS vs. cost – as per council policy</b></li> <li>• Sell buildings rather than strengthening</li> <li>• Strengthen buildings to the maximum NBS rating</li> <li>• Demolish and rebuild buildings</li> <li>• Strengthen to 34% only so no longer earthquake prone</li> </ul>
Citywide new public toilets (161, 1585)	2021-30	1.3	1.5	Through the 2021-31 10-Year Plan process and subsequent 10-Year Plan processes	<ul style="list-style-type: none"> <li>• <b>Build new toilets in the places of most need</b></li> <li>• Only create new public toilets within existing buildings in our parks and reserves</li> <li>• Defer from building any new public toilets</li> </ul>
Kākātangiata Community Centre (1130)	Various 2022-23 and 2028-30	2.8	3.3	Through the 2021-31 10-Year Plan process and subsequent 10-Year Plan processes	<ul style="list-style-type: none"> <li>• <b>Build a community centre that meets the needs of the community</b></li> <li>• Build a community hub like proposed for Kelvin Grove, incorporating a community centre and library</li> <li>• Defer from building a new community centre.</li> </ul>
Papaioea Place refurbishment stage 3 (1743)	2021-23	3.7	3.7	Through the 2021-31 10-Year Plan process and subsequent 10-Year Plan processes. A decision is likely to be made within year one of the next 10-Year Plan.	<ul style="list-style-type: none"> <li>• <b>Build six units and a tenant lounge</b></li> <li>• Build twelve new units and no tenant lounged</li> <li>• Build a tenant lounge and gardens</li> <li>• Retain the area as a green space.</li> </ul>
CAB workplace transformation (1826)	2021-26	2.8	3.0	Through the 2021-31 10-Year Plan process and subsequent 10-Year Plan processes	<ul style="list-style-type: none"> <li>• <b>Proactive refurbishment of CAB workspaces</b></li> <li>• Spread works over longer period</li> <li>• No proactive refurbishment - run to fail</li> </ul>

## 7.6 Parks and reserves assets

### Renewal

Major renewal programmes throughout the 30-year period include city and local reserves, sportsfields, swimming pools and cemetery assets.

### Capital development (growth & LOS)

Major parks and reserves programmes include the following:

- Victoria Esplanade Master Plan
- Manawatū River Framework
- local reserves at Whakarongo and Kākātangiata.
- Kelvin Grove Cemetery extension

Besides the major expenditure items listed in the table below, there are a variety of other capital programmes over 30 years related to meeting demands and maintaining the level of service for reserves, sports fields, walkways, swimming pools and cemeteries.

### Parks and reserves assets, principal options and timing of decisions

Major programmes	When	\$m present-day cost	\$m cost with inflation	When Council decision likely	Expected principal options to be considered
<b>Renewals</b>					
Cemetery renewals (567, 1796, 1828, 2091)	2021-51	3.8	5.3	Appropriate level of renewal decided through each 10-Year Plan process	<ul style="list-style-type: none"> <li>• <b>Provide renewal of the assets associated with cemeteries</b></li> <li>• Renew only when asset failure occurs or fail and don't renew</li> </ul>
Citywide reserve renewals (1825, 1830, 1831, 1832, 1835, 1840, 2087)	Ongoing 2021-51	9.0	12.0	Appropriate level of renewal decided through each 10-Year Plan process	<ul style="list-style-type: none"> <li>• <b>Renewals at Ashhurst Domain, Linklater Reserve, Memorial Park, The Square, and Victoria Esplanade to maintain the service potential of the assets.</b></li> </ul>
Local reserve renewals (1827)	Ongoing 2021-51	20.2	28.9	Appropriate level of renewal decided through each 10-Year Plan process	<ul style="list-style-type: none"> <li>• <b>Renewals of the following: plant, furniture surfaces, ecological (planting and gardens) structures (gazebos, shade sails, fencing, etc), and playgrounds at smaller, local reserves.</b></li> </ul>

Major programmes	When	\$m present-day cost	\$m cost with inflation	When Council decision likely	Expected principal options to be considered
Sports field and pavilion renewals (1829, 1786)	2021-51	9.9	13.5	Appropriate level of renewal decided through each 10-Year Plan process	<ul style="list-style-type: none"> <li>• <b>Provide facilities that are safe, fit for purpose, and support the activity</b></li> <li>• Increase the LOS within the facilities to lift them to be more than just fit for purpose</li> <li>• Only address issues as assets fail.</li> </ul>
Swimming Pools - community pool asset renewals (1837)	Ongoing 2021-51	21.5	31.0	Appropriate level of renewal decided through each 10-Year Plan process	<ul style="list-style-type: none"> <li>• <b>Renewals of plant structures at The Lido, Freyberg, and Splashhurst community swimming pools, with structures including; buildings, plant and interior fitout.</b></li> </ul>
<b>Development</b>					
Implementation of the Manawatū River Framework Plan (1435,1894, 1895)	2021-32	5.1	5.4	Through the 2021-31 10-Year Plan process	<ul style="list-style-type: none"> <li>• <b>Consolidate all existing river lighting budgets but do not increase any budgets</b></li> <li>• Partially consolidate budgets for Fitzherbert Bridge only</li> <li>• Achieve the desired lighting impact by bundling programmes and additional funding</li> <li>• River lighting budgets for lighting the loop from bridge-to-bridge made up of three slightly underfunded programmes.</li> </ul>
Te Motu o Poutoa (1895)	2021-23	1.7	1.9	Through the 2021-31 10-Year Plan process	<ul style="list-style-type: none"> <li>• <b>Construct pathways and an associated car parking area linking to the Anzac Cliffs pathway, interpretive signage, street furniture, and art works.</b></li> </ul>
Development of Memorial Park (1850)	2021-26	0.9	0.9	Through the 2021-31 10-Year Plan process	<ul style="list-style-type: none"> <li>• <b>Park development including; a splash pad, playground upgrade, new entranceway, and other development.</b></li> <li>• Deliver only some of the proposed new developments</li> <li>• Leave Memorial Park in its current state</li> </ul>
Development of Victoria Esplanade (1838, 2012, 2073, 1127)	2021-40	2.4	2.7	Through the 2021-31 10-Year Plan process	<ul style="list-style-type: none"> <li>• <b>Create eight new exotic aviaries and a new support building</b></li> <li>• Install six aviaries, some with reduced the size in comparison to the above option. No new support/quarantine building</li> </ul>

Major programmes	When	\$m present-day cost	\$m cost with inflation	When Council decision likely	Expected principal options to be considered
					<ul style="list-style-type: none"> <li>Build three smaller aviaries and convert the bulk of the exiting aviary area to gardens</li> <li>Leave Victoria Esplanade in its current state.</li> </ul>
Sports field – artificial football field (1133)	2022-24	2.1	2.2	A decision can be made once the results of 2021/22 sportsfield feasibility programme (1906) is complete.	Based on demonstrated need: <ul style="list-style-type: none"> <li><b>Contribution to the construction of a second artificial sportsfield in the city.</b></li> <li>Council fully fund a second artificial sportsfield</li> </ul>
Reserves land purchase and development for Ashhurst, Hokowhitu, Kākātangiata, and Whakarongo residential growth (1856, 1857, 1859, 1860, 1862, 2070, 2071)	2021-51	21.7	28.8	Through the 2021-31 10-Year Plan process	<ul style="list-style-type: none"> <li><b>Purchase and build new residential developments in the Ashhurst, Kākātangiata, and Whakarongo areas. Purchase and develop two cultural reserves and a river entranceway in the Hokowhitu area</b></li> <li>Purchase and build new residential developments in the Ashhurst, Kākātangiata, and Whakarongo areas, but do not with the Hokowhitu area developments.</li> </ul>

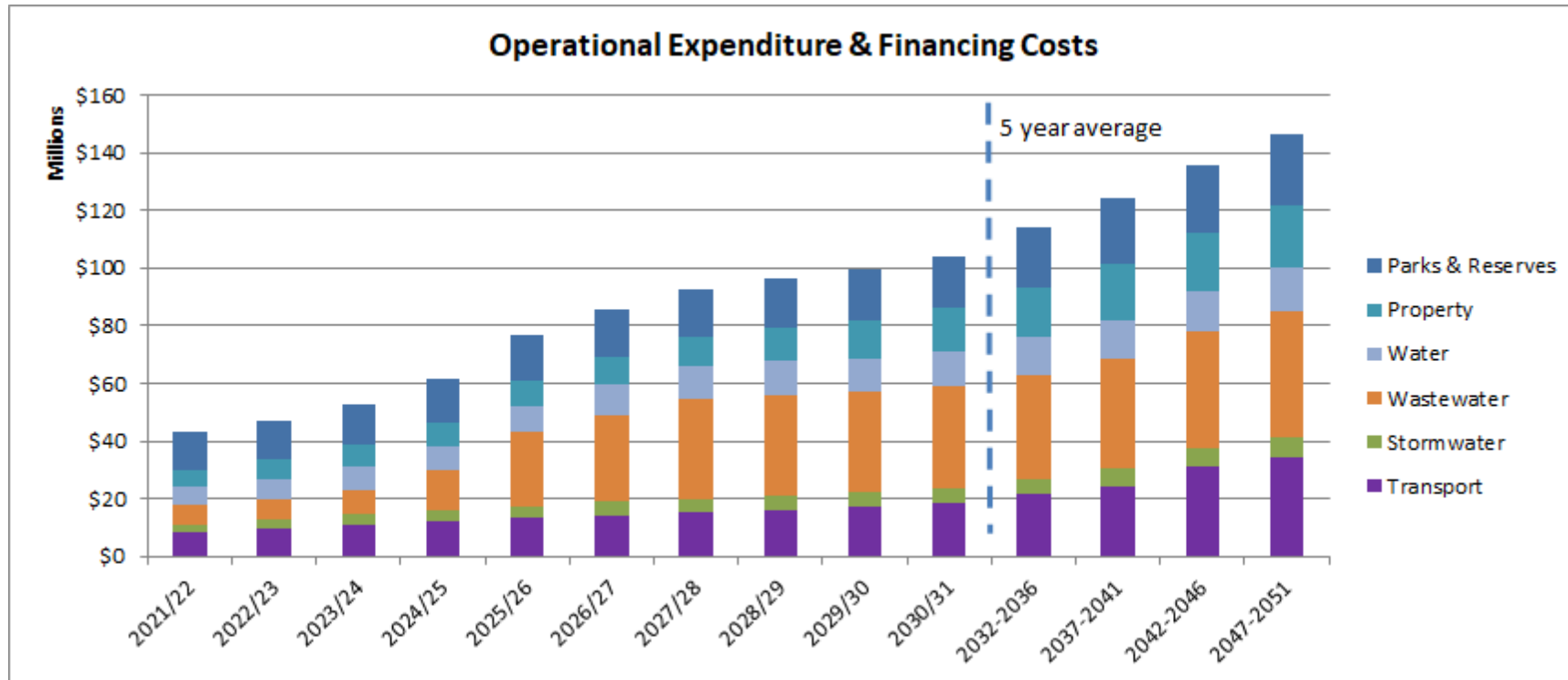
## 7.7 Financial expenditure – operating and capital (inflation indexed)

The following graphs show the projected capital and operating expenditure that is associated with the management and development of the assets. Annual expenditure is shown for the first 10 years and corresponds to the 10-Year Plan. Years 11–30 of the Strategy are shown as an annual average for five-yearly bands. The detail of this expenditure is covered in the relevant AMPs. These projections are adjusted for inflation using the relevant BERL indices.

(Note: The previous figures in this Strategy are shown as present-day costs unless specifically identified as including inflation.)

### Operational

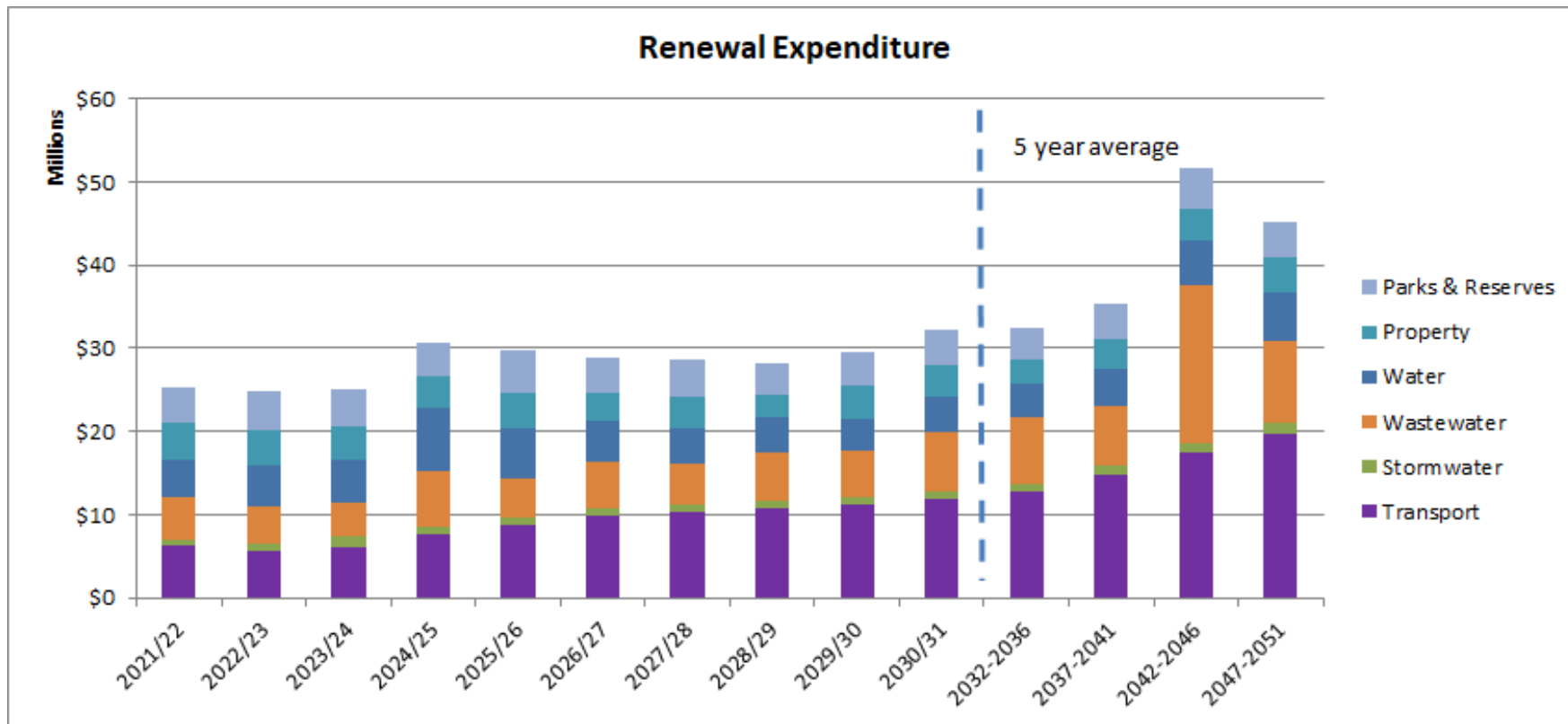
Operational costs through this period are projected to rise steadily during the 30 years, in keeping with the increased asset base. The largest increase during the period is in wastewater, where a substantial increase in operating costs will be required in about 2027 or a further treatment facility likely to be required to obtain new discharge consents.



**Renewal**

The overall level of renewals expenditure is expected to be fairly constant throughout the first 20 years, with differences from year to year reflecting significant projects undertaken in a given year and some adjustment of timing to align better with other programmes.

From years 20 onwards, significant increases in renewals are required for wastewater and then transport, reflecting the age of infrastructure requiring replacement. Further information about renewals and sustainability of asset performance is given in each of the AMPs.

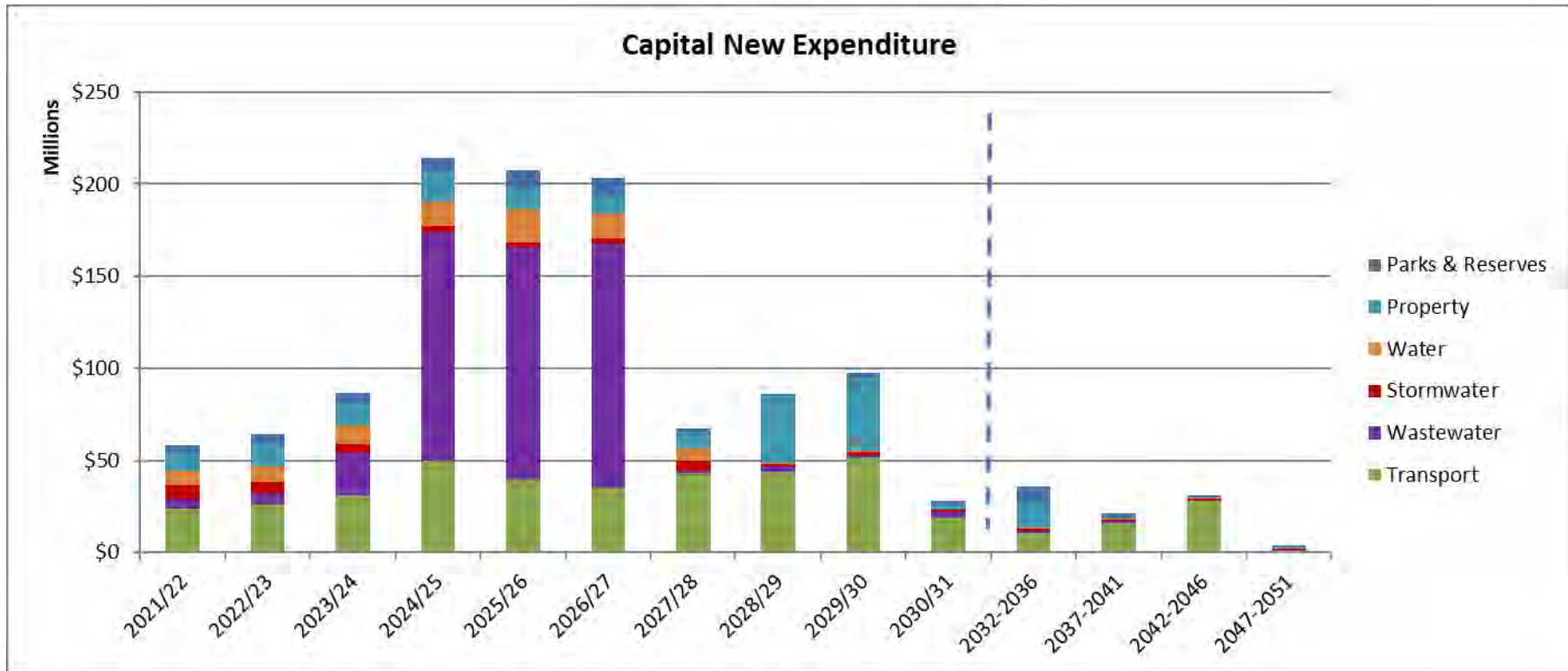


**Capital development**

The first graph shows the capital development requirements for each activity area. The transport activity has the largest overall requirement for new asset investment, with the further river crossing

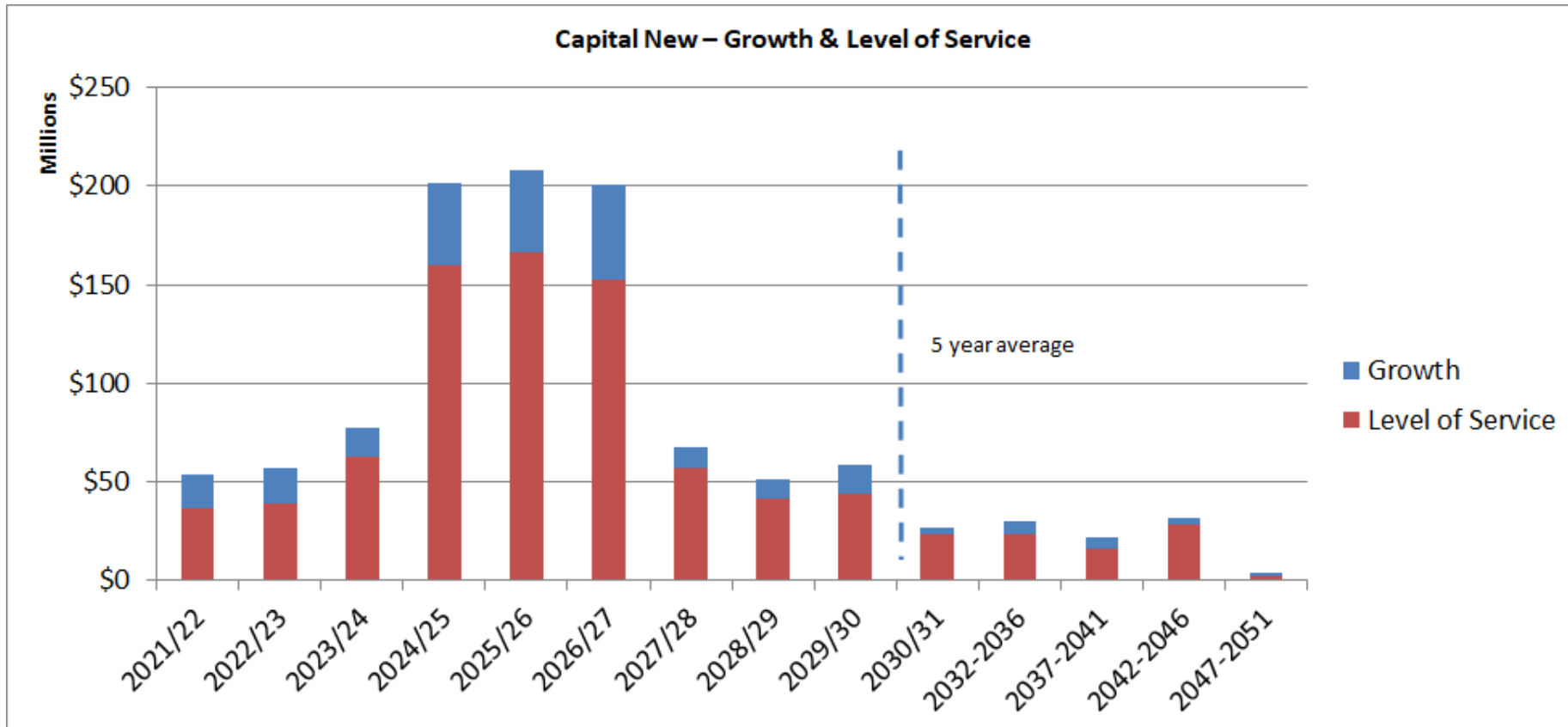
showing through at the end of the 30-year period. Wastewater also has a significant requirement for asset development over the period 2023–27, particularly for additional treatment facilities required to meet new consent conditions.





The second capital development graph shows the breakdown between expenditure for growth and what is required to maintain or improve the level of service. A significant proportion of the expenditure for growth is for providing infrastructure for the

Whakarongo and Kākātangiata residential growth areas and the NEIZ growth area. The level of service increase between 2024 and 2027 is related to the wastewater treatment plant upgrade.



### 8. Significant decisions

The significant decisions are the Council response to the significant infrastructure issues identified above. The significant decisions are:

**Wastewater treatment and upgrading:** It has been assumed that a solution will be provided with a capital outlay of \$350 million (plus inflation) and that the expenditure will be incurred between 2023 and 2027.

**Provision of a further river crossing and regional freight ring road:** Delivery of the regional freight ring road and provision of a further river crossing will only be viable for the Council with financial assistance from NZTA. The decision on the Manawatū Gorge replacement will affect the way in which the regional freight ring road is delivered.

**Development of new infrastructure for growth:** Council will provide new infrastructure for growth in a manner that:

- a) is appropriately timed to service growth in greenfields areas
- b) aligns the capacity of new infrastructure the likely activities that will occur in greenfields areas, particularly new industrial development
- c) accounts for projected brownfield development and the resulting impact on infrastructure capacity.

**Renewal of infrastructure:** Council has a statutory responsibility to meet the current and future needs of communities for good-quality local infrastructure in a way that is most cost-effective for households and businesses. A total of about \$738 million (present-day cost) over the next 30 years is estimated to be required to ensure that infrastructure is kept in good condition so that it can go on providing the same level of service to the community.

**Application of urban design:** Significant budgets have been included to deliver on the City Centre Streetscape Plan, Manawatū River Framework and Central Energy Trust Arena Master Plan. New processes and support is required to ensure that a multi-disciplinary approach is applied to the planning and delivery of Council projects.

**Facilities to encourage alternative transport modes:** The Council will continue with catalyst projects such as the pedestrian and cycle bridge and extensions to the shared path network, and combine these with incremental change as part of the delivery of day-to-day transportation infrastructure.

**Security of water supply:** Water is generally readily available and capacity is adequate to service our current and foreseeable demands. However, summertime droughts have led to a need to conserve water for months at a time. In order to conserve water the Council will need to assess the costs and benefits of reducing water pressure and investigate domestic water saving and storage solutions.

**Increasing resilience of infrastructure:** A key part of increasing the resilience of the city's infrastructure is to require new infrastructure to

be built to a standard that will better withstand the effects of seismic events such as liquefaction. The review of the District Plan and Council's Engineering Standards for Land Development will need to address these matters.

**Impact of climate change:** A changing climate has significant implications for infrastructure with many assets having life-cycles of over a hundred years. The Council target is a 30% reduction in CO<sub>2</sub>e in Palmerston North by 2031. The task of lowering our carbon footprint forces us to identify our inefficiencies and improve the way Council delivers infrastructure.

**Modernisation of Central Energy Trust Arena:** Delivery of the Central Energy Trust Arena Master Plan relative to other investment priorities and ensuring the principles of the Master Plan are not lost during implementation over 10 plus years.

**Use of Council land for housing:** Budgets have been included to develop sections at the Council owned land at Whakarongo and investigate opportunities to develop other Council owned land at Huia Street Reserve and Summerhays Reserve.

**Te Manawa and Library of the Future:** The scale of the funding commitment to support significant upgrades to important social and cultural assets.

## 9. Assumptions

The key assumptions relate to asset life cycle, growth or decline in the demand for services, and increases or decreases in levels of service.

### 9.1 Asset life cycle

The following asset life cycles for the main components have been used to inform the valuation of the assets and, together with condition and performance information, the renewal programme:

Activity	Asset type	Description	Assumed life (years)
<b>TRANSPORT</b>	Road pavements	Formation and base course	100
		Asphaltic concrete	25
		Chip seal	12
	Footpaths	Asphaltic concrete	40
		Concrete	80
	Drainage	Channels and sumps	80
		Culverts	55-80
	Bridges	Reinforced concrete and steel beams	110
	Street lighting	Steel pole	45
		Luminaire	25
Bus shelters	Shelter	15-20	
	Main terminal	50	
Cycleways	Limestone	1-5	
	Asphaltic concrete	40	
<b>STORMWATER</b>	Pipes and channels	Pipes	80-250
		Culverts	150-400
		Manholes and structures	120-150
		Mains and sump connections	110
		Kerb connections	80
		Concrete retaining and flood walls	120
		Concrete channel lining	70
	Pump Stations	Civil structure	100
		Mechanical plant (pumps)	10-35
		Electrical equipment	10-25
	Earthen stop banks, channels and storage basins	indefinite	
<b>WASTEWATER</b>	Pipe network	Pipes	60-120
		Manholes	120
	Pump stations	Civil structure	100
		Mechanical plant (pumps)	15-30
	Treatment plant	Electrical equipment	10-25
		Building and civil	80-100
	Electrical	10-25	

		Mechanical Pipework	15-30 100-120
<b>WATER</b>	Headworks	Bores	30-70
		Pipework	50-120
		Valves	50-80
		Pumps	15-30
		Electrical	10-30
		Telemetry	15
		Building Structures	75-100 75-100
	Treatment facilities	Pipework	50-120
		Mechanical	15-50
		Electrical	10-30
Structures		80-100	
Reservoirs distribution network	Pipes (ductile iron, steel, PVC, Polyethylene, ABS)	60-120	
	AC pipes	60-90	
	Hydrants and valves	75	
<b>PROPERTY</b>	Buildings	Structural	40-55
		Walls cladding	60-90
		Roofing	8-150
	Services	Electrical	10-90
		Heating and ventilation	15-30
		Lifts	20-60
		Mechanical	5-60
<b>PARKS &amp; RESERVES</b>	Grounds	Fences and gates	5-100
		Carparks	40-60
		Hardcourts	25-40
		Driveways and access	40-60
		Signs	8-60
	Park furniture	Play equipment	4-40
		Seats	15-25
		Bins	10-20
	Swimming Pools	Pools	40-60
		Plant	12-20

## 9.2 Demand for services and levels of service

Assumptions	Uncertainties and implications
<p><b>Population and household growth</b></p> <p>The following population projections are assumed:</p> <ul style="list-style-type: none"> <li>• 10-year projection 2021–31, 1089 people per annum at 1.1%</li> <li>• 20 year projection 2021–41, 1039 people per annum at 1.0%</li> <li>• 30 year projection 2021–51, 1002 people per annum at 1.0%.</li> </ul> <p>The following household projections are assumed:</p> <ul style="list-style-type: none"> <li>• 10-year projection 2021–31, 504 households per annum at 1.4%</li> <li>• 20 year projection 2021–41, 459 households per annum at 1.2%</li> <li>• 30 year projections 2021–51, 432 households per annum at 1.1%.</li> </ul>	<p>If the rate of growth is different from what has been predicted, changes will need to be made to the timing of the growth programmes. The three-year review of AMPs and the 10-Year Plan minimises the risk of expenditure not matching growth requirements.</p>
<p><b>City growth – greenfields residential</b></p> <p>Development will continue at Kelvin Grove and Aokautere. Whakarongo will start development in year 1, followed by an initial small stage of City West starting development in year 2. A significant extension of Aokautere will be rezoned and ready for development in year 3. An even larger block at Kākātangiata (formerly City West) will start developing around years 5 and 6 and continuing until year 30. A small amount of new greenfields development is also anticipated at Flyers Line and Ashhurst.</p>	<p>The Whakarongo Residential Area is zoned and available for development. Council-led development at Whakarongo will ensure this land is brought to the market. Other landowners are showing interest in development following the upgrade of James Line. Development at Aokautere is suffering from the lack of an overall Structure Plan to ensure a coordinated outcome. Work is underway on the development of a Structure Plan that will also assess the potential for providing additional development capacity. Kākātangiata is a large area that will provide significant growth capacity for the city for the next 30 years. High Class soils, flooding and liquefaction risks will need to be weighed up against housing demand needs, and the requirement for Council to ensure there is sufficient capacity to meet projected demand. This may necessitate Council providing higher intensity development opportunities to ensure efficient use of land is maximised, while avoiding or mitigating natural hazard and productive land constraints.</p>
<p><b>City growth – brownfield residential</b></p> <p>Housing choices now allowed under the District Plan include multi-unit developments and minor dwellings. Multi-unit developments are encouraged close to the city and suburban</p>	<p>It is difficult to predict how the market will respond to new housing choices and whether traditional infill is reaching a natural saturation point.</p>

Assumptions	Uncertainties and implications
<p>centres, where there is ready pedestrian access to services and facilities. Minor dwellings are aimed at meeting the demand for small, good quality and affordable rental accommodation. The planning framework enables apartments in or near the city centre, including as part of a mixed-use development. Council will actively identify opportunities and reduce barriers to city centre living and brownfield development, including transitioning Roxburgh Crescent from industrial to residential and the Hokowhitu campus from institutional to residential.</p>	
<p><b>City growth – greenfields industrial</b></p> <p>Development will continue at the North East Industrial Zone and start in the North East Industrial Zone Extension Area during years 1–5. Industrial development will continue at Longburn. Owners of private infrastructure at Longburn are assessing options to upgrade it to meet Council Engineering Standards, to enable it to be vested with Council. This may involve the Council undertaking some works itself to enable development and seek to recoup the costs through development contributions or some other means. This will also have wider benefits for the broader Longburn community. The Braeburn Industrial Area at Longburn is a site-specific zone that enables the expansion of the Fonterra Dairy Plant via the provision of private services.</p>	<p>This depends on the uptake by industry. The timing of upgrades will be altered to meet the establishment of industry in the area as far as possible. However, there is a risk that substantial investment is made for initial businesses but the overall uptake is slower than expected. Developer agreements made under the Development Contributions Policy may be required at the North East Industrial Zone to help with the timely provision of infrastructure.</p> <p>An expansion of the Fonterra Dairy Plant at Longburn may result in pressure to connect to the city's wastewater treatment plant.</p>
<p><b>Development type</b></p> <p>The types of residential development are assumed to remain constant throughout the next 30 years, based on a preference for greenfields development of 50%, infill development of 38% and rural residential development of 12%. These percentages exclude the construction of apartments and housing units in retirement villages.</p>	<p>These are based on an assessment of future population and recent trends which includes increased demand for small dwellings and infill development. If preferences changed over the period of this Strategy, this could be accommodated by accelerating or decelerating the appropriate growth programmes. It is unclear how the market will respond to the new housing choices provided in the District Plan.</p>
<p><b>Natural disasters</b></p> <p>No major natural disasters such as storms, floods, earthquakes and volcanic eruptions that damage city infrastructure.</p>	<p>Given that the Strategy covers a period of 30 years, there is a high likelihood of one or more significant events occurring during this period. Council has assessed its critical assets, lifelines and emergency response plan to be prepared for such events. Specific</p>

Assumptions	Uncertainties and implications
	recovery plans would be drawn up at the time. Reprioritisation of budgets may be necessary. Financial and insurance aspects are covered in the Financial Strategy.
<p><b>Climate change</b></p> <p>In the longer term, increased frequency and intensity of storm events and, possibly, longer drought periods.</p>	Provision is being made to adapt infrastructure for climate change, based on NIWA predictions for 2090, given the long life cycle of assets. If the changes are different from what is predicted, this will be assessed as they become evident.
<p><b>LGA 2002 Section 17A – Delivery of services review</b></p> <p>This review was carried out during 2017 and will occur at no more than six-yearly intervals. It is assumed it will not lead to major changes to the governance, funding and delivery of infrastructure or services.</p>	After each review, Council may wish to make changes that could impact on the future delivery of infrastructure-based services. Community views would be sought, in compliance with Council's Significance and Engagement Policy.
<p><b>Covid-19</b></p> <p>There will be no long-term significant economic or social disruption such as increased unemployment, homelessness, lack of income or reduced personal well-being that adversely affects residents of Palmerston North as a result of Covid-19 or any subsequent pandemic.</p> <p>It is assumed that there will be no significant national lockdowns and that supply channels for goods and services will remain open sufficiently to enable the Council to deliver essential city services.</p>	<p>The Palmerston North economy is diverse and has significant activity funded by central and local government. To date this has help shield the City from the worst of the economic impacts of the world-wide Covid-19 pandemic.</p> <p>There are increasing examples of worldwide disruption to supply channels and, as a consequence goods and equipment necessary for infrastructure work may be unavailable when required or may be more expensive. If significant, this could lead to a review of the viability or timing of some projects.</p>
<p><b>Legislation and policy</b></p> <p>Three Waters Reform may eventuate. This could see three waters infrastructure removed from Council and placed into a regionalised water authority.</p> <p>The National Policy Statement Fresh Water 2020 (NPSFW) places greater requirements on Councils to ensure that degraded water bodies are improved, and to maintain or improve all others based on defined environmental bottom lines.</p>	<p>Amalgamation of authorities and/or new structures to manage particular classes of assets (such as a water CCO) would impact on the way the assets are managed, particularly the synergies between the current infrastructure activities although the fundamental service delivered by the asset is likely to remain the same.</p> <p>The NPSFW will have implications for stormwater management in particular, especially in areas where rare and threatened habitats are identified by the Regional Council. There are also likely to be implications for direct discharges of Council's stormwater network into waterways. The Regional Council is required to update its regional policy statement to give effect to the NPSFW. This will provide greater guidance to Council regarding what locations are considered degraded, and therefore, what treatment requirements may apply to Council and private developers. Council is also required to update its</p>



Assumptions	Uncertainties and implications
<p>The National Policy Statement for Urban Development (NPSUD) requires council to provide sufficient development capacity to meet projected demand. The NPSUD also requires an additional 20% of capacity to be supplied to provide market choice and allow for responsiveness to market demand where demand exceeds what was projected.</p>	<p>District Plan to include objectives, policies and methods to promote positive effects, and avoid, remedy or mitigate adverse effects of urban development on the health of water bodies, freshwater ecosystems, and receiving environments.</p> <p>The NPSUD places obligations to service land to meet projected demand. The additional 20% buffer is a significant cost to incur. This capacity must be available at a network wide level, given that Council's water, wastewater and roading network is considered integrated. If anticipated growth is lower than projected, Council is left with holding costs that may take much longer to recoup through development contributions. The probability of growth being less than anticipated is considered low, given that demand is currently exceeding what is projected, despite Covid-19.</p> <p>Legislative changes generally have transition periods for Councils to respond as necessary. In the case of the NPSFW, changes to Council's District plan are required to be made as soon as reasonably practicable. The principles of the NPSFW are being incorporated into urban development plan changes as they arise. A comprehensive update to the District Plan will likely be undertaken once the Regional Council has set in place the broader regulatory framework for water management. This will allow Palmerston North to have a freshwater management response that is consistent with higher order requirements.</p>
<p><b>Construction costs</b></p> <p>No major changes to the current cost structure, apart from what has been incorporated into the BERL inflation factor applied.</p>	<p>The price of some components may change relative to others due to changes in commodity prices and labour/plant/ materials ratios, as a result of technology and work practices changes. Some change is likely over 30 years. As a result, some programmes may become more or less viable. This will be addressed at the time.</p>
<p><b>Transport</b></p>	
<p><b>Financial assistance</b></p> <p>A NZTA financial assistance rate of 51% will apply to all qualifying expenditure for the first three years of the 10-Year Plan. Subsidies have been assumed at this rate for the term of the 30 years of the Infrastructure Strategy.</p>	<p>Should the rate of financial assistance change, this could impact on the viability of some city projects, particularly the regional freight ring road and further bridge crossing.</p>
<p><b>Demand for services</b></p> <p>Demand for services will grow in line with a growing city, but with particular increased demands on freight routes, with the city</p>	<p>Any substantial change to demand will lead to reassessment of timing and scope of programmes to meet these demands through the three-yearly 10-Year Plan process. There is low risk of infrastructure development getting out of line with demand.</p>

Assumptions	Uncertainties and implications
<p>acting as a centre for North Island freight distribution and key arterial routes.</p> <p>Increased demand for pedestrian, cycling and public transport services.</p>	
<p><b>Levels of service</b></p> <p>Generally, the overall levels of service remain at the same level apart from an increase in the areas of freight / heavy traffic movements, safety, cycling and passenger transport.</p>	<p>The Council is only the provider of the passenger transport infrastructure and not the services themselves. Waka Kotahi support is required to deliver the regional freight ring road.</p>
<p><b>Asset life cycles</b></p> <p>Shown in section 8.1</p>	<p>Life cycles are generally in line with accepted industry standards, with some modification for local conditions. With the generally shorter life cycles (15–30 years) for most transport assets there is a high level of certainty for adopted life cycles.</p>
<b>Stormwater</b>	
<p><b>Demand for services</b></p> <p>Demand for stormwater drainage services increases in line with household and industrial growth. Greater emphasis on hydraulic neutrality for new subdivisions will limit the need for enlarging the existing pipe stormwater network.</p> <p>Water-sensitive design and green infrastructure approaches to development and a wider use of tools such as water tanks, green roofs, swales, rain gardens and detention ponds will help address other issues such as climate change, water quality and biodiversity.</p>	<p>The sections of the stormwater system that need attention as a result of greater infill housing will depend on the locations of infill development. This is expected to happen gradually and will be addressed if needed through the three-yearly 10-Year Plan process.</p>
<p><b>Level of service provided</b></p> <p>The level of service provided remains at a similar level to that currently provided.</p>	<p>Climate change may alter this level of service for some properties and areas of the city. Provision is made in this Strategy for meeting expected changes.</p>

Assumptions	Uncertainties and implications
<p><b>Asset life cycles</b></p> <p>Shown in section 8.1</p>	<p>Life cycles are generally in line with accepted industry standards, with some modification for local conditions. Any variance will only become apparent over a long period of time, with gradual adjustment of programmes as required.</p>
<b>Wastewater</b>	
<p><b>Wastewater treatment and disposal</b></p> <p>The resource consent for the discharge from the Council's main wastewater treatment plant to the Manawatū River is due to expire in 2028. A condition of the resource consent is that Council will complete a best-practicable option review for its wastewater treatment and disposal by June 2021 and lodge a complete consent application by June 2022. The review will need to identify ways to improve the city's wastewater treatment, particularly when the river level is low.</p>	<p>There is significant uncertainty about the best-practicable option review for wastewater treatment and disposal. The range of potential operating and capital costs is unknown at this stage and will not be known until completion of the review and the granting of the consent.</p> <p>Council does not wish to prejudge which option might be chosen (or imposed through the regulatory process) but is required to make adequate financial provision for the final outcome. A number of factors will influence the final outcome and it is likely that national and regional policies for water quality will change before a final decision is made. Whatever option is chosen, it will have a significant impact on Council's debt levels and rates requirements.</p>
<p><b>Demand for services</b></p> <p>Demand will increase in line with household and industrial growth. The industrial demand will depend on the industry types established in the city.</p>	<p>This is based on monitoring and long-term usage trends and is linked to use of water. There is low risk of infrastructure development getting out of line with demand, with demand and programmes reassessed through the three-yearly 10-Year Plan process.</p>
<p><b>Levels of service</b></p> <p>The level of service provided for collection will remain at a similar level to what is currently provided. Council expects improvements to the quality of wastewater treatment following the upcoming review of the treatment plant.</p>	<p>The level of service is largely established by the infrastructure already in place. Severe earthquake could interrupt this service and would be addressed at the time.</p>
<p><b>Asset life cycles</b></p> <p>Shown in section 8.1</p>	<p>Life cycles are generally in line with accepted industry standards, with some modification for local conditions. Any variance will only become apparent over a long period of time, with gradual adjustment of programmes as required.</p>
<b>Water</b>	

Assumptions	Uncertainties and implications
<p><b>Resource consents</b></p> <p>New resource consents will be obtained when they become due, allowing the facilities to be operated as at present.</p>	<p>Several consents fall due for renewal during this period, including abstracting groundwater from the water bores and operating the Turitea dams. No major issues are expected to arise around renewal of these consents.</p>
<p><b>Demand for services</b></p> <p>Overall demand will increase in line with household and industrial growth, but demand per capita remains at or below current demand.</p>	<p>This is based on monitoring and long-term trends and will be adjusted with the three-yearly review of AMPs and 10-Year Plan if necessary. There is low risk of infrastructure development getting out of line with demand.</p>
<p><b>Levels of service</b></p> <p>The level of service provided will remain at a similar level to that currently provided, adjusted by any requirements of the New Zealand Drinking Water standards.</p>	<p>The level of service is largely established by the infrastructure already in place. Severe earthquake could interrupt this service and would be addressed at the time.</p>
<p><b>Asset Life cycles</b></p> <p>Shown in section 8.1</p>	<p>Life cycles are generally in line with accepted industry standards, with some modification for local conditions. The lower A/C life cycle to what was predicted when laid has been accounted for in this Strategy.</p>
<p><b>Parks and Reserves</b></p>	
<p><b>Demand for Services</b></p> <p>At present some sports are well catered for, whilst others must compete with the general public, particularly for winter sports training grounds, swimming pools and indoor courts. Where demand for new assets exists, we will explore partnerships with others to provide community access to their existing assets. The regional sports facilities investment framework will be used to ensure that needs are proven, and that a new facility is financially viable in the long-term, before we commit to funding a new facility, either by ourselves, or in conjunction with others.</p>	<p>As new sports emerge and our community grows, demand at key times of the day and week will continue to increase. It is impractical and unaffordable to provide new sports facilities, when we know they will only be used for a small proportion of the week.</p>
<p><b>Levels of Service</b></p> <p>The level of service provided will remain at a similar level to that currently</p>	<p>We will work closely with landowners and our city planners to ensure new growth areas of the city make adequate provision for parks and other recreation facilities that will meet the needs of the local neighbourhood, and support the park and walkway needs of the surrounding suburb. The cost to buy and develop these parks in line with our provision standards needs to be fairly shared between ratepayers and owners of the</p>

Assumptions	Uncertainties and implications
	new properties. There needs to be adequate funding provision in the long-term plan to maintain these parks to the agreed standard well into the future.

### 10. Relationship to Financial Strategy

As a component of the Council's long-term planning framework, the Council also prepares a Financial Strategy. The Strategy only covers a 10-year period, although it also takes into account longer-term impacts on Council's long-term financial sustainability.

The Strategy not only incorporates information from the Infrastructure Strategy for the groups of activities it covers, but also includes the long-term planning and budgeting information for all other Council activities. The Strategy contains the debt and rates parameters Council uses to judge that its long-term plans are financially sustainable.

Key elements of the Strategy are:

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

- The Strategy envisages an approach that, among other things:
  - encourages staff to find innovative and efficient ways of delivering services
  - commits to funding capital renewals at levels required to maintain assets
  - challenges expenditure proposals to ensure they are aligned to key Council strategies, that the proposed timing is realistic and that they are capable of being delivered
- peer-reviews capital expenditure budgets to ensure they are adequate in the current challenging contracting market
- make sure the expenditure required for growth is committed soon enough to enable the City to harness development opportunities, but not too far ahead of when the infrastructure will be required.

The Strategy recognises a number of challenges to the development of a financially sustainable 10-Year Plan including:

- recognition of underinvestment in costs of maintaining services and assets
- uncertainty about the level of funding required for the Nature Calls (wastewater treatment and disposal upgrade) project
- the nature and timing of proposed water reforms
- the impact of Covid-19
- climate change
- earthquake-prone buildings

➤ sustainable city growth

Based on the significant forecasting assumptions made within the Strategy, the forecast costs of maintaining services, providing for growth, providing for the new facilities considered necessary to meet the Council's Vision and Goals and, in particular, funding the upgrade to the wastewater treatment and disposal system requires significant increases in rates and the levels of Council debt during the 10 years of the Strategy.

It concludes that the funding requirements mean that the Council would need to borrow to levels that would result in a number of its prudent debt ratios being significantly exceeded and that this was

not sustainable in the longer term under present governance structures and funding arrangements.

Given the uncertainty of the forecast sums (especially in relation to Nature Calls), and the future structure for the management of the three waters Council has determined that for the time being the forecast programme of capital development and consequential borrowing requirements are appropriate. Once these two key uncertainties are determined the Council will be in a better position to consider planning for the longer term. An updated 10-Year Plan will be prepared at that time, possibly in advance of the next scheduled update in 2024.

# Financial Overview and Forecast Financial Statements

## Forecast Financial Statements

The Council's 10-Year Plan covers the period 1 July 2021 to 30 June 2031. It incorporates operating and capital expenditure for the period for the core Council entity - consolidated statements have not been prepared to include subsidiaries. In this section financial information is provided at a summary level, but more detailed information for each activity and group of activities is included throughout the document.

The financial information contained in the 10-Year Plan is a forecast for the purposes of Public Benefit Entity (PBE) Financial Reporting Standard (FRS) 42. This information may not be appropriate for purposes other than those described. It has been prepared on the basis of assumptions (refer to Significant Forecasting Assumptions in section 3) about future events that the Council reasonably expects to occur, associated with the actions it reasonably expects to take, as at the date the forecast was prepared. The actual results are likely to vary from the information presented and may vary materially depending on the circumstances that arise during the period. The 10-Year Plan has been prepared in accordance with generally accepted accounting practice and the Council's accounting policies are outlined in section 3. The policies incorporate the latest PBE accounting standards and the changes have had no material effect.

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

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

Legislation states that councils are required to operate a 'balanced budget' i.e. income must equal or exceed expenditure (and expenditure must include non-cash items such as depreciation). However, if a council determines that it is prudent not to have a 'balanced budget' (i.e. an operating surplus is not required), it must make a formal decision to that effect. The decision must be a prudent one and have included consideration of levels of service and useful lifespan of assets. There are grounds for not having a surplus every year to avoid building up unnecessary cash reserves. Council's asset management plans ensure the Council is appropriately planning for renewals and its financial strategy is to make adequate financial provision to fund renewals from rates revenue. Council is making provision to fund between \$25.4 million and \$30.9 million p.a. for capital renewals throughout the 10 years of the Plan.

The Council's Prospective Statement of Comprehensive Revenue and Expense (next page) shows that after including capital revenue of between \$18.2 million and \$45.5 million p.a. there is a surplus of between \$7.6 million and \$38.2 million p.a. projected throughout the 10 years of the Plan. Council interprets the position to mean it is projected to have a 'balanced budget' throughout this period. It is appropriate for there to be surpluses at this level as the capital revenue that creates the surplus is either specifically related to planned new capital expenditure or used to fund the programmed retirement of debt.

The Prospective Statement of Comprehensive Revenue and Expense differs slightly from the Activity Statements (shown in section 2) in that it includes rates revenue whereas the activity statements present the operating revenue (excluding rates) that will be earned and the operating expenses (including depreciation) that will be incurred by each individual activity. The Net Operating Cost of Activity Groups less Rates Requirement (in the Group of Activities Summary Financial Statements on page 25) equates the Surplus/(Deficit) less Capital Revenue (in the Prospective Statement of Comprehensive Revenue and Expense on page 234).

These forecast financial statements were authorised for issue by Palmerston North City Council on 7 July 2021.

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

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

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



<b>PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE</b>											
<b>Budget</b>		<b>10 YP</b>	<b>10 YP</b>	<b>10 YP</b>	<b>10 YP</b>	<b>10 YP</b>	<b>10 YP</b>	<b>10 YP</b>	<b>10 YP</b>	<b>10 YP</b>	<b>10 YP</b>
<b>2020/21</b>		<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>
<b>\$'000s</b>		<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>
<b>Revenue</b>											
<b>Operating Revenue</b>											
100,782	Rates	109,059	117,887	127,617	139,778	156,116	165,326	173,858	180,807	185,458	190,926
17	Interest & Dividends	17	17	17	17	17	17	17	17	17	17
3,395	Operating Subsidies & Grants	4,887	4,808	5,115	5,552	5,312	5,651	5,815	5,985	6,159	6,338
28,730	Other Operating Revenue	30,184	31,610	32,580	34,069	35,173	36,305	37,907	39,014	39,847	40,827
132,923		144,147	154,323	165,328	179,415	196,618	207,299	217,598	225,823	231,482	238,109
<b>Capital Revenue</b>											
7,321	Capital Subsidies & Grants	14,162	13,632	21,352	29,148	28,274	25,497	31,266	32,700	32,598	13,751
1,891	Development Contributions	2,090	2,588	3,249	5,327	7,463	9,903	10,214	10,449	10,863	10,998
2,000	Vested Assets	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
11,212		18,252	18,220	26,601	36,475	37,737	37,400	43,480	45,149	45,461	26,749
144,135	<b>TOTAL REVENUE</b>	<b>162,398</b>	<b>172,542</b>	<b>191,929</b>	<b>215,890</b>	<b>234,354</b>	<b>244,699</b>	<b>261,077</b>	<b>270,972</b>	<b>276,942</b>	<b>264,858</b>
<b>Expenses</b>											
101,756	Expenses	111,497	115,782	121,321	129,789	133,921	136,648	140,101	144,474	147,085	151,737
5,557	Interest	5,090	6,775	8,332	11,570	16,349	20,831	23,261	23,895	24,608	24,778
40,430	Depreciation and amortisation	38,210	40,368	43,155	45,880	50,781	57,967	62,639	64,353	69,655	72,129
147,742	<b>TOTAL EXPENSES</b>	<b>154,797</b>	<b>162,924</b>	<b>172,808</b>	<b>187,238</b>	<b>201,051</b>	<b>215,446</b>	<b>226,002</b>	<b>232,722</b>	<b>241,348</b>	<b>248,643</b>
(3,607)	<b>SURPLUS/(DEFICIT)</b>	<b>7,601</b>	<b>9,618</b>	<b>19,121</b>	<b>28,652</b>	<b>33,304</b>	<b>29,253</b>	<b>35,076</b>	<b>38,250</b>	<b>35,594</b>	<b>16,215</b>

<b>PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE</b>											
<b>Budget</b>		<b>10 YP</b>	<b>10 YP</b>	<b>10 YP</b>	<b>10 YP</b>	<b>10 YP</b>	<b>10 YP</b>	<b>10 YP</b>	<b>10 YP</b>	<b>10 YP</b>	<b>10 YP</b>
<b>2020/21</b>		<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>
<b>\$'000s</b>		<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>
<b>Other Comprehensive Revenue and Expense</b>											
-	Gain on property revaluations	7,066	21,939	5,332	7,197	85,194	11,420	7,381	122,752	19,475	7,612
(3,607)	TOTAL COMPREHENSIVE REVENUE AND EXPENSE	14,667	31,557	24,453	35,849	118,498	40,673	42,456	161,002	55,069	23,826
1.9%	<b>RATES INCREASE</b>	8.2%	8.1%	8.3%	9.5%	11.7%	5.9%	5.2%	4.0%	2.6%	2.9%

<b>PROSPECTIVE STATEMENT OF CHANGES IN EQUITY</b>											
<b>Budget</b>		<b>10 YP</b>	<b>10 YP</b>	<b>10 YP</b>	<b>10 YP</b>	<b>10 YP</b>	<b>10 YP</b>	<b>10 YP</b>	<b>10 YP</b>	<b>10 YP</b>	<b>10 YP</b>
<b>2020/21</b>		<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>
<b>\$'000s</b>		<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>
1,568,800	Opening Balance	1,697,304	1,711,972	1,743,529	1,767,982	1,803,831	1,922,329	1,963,002	2,005,459	2,166,461	2,221,530
(3,607)	Total Comprehensive Revenue and Expense	14,667	31,557	24,453	35,849	118,498	40,673	42,456	161,002	55,069	23,826
1,565,192		1,711,972	1,743,529	1,767,982	1,803,831	1,922,329	1,963,002	2,005,459	2,166,461	2,221,530	2,245,356

<b>PROSPECTIVE STATEMENT OF FINANCIAL POSITION</b>											
<b>2020/21</b>		<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>
<b>Budget</b>		<b>10 YP</b>	<b>10 YP</b>	<b>10 YP</b>	<b>10 YP</b>	<b>10 YP</b>	<b>10 YP</b>	<b>10 YP</b>	<b>10 YP</b>	<b>10 YP</b>	<b>10 YP</b>
<b>\$'000s</b>		<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>
14,569	Current Assets	13,920	14,198	14,482	14,772	15,068	15,369	15,676	15,990	16,310	16,636
<b>Non-Current Assets</b>											

PROSPECTIVE STATEMENT OF FINANCIAL POSITION											
2020/21		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Budget		10 YP	10 YP	10 YP	10 YP	10 YP	10 YP	10 YP	10 YP	10 YP	10 YP
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
	Investment Fund	-	-	-	-	-	-	-	-	-	-
12,941	Investments in CCOs and industry companies	13,926	13,926	13,926	13,926	13,926	13,926	13,926	13,926	13,926	13,926
5,270	Investment Property & Other Financial Assets	4,550	4,550	4,550	4,550	4,550	4,550	4,550	4,550	4,550	4,550
1,750,856	Property, Plant & Equipment	1,937,344	2,022,238	2,104,067	2,318,740	2,604,389	2,802,556	2,865,579	3,047,744	3,134,541	3,140,976
<b>1,783,636</b>	<b>TOTAL ASSETS</b>	<b>1,969,741</b>	<b>2,054,912</b>	<b>2,137,026</b>	<b>2,351,988</b>	<b>2,637,933</b>	<b>2,836,401</b>	<b>2,899,732</b>	<b>3,082,211</b>	<b>3,169,327</b>	<b>3,176,088</b>
37,150	Current Liabilities	37,388	37,533	37,681	37,833	37,987	38,144	38,305	38,469	38,636	38,806
	<b>Non-Current Liabilities</b>										
1,131	Employee Entitlements	6,648	6,781	6,917	7,055	7,196	7,340	7,487	7,637	7,789	7,945
178,240	Term Liabilities	212,347	265,683	323,060	501,883	669,035	826,528	847,096	868,259	899,986	882,595
1,923	Provisions	1,386	1,386	1,386	1,386	1,386	1,386	1,386	1,386	1,386	1,386
	<b>Equity</b>										
1,046,511	Retained Earnings	1,063,037	1,072,655	1,091,775	1,120,427	1,153,731	1,182,984	1,218,059	1,256,309	1,291,904	1,308,118
518,681	Other Reserves	648,935	670,874	676,206	683,404	768,598	780,018	787,399	910,151	929,626	937,238
<b>1,783,636</b>	<b>TOTAL LIABILITIES/EQUITY</b>	<b>1,969,741</b>	<b>2,054,912</b>	<b>2,137,026</b>	<b>2,351,988</b>	<b>2,637,933</b>	<b>2,836,401</b>	<b>2,899,732</b>	<b>3,082,211</b>	<b>3,169,327</b>	<b>3,176,088</b>

PROSPECTIVE STATEMENT OF CASH FLOWS											
Budget		10 YP	10 YP	10 YP	10 YP	10 YP	10 YP	10 YP	10 YP	10 YP	10 YP
2020/21		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
	<b>Operating Activities</b>										
	Cash Provided										

<b>PROSPECTIVE STATEMENT OF CASH FLOWS</b>											
<b>Budget</b>		<b>10 YP</b>	<b>10 YP</b>	<b>10 YP</b>	<b>10 YP</b>	<b>10 YP</b>	<b>10 YP</b>	<b>10 YP</b>	<b>10 YP</b>	<b>10 YP</b>	<b>10 YP</b>
<b>2020/21</b>		<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>
<b>\$'000s</b>		<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>
100,782	Rates	109,059	117,887	127,617	139,778	156,116	165,326	173,858	180,807	185,458	190,926
17	Interest	17	17	17	17	17	17	17	17	17	17
	Dividends										
3,395	Operating Subsidies & Grants	4,887	4,808	5,115	5,552	5,312	5,651	5,815	5,985	6,159	6,338
28,730	Other Revenue	30,184	31,610	32,580	34,069	35,173	36,305	37,907	39,014	39,847	40,827
7,321	Capital Subsidies & Grants	14,162	13,632	21,352	29,148	28,274	25,497	31,266	32,700	32,598	13,751
1,891	Development Contributions	2,090	2,588	3,249	5,327	7,463	9,903	10,214	10,449	10,863	10,998
	Cash Disbursed										
(5,557)	Interest	(5,090)	(6,775)	(8,332)	(11,570)	(16,349)	(20,831)	(23,261)	(23,895)	(24,608)	(24,778)
(101,756)	Expenses	(111,497)	(115,782)	(121,321)	(129,789)	(133,921)	(136,648)	(140,101)	(144,474)	(147,085)	(151,737)
34,822		43,811	47,986	60,276	72,531	82,085	85,220	95,715	100,603	103,249	86,343
	<b>Investing Activities</b>										
	Cash Provided										
-	From Asset Sales	5,000	3,075	7,826	7,502	-	-	-	-	-	-
	Cash Disbursed										
(70,466)	Capital Expenditure	(97,994)	(104,396)	(125,478)	(258,857)	(249,237)	(242,713)	(116,282)	(121,766)	(134,977)	(68,952)
-	Investments	-	-	-	-	-	-	-	-	-	-
(70,466)		(92,994)	(101,321)	(117,653)	(251,355)	(249,237)	(242,713)	(116,282)	(121,766)	(134,977)	(68,952)
	<b>Financing Activities</b>										
	Cash Provided										
35,643	Borrowing	49,184	53,336	57,377	178,824	167,151	157,493	20,567	21,163	31,727	-
	Cash Disbursed										
-	Loan Repayment	-	-	-	-	-	-	-	-	-	(17,391)

PROSPECTIVE STATEMENT OF CASH FLOWS											
Budget		10 YP	10 YP	10 YP	10 YP	10 YP	10 YP	10 YP	10 YP	10 YP	10 YP
2020/21		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
35,643		49,184	53,336	57,377	178,824	167,151	157,493	20,567	21,163	31,727	(17,391)
-	Net Increase / (Decrease)	-	-	-	-	-	-	-	-	-	-
679	Cash at beginning	1,279	1,279	1,279	1,279	1,279	1,279	1,279	1,279	1,279	1,279
<b>679</b>	<b>CASH AT YEAR END</b>	<b>1,279</b>	<b>1,279</b>	<b>1,279</b>	<b>1,279</b>	<b>1,279</b>	<b>1,279</b>	<b>1,279</b>	<b>1,279</b>	<b>1,279</b>	<b>1,279</b>
<b>2020/21</b>		<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>
<b>\$'000s</b>		<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>
2,500	Rates revenue shown above includes the following amounts for metered water revenue	2,750	2,800	2,850	2,900	2,950	3,000	3,050	3,100	3,150	3,200

# Long-term plan disclosure statement for period commencing 1 July 2021

## What is the purpose of this statement?

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

## Rates affordability benchmark

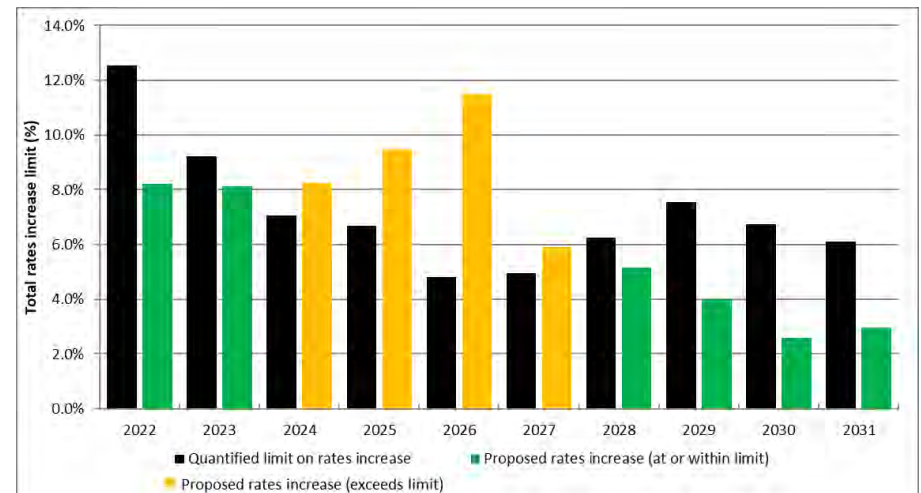
The Council meets the rates affordability benchmark if:

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

## Rates (increases) affordability

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

- plus the growth in the rating base
- plus 3% (to fund the cost of higher standards and new services)
- plus increase in funding for asset renewal.

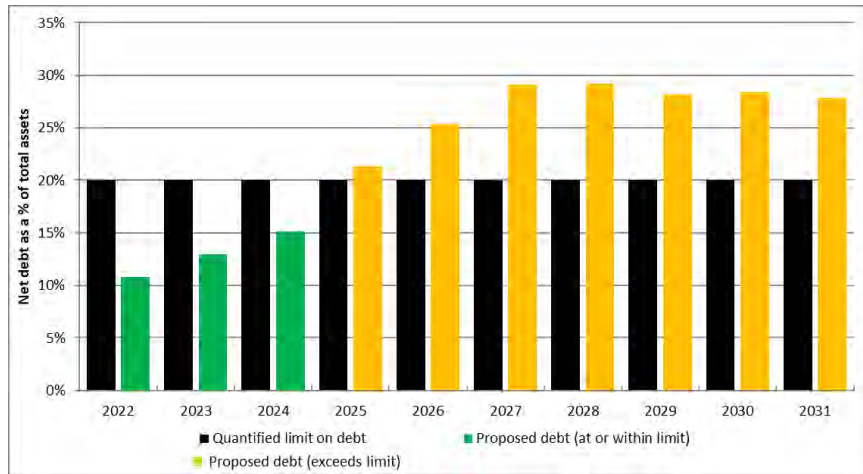


### Debt affordability benchmark

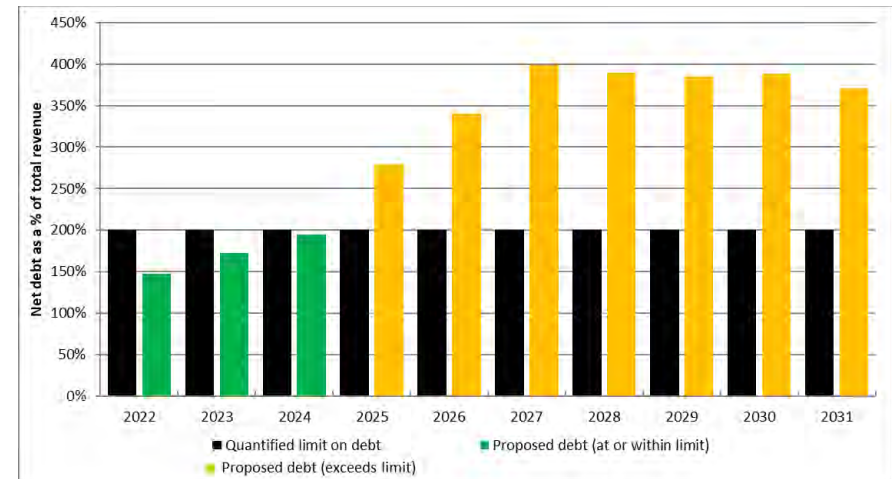
The Council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

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

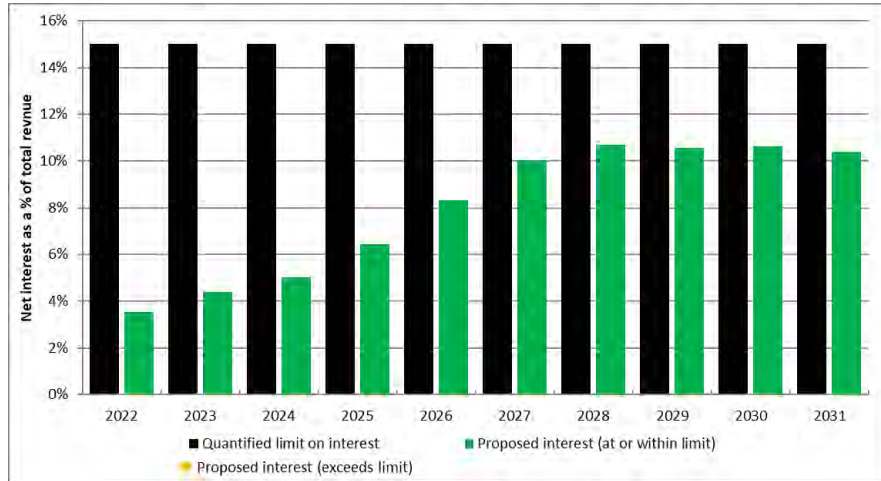
The quantified limit for this graph is that net external debt as a percentage of total assets will not exceed 20%.



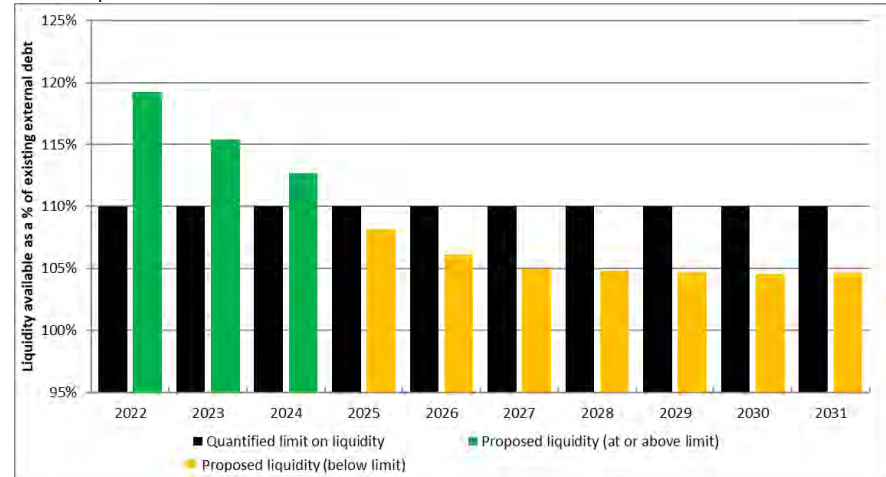
The quantified limit for this graph is that net external debt as a percentage of total revenue will not exceed 200%.



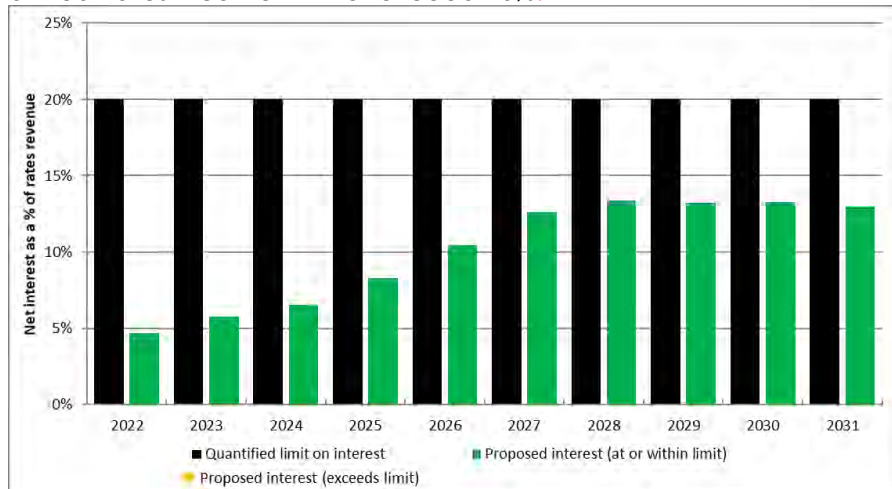
The quantified limit for this graph is that net interest as a percentage of total revenue will not exceed 15%.



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



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

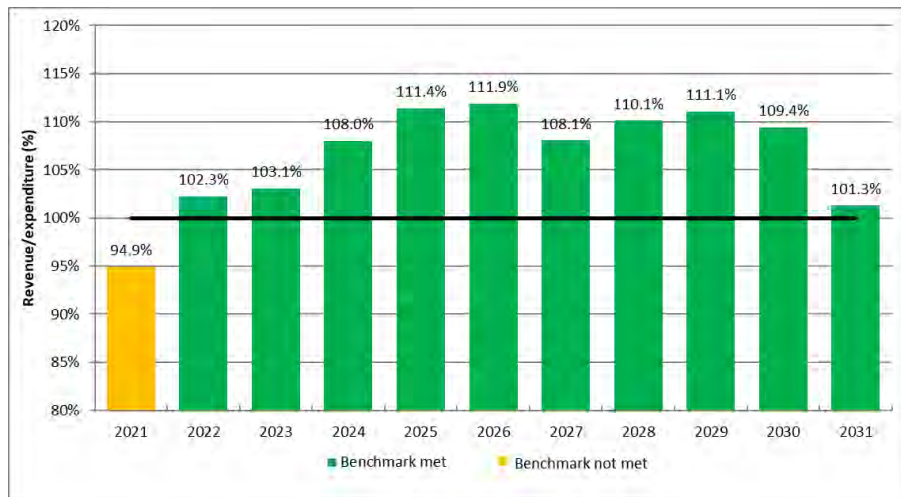




### Balanced budget benchmark

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

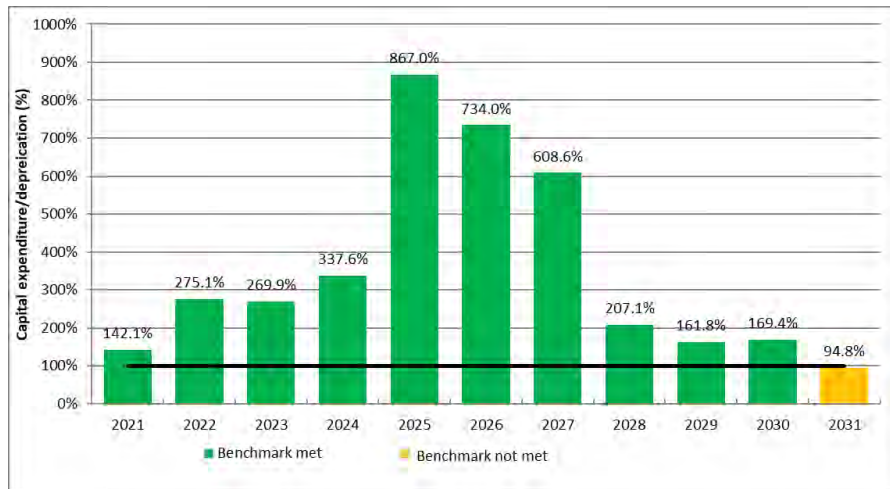
The Council meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses.



### Essential services benchmark

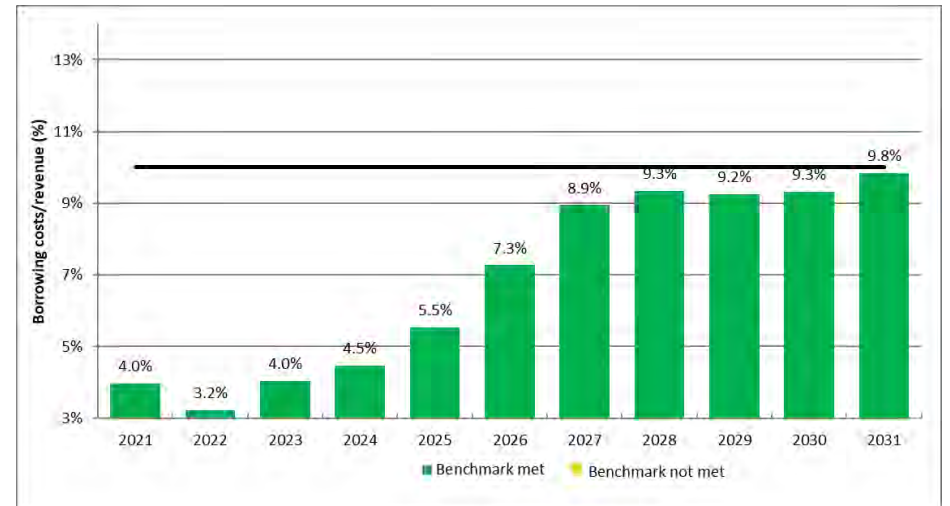
The following graph displays the Council's planned capital expenditure on network services as a proportion of expected depreciation on network services.

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



### Debt servicing benchmark

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



### **Additional information or comment**

#### **Rates (increases) affordability**

At this stage the proposed 10-Year Plan does not achieve the policy aims for four of the years. To meet its Vision and Goals for the City the Council believes rates need to increase by more than its target limit when the full impact of the proposed upgrade to the wastewater treatment and disposal system takes effect. The forecast rates increases (and the policy maxima) include provision for significant accelerated expenditure on asset renewal from year one. The actual increase each year will be determined in the light of updated circumstances and the development of the Annual Plan.

### **Debt affordability benchmark**

The forecast debt levels proposed in the 10-Year Plan will result in two of the debt affordability benchmarks being exceeded from year four onward. The Council recognizes this and will prepare an updated plan once there is more certainty about the preferred option for the wastewater upgrade project and the government's proposal for reform of three waters activities. These graphs acknowledge that under the present funding arrangements the Councils' financial strategy is not sustainable in the medium to longer term.

The forecasts for available liquidity are based on the current funding lines the Council has organised. The present funding lines will not be sufficient for the forecast requirements from 2025 onward updated funding lines will be arranged before then based on updated forecasts.

**HOW WE SPEND THE AVERAGE RESIDENTIAL CITY RATEPAYER’S RATES EACH WEEK.** (based on proposed budget for 2021/22)

Council has changed the way these activities and budgets are structured since the last 10-year plan. This means direct comparisons of spending and levels of service cannot be made. Overall, there have been no significant changes in the levels of service Council is providing.

**\$7.83**  
14.33%

**Active communities**  
Central Energy Trust Arena, reserves, sportsfields, swimming pools, support to recreation groups

**\$6.29**  
11.51%

**Transport**  
Roads, footpaths, shared pathways, streetlights

**\$5.90**  
10.80%

**Water**  
Treatment, storage, distribution

**\$5.69**  
10.41%

**Wastewater**  
Collection, treatment, disposal

**\$4.49**  
8.22%

**Governance and active citizenship**  
Mayor and Councillors, Council meetings, consultation, plans (including District Plan) and strategies, iwi relationships

**\$4.12**  
7.54%

**Libraries**  
City and branch libraries, mobile library, youth space

**\$3.77**  
6.90%

**Resource recovery**  
Kerbside recycling, rubbish and public recycling

**\$3.53**  
6.46%

**Arts and heritage**  
Arts, culture and heritage facilities (including Te Manawa, Regent) and support

**\$3.51**  
6.43%

**Connected communities**  
Community centres, Central Energy Trust Wildbase Recovery, public toilets, support to community groups, support to community and commemorative events and social housing

**\$1.94**  
3.55%

**Economic development**  
Economic development, international relations, Conference and Function Centre, city marketing, economic events

**\$1.74**  
3.18%

**Stormwater**  
Flood protection\*

**\$1.65**  
3.00%

**Organisational performance and strategic investments**  
Organisational support, Civic Administration Building and strategic investments

**\$1.57**  
2.87%

**City growth**  
Building and planning services, housing and future development, urban design

**\$1.13**  
2.07%

**Eco-City**  
Environmental sustainability, Manawatū River and environs, climate change mitigation and adaption

**\$0.84**  
1.54%

**Safe communities**  
Animal control, civil defence and safer community initiatives

**\$0.33**  
0.60%

**City shaping**  
City centre, citymaking, place activation

**\$0.32**  
0.59%

**Cemeteries**  
Cemeteries and crematorium

**\$54.65**  
per week  
for average  
ratepayer

\*Horizons Regional Council is responsible for Manawatū River and Mangapuāke Stream flood protection

# Revenue and Financing Policy

## Introduction

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

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

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

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

needs on the current and future social, economic, environmental and cultural well-being of the community.

In its long-term plan (10-Year Plan) the Council identifies the Vision, Goals and Strategies that represent its desired community outcomes.

## Vision

Palmerston North: Small city benefits, big city ambition

## Goals

**Goal 1:** An innovative and growing city

**Goal 2:** A creative and exciting city

**Goal 3:** Connected and safe communities

**Goal 4:** An eco-city

**Goal 5:** A driven and enabling council

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

- Innovative and Growing City
- Transport (incorporating Roding and Footpaths)
- Creative and Exciting City
- Connected and Safe Communities
- Eco-city
- Stormwater
- Wastewater
- Water Supply
- Driven and Enabling Council

The relationships between these groups of activities and the identified community outcomes (Council's Vision and Goals) are outlined in detail in each Activity page of the 10-Year Plan.

### Funding of operating expenses

The Council has made a determination as to the most appropriate way of funding the operating expenses for each activity. This was based on an assessment of the nature of the benefits provided from the activity, and who benefits (i.e. the whole community, identifiable groups or individuals) and for what period. Funding source proportions were then attributed using the following scale:

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

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

In general terms the Council believes that:

- an activity should be collectively funded if the benefits of the activity are largely received by the broader community without differentiation, in equivalent proportions, and the costs of the activity cannot easily be attributed to an individual or group of individuals.
- *For example: civil defence. Everyone benefits. No individual can be responsible for the costs. Therefore it is entirely publicly funded.*
- an activity should be funded on a user-pays basis if an individual or group of individuals directly receives benefits of the activity exclusively, and the costs of the activity can easily be attributed to that individual or group of individuals.
- *For example: Private Planning Services. Only those who seek resource consents benefit from them so they can be held responsible for the costs. Therefore it is entirely funded by users.*

- an activity should be funded by an exacerbator if the benefits of the activity are largely received by the broader community without differentiation, in equivalent proportions, but the costs of the activity can be attributed to an individual or group of individuals.
- *For example: parking enforcement. Everyone faces the cost of unavailability of public parking if someone parks over the time they're allowed. The individual who parked over time can be held directly responsible for that cost. Therefore the public cost can be privately borne completely by that individual.*
- an activity can be funded from other sources if the benefits of the activity are largely received by the broader community without differentiation, in equivalent proportions, but the costs of the activity can be met by other means.
- *For example: roading. Everyone benefits. No individual can be responsible for the costs. However, the Council is eligible for central government subsidies from organisations such as the Waka Kotahi New Zealand Transport Agency. Therefore it is entirely publicly funded, but a proportion of the costs is recouped from 'other' sources.*
- although the Council believes that it would be appropriate to charge for some activities on a user-pays basis this is not always practicable and sometimes a proxy is required.
- *For example: wastewater. Everyone benefits although the extent of use depends on the nature of the use of the property. Trade waste can be measured and separately charged for. It is not practical to measure other non-residential users with higher volumes, such as motels or hospitals but a proxy of the number of pans can be used. Likewise, a targeted rate in the form of a fixed annual charge for each separately occupied portion of a rating unit is seen as a reasonable proxy for residential property.*

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

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

- Any operating grants or subsidies for a particular activity are used to reduce the gross cost.
- Where it is practical to recover the designated portion of the net operating cost of an activity from a private user or exacerbator, fees and charges are set at levels designed to achieve this, provided there are no legislative constraints.
- Where a fee or charge is not practical, targeted rates may be set in accordance with Council's rating policies.
- Any net income from investments or fuel taxes may then be applied and any residual requirement will be funded through general rates and/or uniform annual general charges (UAGC) – these latter rates and charges will be set on a differential basis according to Council's rating policies. For the purposes of this policy any reference to general rates as a funding source is considered to include UAGCs.
- Rating policies including the details of targeted rates, the level of the UAGC, the choice of valuation base for the general rate and the details of the differential system will be outlined in the Funding Impact Statement in the 10-Year Plan or Annual Plan as appropriate.

### **Funding of capital expenditure**

The Council takes a consolidated corporate approach to the management of its financial position. Through its 10-Year Plan it determines what capital expenditure is sustainable within the prudent guidelines it has set itself. These parameters are contained in the Financial Strategy.

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

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

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

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

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

Borrowing is an appropriate funding mechanism to enable the effect of peaks in capital expenditure to be smoothed and to enable the costs of major developments to be borne by those who ultimately benefit from the expenditure. This is known as the 'intergenerational equity principle' and means that the costs of any expenditure should be recovered from the community at the time or over the period the benefits of that expenditure accrue. It is not appropriate or sustainable for all capital expenditure to be funded from borrowings. In periods of low capital expenditure borrowings should be reduced.

REVENUE SOURCE	POLICY FOR FUNDING OPERATING EXPENSES <sup>1</sup>	POLICY FOR FUNDING CAPITAL EXPENDITURE <sup>2</sup>
<b>General Rates</b>		
<p>General rates are currently set at rates of cents in the dollar of land value, calculated differentially based on the following classifications (and further sub-classifications) of property:</p> <ul style="list-style-type: none"> <li>• Single-unit Residential</li> <li>• Multi-unit residential</li> <li>• Non-residential</li> <li>• Miscellaneous</li> <li>• Rural/semi-serviced</li> </ul> <p>Its incidence is modified by a uniform annual general charge (UAGC).</p>	<p>General rates will be primarily used to fund those activities, or parts of activities, that benefit the community in general and where no identifiable individuals or groups benefit in a significantly different way from the rest of the community.</p> <p>General rates may also be used where the use of direct charging would discourage use, when encouraging use of the service is an explicit objective, or important to achieving the community outcomes to which the activity is intended to contribute.</p> <p>General rates may also be used where it is impractical, or too administratively expensive, to fund the activity from other funding sources.</p> <p>General rates are currently apportioned according to the land value and deemed use of each property.</p> <p>National studies have concluded that capital value is a better measure of benefits received from council services and of a ratepayer's ability to afford rates. To date the Council has not been convinced the benefits are so superior as to justify a change to the system. Further investigation is continuing, and this policy would enable a change to a capital value base following appropriate public consultation.</p> <p>Use of property is determined according to whether its primary use is single-unit residential, multi-unit residential, non-residential, miscellaneous or rural/semi-serviced. Each type of property pays different rates (cents in the dollar of land value). These</p>	<p>General rates may be used to retire debt.</p> <p>General rates may be used to purchase assets where the Council determines that funding the assets from debt is not the preferred option.</p>

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

2. Capital expenditures include those to purchase, build or acquire physical assets into council ownership. Such assets have service lives of more than one year. The principle of "intergenerational equity" says that expenditure that provides benefits over time should be funded over the same period, so that each generation of users pays a fair share.

Capital expenditures also include the renewal or replacement of existing assets. These are usually funded from resources built up from the revenue sources that fund the particular activity.

They also include debt repayment.



REVENUE SOURCE	POLICY FOR FUNDING OPERATING EXPENSES <sup>1</sup>	POLICY FOR FUNDING CAPITAL EXPENDITURE <sup>2</sup>
	<p>differentials are designed to achieve an apportionment of rates that more closely reflects the estimated value of services received by each classification of property, after modification by the use of the UAGC and fixed charges (targeted rates).</p> <p>The UAGC is a fixed charge per rating unit which the Council treats as a part of the general rate. It is used as a mechanism to ensure each rating unit contributes a minimum amount of the general rate and also to moderate rates on high value properties.</p>	
<b>Targeted Rates</b>		
<p>Targeted rates, in the form of fixed amounts are set to cover the net cost of water, wastewater and rubbish/recycling.</p> <p>Targeted rates, in the form of a percentage of the service amount (the cost of insulation provided by the Council under a Warm Palmerston North scheme) may be set to cover the service amount and the cost of servicing the service amount.</p> <p>Targeted rates may be set to fund the operation of Business Improvement Districts (BIDs) if such</p>	<p>Targeted rates may be used to fund activities which identifiable categories of ratepayer, or ratepayers in identifiable locations, receive benefits from the activity to be funded in a significantly different way from other ratepayers.</p> <p>Targeted rates may be set as a fixed annual amount, or based on some other legally permissible basis such as land or capital value. They may be set differentially depending the location or classification of ratepayer or the nature of the service being provided.</p> <p>Targeted rates may be set for the purpose of achieving a more fair, efficient or transparent allocation of costs across the community.</p>	<p>Targeted rates may be used to retire debt, where the debt arose from the purchase of assets used for the activity funded from the targeted rate.</p> <p>Targeted rates may be used to purchase physical assets, where the Council determines that funding the assets from debt is not the preferred option, and the assets are to be used for the activity funded from the targeted rate.</p>

REVENUE SOURCE	POLICY FOR FUNDING OPERATING EXPENSES <sup>1</sup>	POLICY FOR FUNDING CAPITAL EXPENDITURE <sup>2</sup>
districts are established at the community's request.		
<b>Lump sum contributions</b>		
These are a mechanism for enabling ratepayers to elect to pay for capital projects by lump sums instead of by targeted rates.	Operating costs are not funded from lump sum contributions.	The Council may fund capital projects in whole or part through lump sum contributions.
<b>Fees and charges</b>		
A wide range of fees and charges are made to cover either the whole or part of the cost of activities.	<p>Fees and charges will generally be used for services where the benefit is entirely, or in part, to the direct user of the service and where the use of the service is at the discretion of the user. This includes fees for various consents, licences, permits and property information. The user charge may recover all, including a market return on the value of the Council's investment, or part of the cost of the activity.</p> <p>Where the Council needs to ration the use of an activity, it may charge at a level above what would be necessary to recover the costs of the activity.</p> <p>Fees and charges may be in the form of fines, penalties or similar and used where the Council wishes to modify the behaviours that impose cost, or inconvenience, on other members of the community.</p>	<p>User charges may be used to retire debt, where the debt arose from the purchase of assets used for the activity funded by the user charge.</p> <p>User charges may be used to purchase physical assets, where the Council determines that funding the assets from debt is not the preferred option, and the assets are to be used for the activity funded from the user</p>

REVENUE SOURCE	POLICY FOR FUNDING OPERATING EXPENSES <sup>1</sup>	POLICY FOR FUNDING CAPITAL EXPENDITURE <sup>2</sup>
		charge.
<b>Interest and dividends from investments</b>		
The Council receives interest and dividends from its investments and short-term cash management.	Ordinary budgeted interest and dividends, along with any other investment income, is treated as general revenue.	Investment income may be used to retire debt when that income has not been budgeted for other purposes.
<b>Borrowing</b>		
Borrowing involves the taking on of debt and in normal circumstances is only appropriate to fund assets with long lives.	<p>Unless there are exceptional circumstances the Council will not borrow to fund operating costs.</p> <p>Some expenses that are classified as operating do provide a longer term benefit and in such situations the Council may consider borrowing to fund them (if the sum involved is significant) then repay the sum borrowed from revenue over the estimated period of benefit. Development and implementation of enterprise wide information management systems fit this criteria.</p>	<p>Borrowing is the preferred means of funding capital expenditure because it promotes intergenerational fairness. What is an appropriate level of borrowing is assessed against criteria in the Council's Financial Strategy.</p> <p>The Council may also borrow to fund insulation for homes under a Warm Palmerston North scheme in conjunction with the Energy Efficiency and</p>

REVENUE SOURCE	POLICY FOR FUNDING OPERATING EXPENSES <sup>1</sup>	POLICY FOR FUNDING CAPITAL EXPENDITURE <sup>2</sup>
		Conservation Authority (ECCA). The borrowing and associated servicing costs will be repaid from targeted rates set on the properties concerned for a term of up to nine years.
<b>Proceeds from asset sales</b>		
These are the sums received when physical assets are sold.	Operating costs are not funded from asset sales.	Proceeds from asset sales are an appropriate source for purchasing assets or retiring debt because they have a neutral effect on Council's financial position (assets versus liabilities).
<b>Development contributions</b>		
Development contributions are sums payable or assets transferred to Council by developers or new service users to cover the costs imposed on infrastructure and facilities by growth in numbers of users.	Operating costs are not funded from development contributions.	Development contributions will be used to fund that proportion of new asset expenditure that is made necessary by increased demand as a result of growth in the number of users. Contributions will be calculated in accordance with the

REVENUE SOURCE	POLICY FOR FUNDING OPERATING EXPENSES <sup>1</sup>	POLICY FOR FUNDING CAPITAL EXPENDITURE <sup>2</sup>
		Council's Development Contributions Policy.
<b>Financial contributions under Resource Management Act</b>		
Financial contributions are sums payable, or assets transferred to Council by developers or new service users to enable mitigation, avoidance or remedying of adverse effects arising from subdivision or development.	Operating costs are not funded from financial contributions.	Financial contributions may be used to fund that proportion of new asset expenditure that is made necessary by the effects of subdivision and development. The contribution may be required as a condition of consent, in accordance with any relevant rule in the District Plan.
<b>Grants and subsidies</b>		
These are payments from external agencies and are usually for an agreed specified purpose.  The main source of these are Waka Kotahi NZ Transport Agency subsidies for road maintenance, renewals and improvements.	Grants and subsidies will be used for operating expenses only when this is consistent with the purpose for which they were given.	Grants and subsidies will be used for capital expenditure only when this is consistent with the purpose for which they were given.

### Innovative and Growing City

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

Nature of Activity	Who Benefits	Period of Benefit	Who Creates Need	(Funding Source Proportion #)	Funding Source Rationale
	<p>food and other businesses benefit from the presence of the users of the centre</p>				<p>benefits from the economic returns from this expenditure the cost should be funded from general rates</p> <p>Many businesses benefit from increased economic activity so should contribute a greater portion of the cost through the application of a differential on the general rate</p>
<b>City growth</b>					
Building services	<p>The entire community benefits from safe reliable infrastructure and resources and consistent, transparent Council procedures</p> <p>Developers and property owners benefit from the</p>	Benefits of regulation in general are ongoing even though the specific regulations may change over time	<p>Need is created by the following:</p> <ul style="list-style-type: none"> <li>entire community for structure, consistency and certainty</li> <li>those who do not comply with the rules (i.e. exacerbators)</li> </ul>	<p>General rates (medium/low)</p> <p>Fees and charges (medium/high)</p>	<p>As the main beneficiaries are property developers and building owners they should pay for the majority of the cost of the activity</p> <p>No particular group or individual benefits more than others so</p>

Nature of Activity	Who Benefits	Period of Benefit	Who Creates Need	(Funding Source Proportion #)	Funding Source Rationale
	building services advice, information and certainty provided by the Council		<ul style="list-style-type: none"> <li>property developers and building owners seeking building consents</li> <li>Council for rules to protect its position and manage its risk exposure</li> </ul>		the residual cost should be allocated to the whole city as part of the general rate
Housing & future development	The entire community benefits from Council's efforts to provide an appropriate framework to encourage development and housing	Benefits are ongoing	Need is created by the entire community for structure, consistency and certainty and a range of options for housing	<b>General rates (high)</b>	As the community at large benefits from this activity it is appropriate that the costs be funded as a public good from general rates
Planning services – public (includes planning advice, information, monitoring and enforcement)  Planning services – private (resource consent	The entire community benefits from safe reliable infrastructure and resources and consistent, transparent Council procedures  The entire community benefits from advice relating to potential resource consents or	Benefits of regulation in general are ongoing even though the specific regulations may change over time  Benefits of providing free information to the public and monitoring resource consents are ongoing	Need for information is created by entire community  Need for enforcement is created by those who do not comply with the rules (i.e. exacerbators)  Need is created by developers and	<b>Planning services – public:</b> General rates (high) Fees and charges (low)  <b>Planning services – private:</b> Fees and charges (high)	No particular group or individual benefits more than others from the provision of information, monitoring and enforcement activities so the cost should be allocated to the whole City as part of the general



Nature of Activity	Who Benefits	Period of Benefit	Who Creates Need	(Funding Source Proportion #)	Funding Source Rationale
processing)	resource management as well as from resource consent monitoring and enforcement activities  Developers and property owners benefit from the resource consent advice, information and certainty provided by the Council		property owners seeking resource consents		rate  As the main beneficiaries of processing resource consents are property developers and building owners they should pay for the cost of the activity
Urban design	The entire community benefits from increased citywide knowledge of the principles of good urban design	Benefits are ongoing	Need for information is created by entire community	General rates (high)	As the entire community benefits from the application of good urban design principles the cost should be funded through general rates

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## Creative and Exciting City

Nature of Activity	Who Benefits	Period of Benefit	Who Creates Need	(Funding Source Proportion #)	Funding Source Rationale
<b>City Shaping</b>					
City Centre  Place activation  City making /Placemaking	<p>The entire community benefits from activity that leads to increased city centre vibrancy and improved perceptions of the City</p> <p>It also benefits from the development of accessible, active, comfortable and social public spaces</p> <p>The business community benefits from spending by visitors attracted to the central city</p>	Benefits are ongoing	Need is created by the entire community who wish live in an environment that is interesting and vibrant	General rates (high)  Sponsorship/grants (low)  Fees and charges (low)	<p>A vibrant City Centre is an important component of how a city is perceived</p> <p>The Council actively encourages partnerships with businesses and groups to enhance public spaces and to obtain external funding to do this where practicable</p> <p>As the entire city benefits from these activities any residual expenditure should be funded from general rates</p>
<b>Arts and Heritage</b>					
Te Manawa (Museum, Art Gallery and Science Centre)	The entire community benefits from the educational	Ongoing benefits from an informed, creative and	Need is created by the entire community for access to	General rates (high)  Some entry charges	Those who use the facilities should pay a reasonable charge

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

Nature of Activity	Who Benefits	Period of Benefit	Who Creates Need	(Funding Source Proportion #)	Funding Source Rationale
	preserve and protect them				from the city retaining its heritage features so any Council contribution toward achieving this should be funded through general rates
<b>Active communities</b>					
Central Energy Trust Arena City reserves Local reserves Sportsfields Swimming pools Support to recreation groups	The entire community benefits from choice of recreational activities and a healthy active community Particular event organisers also benefit from commercial gains from activities The business community benefits from spending by visitors attending facilities and events Specific benefits for users of facilities and spectators at events	Benefits are ongoing as long as facilities are maintained The benefit of events is both immediate and longer term, the latter being to the perception of vibrancy of the city	Need is created by entire community for recreational facilities, activities and choice Event organisers create a need for infrastructure in order to hold events	<b>Central Energy Trust Arena:</b> General rates (medium/high) User charges (medium/low) <b>City-wide reserves, local reserves and sports fields:</b> General rates (high) User charges (low) <b>Swimming pools:</b> General rates (high)# <b>Support to recreation groups:</b> General rates (high) [# Operation of the	Those who use the facilities should pay a reasonable charge but it is recognised that for some activities (such as swimming pools, sports fields and Central Energy Trust Arena) such a charge would be prohibitively high if set at a level to cover the entire cost Also it is impractical to charge users of some facilities such as city-wide and local area reserves Every effort will be made to obtain

Nature of Activity	Who Benefits	Period of Benefit	Who Creates Need	(Funding Source Proportion #)	Funding Source Rationale
				swimming pools is contracted to an external entity that incurs day-to-day operating costs and obtains all revenue from entry fees – the general rates funding represents the share of the costs incurred by Council]	grant funding from external agencies  As the entire city benefits from these activities any residual expenditure should be funded from general rates

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## Connected and Safe Communities

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

Nature of Activity	Who Benefits	Period of Benefit	Who Creates Need	(Funding Source Proportion #)	Funding Source Rationale
	community identity Specific benefits for users of facilities		contribute to the city's economic, social and cultural wellbeing		from the availability of community centres. The residual cost should be funded from general rates
Libraries	The entire community benefits from choice of leisure and recreational activities, a healthy caring community, the educational opportunities the library offers and from being informed  Specific benefits for borrowers of material	Ongoing educational benefits from an informed, creative population  Benefits are ongoing as sharing of experiences and expertise leads to community enhancement	Need is created by the entire community for library facilities and access to information sources	General rates (high)  Fees and charges (low)	Those who utilise some services (such as CDs, DVDs, etc) should pay a reasonable charge as should non-residents provided it is practical and cost effective to do so  City residents take great pride in the facilities and expect the resource to be available to all regardless of whether they actually use it  It is not practical to charge visitors of the facility nor for the lending of basic resources so the net cost should be

Nature of Activity	Who Benefits	Period of Benefit	Who Creates Need	(Funding Source Proportion #)	Funding Source Rationale
					funded from general rates
Public toilets	The entire community benefits from the provision of public toilets	Benefits are ongoing	Need is created by the entire community for public toilets	General rates (high) Fees and charges (low)	Apart from the main central city facility it is not practical to charge individual users  Costs should be funded through general rates
Social housing	<p>People on low incomes who:</p> <ul style="list-style-type: none"> <li>• are superannuitants; or</li> <li>• have long-term disabilities; or</li> <li>• experience barriers to renting in the private market</li> </ul> <p>The whole community benefits from people having access to adequate housing</p>	<p>Benefits accrue through the period of tenancy</p> <p>Benefits to the whole community are ongoing</p>	Need is created by the housing tenants	Fees and charges (high) General rates (low)	<p>As the main beneficiaries of the activity are those who use the service the cost should be borne by the users taking into account Council's rental policies for tenants which are based on a tenant's income</p> <p>As far as practicable it has been the intention that this activity standalone financially and is fully funded from rental</p>



Nature of Activity	Who Benefits	Period of Benefit	Who Creates Need	(Funding Source Proportion #)	Funding Source Rationale
					income Although central government funding assistance is sought (if available) it is recognised that at times it may be necessary for the activity to receive support from general rates
Support to community groups	Members of community groups and those they support	Benefits accrue for the period of the support		General rates (high) Central government grant agency funding (low)	Council's contribution is directed to community groups rather than individuals and to events and facilities that benefit the entire community so should be funded from general rates Although funding support is sought from external agencies this contribution is usually

Nature of Activity	Who Benefits	Period of Benefit	Who Creates Need	(Funding Source Proportion #)	Funding Source Rationale
					small
Central Energy Trust Wildbase Recovery	<p>Th entire community benefits from seeing native wildlife rehabilitating after treatment at Massey University's Wildbase hospital</p> <p>Children in particular benefit from education programmes</p> <p>Visitors benefit from the visitor programmes</p>	Ongoing benefits from an informed and educated population	Need is created by the entire community who wish to having an understanding of wildlife	<p>General rates (high)</p> <p>Sponsorship/grants (low)</p> <p>(assisted by Wildbase Recovery Community Trust)</p>	<p>The main beneficiaries are those who visit the centre but the Council has determined that the centre will be provided as a public good.</p> <p>Volunteers assist with operating the centre and donations are encouraged from those who visit.</p>
Community and commemorative events	<p>The entire community benefits from community events that celebrate the richness of a diverse community and bring vibrancy to the city</p> <p>The business community benefits from spending by</p>	The benefits of events are both immediate and longer term, the latter bringing the perception of vibrancy of the city	<p>Need is created by those who wish to stage events</p> <p>Need is created by the entire community who wish to have a variety of events to attend</p>	<p>General rates (high)</p> <p>Sponsorship/grants (low)</p> <p>Fees and charges (low)</p>	<p>Many events are provided for the benefit of the entire community and are held in venues where it is not possible to charge those who attend</p> <p>Every effort will be made to obtain</p>

Nature of Activity	Who Benefits	Period of Benefit	Who Creates Need	(Funding Source Proportion #)	Funding Source Rationale
	visitors attending events Specific benefit for those who attend events				grant funding from external agencies As the entire city benefits from these activities any residual expenditure should be funded from general rates
Public health	Licenced businesses gain economic advantage from the public health activity of the Council and the public benefit from a healthy, safe and clean city	Benefits of regulation in general are ongoing even though the specific regulations may change over time	Need is created by: <ul style="list-style-type: none"> <li>entire community for structure, consistency and certainty</li> <li>those who do not comply with the rules (exacerbators)</li> </ul> Council for rules to protect its position and manage its risk exposure	General rates (medium/high) Fees and charges (medium/low)	As licensed businesses are major beneficiaries they should bear a significant portion of the cost of the activity. The public at large also benefit from the activity so the residual cost should be allocated to the whole city as part of the general rate
<b>Safe Communities</b>					
Animal control	Animal control	Benefits of regulation in general are	Need is created by:	General rates (low)	A significant portion

Nature of Activity	Who Benefits	Period of Benefit	Who Creates Need	(Funding Source Proportion #)	Funding Source Rationale
	activity is principally related to the actions or inactions of dog owners - owners and the public at large (through reduced nuisance) benefit from this	ongoing even though the specific regulations may change over time	<ul style="list-style-type: none"> <li>entire community for structure, consistency and certainty</li> <li>those who do not comply with the rules (i.e. exacerbators)</li> </ul> Council for rules to protect its position and manage its risk exposure	Fees and charges (high)	of the costs should be borne by dog owners as the majority of the activity relates to their actions or inactions  No particular group or individual benefits more than others so the residual cost should be allocated to the whole city as part of the general rate
Civil defence	The entire community benefits from having people who are trained and organised to help the community survive and cope with natural disasters	Benefits in terms of peace of mind for residents are ongoing, although direct benefits are short to medium term in the event of a disaster	Need is created by: <ul style="list-style-type: none"> <li>the entire community for an action plan in the event of a disaster or emergency</li> <li>Council to meet legal obligations</li> </ul>	General rates (high)	No particular group or individual benefits more than others so the cost should be allocated to the whole city as part of the general rate
Safer community initiatives	The entire community benefits from activities that aim to	Benefit is on-going	Need is created by the entire community, who wish to be able to feel	General rates (high)	As the benefits accrue to the entire community, the costs should be funded

Nature of Activity	Who Benefits	Period of Benefit	Who Creates Need	(Funding Source Proportion #)	Funding Source Rationale
	keep people safe		safe, especially in public places		from all ratepayers through the general rate

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## Eco-City

Nature of Activity	Who Benefits	Period of Benefit	Who Creates Need	(Funding Source Proportion #)	Funding Source Rationale
<b>Climate change mitigation and adaption</b>					
Climate change and mitigation	Entire community benefits from Council's leadership and commitment to meeting greenhouse emission targets, fostering sustainable practices and behaviours so City residents and organisations become more sustainable	Ongoing benefit	The entire community creates the need for a sustainable future	General rates (high)	As the activity being undertaken benefits the whole community the costs should be funded through the general rate
<b>Resource recovery</b>					
Landfill management Waste management (includes kerbside rubbish collection and disposal, public space rubbish collection and disposal) Waste minimisation (includes kerbside recycling and processing, green	Entire community benefits from safe and efficient disposal of solid waste  Direct households benefit from kerbside refuse collection and recycling	Ongoing benefits as long as infrastructure is maintained	The entire community creates the need for a safe urban environment where solid waste is adequately dealt with  Exacerbators and individual householders	<b>Landfill management:</b> Targeted rates(high) Fees and charges (low) <b>Waste management:</b> Rubbish bag sales or similar (high) Targeted rate with fixed annual property	To minimise the volume of waste, costs should be funded by the users of the service – through rubbish bag sales or other mechanism with the same effect  The costs of public space rubbish collection and

Nature of Activity	Who Benefits	Period of Benefit	Who Creates Need	(Funding Source Proportion #)	Funding Source Rationale
waste, minimisation projects, recycling centre)				charge (low) <b>Waste minimisation:</b> Targeted rate with fixed annual property charge (high – net after sales of recyclable material) Subsidies and grants (low)	disposal should be funded by all ratepayers through a targeted rate (set on a fixed annual charge basis) Recycling costs should be funded as much as possible from the sale of recyclables but as the Council wishes to encourage recycling it is not desirable or practicable to charge individual users by volume. The residual cost should be funded from a targeted rate (set on a fixed annual charge basis)
<b>Environmental sustainability</b>					
Biodiversity Support to environmental groups Sustainable practices	The entire community benefits from activity that leads to improved environmental practices with more sustainable outcomes	Ongoing benefits	The entire community creates the need to implement more sustainable operating practices	General rates (high)	As the whole community benefits from this activity the costs should be funded from the general rate

Nature of Activity	Who Benefits	Period of Benefit	Who Creates Need	(Funding Source Proportion #)	Funding Source Rationale
<b>Manawatū River</b>					
Manawatū River (includes Manawatū River Park, Centennial Lagoon)	The entire community benefits from enhancing the River and its environs as a cultural, environmental and recreation resource	Ongoing benefits	The entire community creates the need for enhanced respect for, and use of the River and its environs	General rates (high)	As the whole community benefits from this activity the costs should be funded from the general rate

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**Stormwater**

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

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

**Wastewater**

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

Nature of Activity	Who Benefits	Period of Benefit	Who Creates Need	(Funding Source Proportion #)	Funding Source Rationale
					<p>The cost of servicing each household is similar so a fixed annual charge is appropriate</p> <p>Costs are higher for those with more discharge so it is appropriate to charge non-residential users on a per-pan basis</p>

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## Water Supply

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

Nature of Activity	Who Benefits	Period of Benefit	Who Creates Need	(Funding Source Proportion #)	Funding Source Rationale
					through a targeted rate  The cost of servicing each household is similar, so a fixed annual charge is appropriate

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

## Driven and Enabling Council

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

Nature of Activity	Who Benefits	Period of Benefit	Who Creates Need	(Funding Source Proportion #)	Funding Source Rationale
to external entities)  Investment property  Investments in companies (including airport)	Council obtaining positive net financial returns on its investments  The entire community benefits from the Council making sound strategic investments  Lessees and users benefit from the provision of property	particular contract	created by community as a whole	from investments or provision of services to external entities	expected to generate a net return that can benefit the city as a whole and lead to lower rates, fees and charges  Strategic investments benefit the whole city and so it is appropriate to fund any net cost from general rates
<b>Organisational performance</b>					
Civic Administration Building Customer services Financial services Human resources Information services Marketing and communication Print Synergy	The entire community benefits from access to Council information, efficient dealings with Council, and basic channel through which to communicate with Council  Council benefits from clarity of community needs and wants, and efficient processing of public	Benefits are ongoing	All of the Council's activities require some corporate support  Need is created by the entire community for knowledge and an accessible Council  Need is created by Council for an efficient interface	Costs are allocated to other activities based on appropriate drivers	Organisational performance exists not for itself, but to enable the Council to provide its other activities. Support costs should therefore be reflected in the overall costs of other activities

Nature of Activity	Who Benefits	Period of Benefit	Who Creates Need	(Funding Source Proportion #)	Funding Source Rationale
	enquiries		with the public		

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

### Revenue and Financing Policy

*Funding source proportions for operating costs*

	GENERAL RATES	TARGETED RATES	USER FEES AND CHARGES	OTHER
<b>Innovative and Growing City</b>				
Economic development				
City marketing	High			Low
Economic development	High			Low
Economic events	High			
Conference and Function Centre	Med/Low		Med/High	
International relations	High			
City growth				
Building services	Med/Low		Med/High	
Planning services – public	High			
Planning services – private			High	
Urban design	High			
<b>Transport</b>				
Roading				



	GENERAL RATES	TARGETED RATES	USER FEES AND CHARGES	OTHER
Parking			High	
Roads	High		Low	Low
Street facilities	High			Low
Street lighting	High			Low
Traffic services	High			
Active and public transport	High			
Footpaths	High			Low
Active transport	High			Low
Public transport	Med/High			Med/Low
<b>Creative and Exciting City</b>				
City shaping				
City Centre	High			
Place activation	High			
Placemaking	High			
Arts and heritage				
Te Manawa (see note 1)	High			Low
Other cultural facilities (see note 1)	High			
Support to arts, culture and heritage groups	High			
Heritage management	High			
Active communities				
Central Energy Trust Arena	Med/High		Med/Low	
City reserves	High		Low	
Local reserves	High		Low	
Sports fields	High		Low	

	GENERAL RATES	TARGETED RATES	USER FEES AND CHARGES	OTHER
Swimming pools (see note 1)	High			
Support to recreation groups	High			
<b>Connected and Safe Community</b>				
Connected communities				
CET Wildbase Recovery	High		Low	Low
Cemeteries	Med/Low		Med/High	
Community centres	High		Low	
Community and commemorative events	High			
Libraries	High		Low	
Public health	Med/High		Med/Low	
Public toilets	High		Low	
Social housing	Low		High	
Support to community groups	High			
Safe communities				
Animal control	Low		High	
Civil defence	High			
Safer community initiatives	High			
<b>Eco-city</b>				
Climate change mitigation and adaption	High			
Resource Recovery				
Landfill management		High	Low	
Waste management		Low	High	
Waste minimisation		High		
Environmental sustainability				
Biodiversity	High			Low

	GENERAL RATES	TARGETED RATES	USER FEES AND CHARGES	OTHER
Support to environmental groups	High			
Sustainable practices	High			
Manawatū River	High			
<b>Stormwater</b>	High		Low	
<b>Wastewater</b>		High	Low	
<b>Water Supply</b> (see note 2)		High		
<b>Driven and Enabling Council</b>				
Governance and Active Citizenship				
Councillor meetings and administration	High		Low	
Elections	High			Low
Mayoral and Chief Executive's office	High			
Direction setting	High			
Organisational performance				High
Strategic investments				High

High	80 – 100%
Med/High	60 – 79%
Med	40 – 59%
Med/Low	20 – 39%
Low	0 – 19%

The funding proportions outlined in this table represent the Council's desired consolidated intention, that is, the share of the gross operating costs borne by each sector.

Note 1: The Council has varying levels of control over the actual revenue obtained from users of these facilities. Management and operations are contracted to other entities and revenue from entry fees is retained by them.

Note 2: Metered water is deemed to be a targeted rate.

# Significant Forecasting Assumptions

**A forecasting assumption is defined as something the Council accepts as being true for the purposes of future decisions and actions.**

The Local Government Act 2002 requires councils to disclose in their 10-Year Plan the significant forecasting assumptions they have used to develop their Plan and the risks underlying the financial estimates. In cases where the level of uncertainty is assessed as being high, this has to be disclosed as well as an estimate of the potential effects on the financial estimates.

This section contains assumptions about the following matters:

Issue	Level of uncertainty of assumption	Significance of financial impact on overall position
1. Population & Household Growth	Medium	Medium
2. City Growth – Nature, Type & Location	Medium	High
3. Covid-19 Pandemic	Medium	High
4. Climate Change	Medium	Low
5. Natural Disasters & Adverse Weather Events	High	High
6. Services Provided by Council	High	High
7. Continuity of External Funding	High	Low
8. Sources of Funds for Future Replacement of Assets	Low	Low
9. Waka Kotahi (NZTA) Subsidy	High	High
10. Airport Shareholding & Dividends	Low	Low
11. Revaluation of Property, Plant & Equipment Assets	Low	Low
12. Asset Lives	Low	Low
13. Depreciation	Low	Low
14. Inflation	Low	Low

Issue	Level of uncertainty of assumption	Significance of financial impact on overall position
15. Interest Rates for Borrowings	Low	Medium
16. Resource Consents (especially wastewater discharge)	High	High
17. Turitea Windfarm	Medium	Low
18. Weathertight (Leaky) Homes Claims	Low	Low
19. Insurance	Low	Low
20. Earthquake-prone Buildings	Medium	High
21. Regional freight ring road including an	Medium	High

Issue	Level of uncertainty of assumption	Significance of financial impact on overall position
additional Road Crossing of Manawatū River		
22. Legal Expenses	Low	Low
23. Delivery of Services Reviews	Low	Low
24. Residential Subdivision	Medium	Medium
25. Drinking Water Standards	Medium	Low
26. 3 Waters Reform	High	High
27. Capital Expenditure Delivery	High	High

2021-31 10YP assumption	Risk	Level of uncertainty of assumption	Reasons and financial effect of uncertainty
<p><b>1. Population</b> and household growth</p> <p>The population will increase as follows:</p> <ul style="list-style-type: none"> <li>10 year projection 2021–31, 1089 people per annum at 1.1%</li> <li>20 year projection 2021–41, 1039 people per annum at 1.0%</li> <li>30 year projection 2021–51, 1002 people per annum at 1.0%</li> </ul> <p>The number of households will increase as follows:</p>	City growth is at significantly different rates than assumed.	Medium	If growth is less than predicted, then some projects will be deferred and expenditure will be lower than forecast. If growth is higher than predicted, then some projects will go ahead earlier than

2021-31 10YP assumption	Risk	Level of uncertainty of assumption	Reasons and financial effect of uncertainty
<ul style="list-style-type: none"> <li>• 10 year projection 2021–31, 504 households per annum at 1.4%</li> <li>• 20 year projection 2021–41, 459 households per annum at 1.2%</li> <li>• 30 year projections 2021–51, 432 households per annum at 1.1%</li> </ul> <p>This is a medium growth population and household projection from Infometrics plus the additional margins required by the National Policy Statement for Urban Development.</p> <p>These population projections assume the city will retain its status as having one of the lowest median ages (34.2 in 2020 compared with the national median age of 37.4) but, as is projected for the rest of New Zealand, there will be a gradual ageing of the population.</p> <p>The difference between population and household growth is because of the reduction in average household size.</p> <p>Any change in the makeup of the city's population in terms of ethnicity or age will have minimal impact on the activities to be provided by the Council.</p> <p>Employment growth of 1.2% per annum (688 jobs) for the first 10 years and 1.0% per annum (621 jobs) for the next 20 years.</p>			<p>forecast and expenditure will be higher than forecast. Higher or lower expenditure will impact on debt levels, the total rates requirement and the timing of the receipt of development contributions.</p> <p>Actual growth and changes to the makeup of the city's population will be monitored and any changes will be reflected in subsequent Annual and 10-Year Plans.</p> <p>The City already comprises a wide range of ethnicities and has programmes and events designed to cater for them.</p> <p>Council's target is 1,200 jobs per year, a growth rate of 1.9%.</p>
<p>2. City growth – nature, type and location</p> <p>The Strategies and Plans assume that during years 1–10, greenfields residential growth will continue at Aokautere, be centred on the Whakarongo area and make a start in the Kakatangiata (formerly</p>	Privately initiated development is approved in	Medium	The Whakarongo residential area is zoned and available for development – development is

2021-31 10YP assumption	Risk	Level of uncertainty of assumption	Reasons and financial effect of uncertainty
<p>called City West) area and at Ashhurst. New industrial growth will be focused on the extended northeast area of the city, the proposed KiwiRail freight hub and in Longburn.</p> <p>Owners of private infrastructure in Longburn are assessing options to upgrade it to the standards required for it to be vested in the Council. This may involve the Council undertaking some works itself to enable development and seek to recoup the costs through development contributions or some other means.</p> <p>The types of residential development are assumed to remain constant throughout the next 30 years, based on a preference for greenfields development of 50%, infill development of 38%, and rural residential development of 12%. These percentages exclude the construction of apartments and housing units in retirement villages.</p>	<p>areas other than those planned for by the Council or earlier than anticipated.</p>		<p>being led by the Council's own subdivision. Work is underway on a structure plan for further development in Aokautere to ensure co-ordinated outcomes in the area. Kakatangiata is a large area that will provide significant growth capacity for the next 30 years. Four small urban additions are being investigated at Ashhurst. High class soils, flooding and liquefaction risks and infrastructure costs will need to be weighed up against housing demand, and the requirement for Council to ensure there is sufficient capacity to meet projected demand. This will necessitate Council enabling and promoting higher density development opportunities to ensure efficient use of land is maximised, whilst avoiding or mitigating natural hazard and productive land constraints. While KiwiRail are in the process of securing land for the proposed freight hub, they are yet to secure funding to deliver it.</p> <p>If such development is</p>

2021-31 10YP assumption	Risk	Level of uncertainty of assumption	Reasons and financial effect of uncertainty
<p>There will be no change to the City boundaries.</p>	<p>There will be a change to the City boundaries</p>		<p>approved, it may result in a need for increased infrastructural investment by the Council. This may lead to the Council needing to reprioritise other planned expenditure so that it can operate within its own prudent limits.</p> <p>It is difficult to predict how the market will respond to new housing choices and whether traditional infill is reaching a natural saturation point. The Local Government Commission recently assessed a request from a group of residents in the Tokomaru and Opiki areas to become part of the City. The Commission has declined the application.</p>
<p>3. Covid-19 Pandemic</p> <p>There will be no long-term significant economic or social disruption such as increased unemployment, homelessness, lack of income or reduced personal wellbeing that adversely affects residents of Palmerston North as a result of Covid-19 or any subsequent pandemic.</p> <p>There will be no lockdown for a significant period such as occurred in 2020 and if there were, the Council will continue to be able to deliver essential city services.</p>	<p>That the present Covid-19 worldwide crisis continues unabated (despite the development of vaccines) and it becomes a</p>	<p>Medium</p>	<p>The Palmerston North economy is diverse and has significant activity funded by central and local government. To date this has helped shield the City from the worst of the economic impacts of the world-wide Covid-19 pandemic.</p>



2021-31 10YP assumption	Risk	Level of uncertainty of assumption	Reasons and financial effect of uncertainty
<p>Although there may be disruptions to the worldwide supply chains for some goods they will not be so significant as to disrupt the Council's ability to deliver essential services.</p> <p>Border restrictions will change to enable international travel once the community vaccination programme is sufficiently advanced.</p>	<p>significant threat to people and the economic order in Palmerston North.</p>		<p>Although the Council's revenue was reduced during the period of national lockdown in 2020 and subsequently most revenue streams (except dividends from Palmerston North Airport Ltd) have now been restored to near previous levels.</p> <p>The Council was able to redirect staff resources to cope with working from home and continue to deliver essential city services.</p> <p>If necessary, the Council has the ability to modify its priorities through the Annual Plan process each year.</p> <p>The City is not a significant international tourist destination so it has not been significantly impacted by the closure of international borders.</p>
<p><b>4. Climate change</b></p> <p>In the longer term, increased frequency and intensity of storm events and possibly, longer drought period.</p>	<p>That changes to climate will be more significant than assumed.</p>	<p>Medium</p>	<p>Most significant is the likelihood of a higher frequency of heavy rainfall events which would increase both nuisance surface water ponding and flood events.</p>

2021-31 10YP assumption	Risk	Level of uncertainty of assumption	Reasons and financial effect of uncertainty
<p>Efforts will be made to reduce Palmerston North's greenhouse gas emissions by 30% over the next 10 years, in line with targets set by Council and central government.</p> <p>(More information about climate change and its impact is in section 5.11 of the Infrastructure Strategy and the Council's Climate Change Plan.)</p>	<p>That new levels of service and/or standards of living expectations will require a significant expansion in energy use and hence emissions.</p> <p>That the targets set will become more ambitious and enforced, as is intended under the COP21 Paris Accord signed by New Zealand.</p>	<p>Medium</p>	<p>As an inland City there is no exposure to rising sea levels or specific communities being unduly impacted by climate change.</p> <p>Provision is being made to adapt infrastructure for climate change based on NIWA predictions to 2090, given the long-life cycle of assets.</p> <p>If they are different from what is predicted this will be assessed as they become evident.</p> <p>Work is required to better understand the greenhouse gas emissions profile of Palmerston North, and to better understand what actions are required to meet the set targets. Further, while new technologies such as LED lights and electric vehicles (EVs) create significant opportunities for greater energy efficiency and, therefore, cost and emission reductions, many emerging technologies are emission-intensive and will require significant offset if implemented widely. Palmerston North's emissions will also</p>

2021-31 10YP assumption	Risk	Level of uncertainty of assumption	Reasons and financial effect of uncertainty
			depend on future commodity prices, particularly for oil, and whether the current trend of falling EV and renewable energy prices continue.
<p>5. Natural disasters and adverse weather events</p> <p>There will be no significant natural disasters such as storms, floods, earthquakes and volcanic eruptions that damage city infrastructure.</p> <p>There will be no adverse weather events that cause significant damage to the city's infrastructure, including parks.</p>	<p>That there will be a significant natural disaster or adverse weather event.</p>	<p>High</p>	<p>The Council currently contributes to the Local Authority Protection Programme (LAPP) and has the ability to source commercial infrastructure insurance if required. The LAPP fund was designed to cover 40% of the repair costs for certain damaged infrastructure. In certain circumstances, central government may fund the remainder of the costs, although this is subject to review by the Government. Roads and bridges are not covered by this programme, with the only relief available being from NZTA, which funds some of these repair costs. In the event of a disaster, the Council has the flexibility to fund uninsured repair costs by re-prioritising its capital expenditure programme and utilising available lines of credit. If there is an adverse weather event, the Council will need to</p>

2021-31 10YP assumption	Risk	Level of uncertainty of assumption	Reasons and financial effect of uncertainty
			reprioritise its operating budgets to cope or, in the short-term, utilise established lines of credit.
<p>6. Services provided by council</p> <p>Unless otherwise stated in the individual activity sections, service levels are generally assumed to remain the same. Increases to service levels are shown in the individual activity sections as operating and capital programmes. It has been assumed there will be no unexpected changes to legislation or other external factors that alter the nature of services provided by Council.</p>	<p>That there will be some unexpected change to legislation or other factors.</p>	<p>High</p>	<p>In the past, changes have usually taken time to be developed then passed into legislation. There continues to be debate about the structure of local government (for example, the possibility of larger regional groupings) and the possible centralisation of some resource management functions but these have not developed to specific proposals in this region. Other possibilities for change include the water and roading activities. If these are to be progressed, costs and benefits will be assessed and an amended 10-Year Plan prepared if necessary.</p> <p>The government is currently reviewing the way 3 waters (drinking water, wastewater and stormwater) is delivered – refer to assumption 26.</p>

2021-31 10YP assumption	Risk	Level of uncertainty of assumption	Reasons and financial effect of uncertainty
			The government has also recently announced proposed reforms of the resource management legislation that will lead to a significant review of the roles and responsibilities of the Council. Changes will be addressed through future 10 year and annual plans.
<p>7. Continuity of external funding</p> <p>Unless otherwise stated in the individual activity sections, it is assumed that external funding sources will continue at present levels for the duration of the 10-Year Plan.</p> <p>It is also assumed that the Council will be able to borrow at the assumed levels.</p> <p>No provision has been made for any possible additional funding from central government for renewal and resilience programmes for the three waters (other than that already provided in 2020/21 that carries over into 2021/22).</p>	<p>That there is a material change to the way Council services are used or charged for that adversely impacts on revenue.</p> <p>That qualifying criteria or subsidy rates will be changed and/or the Council's access to borrowing becomes restricted.</p>	High	<p>Any changes to the way Council services are charged for will be planned with consideration for the Revenue and Financing Policy and the impact on revenue. Use patterns are monitored and any change in use that impacts on revenue will be considered in subsequent Annual and 10-Year Plans. Lower external operating revenue would lead to an increased rates requirement.</p> <p>Qualifying criteria and subsidy ratios have traditionally been stable though there are indications that Waka Kotahi funding will be more limited in future (see assumption 9) If subsidy rates change, Council</p>

2021-31 10YP assumption	Risk	Level of uncertainty of assumption	Reasons and financial effect of uncertainty
			<p>will reassess its commitment to undertaking the projects concerned.</p> <p>The Council has strong relationships with the financial markets and access to the Local Government Funding Agency to raise cost-effective funding, and will manage its financial arrangements in a manner designed to protect its AA S&amp;P Global credit rating. However it is unlikely, under the present funding arrangements, funders would provide the Council sufficient funding to undertake the Nature Calls project.</p>
<p>8. Sources of funds for future replacement of assets</p> <p>Adequate funding will be provided to replace assets as scheduled. The funding approach is detailed in the Revenue and Financing Policy.</p>	<p>That a particular funding source is unavailable.</p>	<p>Low</p>	<p>As the Council operates a central treasury function, should one source of funding be unavailable for asset replacement, a further option would be available.</p> <p>See the comments above regarding funding the Nature Calls project.</p>
<p>9. Waka Kotahi (NZTA) subsidy</p>	<p>Changes in subsidy rate and</p>	<p>High</p>	<p>In the past, the Government has demonstrated a long-term</p>

2021-31 10YP assumption	Risk	Level of uncertainty of assumption	Reasons and financial effect of uncertainty
<p>The present Waka Kotahi New Zealand Transport Agency financial assistance rate for the Council is 51% of qualifying expenditure. Waka Kotahi subsidies have been assumed at this rate throughout the term of the Plan and for the 30 years of the Infrastructure Strategy. A conservative view has been taken about which programmes will meet the qualifying criteria for subsidy.</p> <p>In June 2021 Waka Kotahi provided advice about the level of continuous programme subsidy it would provide over the three-year period 2021-24. This sum is similar to that provided over the previous three years but less than the Council had sought. The Council has responded by reducing the level of planned expenditure on transport maintenance and renewals by approx. \$1.2 million over the three-year period. In the short term this is not expected to materially affect underlying asset condition or level of service.</p> <p>No change has been made to the expenditure programme levels or subsidy assumptions for years 4 to 10 of the Plan.</p> <p>One programme for \$105 million (PNITI – Strategic Transport Corridor Improvements) assumes external funding at the rate of 75%. (refer assumption 21)</p>	<p>variation in criteria for inclusion in subsidised works programmes.</p>		<p>commitment to funding roading infrastructure that meets the funding agency's benefit/cost ratios. However, in recent times Waka Kotahi has had significant commitments to a number of very large projects throughout NZ, meaning it has been more difficult to obtain funding for capital projects in other areas. Over the 10 years of the Plan, it has been assumed that \$306 million of new capital programmes will attract Waka Kotahi funding of \$181 million. Of this, one programme for \$105 million (PNITI – Strategic Transport Corridor Improvements) assumes external funding at the rate of 75% - the remainder assumes 51%. In the event this funding is not secured, the Council will review its priorities and may choose to delay projects until funding can be obtained. It is also highly likely that if the programme proceeds the roads involved will become State Highways meaning the level of Council contribution required will be further reduced.</p>

2021-31 10YP assumption	Risk	Level of uncertainty of assumption	Reasons and financial effect of uncertainty
<p>10. Airport shareholding and dividends</p> <p>No dividend will be received from Palmerston North Airport Ltd (PNAL) for the period of the 10-Year Plan.</p> <p>No additional share capital will be required by the company in the foreseeable future.</p>	<p>That the actual dividends may be received.</p> <p>That the company requires additional capital.</p>	<p>Low</p> <p>Low</p>	<p>PNAL's ability to pay dividends depends on the company's net surplus each year. In a policy sense the Council's expectation is that PNAL will pay a dividend of 40% of after-tax profits. PNAL's business was severely impacted by the downturn in air travel due to Covid-19 and the Council has agreed that in the immediate future dividends will not be expected but that any surpluses will be re-invested in the business.</p> <p>PNAL has plans for significant capital development for the terminal and for sub-division of non-airside property. Current expectations are that the company will be capable of funding this through additional borrowing though servicing this will impact on the company's operating surpluses in the short to medium term.</p> <p>PNAL had a debt to equity ratio of 22:78 at 1 July 2020 and at this stage the company's plans for future years are under</p>



2021-31 10YP assumption	Risk	Level of uncertainty of assumption	Reasons and financial effect of uncertainty
			review post Covid. The Council has the ability to consider business cases put forward by the company and to reorganise its priorities in future Annual and 10-Year Plans.
<p>11. Revaluation of property, plant and equipment assets</p> <p>Property, plant and equipment assets will be revalued using the following cycle:</p> <p>Leisure assets – years 3, 6 and 9</p> <p>Roading and parking – years 2, 5 and 8</p> <p>Water and waste – years 2, 5 and 8</p> <p>Property – years 3, 6 and 9</p> <p>The revaluations have been based on current industry pricing and the Business and Economic Research Ltd (BERL) forecasts of price level change adjusters. Revaluation movements will be shown in the Statement of Comprehensive Revenue and Expense.</p>	Actual revaluation results differ from those in the forecast.	Low	<p>Where the actual inflation rate is different from what has been forecast, the actual revaluation will be different from the forecast. This would lead to depreciation being higher or lower than forecast, but as the Council does not directly fund depreciation, there will be no direct impact on ratepayers.</p> <p>Annual Plans will reflect the outcomes of actual revaluations, as will the new 10-Year Plan produced every three years.</p>
<p>12. Asset lives</p> <p>Useful lives of assets are as recorded in asset management plans or based on professional advice. These are summarised in the depreciation note within the accounting policies. The 30 Year Infrastructure Strategy also contains summarised information about the roading, water, wastewater, stormwater, recreation and built property assets.</p>	That assets wear out or are decommissioned earlier than estimated.	Low	<p>Asset life is based on estimates of engineers, valuers and asset managers.</p> <p>In the event that assets need to be replaced in advance of the assumption, depreciation and interest costs may increase. The extent of the increase will</p>

2021-31 10YP assumption	Risk	Level of uncertainty of assumption	Reasons and financial effect of uncertainty
			depend on the nature and value of the asset. The renewal programme is reviewed annually, and any changes to planned timing of renewals will be reflected in the Annual Plan, with adjustments to funding arrangements if required.
<p>13. Depreciation</p> <p>Depreciation has been calculated on asset values at their latest revaluation date, and on additions at cost afterwards. It is assumed that:</p> <ul style="list-style-type: none"> <li>existing depreciation rates will continue</li> <li>new assets' depreciation will be the result of their estimated lives and values</li> <li>depreciation on new and renewal programmes will impact in the year following the capital programme.</li> </ul>	<p>That more detailed analysis of planned capital works once complete may alter the depreciation expense.</p> <p>That asset lives may be extended due to new technology improving asset lives, or reduced due to assets being decommissioned sooner than originally assumed.</p>	Low	<p>Council has asset management planning and upgrade programmes in place. Asset capacity and condition is monitored, with replacement works planned according to standard asset management and professional practices. Actual depreciation is calculated according to normal accounting and asset management practices, which require depreciation to start once an asset is commissioned. However, the planning assumption is considered reasonable given the level of uncertainty about the likely timing of the commissioning of each asset. Also, from a funding perspective, the Council bases its funding decisions on the forecast average levels of renewals, so the forecast level of</p>

2021-31 10YP assumption	Risk	Level of uncertainty of assumption	Reasons and financial effect of uncertainty																																																												
			depreciation does not affect this.																																																												
<p>14. Inflation Costs and revenues for 2021/22 have been predicted. Beyond this, inflation has been included in the 10-Year Plan using the BERL mid-scenario forecasts of cost adjustors, issued in September 2020, as follows:</p> <table border="1" data-bbox="203 571 1088 1225"> <thead> <tr> <th data-bbox="203 571 405 683">Year ending</th> <th data-bbox="405 571 546 683">Roading</th> <th data-bbox="546 571 710 683">Planning &amp; regulation</th> <th data-bbox="710 571 904 683">Water &amp; environment</th> <th data-bbox="904 571 1088 683">Community activities</th> </tr> </thead> <tbody> <tr><td data-bbox="203 683 405 719">Jun 2022</td><td data-bbox="405 683 546 719">3.3%</td><td data-bbox="546 683 710 719">2.7%</td><td data-bbox="710 683 904 719">6.0%</td><td data-bbox="904 683 1088 719">3.2%</td></tr> <tr><td data-bbox="203 719 405 756">Jun 2023</td><td data-bbox="405 719 546 756">3.1%</td><td data-bbox="546 719 710 756">2.5%</td><td data-bbox="710 719 904 756">3.5%</td><td data-bbox="904 719 1088 756">2.7%</td></tr> <tr><td data-bbox="203 756 405 793">Jun 2024</td><td data-bbox="405 756 546 793">3.0%</td><td data-bbox="546 756 710 793">2.3%</td><td data-bbox="710 756 904 793">2.6%</td><td data-bbox="904 756 1088 793">2.5%</td></tr> <tr><td data-bbox="203 793 405 829">Jun 2025</td><td data-bbox="405 793 546 829">2.9%</td><td data-bbox="546 793 710 829">2.2%</td><td data-bbox="710 793 904 829">2.7%</td><td data-bbox="904 793 1088 829">2.4%</td></tr> <tr><td data-bbox="203 829 405 866">Jun 2026</td><td data-bbox="405 829 546 866">2.9%</td><td data-bbox="546 829 710 866">2.2%</td><td data-bbox="710 829 904 866">2.9%</td><td data-bbox="904 829 1088 866">2.5%</td></tr> <tr><td data-bbox="203 866 405 903">Jun 2027</td><td data-bbox="405 866 546 903">2.9%</td><td data-bbox="546 866 710 903">2.2%</td><td data-bbox="710 866 904 903">2.8%</td><td data-bbox="904 866 1088 903">2.4%</td></tr> <tr><td data-bbox="203 903 405 940">Jun 2028</td><td data-bbox="405 903 546 940">2.9%</td><td data-bbox="546 903 710 940">2.2%</td><td data-bbox="710 903 904 940">3.2%</td><td data-bbox="904 903 1088 940">2.5%</td></tr> <tr><td data-bbox="203 940 405 976">Jun 2029</td><td data-bbox="405 940 546 976">2.9%</td><td data-bbox="546 940 710 976">2.2%</td><td data-bbox="710 940 904 976">3.3%</td><td data-bbox="904 940 1088 976">2.6%</td></tr> <tr><td data-bbox="203 976 405 1013">Jun 2030</td><td data-bbox="405 976 546 1013">2.9%</td><td data-bbox="546 976 710 1013">2.2%</td><td data-bbox="710 976 904 1013">3.4%</td><td data-bbox="904 976 1088 1013">2.6%</td></tr> <tr><td data-bbox="203 1013 405 1050">Jun 2031</td><td data-bbox="405 1013 546 1050">2.9%</td><td data-bbox="546 1013 710 1050">2.2%</td><td data-bbox="710 1013 904 1050">3.1%</td><td data-bbox="904 1013 1088 1050">2.4%</td></tr> <tr><td data-bbox="203 1050 405 1225">Remaining 20 years of Infrastructure Strategy</td><td data-bbox="405 1050 546 1225">2.5%</td><td data-bbox="546 1050 710 1225">2.0%</td><td data-bbox="710 1050 904 1225">2.5%</td><td data-bbox="904 1050 1088 1225">2.1%</td></tr> </tbody> </table>	Year ending	Roading	Planning & regulation	Water & environment	Community activities	Jun 2022	3.3%	2.7%	6.0%	3.2%	Jun 2023	3.1%	2.5%	3.5%	2.7%	Jun 2024	3.0%	2.3%	2.6%	2.5%	Jun 2025	2.9%	2.2%	2.7%	2.4%	Jun 2026	2.9%	2.2%	2.9%	2.5%	Jun 2027	2.9%	2.2%	2.8%	2.4%	Jun 2028	2.9%	2.2%	3.2%	2.5%	Jun 2029	2.9%	2.2%	3.3%	2.6%	Jun 2030	2.9%	2.2%	3.4%	2.6%	Jun 2031	2.9%	2.2%	3.1%	2.4%	Remaining 20 years of Infrastructure Strategy	2.5%	2.0%	2.5%	2.1%	That actual inflation differs from what has been predicted and that decisions are made based on predicted inflation levels.	Low	Where the actual inflation rate is different from what has been forecast, the cost of projects and expenditure will be different from the forecast. In the two years following the adoption of the 10-Year Plan, this will be addressed through the Annual Plan process, and in the third year a new 10-Year Plan is produced.
Year ending	Roading	Planning & regulation	Water & environment	Community activities																																																											
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Remaining 20 years of Infrastructure Strategy	2.5%	2.0%	2.5%	2.1%																																																											
<p>15. Interest rates for Borrowings</p> <p>Interest on term debt is calculated using an interest rate of 2.8%. To allow for anticipated timing of capital expenditure, interest is</p>	That the interest rate will differ from what has been used in the calculations.	Low	This will be managed through the Treasury (incorporating Liability Management and Investment) Policy. The Council has hedging strategies to																																																												

2021-31 10YP assumption	Risk	Level of uncertainty of assumption	Reasons and financial effect of uncertainty
<p>provided for on only 50% of forecast new loan amounts in the year of the capital expenditure, but on the full amount in each year thereafter. For 2021/22 interest is provided for on 33% of the forecast new loan amounts.</p>			<p>protect against upward movement in interest rates. It currently has an AA S&amp;P Global credit rating and utilises the Local Government Funding Agency – both arrangements mean the Council has access to markets at prime rates. If the average cost of borrowing increased by 0.5% the interest expense for each year of the 10-Year Plan would increase as follows:</p> <p>2021/22 \$0.91 million  2022/23 \$1.21 million  2023/24 \$1.49 million  2024/25 \$2.06 million  2025/26 \$2.91 million  2026/27 \$3.72 million  2027/28 \$4.15 million  2028/29 \$4.26 million  2029/30 \$4.39 million  2030/31 \$4.42 million</p> <p>There would be an equivalent reduction in each year if the average cost of borrowing was 0.5% lower than assumed.</p>
<p>16. Resource consents (especially wastewater discharge)</p> <p>Conditions of resource consents held by the Council will not be</p>	<p>That resource consent conditions are altered in a way</p>	<p>High</p>	<p>Council's most significant resource consent is for the discharge from the main wastewater treatment plant to</p>

2021-31 10YP assumption	Risk	Level of uncertainty of assumption	Reasons and financial effect of uncertainty
<p>altered significantly, except for the discharge consent for the wastewater plant. In this case, it has been assumed that the new consent will require the Council to invest significantly to upgrade the plant with consequential ongoing operating cost impacts.</p>	<p>that is different from what was assumed.</p>		<p>the Manawatū River, which is due to expire in 2028. A condition of the consent is that the Council will complete a best practicable option review for its wastewater treatment and disposal by June 2021 and lodge a complete consent application by June 2022.</p> <p>Financial provision of nearly \$6 million has been made in the next six years to undertake investigations and manage the consent application process relating to this project.</p> <p>A range of potential options has been shortlisted and a preferred option is to be selected by June 2021.</p> <p>For the purpose of the 10-Year Plan, it has been assumed that a solution will be provided with a capital outlay of \$350 million (plus inflation) and that the expenditure will be incurred between 2023 and 2027.</p> <p>In addition, it has been assumed there will be additional operating costs of \$7.5 million</p>

2021-31 10YP assumption	Risk	Level of uncertainty of assumption	Reasons and financial effect of uncertainty
			<p>per annum from 2026 on top of the debt servicing and repayment costs.</p> <p>The Council recognises that under present funding arrangements it is unlikely to be able to borrow the full sum assumed will be required for this project.</p>
<p>17. Turitea Windfarm</p> <p>Construction of Mercury's 60 turbine windfarm (with 30 on Council's Turitea Reserve land) will be 50% complete and operational by October 2021 &amp; 100% complete and operational by mid 2023.</p> <p>Resulting from the contract Mercury will pay the Council at least \$0.5 million during 2021/22 and \$0.8 million p.a. thereafter.</p> <p>Any such revenue received from Mercury is planned to be used to fund operating costs for city reserves – this complies with the purposes outlined in the Reserves Act 1977.</p>	<p>That windfarm energy production is lower than assumed and/or wholesale electricity prices are lower than assumed.</p>	<p>Medium</p>	<p>It is assumed the 30 turbines will generate 420 Gwh p.a. A minimum annual payment of \$0.76 million would be payable based on a 12-month rolling average wholesale price of \$62 per Mwh.</p> <p>If they generated only 350 Gwh the minimum annual payment would be \$0.63 million.</p> <p>If the rolling average wholesale price was \$90 per Mwh revenue would total \$1.1 million (for 420 Gwh) or \$0.95 million for 350 Gwh. The current rolling average significantly exceeds this.</p>
<p>18. Weathertight (leaky) homes claims</p>	<p>That the number</p>	<p>Low</p>	<p>The Council's exposure to new</p>

2021-31 10YP assumption	Risk	Level of uncertainty of assumption	Reasons and financial effect of uncertainty
<p>The Council will continue to receive claims relating to leaky homes and that it will be required to pay contributions toward settlement.</p> <p>Any uninsured claims that are paid will be charged against the balance of the previously funded provision.</p>	<p>of claims and/or the level of settlement per claim is significantly higher than the levels assumed.</p>		<p>claims is uninsured.</p> <p>For several years, the Council funded a provision for future claims. The balance of this provision is expected to be approximately \$0.5 million at 1 July 2021 and to be adequate to cope with claims in the foreseeable future. If the Council is faced with paying more than remains in the provision in any particular year, it will determine at the time whether it has the financial capacity to fund from operations or whether short-term borrowing will be required. The appropriateness of the level of expenditure assumed will be reviewed in each year's Annual Plan.</p>
<p>19. Insurance</p> <p>The Council will continue to be able to obtain adequate insurance cover for its infrastructure and property assets as well as for public liability and professional indemnity at terms and cost that are affordable.</p> <p>Material damage re-instatement cover will not be obtainable for the Council's properties that are classified as earthquake prone.</p>	<p>That the terms of insurance cover available become unreasonably restrictive and/or the premium cost is significantly higher than assumed.</p>	<p>Low</p>	<p>The significant earthquakes in New Zealand in the last decade have impacted on the terms and cost of insurance cover. The markets have largely stabilised.</p> <p>To date, the Council has retained its membership of the</p>

2021-31 10YP assumption	Risk	Level of uncertainty of assumption	Reasons and financial effect of uncertainty
			<p>Local Authority Protection Programme, but each year it assesses other market options for underground infrastructure insurance.</p> <p>There continues to be uncertainty about the future basis of calculating fire service levies to fund Fire and Emergency New Zealand.</p> <p>Due to the number and nature of claims against local government it is becoming more difficult to obtain affordable liability cover for professional indemnity.</p>
<p>20. Earthquake-prone buildings</p> <p>The Council will need to incur significant expenditure to address any shortcomings in the standard of its buildings in relation to earthquakes.</p> <p>The Council will upgrade each of its buildings to a minimum of 34% of the New Build Standard (NBS) and that this will be done progressively over a 15-year period.</p> <p>Currently nine of the Council's buildings and facilities have been assessed as earthquake prone including the Civic Administration Building, Te Manawa, The Regent, the library, Square Edge,</p>	<p>That when the upgrade work starts, the actual cost will be significantly more than is currently contemplated.</p>	<p>Medium</p>	<p>Council's properties have been assessed, beginning with those that are the most significant (in terms of size and public exposure) and those considered to be the most likely to be at risk.</p> <p>Preliminary assessments have been made of the forecast cost of upgrading the buildings to meet a minimum of 34% of the NBS.</p>



2021-31 10YP assumption	Risk	Level of uncertainty of assumption	Reasons and financial effect of uncertainty
<p>crematorium, Caccia Birch, Keith St historic power station &amp; wastewater treatment plant.</p>			<p>Given what is known about the buildings at this stage, a proposed programme of works has been prepared (totalling approx. \$155 million) to progressively upgrade the buildings over a 15-year period. As more information becomes available, the Council will reassess budget priorities.</p> <p>The outcomes of the civic and cultural precinct masterplan work will influence decisions about the nature of the investments to be made in relation to the library and Te Manawa.</p> <p>At all times the Council will have regard for the safety of occupiers and public users of the properties.</p>
<p>21. Provision of a regional freight ring road including an additional road crossing of the Manawatū River</p> <p>There will be progress made with the Palmerston North Integrated Transport Initiative (PNITI) to guide investment in strategic transport.</p>	<p>That regional economic growth may be hindered by the lack progress with implementing the PNITI.</p>	<p>Medium</p>	<p>Council has been collaborating with Waka Kotahi, Horizons and neighbouring local councils on the proposed regional freight ring road for more than a decade. Waka Kotahi have developed the Palmerston North Integrated Transport Initiative</p>

2021-31 10YP assumption	Risk	Level of uncertainty of assumption	Reasons and financial effect of uncertainty
			<p>(PNITI) to guide investment in strategic transport in the city. PNITI is a package of interventions to support freight and distribution potential of the region, assist in building the region's resilience and provide a safer, more cost-effective connection between some of the regions key industrial areas whilst improving access and safety for Palmerston North residents. PNITI considers a programme of investment including a regional freight ring road, an additional Manawatū River crossing, improvements around Bunnythorpe, connections to the North East Industrial Zone, accessibility and safety improvements throughout the city.</p> <p>Council's initial focus is on delivering the regional freight ring road. Delivering the PNITI and a further river crossing will only be viable for the Council with assistance from Waka Kotahi. The budget assumes expenditure of \$105 million over the 10-year period, 75% of which would be funded by external</p>

2021-31 10YP assumption	Risk	Level of uncertainty of assumption	Reasons and financial effect of uncertainty
			subsidy. It is expected the new regional freight ring road would become a state highway meaning the Council should be able to expect a higher level of subsidy than this.
<p>22 Legal expenses</p> <p>The Council will not be required to incur significantly more legal expenses than has been the case in recent years.</p>	<p>That the Council needs to incur more legal expenses than assumed.</p>	<p>Low</p>	<p>The nature of Council's activities (especially in the resource management and regulatory areas) means legal expenses are often incurred to develop and/or defend Council's position. The actual position will be monitored and, if necessary, changes made to operating budgets to cope.</p>
<p>23. Delivery of services reviews</p> <p>The service reviews required under section 17A LGA 2002 will not lead to major changes to the governance, funding and delivery of Council's infrastructure or services.</p>	<p>That following the reviews, the Council may decide to change certain current service delivery arrangements.</p>	<p>Low</p>	<p>Changes would be proposed only if they were expected to produce a more effective and efficient outcome for citizens and ratepayers. If a change is proposed, the Council will be able to decide on any transitional arrangements to be made. The nature and extent of any public consultation undertaken will be assessed against the Council's Significance and Engagement Policy.</p>

2021-31 10YP assumption	Risk	Level of uncertainty of assumption	Reasons and financial effect of uncertainty
<p>24. Residential subdivision</p> <p>The Council will progressively develop and sell 9.63ha of its land in the Whakarongo growth residential zone and that the subdivision will provide a net return of more than \$6 million – these proceeds will be used to fund progressive renewal of the Council's social housing portfolio.</p> <p>Other land owned by the Council will be assessed for potential development for residential housing.</p>	<p>That development costs are higher than assumed (with additional requirements identified through detailed design or higher contracting costs).</p> <p>That the variability of the housing market will impact on the sale price and period taken to sell.</p>	Medium	<p>Construction of stage 1 of Council's subdivision in Whakarongo (Tamakuku Terrace) has commenced and resource consent is being sought for stage 2. Based on the present market demand for greenfields sites it is anticipated these sections should sell quickly.</p>
<p>25. Drinking water standards</p> <p>The Council has made adequate financial provision to accommodate any changes that may be made as a result of the latest review of the NZ Drinking Water Standards.</p>	<p>That the expected changes to the standards will impose requirements that are more expensive and/or needed sooner than provided for.</p>	Medium	<p>The city's water supply is fully chlorinated. Provision has been made in the 10-Year Plan for programmes to add an additional layer of barrier protection (UV treatment) to its water treatment to maintain compliance with the standards. It may be necessary to add storage to the city's bore sites so that free available chlorine contact time can be provided to the water from the bores. The provisions will be reviewed</p>

2021-31 10YP assumption	Risk	Level of uncertainty of assumption	Reasons and financial effect of uncertainty																												
			when the updated standards are known, and the Council will be able to reassess the timing and/or scope of the work required when preparing future Annual and 10 Year Plans.																												
<p>26. Three Waters Reform</p> <p>Council will continue to have legislative responsibility for delivering the water, wastewater and stormwater activities over the term of the 10-Year Plan.</p> <p>Over the period of the 10-Year Plan Council has assumed the following in relation to these activities:</p> <table border="1" data-bbox="203 810 936 1377"> <thead> <tr> <th>\$000</th> <th>Water</th> <th>Wastewater</th> <th>Stormwater</th> </tr> </thead> <tbody> <tr> <td>Operating revenue (incl rates)</td> <td>144,993</td> <td>306,708</td> <td>51,529</td> </tr> <tr> <td>Operating costs</td> <td>52,495</td> <td>133,903</td> <td>28,637</td> </tr> <tr> <td>Interest costs</td> <td>16,456</td> <td>62,088</td> <td>6,591</td> </tr> <tr> <td>Depreciation</td> <td>39,396</td> <td>87,008</td> <td>31,322</td> </tr> <tr> <td>Book value of assets (as at 30 June 2031)</td> <td>261,243</td> <td>636,875</td> <td>167,355</td> </tr> <tr> <td>Portion of Council debt</td> <td>93,731</td> <td>407,056</td> <td>37,388</td> </tr> </tbody> </table>	\$000	Water	Wastewater	Stormwater	Operating revenue (incl rates)	144,993	306,708	51,529	Operating costs	52,495	133,903	28,637	Interest costs	16,456	62,088	6,591	Depreciation	39,396	87,008	31,322	Book value of assets (as at 30 June 2031)	261,243	636,875	167,355	Portion of Council debt	93,731	407,056	37,388	That responsibility for some or all of these activities will transfer to another entity.	High	<p>Central government is proposing major reform of the delivery of the three waters activities. Like other territorial authorities the Council has entered a Memorandum of Understanding with the Crown to work together to identify an approach to service delivery reform that considers the following design features:</p> <ul style="list-style-type: none"> <li>• Water service entities that are: <ul style="list-style-type: none"> <li>○ Of significant scale (most likely multi-regional) to enable benefits from aggregation to be achieved over the medium to long term;</li> <li>○ Asset owning entities, with balance sheet separation to support improved access to capital, alternative funding instruments and improved</li> </ul> </li> </ul>
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2021-31 10YP assumption				Risk	Level of uncertainty of assumption	Reasons and financial effect of uncertainty
associated with activity (as at 30 June 2031)						balance sheet strength; and <ul style="list-style-type: none"> <li>○ Structured as statutory entities with appropriate and relevant commercial disciplines and competency-based boards;</li> <li>• Delivery of drinking water and wastewater services as a priority, with the ability to extend to stormwater service provision only where effective and efficient to do so;</li> <li>• Water entities would be publicly owned entities, with a preference for collective council ownership;</li> <li>• Mechanisms for enabling communities to provide input in relation to the new entities.</li> </ul> The three waters are a core part of the Council’s current responsibilities.  The present design draft
Budgeted capital renewals	49,561	54,194	8,985			
Budgeted new capital	80,290	426,382	35,859			

2021-31 10YP assumption	Risk	Level of uncertainty of assumption	Reasons and financial effect of uncertainty
			<p>assumes a new entity would assume all of the income and expenditure relating to the activities transferred but at this stage it is not clear whether the Council would continue to have a role as a shareholder or an agent to raise the operating revenue for the entity. There would likely be second level impacts on the Council that would need to be analysed when assessing any proposal received.</p> <p>Once the proposals become more certain the Council will need to consider preparing an updated 10-Year Plan. At this stage it is not clear whether this will happen as part of the next three yearly planning cycle or before that.</p> <p>Whether the responsibility for delivery of these services remains with the Council or transfers to a new entity, property owners will continue to pay for the services either in the form of rates and charges from the Council or charges directly from the new entity. The 10-Year Plan proposes significant</p>

2021-31 10YP assumption	Risk	Level of uncertainty of assumption	Reasons and financial effect of uncertainty
			<p>increases in the costs of providing these services and therefore in rates and charges from the Council to fund them.</p> <p>It is likely the government will progress its plans quickly and that as a result the Council will need to engage further with the community within the next 12 months.</p>
<p>27. Capital Expenditure Delivery Council will have adequate resources to initiate and manage the significant capital expenditure programme within the timeframes assumed.</p> <p>The construction industry will have the capacity to undertake the Council's programmes in addition to the other large public and private projects planned for the next 10 years.</p> <p>Interruptions to international supply chains will not materially adversely impact on the Council's ability to complete the planned capital expenditure programme.</p>	<p>That there will not be sufficient capacity to undertake the work within the timeframes or budgets that have been assumed</p>	<p>High</p>	<p>There is a huge pipeline of projected public and private work scheduled for the region. The Council is already experiencing some difficulty obtaining contractors for programmed works. In recognition of this some non-critical programmes have been scheduled later.</p> <p>Council will be proactively working with contractors to find ways of reducing the level of uncertainty.</p> <p>It has been assumed approx. \$15.8 million of the scheduled capital expenditure programme for 2020/21 will not</p>



2021-31 10YP assumption	Risk	Level of uncertainty of assumption	Reasons and financial effect of uncertainty
			<p>be completed and will be carried forward to 2021/22. If the actual level of carry forward is greater than this the programme of scheduled work for 2021/22 will be reviewed and, if necessary, components delayed.</p> <p>Delays in undertaking capital expenditure mean there is a risk that when the work is actually done it will cost more than previously assumed. Council will assess the impacts of this on a case by case basis and, if necessary, reassess priorities and possibly defer other works. Such delays would mean raising new debt later than programmed with consequential short-term savings in interest expense. As borrowing is undertaken as required this is not an issue.</p> <p>Delays in undertaking capital renewal expenditure mean there is an increased risk that unplanned maintenance may be required. The Council believes this risk is manageable and that if required other works</p>

2021-31 10YP assumption	Risk	Level of uncertainty of assumption	Reasons and financial effect of uncertainty
			could be re-prioritised.

# Statement of Accounting Policies

## Reporting entity

Palmerston North City Council (the Council) is a territorial local authority governed by the Local Government Act 2002 and is domiciled and operates in New Zealand.

The financial statements in the 10 Year Plan are those of the Council as a separate legal entity and not of the Council group.

The Council provides local infrastructure, regulatory services and local public services to the community and does not operate to make a financial return. Accordingly, the Council has designated itself as a public benefit entity (PBE) for financial reporting purposes.

The prospective financial statements of the Council are for the years ended 30 June 2022 to 30 June 2031. The Council does not intend to update the prospective financial statements subsequent to presentation.

## Basis of preparation

The financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the period.

## Statement of compliance

The financial statements of the Council have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZGAAP).

These financial statements of the Council, with the exception of the Funding Impact Statements, have been prepared in accordance with NZGAAP. They comply with PBE FRS 42, NZ Public Benefit Entity Standards, other financial reporting standards as appropriate for public benefit entities, and are prepared in accordance with Tier 1 PBE Standards. The Funding Impact Statements do not comply with NZGAAP as they do not recognise depreciation and movements in the value of assets and also they do not show capital income (Subsidies and Development Contributions) as operating income.

## Measurement base

The financial statements have been prepared on an historical cost basis, modified by the revaluation of land and buildings, infrastructural assets, investment property, biological assets and certain financial instruments (including derivative instruments).

## Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000), unless shown otherwise.

## Changes in accounting policies

There have been no changes in accounting policies during the financial year.

## Standards issued that are not yet effective and have not been early adopted

The following are new accounting standards that are applicable for future year ends. The standards have been issued but are not yet required to be adopted and applied for the year ending 30 June 2022.

For subsequent years, 2023-2031, PBE IPSAS 41 Financial Instruments will be applicable as this new accounting standard will become

effective for the period beginning 1 July 2022. The main differences between PBE IPSAS 29 and PBE IPSAS 41 relate to the classification of financial assets and liabilities, impairment and hedging. Under PBE IPSAS 41 the financial classification should not significantly change the value of the financial assets or liabilities. The required change in impairment model should have no impact as impairments are not usually significant when considering prospective financial statements and the hedging requirements under PBE IPSAS 41 can be continued as they were under PBE IPSAS 29.

## Significant accounting policies

### Revenue

Revenue is measured at the fair value of consideration received or receivable when it is probable that the economic benefit will flow to the Council.

### Rates revenue

The following policies for rates are applied:

- General rates, targeted rates (excluding metered water), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Rates arising from late payment penalties are recognised as revenue when rates become overdue.
- Revenue from metered water rates is recognised on an accrual basis based on usage. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.
- Rates remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.

### Agency revenue

Where revenue is derived by acting as an agent for another party, the revenue that is recognised is the commission or fee on that transaction.

### Provision of services

Revenue from the rendering of services is recognised on a percentage completion basis with reference to the recoverable costs incurred at balance date.

### Sale of goods

Sales of goods are recognised when a product is sold to the customer. Sales are usually in cash or by credit card. The recorded revenue is the gross amount of the sale, including credit card fees payable for the transaction. Such fees are included in other expenses.

### Government subsidies and other grants

The Council receives government subsidies from Waka Kotahi New Zealand Transport Agency, which subsidises part of the Council's costs of maintenance and capital expenditure of the local roading infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

### Traffic and parking infringements

Traffic and parking infringements are recognised when the infringement notices are issued, less assessed impairment losses determined by the collection history over the last year.

**Vested assets**

Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as capital revenue when control over the asset is obtained. Fair value is determined by reference to the cost of constructing the asset or construction cost of the property developer.

**Development contributions**

Development and financial contributions are recognised as revenue when the Council provides, or is able to provide, the service for which the contribution was charged. Otherwise, development and financial contributions are recognised as liabilities until such time the Council provides, or is able to provide, the service.

Development contributions are classified as part of 'Capital Revenue' in the Statement of Comprehensive Revenue and Expense.

**Interest and dividends**

Interest income is recognised using the effective interest method.

Dividends are recognised when the right to receive payment has been established.

**Borrowing costs**

Borrowing costs are recognised as an expense in the period in which they are incurred.

**Grant expenditure**

The Council's grants awarded have no substantive conditions attached.

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where the Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of the Council's decision.

**Income tax**

Income tax expense comprises both current tax and deferred tax, and is calculated using tax rates that have been enacted or substantively enacted by balance date.

Current tax is the amount of income tax payable based on the taxable surplus for the current year, plus any adjustments to income tax payable in respect of prior years.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable surplus.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable surpluses will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting surplus nor taxable surplus.

Current tax and deferred tax are recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive income 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

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

### Financial instruments

For year 1 (2021/22) of the 10-Year Plan, PBE IPSAS 29 *Financial Instruments* applies as below. The comparative prospective financial instruments for 2020/21 were also prepared using this accounting standard.

For subsequent years, 2023-2031, PBE IPSAS 41 *Financial Instruments* will be applicable as this new accounting standard will become effective for the period beginning 1 July 2022. The prospective financial statements for the years 2 to 10 have not been prepared using this new standard as the Council does not consider that the financial information will be materially different. The main differences between PBE IPSAS 29 and PBE IPSAS 41 relate to the classification of financial assets and liabilities, impairment and hedging. Under PBE IPSAS 41 the financial classification should not significantly change the value of the financial assets or liabilities. The required change in impairment model should have no impact as impairments are not usually significant when considering prospective financial statements and the hedging

requirements under PBE IPSAS 41 can be continued as they were under PBE IPSAS 29.

### Current accounting policies under PBE IPSAS 29

#### Financial classification

Financial instruments include financial assets (loans and receivables and financial assets at fair value through other comprehensive revenue and expense), financial liabilities (payables and borrowings) and derivative financial instruments. Financial instruments are initially recognised on trade-date at their fair value plus transaction costs. Subsequent measurement of financial instruments depends on the classification determined by the Council. Financial instruments are derecognised when the rights to receive cash flows have expired or have been transferred and the Council has transferred substantially all the risks and rewards of ownership.

Financial instruments are classified into the categories outlined below based on the purpose for which they were acquired. The classification is determined at initial recognition and re-evaluated at the end of each reporting period.

#### Financial assets

Financial assets and liabilities are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit.

Purchases and sales of financial assets are recognised on trade-date, the date on which the Council commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Council has transferred substantially all the risks and rewards of ownership.

The Council classifies its financial assets into the following categories:

- fair value through surplus or deficit
- loans and receivables
- held-to-maturity investments
- fair value through other comprehensive revenue and expense.

The classification depends on the purpose for which the investment was acquired. Management determines the classification of its investments at initial recognition.

### **Financial assets at fair value through surplus or deficit**

Financial assets at fair value through surplus or deficit include financial assets held for trading. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short-term profit taking. Derivatives are also categorised as held for trading unless they are designated as hedges (the Council does not apply hedge accounting).

Assets in this category are classified as current assets unless settlement is beyond 12 months and in management's assessment they are likely to be held to maturity or are not expected to be realised within 12 months of the balance sheet date.

After initial recognition they are measured at fair values with gains or losses on remeasurement recognised in the surplus or deficit.

### **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets. The Council's loans and receivables comprise cash and cash equivalents, trade and other receivables, term deposits, community and related party loans.

After initial recognition, they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Loans to community organisations made by the Council at nil or below market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar financial instrument. The loans are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of the expected future cash flows of the loan is recognised in the surplus or deficit as a grant.

### **Held-to-maturity investments**

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Council has the positive intention and ability to hold to maturity.

After initial recognition, they are measured at amortised cost, using the effective interest method to each repricing date, less impairment.

Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Assets in this category include NZLGFA borrower notes.

### **Financial assets at fair value through other comprehensive revenue and expense**

Financial assets at fair value through other comprehensive revenue and expense are those that are designated at initial recognition or not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance date. The Council's financial assets at fair value through other comprehensive revenue and expense include:

- investments, the Council intends to hold long term but which may be realised before maturity (that is, unlisted shares held in Civic Financial Services Ltd)
- shareholdings the Council holds for strategic purposes.

The Council's investments in its subsidiary companies are not included in this category as they are held at cost (as allowed by PBE IPSAS 35 Consolidated Financial Statements and PBE IPSAS 36 Investments in Associates and Joint Ventures) whereas this category is to be measured at fair value.

After initial recognition these investments are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expense, except for impairment losses, which are recognised in the surplus or deficit.

On derecognition, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

### **Fair value**

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used is the current bid price.

The fair value of financial instruments (including financial assets at fair value through surplus or deficit) that are not traded in an active market is determined using appropriate valuation techniques. The Council uses a variety of methods and makes assumptions based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as discounted expected cash flows, are used to determine fair value for the remaining financial instruments.

### **Impairment of financial assets**

At each balance sheet date, the Council assesses whether there is any objective evidence that a financial asset or group of financial

assets is impaired. Any impairment losses are recognised in the surplus or deficit.

Impairment of a loan or receivable is established when there is objective evidence that the Council will not be able to collect all amounts due according to the original terms. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate.

Impairment for all other financial assets is established when there is objective evidence that the Council will not be able to collect amounts due on original terms or there is a significant or prolonged decline in fair value of an investment. Any impairment losses are recognised in the surplus or deficit.

### **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** - including land, buildings, recreation and community facilities, landfill post-closure, library books, heritage and art collections, plant and equipment, and motor vehicles.

**Restricted assets** – Council-owned parks and reserves that provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

**Infrastructure assets** - the fixed utility systems owned by the Council, including transport, water, wastewater and stormwater networks, and waste management. Each asset class includes all items that are required for the network to function, such as, reticulation piping and sewer pump stations for wastewater reticulation.

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

### Revaluation

The following plant, property and equipment asset groups are revalued at least every three years to ensure their carrying amount does not differ materially from fair value:

- roading (except land under roads) and parking network
- water, wastewater and stormwater networks
- parks, building property, recreation, sportsfields and community facilities.

All other asset classes are carried at depreciated historical cost.

The Council assesses the carrying values of its revalued assets annually to ensure they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

The Council accounts for revaluations of property, plant and equipment on a class of asset basis.

Land under roads is generally considered 'non-tradable' due to the perpetual nature of community use. As there is no generally accepted methodology for the valuation of land under roads, the Council is not revaluing this land and will carry this at deemed cost. Under the previous NZ IFRS, the Council has elected to use the fair value of land under roads as at 1 July 2005 as deemed cost.

### Accounting for revaluation

The results of revaluing are included in other comprehensive revenue and expense and credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed.

### Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired through a non-exchange transaction, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

### Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

### Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

### Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment (except as referred to in the following paragraph), at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

Land, land under roads, restricted assets, assets under construction, investment properties, biological assets and heritage assets are not depreciated.

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

<b>OPERATING ASSETS</b>	<b>YEARS</b>
Buildings	50-100
Building fitout	10-50

Plant and equipment	3-25
Furniture and fittings	4-25
Motor vehicles	3-18
Computer equipment	2-7
Library books	3-10
Exhibitions	1-5
Leasehold improvements	1-30

### **INFRASTRUCTURAL ASSETS**

#### **Roading**

	<b>YEARS</b>
Bridges and culverts	25-125
Sub-base and base course	100
Surfaces	1-20
Footpaths	15-99
Kerb and channel	80
Signage	20
Signals, streetlights	5-80
Trees	100
Vehicle crossing	80

#### **Car parks**

Car parking buildings	50
Sub-base and base course	100
Surfaces	20-40

#### **Waste management**

Buildings	50-100
Safety fence, portable screens	40
Pumps	30
Sumps, drainage	100
Machinery	15-35
Wheelie bins	15

#### **Stormwater**

Pipework	120-175
Sumps	150
Laterals, manholes	120-150
Pumping station/pumps	10-100

**Wastewater**

Pipeworks, laterals, manholes	120
Pumps	15-30
Pumping stations	30-100
Buildings	50-100
Treatment plants	15-120

**Water**

Pipeworks, laterals	50-120
Hydrants	80
Tobies	55-70
Valves	80
Water meters	15-25
Pumping stations	15-100
Dams	15-1000
Reservoirs	100

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

**Intangible assets****Goodwill**

Goodwill on acquisition of subsidiaries is included in Intangible Assets.

Separately recognised goodwill is tested for impairment annually and carried at cost less accumulated impairment losses. An impairment loss recognised for goodwill is not reversed in any subsequent period.

Goodwill is allocated to cash-generating units for the purposes of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

**Software acquisition and development**

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use by the Council are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Costs associated with maintaining computer software and staff training costs are recognised as an expense when incurred.

**Other intangible assets**

Costs incurred are capitalised on assets constructed on third party land, such as an athletic track, which have long-term access available to residents.

**Car park leases**

Acquired carpark leases are capitalised on the basis of the costs incurred to acquire and bring to use the specific car parks.

**Amortisation**

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Computer software and licences	3-7 years
Athletic track	9 years
Carpark leases	50 years

**Impairment of property, plant and equipment and intangible assets**

Intangible assets subsequently measured at cost that have an indefinite useful life, or are not yet available for use, and goodwill, are not subject to amortisation and are tested annually for impairment.

Property, plant and equipment and intangible assets subsequently measured at cost that have a finite useful life are reviewed for impairment at each balance date and whenever events or changes in circumstances indicate the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value, less costs to sell, and its value in use.

If an assets carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to comprehensive revenue and expense, and increases the revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in the surplus or deficit.

**Value in use for non-cash-generating assets**

Non-cash-generating assets are those assets not held with the primary objective of generating a commercial return.

For non-cash-generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

**Value in use for cash-generating assets**

Cash-generating assets are those assets held with the primary objective of generating a commercial return.

The value in use for cash-generating assets and cash-generating units is the present value of expected future cash flows.

**Forestry assets**

Standing investment forestry assets are independently revalued annually at fair value, less estimated costs to sell for one growth cycle. Fair value is determined based on the present value of expected net cash flows discounted at a current market-determined rate. This calculation is based on existing sustainable felling plans and assessments for growth, timber prices, felling costs and silvicultural costs and takes into consideration environmental, operational and market restrictions.

Gains or losses arising on initial recognition of biological assets at fair value less estimated costs to sell and from a change in fair value less estimated costs to sell are recognised in the surplus or deficit.

The costs to maintain the forestry assets are included in the surplus or deficit when incurred.

Compensating emission units relating to pre-1990 forest land are recorded at a nil cost. Possible deforestation penalties relating to pre-1990 forest land are not recognised.

### Investment property

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives rather than to earn rentals or for capital appreciation.

Investment property is measured initially at its cost, including transaction costs.

After initial recognition, the Council measures all investment property at fair value as determined annually by an independent valuer.

Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

### Trade and other payables

Trade and other payables are recorded at their face value.

### Employee benefits

#### Short-term employee benefits

Employee benefits that the Council expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, time in lieu and sick leave.

The Council recognises a liability for sick leave to the extent that compensated absences in the coming year are expected to be

greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that the Council anticipates it will be used by staff to cover those future absences.

#### Long-term employee benefits

Entitlements that are payable beyond 12 months, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information
- the present value of the estimated future cash flows, discounted at a current market determined rate.

#### Superannuation schemes

*Defined contribution schemes* - obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the surplus or deficit as incurred.

*Defined benefit schemes* - the Council belongs to the Defined Benefit Plan Contributors Scheme (the scheme), which is managed by the board of trustees of the National Provident Fund. The scheme is a multi-employer defined benefit scheme.

Insufficient information is available to use defined benefit accounting, because it is not possible to determine from the terms of the scheme the extent to which the scheme's surplus/deficit will affect future contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a defined contribution scheme.

### Provisions

The Council recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in Finance Costs.

### Financial guarantee contracts

A financial guarantee contract requires the Council to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at fair value. If a financial guarantee contract was issued in a stand-alone arm's length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received a provision is recognised based on the probability the Council will be required to reimburse a holder for a loss incurred discounted to present value. The portion of the guarantee that remains unrecognised, prior to discounting to fair value, is disclosed as a contingent liability.

Financial guarantees are subsequently measured at the initial recognition amount, less any amortisation, but if the Council assesses that it is probable that expenditure will be required to settle a guarantee, then the provision for the guarantee is measured at the present value of the future expenditure.

### Borrowings

Borrowings are initially recognised at their fair value net of transaction costs incurred. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

### Equity

Equity is the community's interest in the Council and measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- retained earnings
- special reserves and funds
- asset revaluation reserves, and
- fair value through other comprehensive revenue and expense.

### Special reserves and funds

Special reserves and funds are a component of equity generally representing a particular use to which various parts of equity have been assigned. Special reserves and funds may be legally restricted or created by the Council.

Special reserves and funds are those subject to specific conditions accepted as binding by the Council and which may not be revised by the Council without reference to the courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Also included in special reserves and funds are reserves restricted by Council decision. The Council may alter them without reference to any third party or the courts. Transfers to and from these reserves are at the discretion of the Council.

**Asset revaluation reserves**

Asset revaluation reserves relate to the revaluation of property, plant and equipment to fair value.

**Fair value through other comprehensive revenue and expense**

Fair value through other comprehensive revenue and expense reserve relates to the cumulative net change of fair value of financial assets through other comprehensive revenue and expense.

**Goods and services tax (GST)**

All items in the financial statements are stated exclusive of GST, except for trade and other receivables and trade and other payables, which are stated on a GST-inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from or payable to the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position.

The net GST paid to or received from the IRD including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

**Cost allocation**

The Council has derived the cost of service for each significant Council activity using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs which cannot be identified in an economically feasible manner with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers and floor area.

**Critical accounting estimates and assumptions**

In preparing these financial statements the Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities or the Council's financial performance are disclosed in section 3 under Significant Forecasting Assumptions.

**Reporting format**

**These financial statements incorporate applicable amendments to legislation governing financial reporting requirements. The effect of these is that any required additional or amended disclosure has also required restatement of 2021 comparative information from what was previously reported.**

# Rating System, Rates and Funding Impact Statements

## 1. Introduction

Rating incidence is governed by the Council's Revenue and Financing Policy and its Rating Policies. This section outlines details of the present rating system used by the Council. It also incorporates the Funding Impact Statements in the form prescribed by the Local Government (Financial Reporting and Prudence) Regulations 2014.

At various points within this section a level of rate or charge is outlined. These are indicative figures provided to give ratepayers an estimate of what their level of rates is likely to be in the forthcoming year. They are not necessarily the actual figures as these will not be known until the Council's rating information database is finalised. Rates figures in this section are GST-inclusive unless otherwise specified.

## 2. Rating objectives

These are the Council's rating objectives:

- to encourage growth and confidence in the city by operating a stable, easily understood method of setting rates
- to set rates in a manner that is fair and equitable as between various ratepayers and classes of ratepayer, and consistent with Council's planning objectives
- to ensure that all citizens contribute to the cost of providing city services by charging on a user-pays basis where practicable

- to foster the sense of a single community by operating a common system throughout the city.

## 3. Components of the present rating system - a summary

The Council's rating system, designed to meet these objectives, is utilised to fund the net cost of operations and programmes outlined in the 10-Year Plan and Annual Plan. It comprises the following components:

A common system applies throughout the city.

Targeted rates, in the form of fixed amounts (as proxy user charges) are made to cover the costs of services that are identifiable by property (water supply, wastewater disposal, and rubbish and recycling). In addition, significant non-residential and some rural users of water are metered and some non-residential wastewater users are charged on the basis of the number of pans. A targeted rate (comprising a fixed amount and a variable amount based on capital value) is made on non-residential properties within the central city Palmy BID area.

A Uniform Annual General Charge (UAGC) is applied as a fixed amount to every rating unit within the city. It is used as a mechanism to ensure each rating unit contributes a minimum amount of the general rate and also to moderate rates on high land-value properties.

A General Rate, based on the land value, is applied to each rating unit, with different rates (differentials) applying to each property category.

The categories in the Council's differential rating scheme reflect differing property use and can be broadly grouped as follows:

- Single-unit residential
- Multi-unit residential
- Non-residential



- Rural and semi-serviced
- Miscellaneous.

Differential surcharges (that is, a higher rate in the dollar) are applied to multi-unit residential and non-residential properties, while lower rates are applied to single unit residential and rural/semi-serviced properties. No surcharge is applied to miscellaneous properties.

#### 4. Examples of proposed rates for 2021/22

Examples of proposed rates for 2021/22 are shown in the following table:

	Land value	Rates 2020/21	Rates 2021/22
<b>Single unit residential</b>			
Average	243,000	2,639	2,842
Median	230,000	2,561	2,760
Quartile 1	185,000	2,292	2,474
Quartile 3	280,000	2,860	3,077
<b>Two unit residential</b>			
Average	273,000	4,265	4,633
Median	255,000	4,107	4,466
Quartile 1	220,000	3,801	4,141
Quartile 3	300,000	4,502	4,884
<b>Non-residential</b>			
Average	708,000	15,107	16,010
Median	400,000	8,885	9,420
Quartile 1	230,000	5,451	5,783
Quartile 3	790,000	16,764	17,765
<b>Rural &amp; semi-serviced (5ha or more)</b>			
Average	829,000	1,828	1,905
Median	475,000	1,288	1,333
Quartile 1	320,000	1,052	1,083
Quartile 3	840,000	1,845	1,923

<b>Rural &amp; semi-serviced (between 0.2 and 5ha)</b>			
Average	316,000	1,648	1,714
Median	315,000	1,644	1,710
Quartile 1	250,000	1,422	1,474
Quartile 3	365,000	1,816	1,892
<b>Miscellaneous</b>			
Average	594,000	5,092	5,362
Median	315,000	2,965	3,109
Quartile 1	145,000	1,669	1,737
Quartile 3	630,000	5,366	5,653

If all of the properties in the category of property were listed from lowest to highest land value, then the 'median' is the value at the half way point in the list, quartile 1 is the value at the first quarter point in the list, and quartile 3 is the value at the three-quarter point in the list.

For example, if there are 1,000 properties and they are sorted from the lowest to the highest land value then quartile 1 is the 250<sup>th</sup> property from the lowest.

The three-yearly revaluation of the city for rating purposes was undertaken in 2018 and those valuations are the base for general rates set in 2021/22.

The examples should be read with regard for the following assumptions:

- the Council's total rates revenue will increase by 8.2%
- the Uniform Annual General Charge will remain at \$500 per rating unit
- targeted rates in the form of fixed amounts will be applied for water supply (\$307); wastewater disposal (\$296); kerbside recycling (\$130); rubbish and public recycling (\$66) (\$255, \$241, \$126 and \$64 respectively in 2020/21)
- a targeted rate for wastewater disposal will be set on

non-residential properties on the basis of the number of pans, in excess of three, on the rating unit. The charge per pan will be \$296 compared with \$241 per pan in 2020/21

The examples shown for non-residential, miscellaneous and rural/semi-serviced properties do not include the charges (either fixed or metered) for water, wastewater or kerbside recycling because these vary from property to property but they do include the rubbish and public recycling rate. They do not include the proposed targeted rates to fund the Palmy BID as these will be applied to selected properties in the defined central city Palmy BID area.

## 5. Components of the rating system – more detail

### 5.1 General rate

The Council proposes to set a general rate based on the land value of each rating unit in the city.

The general rate will be set on a differential basis based on land use (see description in 5.4), with the differential factors as shown in the following table:

Differential group		Differential factor (expressed as % of Group Code MS)	Rate (cents in \$ of LV)
Code	Brief description		
R1	Single-unit residential	Balance (approx. 79%)	0.6350
R2	Two-unit residential	115	0.9285
R3	Three-unit residential	125	1.0093
R4	Four-unit residential	135	1.0900
R5	Five-unit residential	145	1.1707
R6	Six-unit residential	155	1.2515
R7	Seven-unit residential	165	1.3322
R8	Eight- or more unit residential	175	1.4130
MS	Miscellaneous	100	0.8074
CI	Non-residential (commercial/industrial)	265	2.1396
FL	Rural/semi-serviced (5 ha or more)	20	0.1615
FS	Rural/Semi-serviced (0.2 ha or less)	60	0.4844
FM	Rural/Semi-serviced (between 0.2 & 5 ha)	45	0.3633

### 5.2 Uniform annual general charge

The Council proposes to set a uniform annual general charge of \$500 (\$500 for 2020/21) on each rating unit.

### 5.3 Targeted rates

For the purposes of the targeted rates proposed below the term 'residential' is defined as "having a predominant or exclusive residential use and on which one or more residential units is erected."

For the purposes of the targeted rates proposed below, a 'separately used or inhabited part (SUIP) of a rating unit' is defined as:

"Any part of the rating unit that is, or is able to be, separately used or inhabited by the ratepayer, or any other person who has the right to use or inhabit that part by virtue of a tenancy, lease, licence or other agreement.

This definition includes separately used parts, whether or not actually occupied at any particular time, which are provided by the owner for rental (or other form of occupation) on an occasional or long-term basis by someone other than the owner.

For the purposes of the definition, vacant land and vacant premises offered or intended for use or habitation by a person other than the owner and usually used as such are defined as 'used'.

For the avoidance of doubt, a rating unit that has a single use or occupation is treated as having one SUIP.

For a residential property a SUIP will have a separate entrance, kitchen facilities (including sink or cooking facilities), living facilities and toilet/bathroom facilities.

By way of example the following would be considered to have separately used or inhabited parts of a rating unit:

- A single dwelling with flat attached

- Two or more houses, flats or apartments on one certificate of title."

The Council does not have a lump sum contribution policy and lump sum contributions will not be invited for any targeted rate.

#### 5.3.1 Water supply

The Council proposes to set targeted rates for water supply. For residential rating units it shall be on the basis of a fixed amount per separately used or inhabited part, and for all other properties a fixed amount per rating unit. The charge will be set on a differential basis based on the availability of the service (either 'connected' or 'serviceable'). Connected means the rating unit is connected to a Council-operated waterworks while serviceable means the rating unit is not connected to a Council-operated waterworks but is within 100m of such waterworks and Council would allow a connection. The serviceable rate will be 50% of the connected rate.

Rating units that are not connected to the scheme and are not serviceable will not be liable for this rate. The estimated rates for the 2021/22 year are:

Connected:	\$307
Serviceable:	\$153.50

There are situations where the Council will require water to be supplied on a metered basis. Where this occurs, the Council proposes instead of the above to set metered water targeted rates that comprise a fixed amount (estimated at \$190 per metered connection for connections of 25mm or less and \$415 for connections greater than 25mm) and a variable amount (estimated at \$1.3915 per cubic metre) based on the volume of water supplied.

### 5.3.2 Wastewater disposal

The Council proposes to set a targeted rate for wastewater disposal. For residential rating units, it shall be set on the basis of a fixed charge per separately used or inhabited part, and for all other properties a fixed charge per rating unit. The charge will be set on a differential basis based on the availability of the service (either 'connected' or 'serviceable'). Connected means the rating unit is connected to a public wastewater drain, while serviceable means the rating unit is not connected to a public wastewater drain but is within 30m of such a drain, and Council would allow a connection. The serviceable rate will be 50% of the connected rate.

Rating units that are not connected to the scheme, and which are not serviceable will not be liable for this rate.

The estimated rates for the 2021/22 year are:

Connected:	\$296
Serviceable:	\$148

In addition, for the 2021/22 year the Council proposes to set a targeted rate for connected non-residential rating units of \$296 per pan (water closet or urinal) for each pan in excess of three.

### 5.3.3 Rubbish and recycling

#### 5.3.3.1 Kerbside recycling

The Council proposes to set a targeted rate for kerbside recycling on the basis of:

- a fixed amount per separately used or inhabited part of a rating unit for residential properties receiving the Council's kerbside collection service

- a fixed amount per rating unit for non-residential and rural/semi-serviced properties receiving the Council's kerbside collection service

Where ratepayers elect, and the Council agrees, additional levels of service may be provided. These additional services could be providing more recycling bins or more frequent service. Each additional level of service will be charged at a rate of \$130. This may include charges to non-rateable rating units where the service is provided. Rating units for which the Council is not prepared to provide the service will not be liable for these rates.

The estimated rates for the 2021/22 year are:

Kerbside recycling	\$130
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#### 5.3.3.2 Rubbish and public recycling

The Council proposes to set a targeted rate for rubbish and public recycling on the basis of a fixed amount per separately used or inhabited part of each residential rating unit and a fixed amount per rating unit for all other rating units. Rating units that are vacant land will not be liable for these rates.

The estimated rates for the 2021/22 year are:

Rubbish and public recycling	\$66
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#### 5.3.4 Warm Palmerston North

The Council proposes to set a targeted rate on properties that have benefited from the installation of insulation through the Warm Palmy Home Insulation Scheme. The rate is calculated as a percentage of the service amount (the cost of the installation) until the service amount and costs of servicing the service amount are recovered. For 2021/22 the rate is proposed to be 16%.

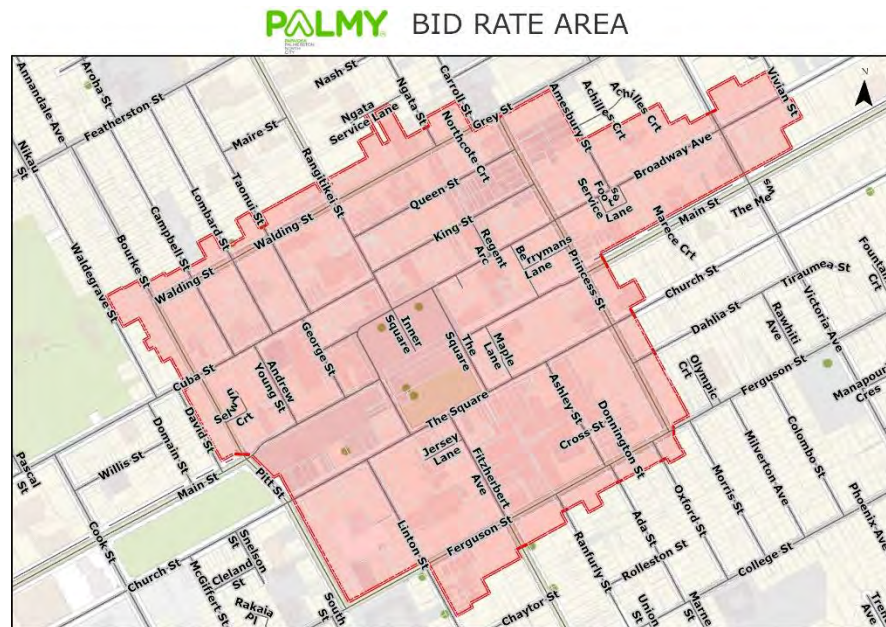
### 5.3.5 Palmy BID

The Council proposes to set targeted rates on those properties within the central city Palmy BID area as shown on the following map that are categorised as non-residential for the Council's general rate. The rate will fund a grant to the Palmy BID group.

The targeted rates will comprise:

A fixed amount of \$340 per rating unit; and

A variable amount of 0.0153 cents in the \$ of the capital value of the rating unit.



### 5.4 Differential matters and categories

#### 5.4.1 Objectives of differentials for general rate

The Council believes that a uniform general rate based on land value would not produce a fair and equitable allocation of rates. For this reason, it operates a system of differentials based on land use. Descriptions of the land use categories are shown in 5.4.2.

The Council describes the relationship between the rates charged to each group in terms of a factor expressed as a percentage of the rate that would apply if there were no differential rating in place – that is, the group described as Miscellaneous (MS). Each year, the Council reviews the differential factors applied to each land use category. The factors proposed for 2021/22 are outlined in 5.1 and are unchanged from 2020/21.

The factors have been developed to address the following matters:

- rating units containing more than one residential unit will place an increasing demand on Council services as the number of units increase
- the land value for non-residential property is often driven by different influences from the land value for residential or rural land and therefore is not directly comparable as a rating base
- the Council's Revenue and Financing Policy identifies a number of activities where it believes non-residential users gain a greater benefit than other users and should bear a greater share of the cost
- for large rural rating units a pure land value system would produce rates charges that would be unsustainable
- rural and semi-serviced rating units generally have limited or, in some cases, no access to some Council activities funded through the general rate

#### 5.4.2 Differentials based on land use

The Council proposes to differentiate the general rate primarily on the basis of land use. Properties with more than one use will be placed in a category that the Council considers reflects the primary use.

The Council will consider partitioning the property into parts and allocate each part to the most appropriate category in situations such as the following:

- where there are discreet parts of the property used for different purposes such as a retail shop and a residence
- for manager's residences associated with motel complexes
- where part of the property is used for not-for-profit or other community purposes and the remainder is used for other purposes
- where the property is not serviced and is used for commercial, industrial or business purposes but a significant part is used for farming or horticultural purposes
- where a property has a rural zoning but is serviced and has one or more residential units then the first 2ha will be classified as group code R1 and the balance as FM or FL depending on its size.
- where a property that is greater than 5ha (and residential use is a permitted activity under the city's District Plan) becomes serviced the first 5ha (or the area of the actual sub-divisional development if larger than this) will be categorised in group code R1 and the remainder will continue to be treated as not serviced for rating purposes
- where a property that is less than 5ha becomes serviced and features of the land or District Plan requirements impede subdivision the part that reflects the extent of the impediment will continue to be treated as not serviced for rating purposes

Note that, subject to the rights of objection to the rating information database set out in sections 29 and 39 of the Local Government

(Rating) Act 2002, the Council is the sole determiner of the categories.

In the context of the general rate, 'serviced' means the property is either connected or serviceable for wastewater disposal. Connected means the rating unit is connected to a public wastewater drain, while serviceable means the rating unit is not connected to a public wastewater drain but is within 30m of such a drain, and Council would allow a connection.

The following differential categories will be used:

#### Single-unit residential (R1)

Every serviced rating unit not otherwise classified:

- having a predominant or exclusive residential use (excluding home occupations) and on which is erected one residential unit; or
- being vacant property where residential use is a permitted activity under the city's District Plan.

#### Multi-unit residential (R2 - R8)

Every serviced rating unit not otherwise classified on which is erected:

- two residential units (R2); or
- three residential units (R3); or
- four residential units (R4); or
- five residential units (R5); or
- six residential units (R6); or
- seven residential units (R7); or
- eight or more residential units (R8).

In determining what is a residential unit, the Council will apply the same criteria as defined for a SUIP, as shown in 5.3.

**Miscellaneous (MS)**

Every rating unit not otherwise classified of the following types:

- property used primarily for not-for-profit or other community purposes, excluding retail shops
- property owned by the Council that is used by it for parking that is available for public use
- property where the ratepayer conducts or permits to be conducted a business (a Home Occupation, as defined in the city's District Plan), which would otherwise qualify for inclusion in group code R1
- vacant serviced property where non-residential use is a permitted activity under the city's District Plan
- property that is not serviced and would otherwise qualify for inclusion in group code FL, FS or FM but is used for predominantly commercial, industrial or business purposes (excluding farming and horticulture).
- Property not specifically categorised in any of the other group codes.

**Non-residential (CI)**

Every serviced rating unit, not otherwise classified, used for commercial, industrial or business purposes including licensed hotel, serviced apartments or residential institution including a guesthouse, rooming house, boarding house, private hotel, motel, residential club or hostel.

**Rural and semi-serviced (FL, FS and FM)**

**FL** – Every rating unit not otherwise classified that is not serviced and has either

- an area of 5ha or more; or
- an area less than 5ha but on which there is no residential dwelling or non-residential improvements.

When the rating unit becomes serviced, as defined above (and provided it is zoned to permit subdivision), the property will be

reclassified to the higher rated differential category in the immediately following year.

**FS** – Every rating unit not otherwise classified that is not serviced and has an area of 0.2ha or less and on which there is a residential dwelling.

**FM** – Every rating unit not otherwise classified that is not serviced and has an area greater than 0.2ha and less than 5ha and on which there is either residential dwellings or non-residential improvements.

**6. Early payment of rates**

Sections 55 and 56 of the Local Government (Rating) Act 2002 empowers councils to accept early payment of rates.

The Council will accept any payment of rates for either the current or future years in advance of the due date.

**7. Rates payable by instalment and due dates**

The Council provides for rates to be paid in four equal instalments. For the 2021/22 year the due dates (that is, final dates for payment without incurring penalty charges) will be:

Instalment 1:	31 August 2021
Instalment 2:	26 November 2021
Instalment 3:	25 February 2022
Instalment 4:	27 May 2022

Ratepayers may elect to pay on a more regular basis if they choose. They may also elect to pay the full year's rates in one lump sum prior to the due date for instalment 2 without incurring penalty charges on instalment 1.

Rates may be paid using any one of a number of payment methods acceptable to the Council, including direct debit, cash or Eftpos at Council's office, direct credit and other bank transfer methods. Payment by credit card can be made using the Internet or at Council's office, subject to the payment of a fee to cover costs.

The due date for metered water targeted rates will be the 20th of the month following the invoice date as follows:

Monthly Invoicing	
Instalment	Due date
1	20 July 2021
2	20 August 2021
3	20 September 2021
4	20 October 2021
5	20 November 2021
6	20 December 2021
7	20 January 2022
8	20 February 2022
9	20 March 2022
10	20 April 2022
11	20 May 2022
12	20 June 2022

Two-monthly invoicing			
Linton, East & North Rounds		Ashhurst, South West, PNCC & Central Rounds	
Instalment	Due date	Instalment	Due date
1	20 July 2021	1	20 August 2021
2	20 September 2021	2	20 October 2021
3	20 November 2021	3	20 December 2021
4	20 January 2022	4	20 February 2021
5	20 March 2022	5	20 April 2021
6	20 May 2022	6	20 June 2021

<sup>1</sup> As at 30 June of the preceding year – for example, 2021/22 = as at 30 June 2021.

## 8. Rates penalties

To provide an incentive for rates to be paid by the due date, penalties will be imposed when rates are not paid on time. A penalty of 10% will be added to any portion of an instalment remaining unpaid after the due date for payment, as outlined in clause 7 above.

A penalty charge of 10% will be added to any outstanding rates (including penalties) assessed in previous years and remaining outstanding at 1 July 2021 and again on 5 January 2022.

Penalty charges will not be applied to the metered water targeted rate.

## 9. Rating base information

The number of rating units projected for each year of the Plan as at the end of the preceding financial year is as follows:

Year <sup>1</sup>	No. of rating units	Year	No. of rating units
2021/22	33,850	2026/27	35,350
2022/23	34,150	2027/28	35,650
2023/24	34,450	2028/29	35,950
2024/25	34,750	2029/30	36,250
2025/26	35,050	2030/31	36,550

The following are projected as at 30 June 2021:

Total capital value of all rating units: \$20,070,000,000

Total land value of all rating units: \$10,170,000,000



## 10. Rates summary

	Basis of rates	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>General Rates</b>											
General Rates	rate in \$ of LV (differentiated by use)	67,511	71,845	78,761	83,544	88,012	90,785	93,672	97,911	101,420	104,713
UAGC	fixed charge p rating unit	14,252	14,670	15,094	15,522	15,956	16,395	16,839	17,288	17,743	18,203
<b>Targeted rates</b>											
Water											
- connected	fixed charge p SUIP (residential) or p rating unit (non-residential)	8,088	9,976	10,975	11,579	11,058	11,536	11,888	12,535	12,415	12,520
- serviceable	fixed charge p SUIP (residential) or p rating unit (non-residential)	99	121	132	137	130	134	137	143	141	140
- metered	\$ p m3 plus fixed charge	2,750	2,800	2,850	2,900	2,950	3,000	3,050	3,100	3,150	3,200
Wastewater											
- connected	fixed charge p SUIP (residential) or p rating unit (non-residential)	8,177	9,507	10,441	15,105	23,746	27,954	31,387	32,026	32,481	33,398
- serviceable	fixed charge p SUIP (residential) or p rating unit (non-residential)	93	94	102	145	226	264	293	296	298	304
- pans	fixed charge p pan in excess of three	2,319	2,659	2,897	4,135	6,437	7,508	8,368	8,464	8,521	8,696
Rubbish & Recycling											
- kerbside recycling	fixed charge p SUIP	3,574	3,421	3,559	3,926	4,923	5,153	5,614	6,533	6,764	6,898
- rubbish & public recycling	fixed charge p SUIP	1,946	2,536	2,544	2,515	2,402	2,315	2,320	2,212	2,220	2,541
Palmy BID		250	257	263	270	276	283	290	298	305	313
		109,059	117,887	127,617	139,778	156,116	165,326	173,858	180,807	185,458	190,926
Note - SUIP = Separately Used or Inhabited Part of Rating Unit											

## 11. Source and application of funds statements (Funding Impact Statements)

The Local Government (Financial Reporting and Prudence) Regulations 2014 prescribe the format for statements showing the sources and application of funds for the whole of Council and for each group of activities of the Council.

These statements are designed to show where operational and capital funding comes from, and how they are used.

This information is presented in two ways, firstly at the Whole of Council level, and in a slightly different form at the "Group of Activities" level. At the Group of Activities level, internal revenue and expenditure are shown as separate items, while at the Whole of Council level they are not displayed because the amounts balance each other out.

Capital Expenditure is grouped into three broad categories based on which one the programme most relates to. The three categories are:

- to meet additional demand
- to improve the level of service
- to replace existing assets.

The categories do not clearly represent the fact that some programmes will contribute to more than one purpose.

In addition to the statements mentioned, the Council is also providing Activity Financial Statements which show the revenue and expenses for the services provided, as well as how the rates are calculated (see section 2). The Funding Impact Statements differ from the Activity Statements in that they do not include depreciation as an expense, categorise capital revenue as part of operating revenue or include movements in the value of assets. For example, the forecast for 2021/22 assumes:

	\$000
Total comprehensive revenue  (as shown on page 234 in Prospective Statement of Comprehensive Revenue & Expense)	14,667
Less gain on property revaluations	(7,066)
Less capital revenue	(18,252)
Plus depreciation	38,210
Surplus of operating funding  (as shown in Whole of Council Funding Impact Statement on page 339)	27,559

# Funding Impact Statements

## Whole of Council – Funding Impact Statements

Funding Impact Statements											
Budget	Whole of Council	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
2020/21		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
<b>Sources of Operating Funding</b>											
77,734	General Rates, UAGC & Rates Penalties	82,012	86,773	94,117	99,335	104,244	107,461	110,800	115,497	119,471	123,230
23,047	Targeted Rates	27,046	31,114	33,500	40,442	51,872	57,865	63,058	65,311	65,988	67,697
3,395	Subsidies & Grants for Operating Purposes	4,887	4,808	5,115	5,552	5,312	5,651	5,815	5,985	6,159	6,338
6,479	Fees and Charges	7,520	7,710	7,888	8,063	8,242	8,425	8,612	8,803	8,999	9,199
17	Interest and Dividends from investments	17	17	17	17	17	17	17	17	17	17
22,251	Other Operating Funding *	22,664	23,901	24,691	26,006	26,931	27,880	29,296	30,211	30,848	31,628
132,923	Total Operating Funding	144,147	154,323	165,328	179,415	196,618	207,299	217,598	225,823	231,482	238,109
<b>Applications of Operating Funding</b>											
101,756	Payments to Staff and Suppliers	111,497	115,782	121,321	129,789	133,921	136,648	140,101	144,474	147,085	151,737
5,557	Finance Costs	5,090	6,775	8,332	11,570	16,349	20,831	23,261	23,895	24,608	24,778
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
107,313	Total Applications of Operating Funding	116,588	122,557	129,653	141,359	150,269	157,479	163,362	168,369	171,693	176,514
25,611	Surplus/(Deficit) of Operating Funding	27,559	31,766	35,675	38,056	46,348	49,820	54,235	57,454	59,789	61,594
<b>Sources of Capital Funding</b>											
7,321	Subsidies and Grants for Capital Expenditure	14,162	13,632	21,352	29,148	28,274	25,497	31,266	32,700	32,598	13,751
1,891	Development & Financial Contributions	2,090	2,588	3,249	5,327	7,463	9,903	10,214	10,449	10,863	10,998

<b>Funding Impact Statements</b>											
<b>Budget</b>	<b>Whole of Council</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>
<b>2020/21</b>		<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>
<b>\$'000s</b>		<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>
<b>Sources of Operating Funding</b>											
35,643	Increase/(Decrease) in Debt	49,184	53,336	57,377	178,824	167,151	157,493	20,567	21,163	31,727	(17,391)
-	- Gross proceeds from sale of assets	5,000	3,075	7,826	7,502	-	-	-	-	-	-
-	- Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	- Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
44,855	Total Sources of Capital Funding	70,435	72,630	89,803	220,800	202,888	192,893	62,047	64,312	75,188	7,358
<b>Applications of Capital Funding</b>											
Capital Expenditure:-											
2,241	- to meet additional demand	16,658	17,792	7,907	13,153	14,288	19,112	5,338	3,813	10,934	2,794
41,470	- to improve the level of service	50,818	56,408	87,449	208,954	199,455	188,862	76,077	84,631	87,437	26,486
26,754	- to replace existing assets	30,518	30,196	30,123	36,749	35,494	34,740	34,868	33,322	36,606	39,672
-	- Increase/(Decrease) in Reserves	-	-	-	-	-	-	-	-	-	-
-	- Increase/(Decrease) of Investments	-	-	-	-	-	-	-	-	-	-
70,466	Total Applications of Capital Funding	97,994	104,396	125,478	258,857	249,237	242,713	116,282	121,766	134,977	68,952
(25,611)	Surplus/(Deficit) of Capital Funding	(27,559)	(31,766)	(35,675)	(38,056)	(46,348)	(49,820)	(54,235)	(57,454)	(59,789)	(61,594)
( )	Total Funding Surplus/(Deficit)	-	-	-	-	-	-	-	-	-	-
40,430	Depreciation and amortisation	38,210	40,368	43,155	45,880	50,781	57,968	62,640	64,354	69,658	72,131

**Goal 1 - Innovative and Growing City – Group of Activities – Funding Impact Statements**

<b>Funding Impact Statements</b>											
<b>Budget</b>	<b>Innovative &amp; Growing City - Group of Activities</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>
<b>2020/21</b>		<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>
<b>\$'000s</b>		<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>
<b>Sources of Operating Funding</b>											
6,394	General Rates, UAGC & Rates Penalties	8,093	8,157	8,721	8,757	8,741	8,716	8,896	9,342	9,505	9,633
-	Targeted Rates	-	-	-	-	-	-	-	-	-	-
-	Subsidies & Grants for Operating Purposes	-	-	-	-	-	-	-	-	-	-
4,051	Fees and Charges	5,672	5,814	5,948	6,079	6,213	6,350	6,489	6,632	6,778	6,927
883	Internal Charges & Overheads Recovered	30	31	32	33	34	34	35	36	37	38
4,759	Other Operating Funding *	1,513	1,551	1,586	1,621	1,657	1,693	1,731	1,769	1,808	1,847
16,087	Total Operating Funding	15,309	15,553	16,287	16,490	16,644	16,793	17,151	17,778	18,127	18,445
<b>Applications of Operating Funding</b>											
11,518	Payments to Staff and Suppliers	11,318	11,708	11,727	12,019	12,235	12,546	12,780	13,104	13,352	13,686
(32)	Finance Costs	5	12	21	21	22	22	23	23	23	24
2,264	Internal Charges & Overheads Applied	3,560	3,659	3,848	3,959	3,802	3,851	3,918	3,996	4,056	4,136
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
13,750	Total Applications of Operating Funding	14,884	15,380	15,596	16,000	16,059	16,419	16,721	17,123	17,430	17,846
2,337	Surplus/(Deficit) of Operating Funding	426	173	691	490	585	374	430	655	697	599
<b>Sources of Capital Funding</b>											
-	Subsidies and Grants for Capital Expenditure	-	-	-	-	-	-	-	-	-	-
-	Development & Financial Contributions	-	-	-	-	-	-	-	-	-	-
(2,037)	Increase/(Decrease) in Debt	(4,750)	(3,020)	(6,937)	(7,798)	265	35	50	(440)	(121)	539
-	Gross proceeds from sale of assets	5,000	3,075	7,340	7,502	-	-	-	-	-	-

<b>Funding Impact Statements</b>											
Budget	Innovative & Growing City - Group of Activities	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
2020/21		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
<b>Sources of Operating Funding</b>											
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
(2,037)	Total Sources of Capital Funding	250	55	403	(296)	265	35	50	(440)	(121)	539
<b>Applications of Capital Funding</b>											
Capital Expenditure:-											
-	- to meet additional demand	-	-	-	-	-	-	-	-	-	-
-	- to improve the level of service	15	7	77	16	-	-	17	-	-	-
300	- to replace existing assets	661	221	1,018	178	851	408	463	215	576	1,138
-	Increase/(Decrease) in Reserves	-	-	-	-	-	-	-	-	-	-
-	Increase/(Decrease) of Investments	-	-	-	-	-	-	-	-	-	-
300	Total Applications of Capital Funding	676	228	1,094	194	851	408	480	215	576	1,138
(2,337)	Surplus/(Deficit) of Capital Funding	(426)	(173)	(691)	(490)	(585)	(374)	(430)	(655)	(697)	(599)
( )	Total Funding Surplus/(Deficit)	-	-	-	-	-	-	-	-	-	-
470	Depreciation and amortisation	470	493	506	520	534	549	563	571	581	589

**Goal 2 – Creative and Exciting City – Group of Activities – Funding Impact Statements**

<b>Funding Impact Statements</b>											
<b>Budget</b>	<b>Creative &amp; Exciting City - Group of Activities</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>
<b>2020/21</b>		<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>
<b>\$'000s</b>		<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>
<b>Sources of Operating Funding</b>											
23,690	General Rates, UAGC & Rates Penalties	25,603	26,447	28,323	29,578	30,898	31,536	32,729	34,497	36,522	38,374
-	Targeted Rates	-	-	-	-	-	-	-	-	-	-
64	Subsidies & Grants for Operating Purposes	64	66	67	69	70	72	73	75	76	78
-	Fees and Charges	-	-	-	-	-	-	-	-	-	-
1,164	Internal Charges & Overheads Recovered	1,852	2,157	1,955	1,890	1,887	1,928	1,973	2,025	2,075	2,124
1,366	Other Operating Funding *	2,844	3,229	3,310	3,390	3,475	3,558	3,647	3,742	3,839	3,931
26,284	<b>Total Operating Funding</b>	30,363	31,898	33,655	34,927	36,329	37,094	38,422	40,338	42,513	44,508
<b>Applications of Operating Funding</b>											
18,974	Payments to Staff and Suppliers	13,942	14,647	15,488	16,182	16,981	17,618	18,224	19,105	19,323	19,927
1,283	Finance Costs	1,230	1,526	1,821	2,129	2,381	2,661	2,946	3,492	4,395	4,833
2,317	Internal Charges & Overheads Applied	8,803	9,187	9,316	9,219	8,982	9,137	9,218	9,479	9,646	9,773
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
22,574	<b>Total Applications of Operating Funding</b>	23,976	25,360	26,625	27,530	28,344	29,416	30,388	32,077	33,364	34,533
3,710	Surplus/(Deficit) of Operating Funding	6,388	6,539	7,030	7,396	7,985	7,678	8,034	8,261	9,149	9,975
<b>Sources of Capital Funding</b>											
529	Subsidies and Grants for Capital Expenditure	1,529	2,326	3,259	2,489	6,047	5,000	2,561	401	-	-
294	Development & Financial Contributions	325	283	355	582	814	1,081	1,114	1,140	1,185	1,200
19,357	Increase/(Decrease) in Debt	7,165	12,040	14,375	12,421	7,682	12,874	7,906	32,041	34,102	(2,061)
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-

<b>Funding Impact Statements</b>											
Budget	Creative & Exciting City - Group of Activities	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
2020/21		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
<b>Sources of Operating Funding</b>											
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
20,180	Total Sources of Capital Funding	9,020	14,649	17,990	15,492	14,543	18,955	11,581	33,582	35,287	(861)
<b>Applications of Capital Funding</b>											
Capital Expenditure:-											
1,119	- to meet additional demand	41	1,326	957	1,876	1,034	1,695	335	1,005	2,398	130
16,877	- to improve the level of service	10,336	14,444	19,013	16,469	15,710	20,276	14,556	36,901	37,656	4,676
5,894	- to replace existing assets	5,030	5,417	5,049	4,543	5,785	4,662	4,725	3,937	4,381	4,309
-	- Increase/(Decrease) in Reserves	-	-	-	-	-	-	-	-	-	-
-	- Increase/(Decrease) of Investments	-	-	-	-	-	-	-	-	-	-
23,890	Total Applications of Capital Funding	15,407	21,188	25,020	22,889	22,528	26,633	19,615	41,843	44,436	9,114
(3,710)	Surplus/(Deficit) of Capital Funding	(6,388)	(6,539)	(7,030)	(7,396)	(7,985)	(7,678)	(8,034)	(8,261)	(9,149)	(9,975)
-	Total Funding Surplus/(Deficit)	-	-	-	-	-	-	-	-	-	-
8,942	Depreciation and amortisation	7,874	8,224	8,659	9,440	9,973	10,445	11,384	11,703	12,301	13,647



**Goal 3 – A Connected and Safe Community – Group of Activities – Funding Impact Statements**

<b>Funding Impact Statements</b>											
<b>Budget</b>	<b>Connected &amp; Safe Community - Group of Activities</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>
<b>2020/21</b>		<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>
<b>\$'000s</b>		<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>
<b>Sources of Operating Funding</b>											
17,304	General Rates, UAGC & Rates Penalties	18,745	19,623	20,564	21,375	21,195	21,778	22,470	22,901	23,452	23,975
-	Targeted Rates	-	-	-	-	-	-	-	-	-	-
58	Subsidies & Grants for Operating Purposes	52	53	55	56	57	59	60	62	63	65
1,262	Fees and Charges	1,450	1,486	1,520	1,554	1,588	1,623	1,659	1,695	1,732	1,771
478	Internal Charges & Overheads Recovered	-	-	-	-	-	-	-	-	-	-
3,954	Other Operating Funding *	4,153	4,259	4,438	4,538	4,644	4,749	4,858	4,971	5,087	5,202
23,057	<b>Total Operating Funding</b>	<b>24,400</b>	<b>25,421</b>	<b>26,577</b>	<b>27,523</b>	<b>27,485</b>	<b>28,209</b>	<b>29,047</b>	<b>29,629</b>	<b>30,335</b>	<b>31,013</b>
<b>Applications of Operating Funding</b>											
14,046	Payments to Staff and Suppliers	15,255	15,504	16,119	16,723	16,989	17,423	17,859	18,303	18,776	19,194
709	Finance Costs	540	703	750	842	1,007	1,059	1,035	1,005	984	969
5,990	Internal Charges & Overheads Applied	5,816	6,058	6,453	6,696	6,244	6,355	6,510	6,643	6,721	6,862
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
20,744	<b>Total Applications of Operating Funding</b>	<b>21,611</b>	<b>22,265</b>	<b>23,322</b>	<b>24,261</b>	<b>24,241</b>	<b>24,836</b>	<b>25,403</b>	<b>25,951</b>	<b>26,481</b>	<b>27,025</b>
2,313	Surplus/(Deficit) of Operating Funding	2,789	3,156	3,255	3,261	3,244	3,372	3,644	3,677	3,854	3,988
<b>Sources of Capital Funding</b>											
582	Subsidies and Grants for Capital Expenditure	253	613	79	-	-	-	-	251	1,457	-
-	Development & Financial Contributions	-	-	-	-	-	-	-	-	-	-
5,832	Increase/(Decrease) in Debt	6,852	5,364	732	8,863	5,429	(777)	(23)	(428)	358	(1,071)
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-

<b>Funding Impact Statements</b>											
<b>Budget</b>	<b>Connected &amp; Safe Community - Group of Activities</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>
<b>2020/21</b>		<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>
<b>\$'000s</b>		<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>
<b>Sources of Operating Funding</b>											
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
6,414	Total Sources of Capital Funding	7,105	5,976	811	8,863	5,429	(777)	(23)	(177)	1,814	(1,071)
<b>Applications of Capital Funding</b>											
Capital Expenditure:-											
-	- to meet additional demand	-	866	-	-	-	-	-	354	2,058	-
6,451	- to improve the level of service	6,889	5,039	1,427	8,749	5,572	181	336	190	574	200
2,276	- to replace existing assets	3,005	3,227	2,640	3,375	3,101	2,414	3,285	2,955	3,036	2,718
-	Increase/(Decrease) in Reserves	-	-	-	-	-	-	-	-	-	-
-	Increase/(Decrease) of Investments	-	-	-	-	-	-	-	-	-	-
8,727	Total Applications of Capital Funding	9,894	9,132	4,067	12,124	8,674	2,595	3,621	3,500	5,669	2,918
(2,313)	Surplus/(Deficit) of Capital Funding	(2,789)	(3,156)	(3,255)	(3,261)	(3,244)	(3,372)	(3,644)	(3,677)	(3,854)	(3,988)
-	Total Funding Surplus/(Deficit)	-	-	-	-	-	-	-	-	-	-
4,003	Depreciation and amortisation	3,685	3,916	4,222	4,324	4,660	4,935	4,989	5,030	5,151	5,264

**Goal 4 – An Eco City – Group of Activities – Funding Impact Statements**

<b>Funding Impact Statements</b>											
Budget	Eco-City - Group of Activities	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
2020/21		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
<b>Sources of Operating Funding</b>											
714	General Rates, UAGC & Rates Penalties	1,390	1,731	2,023	1,984	2,071	2,141	2,205	2,288	2,367	2,409
5,297	Targeted Rates	5,520	5,958	6,102	6,441	7,325	7,469	7,935	8,745	8,983	9,438
350	Subsidies & Grants for Operating Purposes	340	352	361	371	382	392	405	418	432	446
-	Fees and Charges	-	-	-	-	-	-	-	-	-	-
42	Internal Charges & Overheads Recovered	-	-	-	-	-	-	-	-	-	-
2,347	Other Operating Funding *	2,775	2,890	3,058	3,198	3,291	3,383	3,491	3,606	3,728	3,844
8,749	Total Operating Funding	10,025	10,931	11,545	11,994	13,068	13,385	14,035	15,058	15,511	16,137
<b>Applications of Operating Funding</b>											
5,275	Payments to Staff and Suppliers	7,268	8,029	8,224	8,605	9,522	9,707	10,053	10,387	10,652	11,118
207	Finance Costs	233	363	452	499	547	574	686	791	779	765
2,139	Internal Charges & Overheads Applied	1,361	1,416	1,466	1,505	1,483	1,513	1,544	1,595	1,623	1,656
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
7,621	Total Applications of Operating Funding	8,862	9,809	10,142	10,608	11,553	11,794	12,283	12,774	13,054	13,539
1,128	Surplus/(Deficit) of Operating Funding	1,162	1,122	1,403	1,385	1,516	1,591	1,753	2,284	2,457	2,598
<b>Sources of Capital Funding</b>											
-	Subsidies and Grants for Capital Expenditure	-	-	281	251	-	-	-	-	-	-
-	Development & Financial Contributions	-	-	-	-	-	-	-	-	-	-
(624)	Increase/(Decrease) in Debt	3,847	4,291	1,961	1,716	1,969	(404)	8,097	(638)	(790)	(260)
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-

<b>Funding Impact Statements</b>											
Budget	Eco-City - Group of Activities	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
2020/21		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
<b>Sources of Operating Funding</b>											
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
(624)	Total Sources of Capital Funding	3,847	4,291	2,242	1,968	1,969	(404)	8,097	(638)	(790)	(260)
<b>Applications of Capital Funding</b>											
Capital Expenditure:-											
-	- to meet additional demand	-	-	-	-	-	-	-	-	-	-
311	- to improve the level of service	4,586	4,975	3,185	2,500	2,630	517	8,814	782	565	470
193	- to replace existing assets	423	438	460	853	855	670	1,036	864	1,102	1,869
-	Increase/(Decrease) in Reserves	-	-	-	-	-	-	-	-	-	-
-	Increase/(Decrease) of Investments	-	-	-	-	-	-	-	-	-	-
504	Total Applications of Capital Funding	5,009	5,413	3,645	3,353	3,485	1,187	9,849	1,647	1,667	2,338
(1,128)	Surplus/(Deficit) of Capital Funding	(1,162)	(1,122)	(1,403)	(1,385)	(1,516)	(1,591)	(1,753)	(2,284)	(2,457)	(2,598)
-	Total Funding Surplus/(Deficit)	-	-	-	-	-	-	-	-	-	-
923	Depreciation and amortisation	923	1,099	1,294	1,427	1,519	1,639	1,698	2,058	2,157	2,244

**Goal 5 – A Driven and Enabling Council – Group of Activities – Funding Impact Statements**

<b>Funding Impact Statements</b>											
<b>Budget</b>	<b>Driven &amp; Enabling Council - Group of Activities</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>
<b>2020/21</b>		<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>
<b>\$'000s</b>		<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>
<b>Sources of Operating Funding</b>											
10,771	General Rates, UAGC & Rates Penalties	11,201	11,184	11,649	12,641	14,381	14,208	13,672	13,771	13,617	12,567
-	- Targeted Rates	-	-	-	-	-	-	-	-	-	-
4	Subsidies & Grants for Operating Purposes	-	-	-	-	-	-	-	-	-	-
1,160	Fees and Charges	210	215	220	225	230	235	240	246	251	256
29,003	Internal Charges & Overheads Recovered	33,264	34,536	36,166	37,035	35,983	36,702	37,338	38,201	38,753	39,363
4,345	Other Operating Funding *	4,462	4,853	4,988	5,267	5,712	5,896	6,252	6,543	6,530	6,673
45,283	Total Operating Funding	49,136	50,788	53,024	55,167	56,306	57,041	57,502	58,760	59,151	58,860
<b>Applications of Operating Funding</b>											
34,980	Payments to Staff and Suppliers	33,407	34,554	35,589	37,288	33,602	34,355	34,952	36,009	36,467	37,059
479	Finance Costs	454	572	697	761	815	790	753	797	766	744
8,674	Internal Charges & Overheads Applied	13,393	13,654	14,196	14,584	14,432	14,704	15,009	15,262	15,512	15,843
-	- Other operating funding applications	-	-	-	-	-	-	-	-	-	-
44,133	Total Applications of Operating Funding	47,253	48,780	50,481	52,634	48,849	49,849	50,713	52,067	52,746	53,646
1,150	Surplus/(Deficit) of Operating Funding	1,883	2,008	2,543	2,534	7,457	7,192	6,789	6,693	6,405	5,214
<b>Sources of Capital Funding</b>											
-	- Subsidies and Grants for Capital Expenditure	-	-	-	-	-	-	-	-	-	-
-	- Development & Financial Contributions	-	-	-	-	-	-	-	-	-	-
2,958	Increase/(Decrease) in Debt	4,446	3,819	3,178	4,235	(832)	(721)	(845)	(2,433)	(368)	668
-	- Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-

<b>Funding Impact Statements</b>											
<b>Budget</b>	<b>Driven &amp; Enabling Council - Group of Activities</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>
<b>2020/21</b>		<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>
<b>\$'000s</b>		<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>
<b>Sources of Operating Funding</b>											
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
2,958	Total Sources of Capital Funding	4,446	3,819	3,178	4,235	(832)	(721)	(845)	(2,433)	(368)	668
<b>Applications of Capital Funding</b>											
Capital Expenditure:-											
-	- to meet additional demand	-	-	-	-	-	-	-	-	-	-
356	- to improve the level of service	1,428	866	1,411	1,870	2,131	1,055	962	808	465	475
3,752	- to replace existing assets	4,901	4,961	4,310	4,898	4,495	5,416	4,982	3,452	5,572	5,407
-	Increase/(Decrease) in Reserves	-	-	-	-	-	-	-	-	-	-
-	Increase/(Decrease) of Investments	-	-	-	-	-	-	-	-	-	-
4,108	Total Applications of Capital Funding	6,329	5,827	5,721	6,768	6,625	6,471	5,944	4,260	6,037	5,882
(1,150)	Surplus/(Deficit) of Capital Funding	(1,883)	(2,008)	(2,543)	(2,534)	(7,457)	(7,192)	(6,789)	(6,693)	(6,405)	(5,214)
-	Total Funding Surplus/(Deficit)	-	-	-	-	-	-	-	-	-	-
3,185	Depreciation and amortisation	3,125	3,494	3,795	4,125	4,200	4,307	4,398	4,494	4,546	4,553

## Transport – Group of Activities – Funding Impact Statements

Funding Impact Statements											
Budget	Transport - Group of Activities	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
2020/21		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
<b>Sources of Operating Funding</b>											
15,646	General Rates, UAGC & Rates Penalties	13,367	15,506	18,118	20,052	21,806	23,667	25,125	26,753	28,162	30,276
-	- Targeted Rates	-	-	-	-	-	-	-	-	-	-
2,918	Subsidies & Grants for Operating Purposes	4,201	4,337	4,632	5,056	4,803	5,128	5,277	5,430	5,587	5,749
-	- Fees and Charges	134	139	143	147	151	156	160	165	169	174
-	- Internal Charges & Overheads Recovered	-	-	-	-	-	-	-	-	-	-
4,127	Other Operating Funding *	5,686	5,844	6,002	6,158	6,320	6,486	6,657	6,832	7,013	7,200
22,691	Total Operating Funding	23,389	25,826	28,894	31,414	33,080	35,436	37,218	39,180	40,932	43,400
<b>Applications of Operating Funding</b>											
15,735	Payments to Staff and Suppliers	6,988	7,367	8,934	9,865	9,957	10,685	11,178	11,649	12,006	13,056
1,566	Finance Costs	1,281	1,744	2,089	2,525	3,039	3,444	3,788	4,058	4,396	4,647
(612)	Internal Charges & Overheads Applied	10,760	11,550	11,693	11,781	11,664	11,979	12,151	12,560	12,855	13,034
-	- Other operating funding applications	-	-	-	-	-	-	-	-	-	-
16,689	Total Applications of Operating Funding	19,029	20,661	22,716	24,171	24,661	26,108	27,117	28,266	29,257	30,737
6,002	Surplus/(Deficit) of Operating Funding	4,360	5,165	6,178	7,243	8,419	9,328	10,101	10,914	11,675	12,662
<b>Sources of Capital Funding</b>											
6,210	Subsidies and Grants for Capital Expenditure	8,889	10,693	17,733	26,408	22,227	20,497	28,705	32,048	31,141	13,751
657	Development & Financial Contributions	726	814	1,022	1,675	2,347	3,114	3,212	3,286	3,416	3,458
1,809	Increase/(Decrease) in Debt	15,801	15,356	12,484	21,870	15,195	12,441	11,462	8,178	16,554	651
-	- Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-

<b>Funding Impact Statements</b>											
<b>Budget</b>	<b>Transport - Group of Activities</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>
<b>2020/21</b>		<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>
<b>\$'000s</b>		<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
8,676	Total Sources of Capital Funding	25,417	26,863	31,239	49,953	39,769	36,052	43,379	43,513	51,111	17,860
<b>Applications of Capital Funding</b>											
Capital Expenditure:-											
563	- to meet additional demand	8,700	8,867	2,708	6,010	3,036	7,636	1,250	1,531	5,295	2,140
8,501	- to improve the level of service	14,869	17,432	28,521	43,506	36,312	27,868	41,796	41,875	45,998	16,584
5,613	- to replace existing assets	6,207	5,729	6,188	7,681	8,840	9,876	10,434	11,020	11,493	11,798
-	Increase/(Decrease) in Reserves	-	-	-	-	-	-	-	-	-	-
-	Increase/(Decrease) of Investments	-	-	-	-	-	-	-	-	-	-
14,678	Total Applications of Capital Funding	29,776	32,028	37,417	57,196	48,188	45,380	53,480	54,426	62,786	30,523
(6,002)	Surplus/(Deficit) of Capital Funding	(4,360)	(5,165)	(6,178)	(7,243)	(8,419)	(9,328)	(10,101)	(10,914)	(11,675)	(12,662)
-	Total Funding Surplus/(Deficit)	-	-	-	-	-	-	-	-	-	-
13,476	Depreciation and amortisation	12,939	13,543	14,567	15,286	16,400	18,428	19,099	19,798	22,092	22,969



### Stormwater – Group of Activities – Funding Impact Statements

Funding Impact Statements											
Budget	Stormwater - Group of Activities	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
2020/21		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
<b>Sources of Operating Funding</b>											
3,171	General Rates, UAGC & Rates Penalties	3,613	4,125	4,719	4,949	5,151	5,415	5,703	5,945	5,846	5,995
-	Targeted Rates	-	-	-	-	-	-	-	-	-	-
-	Subsidies & Grants for Operating Purposes	-	-	-	-	-	-	-	-	-	-
-	Fees and Charges	-	-	-	-	-	-	-	-	-	-
19	Internal Charges & Overheads Recovered	-	-	-	-	-	-	-	-	-	-
2	Other Operating Funding *	6	6	6	7	7	7	7	7	8	8
3,192	Total Operating Funding	3,619	4,131	4,725	4,956	5,158	5,422	5,710	5,953	5,854	6,003
<b>Applications of Operating Funding</b>											
1,018	Payments to Staff and Suppliers	3,122	3,303	3,637	3,798	3,914	4,108	4,227	4,262	4,138	4,262
174	Finance Costs	250	425	549	630	675	711	795	856	855	846
933	Internal Charges & Overheads Applied	(845)	(876)	(904)	(922)	(924)	(948)	(968)	(998)	(1,028)	(1,050)
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
2,125	Total Applications of Operating Funding	2,526	2,851	3,282	3,505	3,664	3,871	4,054	4,119	3,965	4,057
1,067	Surplus/(Deficit) of Operating Funding	1,093	1,279	1,443	1,450	1,494	1,550	1,657	1,834	1,889	1,946
<b>Sources of Capital Funding</b>											
-	Subsidies and Grants for Capital Expenditure	-	-	-	-	-	-	-	-	-	-
126	Development & Financial Contributions	139	132	166	272	381	506	522	534	555	562
1,428	Increase/(Decrease) in Debt	6,705	5,409	4,283	2,472	1,155	1,453	4,506	30	99	(672)

<b>Funding Impact Statements</b>											
<b>Budget</b>	<b>Stormwater - Group of Activities</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>
<b>2020/21</b>		<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>
<b>\$'000s</b>		<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>
<b>Sources of Capital Funding</b>											
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
1,554	Total Sources of Capital Funding	6,844	5,541	4,449	2,744	1,536	1,959	5,028	564	654	(110)
<b>Applications of Capital Funding</b>											
Capital Expenditure:-											
151	- to meet additional demand	5,450	3,726	1,728	938	561	1,396	12	553	763	131
1,610	- to improve the level of service	1,612	2,277	3,027	2,297	1,582	1,306	5,839	984	890	787
860	- to replace existing assets	875	818	1,136	960	887	808	833	861	890	918
-	Increase/(Decrease) in Reserves	-	-	-	-	-	-	-	-	-	-
-	Increase/(Decrease) of Investments	-	-	-	-	-	-	-	-	-	-
2,621	Total Applications of Capital Funding	7,937	6,821	5,891	4,194	3,030	3,509	6,685	2,398	2,543	1,835
(1,067)	Surplus/(Deficit) of Capital Funding	(1,093)	(1,279)	(1,443)	(1,450)	(1,494)	(1,550)	(1,657)	(1,834)	(1,889)	(1,946)
-	Total Funding Surplus/(Deficit)	-	-	-	-	-	-	-	-	-	-
1,909	Depreciation and amortisation	1,909	2,018	2,196	2,272	2,329	3,390	3,414	3,474	5,152	5,167

## Wastewater – Group of Activities – Funding Impact Statements

Funding Impact Statements											
Budget	Wastewater - Group of Activities	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
2020/21		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
\$'000s		\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
<b>Sources of Operating Funding</b>											
-	General Rates, UAGC & Rates Penalties	-	-	-	-	-	-	-	-	-	-
8,529	Targeted Rates	10,589	12,260	13,440	19,384	30,410	35,727	40,048	40,787	41,298	42,399
-	Subsidies & Grants for Operating Purposes	230	-	-	-	-	-	-	-	-	-
5	Fees and Charges	6	6	6	7	7	7	7	7	8	8
42	Internal Charges & Overheads Recovered	-	-	-	-	-	-	-	-	-	-
1,331	Other Operating Funding *	1,195	1,237	1,269	1,522	1,790	2,071	2,614	2,700	2,792	2,878
9,907	Total Operating Funding	12,020	13,503	14,715	20,912	32,207	37,805	42,668	43,494	44,097	45,285
<b>Applications of Operating Funding</b>											
3,944	Payments to Staff and Suppliers	9,219	9,339	10,085	13,275	19,135	18,122	18,516	18,639	19,194	19,920
455	Finance Costs	406	534	865	2,823	6,151	9,496	10,980	10,636	10,277	9,920
2,014	Internal Charges & Overheads Applied	(1,880)	(1,949)	(2,007)	(2,038)	(2,041)	(2,091)	(2,134)	(2,190)	(2,253)	(2,305)
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
6,413	Total Applications of Operating Funding	7,745	7,924	8,943	14,060	23,245	25,527	27,362	27,085	27,218	27,536
3,494	Surplus/(Deficit) of Operating Funding	4,275	5,579	5,773	6,853	8,961	12,278	15,306	16,409	16,879	17,750
<b>Sources of Capital Funding</b>											
-	Subsidies and Grants for Capital Expenditure	2,302	-	-	-	-	-	-	-	-	-
482	Development & Financial Contributions	533	1,022	1,283	2,104	2,949	3,912	4,035	4,128	4,292	4,345
2,478	Increase/(Decrease) in Debt	3,756	3,881	19,601	122,111	119,274	122,008	(13,448)	(11,713)	(14,345)	(11,517)
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-

<b>Funding Impact Statements</b>											
<b>Budget</b>	<b>Wastewater - Group of Activities</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>
<b>2020/21</b>		<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>
<b>\$'000s</b>		<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
2,960	Total Sources of Capital Funding	6,591	4,903	20,884	124,215	122,223	125,920	(9,413)	(7,585)	(10,053)	(7,172)
<b>Applications of Capital Funding</b>											
Capital Expenditure:-											
103	- to meet additional demand	1,003	1,470	1,239	1,707	954	58	60	61	64	66
2,210	- to improve the level of service	4,823	4,554	21,353	122,678	125,682	132,363	1,024	2,841	1,094	3,291
4,142	- to replace existing assets	5,040	4,459	4,065	6,683	4,548	5,777	4,810	5,921	5,669	7,221
-	Increase/(Decrease) in Reserves	-	-	-	-	-	-	-	-	-	-
-	Increase/(Decrease) of Investments	-	-	-	-	-	-	-	-	-	-
6,454	Total Applications of Capital Funding	10,866	10,482	26,657	131,068	131,185	138,198	5,893	8,824	6,826	10,577
(3,494)	Surplus/(Deficit) of Capital Funding	(4,275)	(5,579)	(5,773)	(6,853)	(8,961)	(12,278)	(15,306)	(16,409)	(16,879)	(17,750)
-	Total Funding Surplus/(Deficit)	-	-	-	-	-	-	-	-	-	-
4,251	Depreciation and amortisation	4,195	4,344	4,512	4,950	7,421	10,106	12,740	12,758	12,982	13,001

## Water – Group of Activities – Funding Impact Statements

<b>Funding Impact Statements</b>											
<b>Budget</b>	<b>Water - Group of Activities</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>
<b>2020/21</b>		<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>
<b>\$'000s</b>		<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>
<b>Sources of Operating Funding</b>											
-	General Rates, UAGC & Rates Penalties	-	-	-	-	-	-	-	-	-	-
9,265	Targeted Rates	10,938	12,896	13,958	14,617	14,138	14,670	15,076	15,778	15,706	15,859
-	Subsidies & Grants for Operating Purposes	-	-	-	-	-	-	-	-	-	-
-	Fees and Charges	48	49	50	52	53	55	57	58	60	62
189	Internal Charges & Overheads Recovered	201	208	255	261	269	275	282	291	299	307
37	Other Operating Funding *	47	49	50	322	53	55	56	58	60	62
9,491	Total Operating Funding	11,234	13,203	14,313	15,252	14,513	15,054	15,471	16,186	16,126	16,290
<b>Applications of Operating Funding</b>											
4,236	Payments to Staff and Suppliers	3,213	3,342	3,565	4,094	3,804	4,171	4,281	4,737	4,670	4,781
715	Finance Costs	691	896	1,089	1,340	1,710	2,076	2,256	2,237	2,131	2,030
131	Internal Charges & Overheads Applied	2,145	2,221	2,300	2,374	2,312	2,352	2,413	2,485	2,541	2,616
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
5,082	Total Applications of Operating Funding	6,049	6,459	6,953	7,809	7,826	8,598	8,949	9,459	9,342	9,427
4,409	Surplus/(Deficit) of Operating Funding	5,184	6,744	7,359	7,444	6,686	6,456	6,522	6,727	6,784	6,863
<b>Sources of Capital Funding</b>											
-	Subsidies and Grants for Capital Expenditure	1,188	-	-	-	-	-	-	-	-	-
332	Development & Financial Contributions	367	337	423	694	972	1,290	1,331	1,361	1,415	1,433
4,442	Increase/(Decrease) in Debt	5,361	6,196	7,699	12,933	17,013	10,585	2,864	(3,434)	(3,761)	(3,669)
-	Gross proceeds from sale of assets	-	-	486	-	-	-	-	-	-	-

<b>Funding Impact Statements</b>											
<b>Budget</b>	<b>Water - Group of Activities</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>	<b>10YP</b>
<b>2020/21</b>		<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>
<b>\$'000s</b>		<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
4,774	Total Sources of Capital Funding	6,916	6,533	8,608	13,627	17,985	11,875	4,195	(2,073)	(2,346)	(2,236)
<b>Applications of Capital Funding</b>											
Capital Expenditure:-											
305	- to meet additional demand	1,464	1,538	1,275	2,623	8,703	8,327	3,681	307	356	328
5,154	- to improve the level of service	6,260	6,813	9,435	10,868	9,834	5,296	2,733	250	195	4
3,724	- to replace existing assets	4,376	4,925	5,257	7,579	6,134	4,708	4,302	4,096	3,887	4,295
-	Increase/(Decrease) in Reserves	-	-	-	-	-	-	-	-	-	-
-	Increase/(Decrease) of Investments	-	-	-	-	-	-	-	-	-	-
9,183	Total Applications of Capital Funding	12,100	13,277	15,967	21,070	24,671	18,331	10,716	4,654	4,437	4,627
(4,409)	Surplus/(Deficit) of Capital Funding	(5,184)	(6,744)	(7,359)	(7,444)	(6,686)	(6,456)	(6,522)	(6,727)	(6,784)	(6,863)
-	Total Funding Surplus/(Deficit)	-	-	-	-	-	-	-	-	-	-
3,271	Depreciation and amortisation	3,090	3,236	3,404	3,536	3,745	4,170	4,355	4,468	4,696	4,696

Wāhanga 4  
Section 4

**He Kōrero Āpiti**  
**Additional Information**

**4**

- Significance and Engagement Policy
- Māori Participation in Council Decision Making
- Council Controlled Organisations
- The Role and Structure of the Council
- How to Contact the Council
- Glossary



# Significance and Engagement Policy

## 2021

### Purpose of this Policy

#### Significance and Engagement Policy (2021)

This Policy sets out how the Council will determine the significance (importance) of its proposals and decisions – and hence, how it will ensure that its engagement on these proposals and decisions meets community preferences. It also lists Council's strategic assets.

It is a requirement of s76AA of the Local Government Act.

#### Context for this Policy

The Council has a Good Governance and Active Citizenship Plan. This Plan sets Council's overall approach and commitment to community engagement. Thus it gives Council's broader context for the Significance and Engagement Policy:

*“The purpose of the Good Governance and Active Citizenship Plan is to have greater community participation in decision-making. Robust decisions are made when the aspirations of all our communities are heard by Elected Members. Participation is not only voting, it is about taking opportunities to voice opinions, make formal submissions, get*

*involved in local projects and initiatives. This is where the benefits of a small city can really be seen.*

*“The purpose of local government is to enable democratic local decision-making and action by, and on behalf of, communities and to promote the social, economic, environmental and cultural well-being of communities in the present and for the future. The Local Government Act was amended in 2019 to make the Chief Executive of the local authority responsible for “facilitating and fostering representative and substantial elector participation in elections and polls held under the Local Electoral Act” Section 42 (2)(da). Appropriate engagement leads to good planning and effective solutions which reflect community aspirations.*

*“A city with ‘active citizens’ is a place where residents choose to engage and serve their community; where there is access to good information; and where diverse voices contribute ideas and experience to collaborate on inclusive solutions which will benefit this generation and the next. Active citizenship contributes to a healthy democracy where individuals and communities are empowered to have a say; where elected officials are accountable; and where decisions are transparent.”*

The Council is also committed to engaging with Rangitāne o Manawatū.

The Council and Rangitāne signed a Partnership Agreement in 2019 that formally acknowledges the status of Rangitāne as mana whenua. This has created a reciprocal working relationship with iwi leadership to align their priorities with those of Council across the suite of strategies and policies that guide our collective decisions. It sets out how Rangitāne and Council will work together and understand each other's aspirations.

## The Meaning of Community Engagement in Decision Making

Community engagement is a very important part of Council's decision making.

Community engagement means Council and people connecting together to share ideas and build understanding.

Key elements of good engagement are:

- Council involving people throughout the process
- Council giving people the time and information they need to have their say
- Council and people listening to each other and feeling listened to
- Council valuing and genuinely considering peoples' ideas
- Council giving people information about the decisions it has made and the reasons for these
- That it is purposeful and aimed at shaping the decisions and actions of Council.

In good community engagement, peoples' ideas may or may not be fully adopted, but they know that they have been genuinely listened to and that their ideas have been fully considered.

Community engagement is a planned process that occurs right through the decision-making process. Hence it is a wider process than consultation, which tends to be more formal and to happen towards the end of the decision-making process.

## The Council's General Approach to Community Engagement

The Council uses a model based on the IAP2 (International Association for Public Participation) continuum to guide its engagement (see the following diagram).

This shows that community engagement for decision making is a continuum. At one end of the continuum the Council gives people information about what it is doing. At the other end Council delegates decision making to the public. In the middle it uses a range of techniques to gather community views and to involve people in making its decisions.

Most of the Council's engagement will be in the middle of the continuum - at the Consult, Involve or Collaborate levels. In general, the more important (or significant) the decision, the more the Council will work at the Involve or Collaborate level.

In some cases the Council will use engagement techniques from a mix of levels and it may use different levels at different points of the engagement. For example, when it is exploring issues and options Council could use Collaborative techniques, and then use techniques from the Consult level to get community views on these options.

The Council also has a set of Community Engagement Principles to guide its community engagement. These principles sit alongside the consultation principles from s82 of the Local Government Act (see Appendix 1), and the wider decision making and consultation requirements in sections 76-90 of the Act.

	INFORM	CONSULT	INVOLVE	COLLABORATE	EMPOWER
<b>PUBLIC PARTICIPATION GOAL</b>	To provide the public with balanced and objective information to assist them in understanding the problems, alternatives and/or solutions.	To obtain public feedback on analysis, alternatives and/or decision.	To work directly with the public throughout the process to ensure that public issues and concerns are consistently understood and considered.	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.	To place final decision-making in the hands of the public.
<b>PROMISE TO THE PUBLIC</b>	We will keep you informed.	We will keep you informed, listen to and acknowledge concerns and provide feedback on how public input influenced the decision.	We will work with you to ensure that your concerns and issues are directly reflected in the alternatives developed and provide feedback on how public input influenced the decision.	We will look to you for direct advice and innovation in formulating solutions and incorporate your advice and recommendations into the decisions to the maximum extent possible.	We will implement what you decide.
<b>EXAMPLE TOOLS</b>	<ul style="list-style-type: none"> <li>Fact sheets</li> <li>Websites</li> <li>Open houses</li> </ul>	<ul style="list-style-type: none"> <li>Public comment</li> <li>Focus groups</li> <li>Surveys</li> <li>Public meetings</li> </ul>	<ul style="list-style-type: none"> <li>Workshops</li> <li>Deliberate polling</li> </ul>	<ul style="list-style-type: none"> <li>Citizen Advisory committees</li> <li>Consensus-building</li> <li>Participatory decision-making</li> </ul>	<ul style="list-style-type: none"> <li>Citizen juries</li> <li>Ballots</li> <li>Delegated decisions</li> </ul>

The Council's Community Engagement Principles say that when it engages with local residents and organisations it will:

- Engage in a way that shows people that their contribution is valued and will be fully considered
- Be clear about the process being used and the level of influence that people have
- Encourage as many people as reasonably possible to take part from the start to the finish of the process, especially affected and interested people
- Make it easy for people to give their views to the Council
- Engage in the community by going to where people are and not always expecting them to come to the Council

- Give people time to think about the issues and respond to them
- Use honest and easy to understand information
- Listen to everybody who engages with the Council and gather other information so that it understands a reasonably wide range of peoples' views
- Tell people what it decides and why
- Use relevant information from previous engagement processes
- Take a common sense, cost effective approach.

### The Local Government Act Meaning of Significance

The LG Act (s5) says that significance means the degree of importance of the issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for:

- a. the district or region;
- b. any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter;
- c. the capacity of the local authority to perform its role, and the financial and other costs of doing so.

Significance is a continuum that ranges from decisions of low significance to decisions of high significance. The Act says that a decision of high significance is 'significant' (s5). The legislation does not contain any specific criteria to distinguish between significant and non-significant decisions. Instead, the legislation says that that is a decision for each Council to make in each instance.

The Council will ensure that its community engagement and decision making is appropriate for the significance of each decision it makes, irrespective of whether or not the decision is significant.

If a decision is significant (under s5) then the Council will meet a higher standard of engagement and (as required by s76(3) of the LG Act) will

ensure that the decision making and consultation principles of s77, 78, 80, 81 and 82 have been appropriately complied with.

### Council's Approach to Significance

Based on the above definitions the Council will determine the significance of a decision by assessing:

- Its impact on the achievement of the Council's 10-Year Plan (Long-Term Plan). The 10-Year Plan sets out what the Council is aiming to achieve (see the following table). In general, a significant decision is one that has high and ongoing impact on the achievement of the Council's 10-Year Plan
- Its impact on those persons who are particularly affected by or interested in the decision. In general, a significant decision is one that has high and ongoing impact on or interest from many people across the community
- Its impact on the Council's resources and capacity to perform its role. In general, a significant decision is one that has high and ongoing cost.

It is the Council that decides whether or not a decision is significant. In making this decision the Council will take into account community views.

The Council has no pre-set triggers or thresholds to determine what is high or ongoing.

In making its decision the Council will take into account all three of the above criteria - a single criterion on its own does not necessarily determine significance. The Council will also consider the cumulative impact of closely related decisions.

### 10-Year Plan Vision and Goals

#### Vision:

Palmerston North: Small city benefits, Big city ambition  
He iti rā, he iti pounamu

#### Goals:

**An innovative and growing city**  
He tāone auaha, he tāone tiputipu

**A creative and exciting city**  
He tāone whakaihiihi, tapatapahi ana

**Connected and safe communities**  
He hapori tūhonohono, he hapori haumarū

**An eco city**  
He tāone tautaiāo

**A driven and enabling Council**  
He Kaunihera ahunui, whakamana i te iwi

All reports that go to Council will contain an assessment of the significance of the recommended decisions. If the recommendations are considered to be significant a recommendation confirming this and that the Council has engaged appropriately will be included. A statement showing how the Council will (or has) appropriately observe(d) the applicable sections of the Act will also be included.

Whether or not a decision is significant, the Council will still engage appropriately.

Most recommended Council decisions will not be significant.

If the Council substantially changes the report's recommendations then it will have to assess the significance of the new recommendations before it adopts them.

### Council's Strategic Assets

The Significance and Engagement Policy must list Council's strategic assets.

A strategic asset is any “asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority's capacity to achieve or promote any outcome that the local authority determines to be important to the current or future well-being of the community” (LG Act s5).

The Act also says that any housing Council owns to provide affordable housing as part of its social policy and any airport company shares are strategic assets.

In general, if Council is making a decision about a strategic asset it will use a greater degree of engagement than it will for a non-strategic asset. In particular, the Council cannot transfer ownership or control of a strategic asset unless it has first consulted with the community through a Long-Term Plan Consultation Document (LG Act s97).

The Council's strategic assets are:

- social housing as a whole (for low-income older people or people on low incomes with additional needs)
- public rental housing as a whole
- shares in Palmerston North Airport Ltd
- roading and traffic network as a whole (including footpaths, street lighting & parking)
- wastewater reticulation network and treatment plant as a whole
- water supply, treatment, storage and reticulation network as a whole

- stormwater network and land drainage system as a whole
- Te Marae o Hine - The Square as a whole
- reserves zoned for recreation purposes or subject to the Reserves Act as a whole
- the Esplanade, Ongley Park, Fitzherbert Park and Manawaroa Park as a whole
- aquatic facilities as a whole
- Central Energy Trust Arena as a whole
- walkways as a whole
- Ashhurst Domain as a whole
- Memorial Park as a whole
- the parts of the Manawatū River Park owned by Council, as a whole
- Linklater Park as a whole
- Te Manawa
- the Regent Theatre
- the Globe Theatre
- Caccia Birch
- City Library (including community libraries and mobile library) as a whole
- archives as a whole
- Square Edge
- community centres as a whole
- Hancock Community House
- cemeteries and crematorium as a whole
- that portion of the Civic Administration Building sited on The Square - Te Marae o Hine.

The Council considers each asset and groups of assets listed above as a single whole asset. This is because the asset or group of assets as a whole delivers the service.

“Strategic assets”, therefore refers to the whole asset or group of assets and not individual components unless that component substantially affects the ability of the Council to deliver the service. If the Council is considering a decision on any individual component of a strategic

asset that substantially affects the ability of the Council to deliver or promote its services then that component will be treated as strategic.

The Council recognises that there will be some assets that, although not fitting the legal definition of strategic asset, are of high community importance and interest. The Council will appropriately engage with the community on issues relating to these assets. In these cases proposals or decisions regarding these assets may be significant.

### **Monitoring and Review**

This Policy will be reviewed every three years through the 10-Year Plan.

It will be monitored as part of Council's monitoring of the Good Governance and Active Citizenship Plan.

### **Appendix 1:**

#### **Local Government Act s82 Principles of Consultation**

(1) Consultation that a local authority undertakes in relation to any decision or other matter must be undertaken, subject to subsections (3) to (5), in accordance with the following principles:

- a.** that persons who will or may be affected by, or have an interest in, the decision or matter should be provided by the local authority

with reasonable access to relevant information in a manner and format that is appropriate to the preferences and needs of those persons:

- b.** that persons who will or may be affected by, or have an interest in, the decision or matter should be encouraged by the local authority to present their views to the local authority:

- c.** that persons who are invited or encouraged to present their views to the local authority should be given clear information by the local authority concerning the purpose of the consultation and the scope of the decisions to be taken following the consideration of views presented:

- d.** that persons who wish to have their views on the decision or matter considered by the local authority should be provided by the local authority with a reasonable opportunity to present those views to the local authority in a manner and format that is appropriate to the preferences and needs of those persons:

- e.** that the views presented to the local authority should be received by the local authority with an open mind and should be given by the local authority, in making a decision, due consideration:

- f.** that persons who present views to the local authority should have access to a clear record or description of relevant decisions made by the local authority and explanatory material relating to the decisions, which may include, for example, reports relating to the matter that were considered before the decisions were made.

# Māori Participation in Council Decision Making

The Council acknowledges Rangitāne o Manawatū as mana whenua – the original custodians and stewards of this whenua.

The Local Government Act 2002 provides Councils with clear direction regarding their role as obligatory stewards of Treaty Partnership on behalf of the Crown. The contribution of Māori to local government decision making processes is integral to inter-generational well-being of all citizens. In line with Treaty principles Councils are required to create systems and pathways that contribute to that well-being through partnership, representation, and meaningful consultation with mana whenua and wider Māori communities.

Council has committed to its partnership with Rangitāne and in turn the wider Māori community to strengthen those relationships and encourage participation. This will ensure that Rangitāne and Māori interests are reflected and contributions to positive Māori development are captured in the Long-term Plan.

## Rangitāne o Manawatū Partnership

The Council signed a Partnership Agreement in 2019 that formally acknowledges the status of Rangitāne as mana whenua. This has created a reciprocal working relationship with Iwi leadership to align their priorities with those of Council across the suite of Council Strategies and Plans.

Rangitāne are also represented on Council by Iwi appointees to Council's Community Development, Economic Development, and Environmental Committees. Rangitāne are also represented on the

Rangitāne Co-management Committee for Te Motu o Poutoa (Anzac Park). This latter Committee may also expand its mandate to cover other ancestral sites of significance to the Iwi.

The Council has resolved to establish a Māori Ward or Wards for the 2022 and 2025 elections. Māori Councillors will represent the wider Māori community and will sit alongside Rangitāne appointees to Committees.

Council staff and management meet regularly with Iwi leaders regarding a very broad set of projects and programmes. In particular there is a monthly hui that traverses the range of activities that are relevant to Iwi. The Council provides capacity funding to support this engagement and acknowledges the significant contribution that mana whenua bring to the City, including the specific Treaty-based legislative responsibilities that must be led by local government. This is augmented by early engagement between Rangitāne and Elected Members on the Long Term Plan and other major projects such as the Palmerston North BPO (Best Practicable Option) wastewater review.

The Council also maintains a Māori advisory function to ensure Elected Members and staff understand Māori mātauranga (practices and principles) so that Rangitāne and wider Māori are appropriately involved in Council decisions.

The need to understand and work alongside the relationships that can assist Council to reach the Māori community is key. Organisations such as Te Tihi o Ruahine, Te Wānanga o Aotearoa, Massey University, UCOL, Māori Health and Social Service providers, kōhanga reo and schools are key connections who are already working alongside whānau. For council to know when to adopt the role of facilitator, supporter or leader where appropriate is vital to a connected sector that is making a difference to the aspiration of Māori development and participation in local government decision making processes.

The visibility of Rangitāne in the landscape of Te Papioea is increasing rapidly and this can be directly attributed to that partnership and spaces where Rangitāne have representation and contribution. Visibility of Iwi provides a strong signal to our community that Iwi Māori and perspectives are relevant and valued and this has a connection to levels of Māori engagement. A number of high profile public spaces have resulted such as: Te Whakahaumanu Wildbase Project, He Ara Kotahi bridge and trailways, the Village Gateways project, The 'Tini Whetu ki te Rangi' atea/gathering space, the Te Arapiki a Tāne steps, and the soon to be completed Arena 'Te Aho Tangata' stadium upgrade.

Iwi continue to provide leadership as partners with the Manawatū River Framework and the establishment of the working group Te Ohunga Mauri. This ensures Council staff and Rangitāne continue to work together to create an engaging and inspiring environment as well as affirm and share cultural and historical narratives. Iwi have been at the heart of emerging major events at the River and this year the winter Pūanga-Mataariki event and the Kōanga bonfire festival continued to

showcase the River as a key place where we gather together as a City to enjoy our environment and celebrate community. The Hei Manga Oranga cultural monitoring initiative is progressing with its focus on ensuring the improvement in the health and mauri of our urban and rural streams. Combined, these elements reinforce how a bicultural approach is a key to invigorating civic engagement at an individual, neighbourhood and wider community level.

The Welcoming Communities programme has continued to flourish as Rangitāne are able to express and socialise their tikanga. The ability to express manaakitanga alongside agency partners and the Council to welcome and orientate new arrivals to the City has brought great value. The bicultural platform has enhanced the space for our diverse community to stand, be heard and advocate on their own behalf. Rangitāne also embrace local, national and international relationships alongside elected members in the hosting of many events, functions, and conferences in the City and Te Ao Māori is seen as an important part of our City identity.



# Council Controlled Organisations

*Note: the Statements of Intent for CEDA and the Cultural CCOs are currently being developed. Council has received and commented on the draft Statements. The CCOs are currently updating the Statements in light of Council's comments. The information in this section is based on the draft Statements.*

The Council provides some of its 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 percent of the voting rights or has the right to appoint at least 50 percent of the directors or trustees.

These organisations can bring business and community expertise that Council 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 (CCTO) operate at arm's length from the Council and annually agree on the services they will provide. The agreement is called a Statement of Intent. Council then provides funding (if required), so the board can implement their statement of intent.

## Reporting CCOs:

- Caccia Birch Trust Board (until 1 July 2022)
- Central Economic Development Agency (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, simulating investment and by providing support for its range of economic sectors.

## Council can exempt small CCOs from the planning and reporting requirements of the Local Government Act. These are called exempted organisations. Exempted Organisations are:

- Palmerston North Performing Arts Trust
- Manawatū-Wanganui Regional disaster Relief Fund Trust

This section summarises key information from the CCOs' Statements of Intent.

## Caccia Birch Trust

Note: in May 2021 Council resolved to “bring the Caccia Birch service delivery in-house by July 2022”. At that point it will not be a CCO.

### Strategic Objectives:

- Maintain and enhance the heritage values of Caccia Birch House and Gardens
- Increase the range of opportunities for residents and their visitors to experience the property and gardens and learn about its history.
- Increase income generated through the house and garden as a venue for hire, focusing on its market strength as the only Category 1 Heritage Status Homestead in Palmerston North

Performance Measures	Actual	Target		
	2019/20	2021/22	2022/23	2023/24
No. of visitors to open days		600	NA	NA
No. of hires		425	NA	NA
No. of community hires		25	NA	NA

## Globe Theatre Trust

The Globe Theatre comprises of two community theatres run for the Council by the Globe Theatre Trust Board.

The Board controls, develops, promotes and maintains the Globe Theatres so that they can be used and enjoyed by residents and visitors to the Manawatū region.

### Strategic Objectives:

- Ensure that there are more, and more visible, arts and activities at the Globe that contribute to the Council's aspirations as an arts powerhouse
- Support the local performing arts community to showcase their diverse talents at the Globe, and working to ensure our users represent the diversity of the Palmerston North community
- Maintain and develop facilities that enable our communities to produce and enjoy the very best performing arts that can be offered, ensuring that the Globe remains a cutting edge, visible and resilient cultural institution/facility.

Performance Measures	Actual	Target		
	2019/20	2021/22	2022/23	2023/24
Number of usages	534	650	675	675
Number of performances	215	220	240	240
No. of visitors / audience	15,487	26,000	27,000	27,000
Satisfaction (hirers)	94%	Maintain or improve	Maintain or improve	Maintain or improve

		previous year	previous year	previous year
% of use from community groups	31%	Maintain or increase previous year	Maintain or increase previous year	Maintain or increase previous year

## Regent Theatre Trust

The Regent Theatre (Regent on Broadway) is one of the Council's major arts and cultural facilities and is a regional centre for the performing arts. Constructed as a movie theatre in 1930 it was completely refurbished in 1998 and consists of a 1400-seat civic auditorium.

The Regent Theatre Trust 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.

### Strategic Objectives:

- To be a venue for exciting community and performing arts experiences for the people of Palmerston North and the wider Manawatū region including recognising the role of local Tangata Whenua and heritage status of the building.
- To engage in effective collaboration with our stakeholders and clients, enabling the best customer experience.
- To engage with diverse audiences via a marketing and promotion strategy that is continually developing and

responding to regional demographics and artistic/cultural trends.

Performance Measures	Actual	Target		
	2019/20	2021/22	2022/23	2023/24
Days the main auditorium is hired	106	180	200	210
Live national / international performances in main auditorium	17	35	40	55
Total No. of events	296	350	400	410
Number of school concerts	8	10	11	11
Number of school prize givings	13	14	16	16

Note: aim is to achieve these target numbers or higher.

## Te Manawa Museums Trust

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 Te Manawa Museums Trust. It has key roles in promoting and supporting Kaupapa Māori and Rangitāne, the arts, culture and science, as well as educating visitors by providing challenging experiences and programmes.

### Strategic Objectives:

- A collaborative and future-focussed organisation
- Innovative experiences that attract visitors
- Enhanced learning and engagement

Performance Measures	Actual	Target		
	2019/20	2021/22	2022/23	2023/24
In person visits	100,599	150,000	150,000	150,000
On-line reach	664,932	600,000	600,000	600,000
Participation in learning programmes	21,316	24,000	24,000	24,000
Visitor satisfaction	99%	>96%	>96%	>96%

## CEDA

### Objective:

CEDA is a limited liability company incorporated and registered under the Companies Act 1993 that is 50 percent owned by the Council and 50 percent owned by 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:**

CEDA is currently developing its Statement of Intent for 2021-22. The Councils' Letter of Expectation set out their expectations to guide its development. CEDA core functions and outcomes are:

- Inward investment (both national and international), retention and expansion of business in the Manawatū region, along with survival and recovery of businesses due to COVID-19.
- Developing a talent pipeline.
- Domestic visitation (due to impacts from Covid-19).

Top priorities for the City Council are:

- Implementation of the Central NZ Distribution Hub Strategy.
- Support advocacy on the Palmerston North Integrated Transport Investment project.
- Increased investment in Palmerston North City.
- Assist with a smooth transition of specified functions to PNCC.

CEDA's success will be measured by the shareholders using the following indicators of the health of the regional economy:

- Job growth

- Increase in median household income
- Number of investment leads and deals secured
- Strength of the relationship with strategic partners

The shareholders acknowledge that the first two measures are not directly under CEDA's control. Significant changes in international and national economic factors will be taken into account when the Shareholders measure CEDA's performance.

All of CEDA's work is undertaken in partnership with local and central government, iwi and the business community.

The Council also has one Council Controlled Trading Organisation (CCTO). A CCTO is a CCO that is set up to make a profit for the Council, and hence the ratepayers.

# Palmerston North Airport Limited (PNAL)

Palmerston North Airport Limited (PNAL) owns and operates Palmerston North Airport. The Council has 100% shareholding in PNAL

**Objective:**

To ensure the City has an appropriate air gateway for passengers and freight

Performance Measures	Target
Net surplus before interest/tax/revaluations to total assets	4%
Net surplus after interest/tax to consolidated shareholders' funds	3%
Maintain ratio of shareholders' fund to total assets > 40%	72%
Interest cover (net surplus before interest and tax to interest) >=2.5	6.5
Maintain a net tangible worth >\$50m	\$71.3m
Maintain a customer satisfaction Net Promoter Score >=30	Achieve
Passenger throughput p.a.	480,000
CAA part 139 certification	Maintain
Lost time injuries to those who work within airport community	Zero
Achievement of ACA level 2 & other sustainability initiatives	Level 2 Achieved
Emission reduction targets for waste & water	Achieve

# The Role and Structure of the Council

The purpose of the Council is to enable democratic local decision-making and to provide cost-effective and good-quality local infrastructure, local public services and regulatory functions.

## Council Representation

The Council is made up of 16 elected members – a Mayor and 15 Councillors. The Chief Executive is appointed by the Council to be in charge of Council operations, and certain powers of management are delegated to that position. The Chief Executive implements and manages Council's policies and objectives within the budgetary constraints established by Council.

## Elections

Local elections take place every three years, with the most recent being held in October 2019 and a by-election in February 2021. The current Council comprises 15 Councillors, elected on a City-wide basis, and the Mayor. There are no Community Boards.

## Council and Committee Structure

The Mayor and 15 Councillors work through committees to make decisions about what Council will do and how work will be funded.

The committee structure is reviewed every three years after each election. Our committees cover the strategic foci and legislative roles of Palmerston North City Council.

For the 2019-2022 term of Council the following committees have been established. Most committees meet on Wednesdays at 9am or 1pm in Council Chambers, unless otherwise advertised.

### Monthly:

- Council
- Finance & Audit
- Infrastructure
- Planning & Strategy

### Quarterly:

- Arts, Culture & Heritage
- Community Development
- Economic Development
- Environmental Sustainability
- Manawatū District/ Palmerston North City Joint Strategic Planning
- Play, Sport & Recreation

### As needed:

- Committee of Council
- Hearings
- Rangitāne o Manawatū

Committees are made up of elected members and appointed members who bring specific knowledge and skills. There are currently six appointed members to committee. Appointed members sit on Finance & Audit, Community Development, Economic Development, Environmental Sustainability and Rangitāne o Manawatū committees.

Meetings are usually held in public and Council advertises the issues it will be considering. Agendas are available on the Council Meetings page of the PNCC website 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 contact Democracy and Governance ahead of time, should you wish to make a presentation.

If Council is talking about something confidential the public may be excluded from that part of the meeting. As confidential decisions are made available, these can be accessed on our website.

## The Mayor and Councillors



**Grant Smith JP**  
Mayor



**Aleisha Rutherford JP**  
Deputy Mayor



**Brent Barrett**



**Susan Baty**



**Rachel Bowen**



**Zulfiqar Butt JP**



**Vaughan Dennison**



**Renee Dingwall**



**Lew Findlay OSM**



**Patrick Hancock ONZM**



**Leonie Hapeta JP**



**Lorna Johnson**



**Billy Meehan**



**Orphée Mickalad**



**Karen Naylor**



**Bruno Petrenas**

### **Governance documents**

The Council has adopted a Local Governance Statement, as required by the Local Government Act 2002. The statement ensures that the community has information about the processes the Council follows when making decisions and taking action, and how the community can influence these processes. This is available on our website alongside other governance documents such as the Code of Conduct, Policy on the Appointment of Directors to Council Organisations, and the Council's Standing Orders.

The Council believes that it is essential, in the interests of good management and effective administration, to encourage the delegation of decision making. The full list of delegations can be viewed in the Council's Delegations Manual. The overall responsibility for maintaining effective systems of internal control ultimately rests with the Council. Decisions are made within the law and according to Council policy and agreed strategic direction.

### **Legislative compliance**

Being a regulatory body, the Council administers various regulations and laws. It is imperative that Council also complies with all relevant legislation. External law firms with local government expertise are contracted to help the Council comply with applicable legislation.

### **Management and Employees**

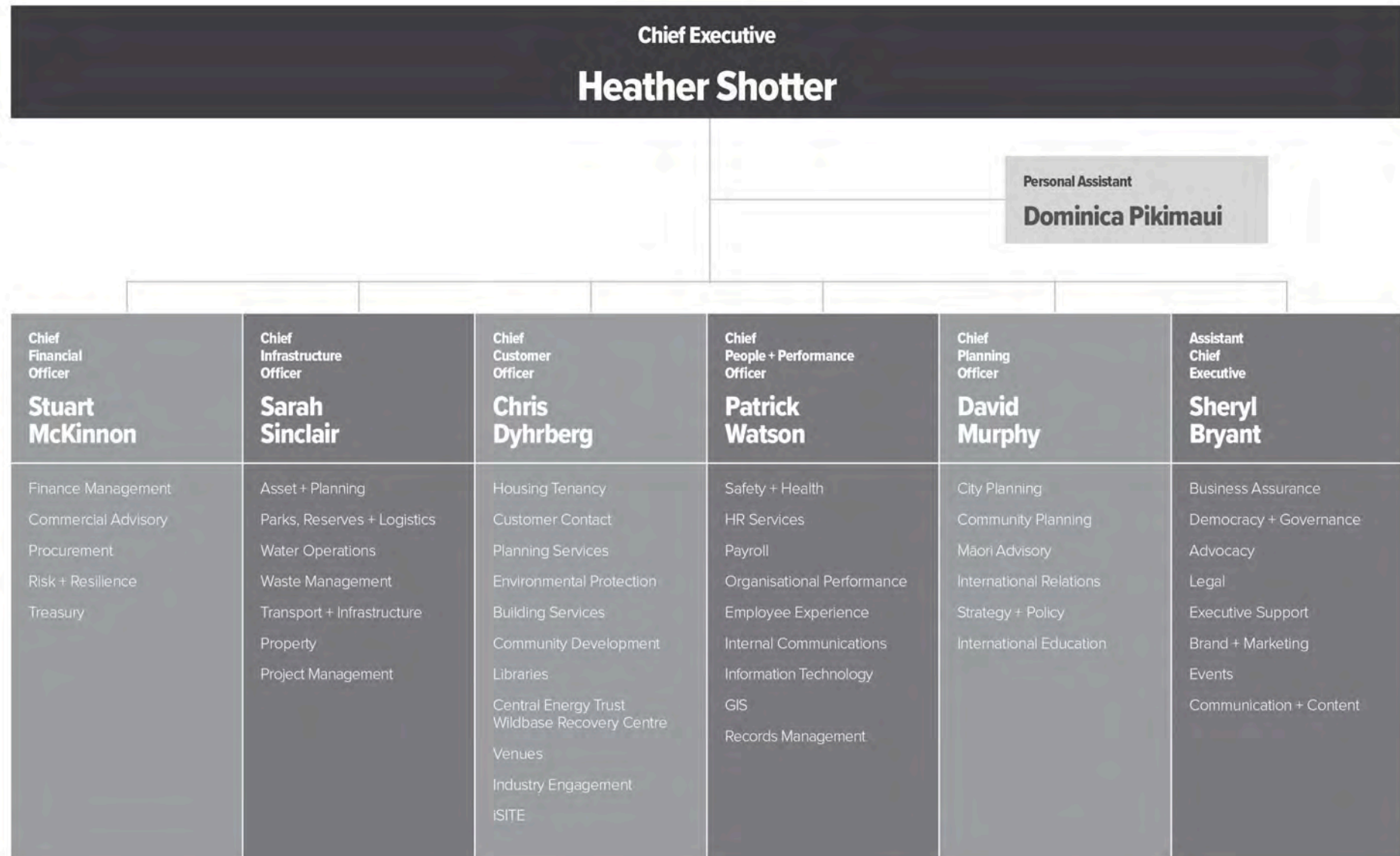
The Chief Executive is appointed by the Council to oversee Council operations. Certain powers of management are delegated to that position in accordance with Section 42 and clauses 33 and 34 of Schedule 7 of the Local Government Act 2002. The Chief Executive is responsible for day-to-day operation of the Council's activities, 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



# How to contact the Council

## Postal address

Private Bag 11034  
Manawatū Mail Centre  
Palmerston North 4442

## Customer Services Centre

32 The Square, Palmerston North

## Open hours:

Monday, Tuesday, Thursday & Friday	8am–5pm
Wednesday	9am–5pm

The Customer Services Centre is the first point of contact within the Council for all of our business. Our friendly, customer-focused team will personally assist you.

The Council also operates a 24-hour, seven-day-a-week, 365-day-a-year Customer Services Call Centre, which acts as a gateway and hub for the Council.

For all enquiries or service requests, or to contact anyone who works for Palmerston North City Council:

**W** [pncc.govt.nz](http://pncc.govt.nz)  
**E** [info@pncc.govt.nz](mailto:info@pncc.govt.nz)  
**P** 06 356 8199  
**F** 06 351 4471

## City libraries

### Central Library

4 The Square, PO Box 1948, Palmerston North

Website	<a href="http://citylibrary.pncc.govt.nz">citylibrary.pncc.govt.nz</a>
Email:	<a href="mailto:webmanager@library.pncc.govt.nz">webmanager@library.pncc.govt.nz</a>
Phone:	06 351 4100
Fax:	06 351 4102
Renewals:	06 351 4101

### Open hours:

Monday, Tuesday, Thursday & Friday	9.30am–6pm
Wednesday	10am–6pm
Saturday	10am–4pm
Sunday	1pm–4pm
(Closed on public holidays)	

**Ashhurst Community Library**

64 Bamfield Street, Ashhurst

Phone/fax: 06 326 8646

**Open hours:**

Monday	2pm-5pm
Tuesday, Wednesday, Thursday, Friday	10am-5pm
Saturday	10am-1pm
Sunday	Closed

**Awapuni Community Library**

Cnr College Street and Pitama Road, Awapuni

Phone/fax: 06 356 7634

**Open hours:**

Monday	2pm-5pm
Tuesday, Wednesday, Thursday, Friday	10am-5pm
Saturday	10am-1pm
Sunday	Closed

**Te Patikitiki (Highbury) Community Library**

157 Highbury Avenue, Highbury

Phone: 06 357 2108

**Open Hours:**

Monday	2pm-5pm
Tuesday, Wednesday, Thursday, Friday	10am-5pm
Saturday	10am-1pm
Sunday	Closed

**Roslyn Community Library**

8 Kipling Street, Roslyn

Phone/fax: 06 357 9287

**Open Hours:**

Monday	2pm-5pm
Tuesday, Wednesday, Thursday, Friday	10am-5pm
Saturday	10am-1pm
Sunday	Closed

**Mobile Library**

Regular stops throughout the city.

**Youth Space**

1-7 Coleman Place, Palmerston North

Phone: 06 351 4126

**Open Hours:**

Monday, Tuesday, Wednesday, Thursday, Friday	12pm-6pm
Saturday	10am-4pm
Sunday	Closed

**Blueprint**

The City Library Makerspace

7 Te Marae o Hine/The Square, Palmerston North

Email: [makerspace@pncc.govt.nz](mailto:makerspace@pncc.govt.nz)

**Open hours:**

Monday, Tuesday, Sunday

Wednesday

Thursday

Friday

Saturday

Closed

10am-5pm

12pm-8pm

12pm-5pm

10am-4pm

**Council meetings**

The Council encourages public participation in its activities. Meetings of the Council and its committees are generally open to the public and are held in the Council Chamber.

For information about meeting agendas and dates, phone Customer Services on 06 356 8199, look in the Public Notices section of the *Manawatū Standard* or *The Guardian* newspapers, or look at our website: [pncc.govt.nz](http://pncc.govt.nz)

# Glossary

## 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.

## 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.

## 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.

## 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.

## Capital Renewal

Keeping existing infrastructure and facilities up to standard.

## 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.

## 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.

## 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.

## Council Controlled Trading Organisation (CCTO)

As for CCO but trading with the main purpose or intention to make a profit.

**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.

**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.

**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.

**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.

**Operating Expenditure**

Expenditure that is necessary for the normal activities of Council. Using a household analogy, this would be paying for electricity or food.

**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.

**Programmes**

Programmes are the detailed financial actions that include capital and non-capital works within any financial year to achieve Council's outcomes.

**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.

**Uniform Annual General Charge (UAGC)**

A component of the general rate that is levied as a uniform amount on every property.





**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