

A balanced

Palmerston North City Council
10 Year Plan 2015-25

future for your City

vibrant | caring | innovative | sustainable | prosperous | pncc.govt.nz



A balanced future for your City

Palmerston North City Council
10 Year Plan 2015-25

Our Vision Palmerston North is recognised as a vibrant | caring | innovative | sustainable | prosperous city.

City Goals

- Palmerston North is a **socially sustainable city** where people want to live because of its safe and easy lifestyle and its many social, cultural and recreational opportunities.
- Palmerston North is a leading city in the quest to become **environmentally sustainable**.
- Palmerston North is an **economically sustainable city** which attracts, fosters and retains businesses and jobs.

Organisational Goals

- Palmerston North City Council is **financially responsible** and residents are satisfied that they get value for money from their rates.
- Palmerston North City Council understands the diverse views of the City's people, makes **prudent decisions**, and ensures that people know what it is doing and why.

For more information see page 13.

He Mihi

Kei te mihi atu ki a Tararua te pae maunga 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 recognises the local iwi Rangitāne and their customary relationship to this area and appreciates the ongoing support of the iwi in the development of this City and all of those people who have made it their home.

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

This 10 Year Plan was adopted by the Council on 24 June 2015 in accordance with the Local Government Act 2002.

The 10 Year Plan 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. This is especially the case in light of current uncertain economic conditions.

All the decisions in this Plan are reviewable, especially during future 10 Year Plans and Annual Plans.

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.

Contents

Intro Section

Introduction

<u>A Message from the Mayor and Chief Executive</u>	4
<u>The Consultation Process</u>	6
<u>Independent Auditor’s Report</u>	10

1 Section

Where we are heading

Here you will find out about the type of city we want to create, and how we decided on this.

<u>Council’s Strategic Direction</u>	13
<u>Financial Strategy 2015-25</u>	22
<u>30 Year Infrastructure Strategy</u>	32
<u>Financial Overview and Statements</u>	54
<u>Forecast Financial Statements</u>	54
<u>Long-Term Plan Disclosure Statement for Period Commencing 1 July 2015</u>	58
<u>What we Provide and What it Costs the Average Residential Ratepayer</u>	61

2

Section

Detail of how we are Planning to get there

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

Groups of Activities - Introduction 63

Leadership

<u>Councillor Leadership and Decision Making</u>	69
<u>Direction Setting</u>	72

Community Support

<u>Cemeteries</u>	79
<u>Civil Defence</u>	83
<u>Housing</u>	86

Work and City Promotion 91

Leisure

<u>Arts and Culture</u>	95
<u>City Library and Community Development</u>	99
<u>Parks, Sport and Recreation</u>	106

Regulatory 115

Roading and Parking 121

Rubbish and Recycling 129

Stormwater 135

Wastewater 141

Water 149

Support Services

<u>Commercial or Strategic Investments</u>	157
<u>Corporate Support</u>	160
<u>Customer Services</u>	163

3

Section

Financial and Rating Information

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

Revenue and Financing Policy 165

Significant Forecasting Assumptions 185

Rates Remission and Postponement Policies 194

Statement of Accounting Policies 199

Rating System, Rates and Funding Impact Statements 207

4

Section

Additional Information

Summary of the Council's Significance and Engagement Policy 225

Māori Participation in Council Decision Making 229

Council Controlled Organisations 232

Support to External Organisations 236

The Role and Structure of the Council 237

How to Contact the Council 240

Glossary 242

A Message from the Mayor and Chief Executive

Kia Ora everybody

This is our 10 Year Plan for 2015-25. It shows what we intend to do over the next 10 years to make Palmerston North an even greater place to live.

It is based on wide community input. We talk all the time with people about what the Council should do to make Palmerston North safer, have more jobs, have more things to do, have better public spaces and so on.

We then develop and consult on strategies that show in more detail how we will do these things (see pages 14-21). The 10 Year Plan then sets out the specific services and projects we will do to implement the strategies.

To make sure that these services and projects are on the right track we sent a 10 Year Plan Consultation Document to all households, ran email and Facebook surveys, and talked with residents at places like community libraries, schools, Massey, and UCOL.

We received over 450 submissions and another 180 people responded to an online questionnaire.

Councillors spent two and a half days discussing these. Most people agreed with the overall approach the Council is taking but we still made lots of changes. Some of these are outlined on pages 7-9.

The big question in the 10 Year Plan Consultation Document was about the balance between what we do and its impact on people's rates and the Council's debt.

In the Consultation Document we said that what we do can be put into three categories:

Our current services. We provide a wide range of services that people rely on every day. For example, water, roads and footpaths, health inspections, parks and libraries. Many of them are about keeping people and the environment healthy and safe. People don't really notice these services because they are just an expected part of their everyday lives. But they would be very hard to live without and we do put a lot of effort in to providing them. Page 62 shows our current services and their daily costs. We think they provide real value for money and the feedback we got from people through the Consultation Document supports this.

Our renewals. We provide most of the City's infrastructure – the roads, pipes, treatment plants, sports facilities, library buildings and so on. Our day to day services depend on this infrastructure so it is really important that we keep it all in good condition and don't let it fail. This is called renewals. People also don't really notice the renewals happening (if we didn't do it and pipes started breaking then people would notice) but it is expensive. We have been renewing our infrastructure so it is in good condition, but in the Consultation Document we said we need to spend a bit more on this in the future, especially for water and wastewater. People supported this in their comments back to us.

Our City improvement projects. These are the new projects that make Palmerston North an even better place to live. People do notice these things. Some of these are big city-wide projects like our shared cycle paths and walkways. Other projects are smaller local improvements like new footpaths around Ashhurst School and a new community hub at Kelvin Grove. We are also planning and bringing forward CBD improvements to improve the prosperity of The Square and Broadway.

Another big focus is improving the health of the Manawatū River. How we deal with the impact of the Council's wastewater on the River will be partly dependent on the final decision by a panel of independent Commissioners. Our current consents to discharge treated wastewater into the River expire in 2028. Our proposal, which has the support of Horizons Regional Council, to the Panel is to investigate all our options for wastewater treatment and disposal so that we can apply for a new consent six years earlier (by June 2022). This proposal is currently being considered by the Commissioners and at this point we do not know when they will make their final decision.

We estimate that the cost of these options could range between \$35m and \$140m (\$23m and \$100m in current dollars), depending on what treatment is required and whether the Council opts for river- or land-based treatment

or a mixture of both (land treatment is more expensive). We will be consulting extensively with the community before Council chooses which option to follow.

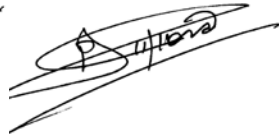
The 10 Year Plan is based on an assumption that the Council may have to spend \$35m (\$23m in current dollars) on upgrading the Plant. We have sufficient capacity to borrow this additional \$35m without exceeding our prudential borrowing limits. Nearly all of this expenditure is after 2025 (i.e. outside of this 10 Year Plan). If it costs more than this or the Council does not want to borrow this amount then we may need to reconsider some of the projects currently in the later years of this 10 Year Plan. This would happen in consultation with residents through the next 10 Year Plan in 2018.

For more information see [pages 38-39](#), [142](#) and [191](#).

Obviously all these services, renewals and improvement projects have costs. Most of these costs are met through rates. To provide the projects and services in the 10 Year Plan will require total rates to increase by 3.8%, 3.9% and 4.5% over the next three years. We know that there are pressures on household budgets and that rates make up part of this. We ask that you think about the rates in the context of everything that we do. We firmly believe that there is a good balance between what we do and what it costs. The feedback we got on our 10 Year Plan Consultation Document showed that many people agree.



Grant Smith
Mayor



Paddy Clifford
Chief Executive

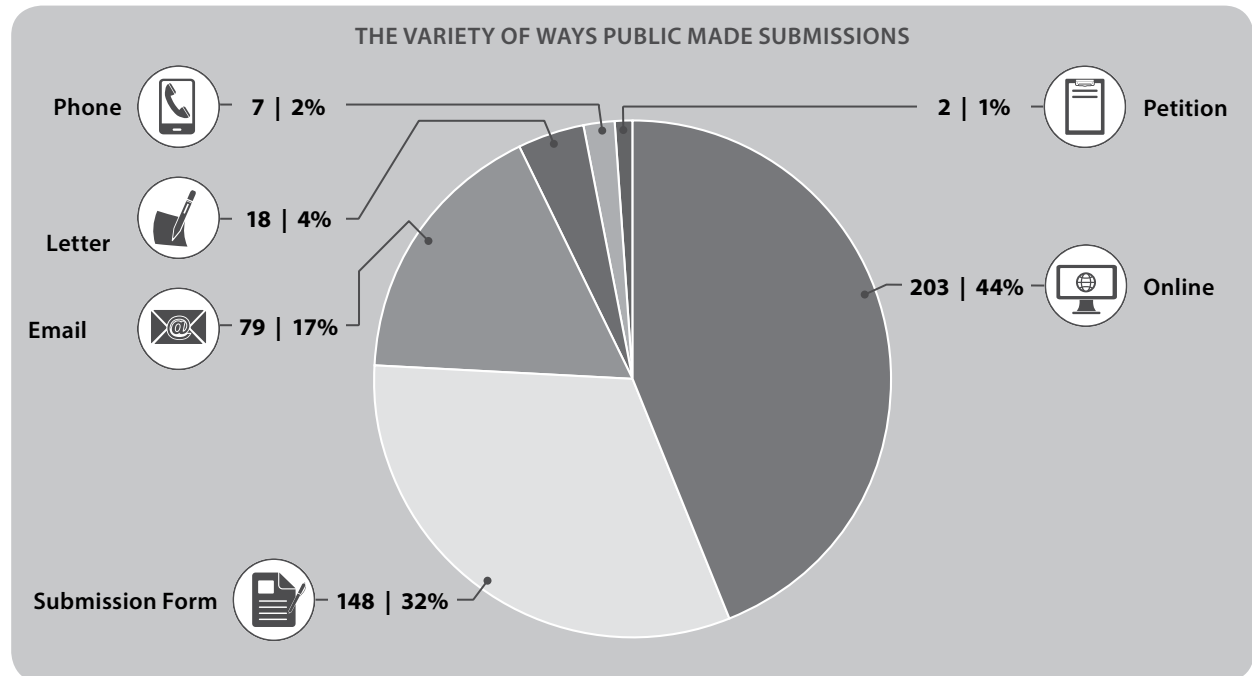
The Consultation Process

The Council sought views from the community. Copies of the Consultation Document and supporting material were made available at the Civic Administration Building, at City and Community Libraries and on the Council’s website.

The Consultation Document was distributed to households with the Tribune. An online questionnaire was provided through an email panel and Facebook. Radio advertising, Square Circular articles and “Let’s Talk 10 Year Plan” sessions also encouraged people to have their say and included information about the 10 Year Plan and how people could access the Consultation Document and supporting material and give their feedback. The public then had the option of making a submission and speaking to a Council Hearings Committee.

A total of 637 comments on the proposed 10 Year Plan were received during the consultation period. 457 submissions were received representing 608 signatures (this includes two petitions). There were also 180 responses to an online questionnaire (of these 140 were from people on the email panel and 40 were from Facebook). The public was given a variety of ways to make submissions – these are broken down in the graph shown. 107 of the 457 submissions were presented by people or organisations at the 14 hearing sessions.

Those that made a submission to the Council’s proposals will receive a personalised letter responding to the issues they raised in their submission. A summary of “Responses to Submissions” has also been prepared, which details the Council’s decisions about the issues raised in all of the submissions it received. This is available by contacting the Council - see details to the right.



“Responses to Submissions” available W pncc.govt.nz | E info@pncc.govt.nz | P 356 8199



The following briefly outlines some of the common issues raised in submissions, and the Council's response. More detailed information about the Council's decisions on other issues is in the [Message from The Mayor and Chief Executive](#).

The Right Balance

Has the Council made the right balance between what it is thinking of doing and the impact of this on people's rates and Council's debt:

- Keep providing current services – 219 submitters commented: most support the Council continuing to provide its current services.
- Increase renewals expenditure – 211 submitters commented: most support the Council increasing renewals to keep infrastructure in good condition.
- Improvement projects:
 - Do all of them: 120 submitters want the Council to do all of its improvement projects.
 - Do some of them: 105 submitters want the Council to do some of its improvement projects.
 - Do none of them: 8 submitters want the Council to do none of its improvement projects.
- Proposed rates increase – 21 submitters commented: most do not support the proposed rates increase, either because it is above the rate of inflation or because it affects those on fixed or low incomes.

All the decisions the Council made about what is in - and what is not in - the 10 Year Plan add up to the balancing point. The Council acknowledges that "the right balance" is in different places for different people. Overall though, the submissions showed general support for the Council's approach, with its focus on providing day to day services, renewing its infrastructure so that the infrastructure does not fail, and implementing new projects that improve the City.

Cycling/Pedestrian

General comments on Public Transport, Cycling and Walking – 38 submitters commented: most support the Council improving public transport, cycling and walking, with particular emphasis on cycling.

Specific cycling projects commented on:

- Junior Road Safety Park – 46 submitters commented: most support the project, with the location being the Victoria Espanade.
- Bike Manawatu Off-road Cycling Park – 26 submitters commented: most support the project.
- Downstream Pedestrian/Cycle Bridge – 20 submitters commented: most support the project.
- Bikes in Schools – 17 submitters commented: most support the project.
- Fitzherbert Bridge to Linton Cycle/ Pedestrian Pathway – 15 submitters commented: most support the project.
- Palmerston North to Bunnythorpe Cycle/ Pedestrian Pathway – 5 submitters commented: most support the project.

The Council will continue with its plans to improve public transport, cycling and walking. In finalising the 10 Year Plan, the Council has added plans for installing cycle phases at some intersections throughout the City, a cycle/pedestrian pathway from James Line to Stoney Creek Road, improving footpaths in Ashhurst, a safety pedestrian pathway and steps on Turitea Road, and to investigate crossing control from IPC to the Summerhill Shopping Centre.

Social Housing

51 submitters commented about the Council's Social Housing Strategy and funding for community/social housing: most people support the Council's strategy and the programmes proposed in this area.

The Council will continue with its plans for Social Housing.

Hockey

47 submitters commented about the grant for share of construction of a third turf: most support the proposal, with some suggesting a specific site. 26 submitters also commented on the Fitzherbert Park Hockey Turf Refurbishment: all support the project.

The Council will continue with its plans to contribute towards construction of a third turf in the City.

Bus Terminal

30 submitters commented: mixed comments, with some supporting The Square as a permanent site, some opposing The Square, and some wanting it built sooner.

The Council will continue with its plans for the bus terminal. The bus terminal will also be incorporated into a plan for Broadway and the CBD.

Globe Theatre

37 submitters commented about mobility access to the Main Auditorium: all want the Council to reinstate this project. 27 submitters also commented about the proposed increase to the operating grant: all support the proposal.

In finalising the 10 Year Plan, the Council decided to reinstate this programme.

Arena Manawatu

24 submitters made commented about the Council's proposed projects at the Arena and about developing the Arena into a central sports hub: most do not support covering the embankment and pits; most do not support the Priority projects; equal support for a central sports hub.

The Council will continue with its plans for Arena projects and the central sports hub.

Improving the Health of the River

20 submitters commented: some about using a land-based system and/or some about the Council committing to more planning and budgeting now rather than later.

The Council is proposing to bring forward the end date of its wastewater discharge consent by six years. The proposal is in an effort to find a long-term, sustainable solution that will improve the quality of the river and provide the community with certainty. For more information see pages 4-5, 38-39, 142, 191.

Email Panel and Facebook

The email panel consists of about 700 people who agreed to answer email surveys from the Council. The panel has a fairly representative spread of age, gender and parts of the City people live in. Unfortunately, since only 140 people responded to the survey on the proposed 10 Year Plan, the results cannot be taken to represent the wider community views. However they do represent the views of those respondents. A further 40 people responded to the questions through Facebook.

The key points raised were:

- General support for increasing renewals.
- General support for keeping the current levels of service and the current spending on them. The exception to this was Councillor Leadership and Decision Making, where equal numbers said “spend less” and “spend the same”.
- General support for most of the ‘improvement projects’ listed in the Consultation Document, especially for projects that would help provide a ‘green, clean environment’, a ‘more caring community’ or for ‘walking and cycling’ projects.

Other changes made by the Council

The Council also made some changes in finalising the 10 Year Plan, as a result of consultation or through its final decision making process:

- Funding has been allocated to the i-Site to cater for increased opening hours due to increased bus passengers (ID 1251, page 94).
- Bill Brown Park has been prioritised for refurbishment under the Sportsfields Changing Room Refurbishments programme (ID 234, page 112).
- The CBD Tree Sprinkler programme has been renamed Bird Control and the programme will be re-scoped to consider all options (ID 1215, page 128).
- Funding has been allocated towards upgrading Memorial Park changing rooms from two to four (ID 1243, page 114).
- Additional funding has been allocated to the Edwards Pit Park programme so that it extends for 10 years (ID 1265, page 111).
- Funding has been allocated for public engagement on the use of the former Allied Milburn site in Maxwells Line and the wider areas surrounding that site. The Council’s current programme for land development at that site will then be re-scoped to incorporate the outcome of this engagement. (ID 1244, page 111).
- Funding has been allocated towards a new skatepark in Ashhurst (ID 1245, page 114).
- Funding has been allocated for public education on the Council’s three waters – Stormwater, Wastewater and Water (IDs 1247, 725, 1246, pages 140, 146, 154 respectively).
- The specific programme for a dog exercise area has been removed. Development of the dog park is now planned to be located at the Linklater Block.
- Development at the Linklater Block may include provision of an adventure playground.
- The programme for City-wide playground development will be re-scoped to remove the emphasis on youth playgrounds (ID 157, page 113).
- Arapuke Forest Park development has additional funding to enable more tracks to be developed in association with the Manawatu Mountain Bike Club (ID 1249, page 111).
- Funding for shade trees on parks and reserves has been increased in earlier years and decreased in later years (ID 1175, page 114).
- Additional funding has been allocated to the programme for City-wide new public toilets, and has been re-scoped to remove the emphasis on walkways and reserves (ID 161, page 113).
- The programme for Bikes in Schools has been changed so that it covers three schools in the first year rather than one each year for the first three years, which will allow for a review of the programme’s success before the next 10 Year Plan (ID 1214, page 126).
- Additional funding has been allocated to City-wide cycle lanes (ID 1216, page 128).
- The previously unfunded programme to increase the Regent Theatre’s operating grant has been reinstated to allow the Regent’s shows to be more attractive through better front of house hospitality (ID 1199, page 98).
- The previously unfunded programme to provide access to the main auditorium of the Globe Theatre for people with mobility issues has been reinstated (ID 1176, page 98).
- Funding has been allocated to build a new cycle/pedestrian pathway from James Line to Stoney Creek Road (ID 1248, page 128).
- Funding has been allocated for support for the Manawatu Gorge Trail Project (ID 1252, page 111).
- Additional funding has been allocated to the Manawatu Jazz Festival (ID 1253, page 98).
- Traffic management planning assistance and funding has been allocated to the Lions Club of Kairanga for the Fireworks Over the River event (ID 1254, page 104).
- The Council will assist Bike Manawatu to build an off-road cycling park (ID 1202, page 114).
- Funding will be allocated to Enviroschools within the existing Programme 764-City-wide – Sustainability Awareness Raising (page 77).

- The programme to upgrade City-wide street lighting to current LEDs will be sped up so it can be done in years 1 and 2 ([ID 1086, page 127](#)).
 - Funding has been allocated to develop a plan for Broadway and the CBD, incorporating The Square Streetscape programmes and the bus terminal, so that the community, retailers and building owners all engage in the process and it becomes a collaborative engagement ([ID 1255, page 77](#)).
 - Funding has been allocated to upgrade Broadway and the CBD as a result of the outcome of the plan ([ID 1259, page 128](#)).
 - The Community Funding Fee for Service Grants allocation has been increased to \$1.5 million.
 - Sealing of the Lincoln Park Carpark in Ashhurst will now be done in year 1 instead of year 3 ([ID 1096, page 113](#)).
 - Funding has been allocated for installing cycle phases at some intersections throughout the City ([ID 1257, page 128](#)).
 - Funding has been allocated for a pedestrian pathway and steps on Turitea Road for safety reasons ([ID 1258, page 128](#)).
 - Funding has been allocated to move cycle lockers from the Lido to other locations around the City ([ID 28, page 126](#)).
 - The previously unfunded programme 1122 to make safety improvements to the Kelvin Grove/Stoney Creek Road Intersection will now be done within the Council's Minor Road Projects programme ([ID 279, page 127](#)).
 - The previously unfunded programme to put a hedge at Kelvin Grove Cemetery to the James Line Boundary has been reinstated ([ID 1103, page 82](#)).
 - Funding has been allocated for improving footpaths in Ashhurst, with a priority for the footpath surrounding Ashhurst School ([ID 1260, page 128](#)).
 - The Council will investigate the provision of a crossing control from IPC to the Summerhill Shopping Centre (within existing budgets).
 - Funding has been allocated to do a feasibility review for merging the Totara Road and Albert Street facilities to be based at Totara Road ([ID 1261, page 159](#)).
 - Funding has been allocated to put up and down the Ashhurst Christmas lights each year ([ID 1262, page 126](#)).
 - The previously unfunded programme to extend the seal of Orrs Road has been reinstated ([ID 1124, page 127](#)).
 - Funding has been allocated for gender neutral signage on toilets throughout the City ([ID 1263, page 111](#)).
 - The previously unfunded programme for a natural burial cemetery option has been reinstated ([ID 484, page 82](#)).
 - Increased provision of doggie doo bins and bags throughout the City will be made (within existing budgets).
 - Lincoln Park, Ashhurst will have changes made to enable equine access (within existing budgets).
 - Funding has been allocated to support community groups with development contributions fees ([ID 1264, page 77](#)).
 - The Council will consider the management of lane space and extra opening hours at swimming pools.
 - The Council will work with Netball Manawatu to address power supply issues at Vautier Park.
 - Some of the moveable seating at the Arena will be located at the hockey turfs and the Council will work with users regarding costs.
 - The Kelvin Grove Community Hub has been delayed one year to allow more time for consultation and consideration of options ([IDs 1163, 300, 342, pages 104 and 105](#)).
 - The cost of two programmes has been increased due to updated cost estimates. These are Turitea Valley/Pacific Drive New Water Supply Link and Reservoir and Campbell Road Bridge Renewal ([IDs 610, 742, pages 156 and 126](#) respectively).
 - The timing of the Downstream Pedestrian/Cycle Bridge has been changed ([ID57, page 127](#)). (Note this programme is now expected to qualify for urban cycle funding and NZTA funding).
 - The Kelvin Grove Water Supply Zone - Water Bore programme has been deferred one year as the successful specialist tenderer for this work cannot proceed for approximately one year.
- The Council has also made some other changes from carrying forward some work from 2014/15. These are shown in Section 2 with "C/fwd" in the programme name.

Independent Auditor's Report

To the reader Independent auditor's report on Palmerston North City Council's 2015/25 Long-Term Plan

I am the Auditor-General appointed auditor for Palmerston North City Council (the Council). Section 94 of the Local Government Act 2002 (the Act) requires an audit report on the Council's Long-Term Plan (the plan). I have carried out this audit using the staff and resources of Audit New Zealand. We completed the audit on 24 June 2015.

Opinion

In my opinion:

- the plan provides a reasonable basis for:
 - long-term, integrated decision-making and coordination of the Council's resources; and
 - accountability of the Council to the community;
- the information and assumptions underlying the forecast information in the plan are reasonable; and
- the disclosures on pages 58 to 60 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 and accurately reflect the information drawn from the Council's audited information.

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

Basis of Opinion

We carried out our work in accordance with the Auditor-General Auditing Standards, relevant international standards and the ethical requirements in those standards.¹

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

Our audit procedures included assessing whether:

- the Council's financial strategy, and the associated financial policies, support prudent financial management by the Council;
- the Council's infrastructure strategy identifies the significant infrastructure issues that the Council is likely to face over the next 30 years;
- the information in the plan is based on materially complete and reliable asset and activity information;
- the Council's key plans and policies have been consistently applied in the development of the forecast information;

- the assumptions set out within the plan are based on the best information currently available to the Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast financial information has been properly prepared on the basis of the underlying information and the assumptions adopted and complies with generally accepted accounting practice in New Zealand;
- the rationale for the Council's activities is clearly presented and agreed levels of service are reflected throughout the plan;
- the levels of service and performance measures are reasonable estimates and reflect the main aspects of the Council's intended service delivery and performance; and
- the relationship between the levels of service, performance measures and forecast financial information has been adequately explained within the plan.

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

¹ The International Standard on Assurance Engagements (New Zealand) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and The International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information.

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.

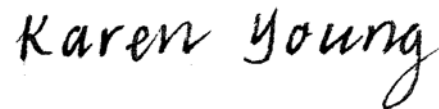
I am responsible for expressing an independent opinion on aspects of the plan, as required by sections 94 and 259C of the Act. I do not express an opinion on the merits of the plan's policy content.

Independence

We have followed the independence requirements of the Auditor-General, which incorporate those of the External Reporting Board.

During the year we carried out an assurance engagement on grant monies received by the Council from the New Zealand Community Trust, which is compatible with those independence requirements.

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



Karen Young,
Audit New Zealand

On behalf of the Auditor-General,
Wellington, New Zealand

Section 1

Where we are Heading

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Here you will find out about the type of city we want to create, and how we decided on this.

Council's Strategic Direction

Financial Strategy

30 Year Infrastructure Strategy

Financial Overview and
Forecast Financial Statements

Long-term Plan Disclosure Statement
for Period Commencing 1 July 2015

What We Provide and What it Costs
the Average Residential Ratepayer

1

vibrant | caring | innovative | sustainable | prosperous | pncc.govt.nz

Council's Strategic Direction

THE COUNCIL'S VISION AND GOALS ARE OUR HIGHEST DESCRIPTION OF WHAT WE ARE WORKING TOWARDS

Our Vision Palmerston North is recognised as a vibrant | caring | innovative | sustainable | prosperous city.

City Goals

- Palmerston North is a **socially sustainable city** where people want to live because of its safe and easy lifestyle and its many social, cultural and recreational opportunities.
- Palmerston North is a leading city in the quest to become **environmentally sustainable**.
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Organisational Goals

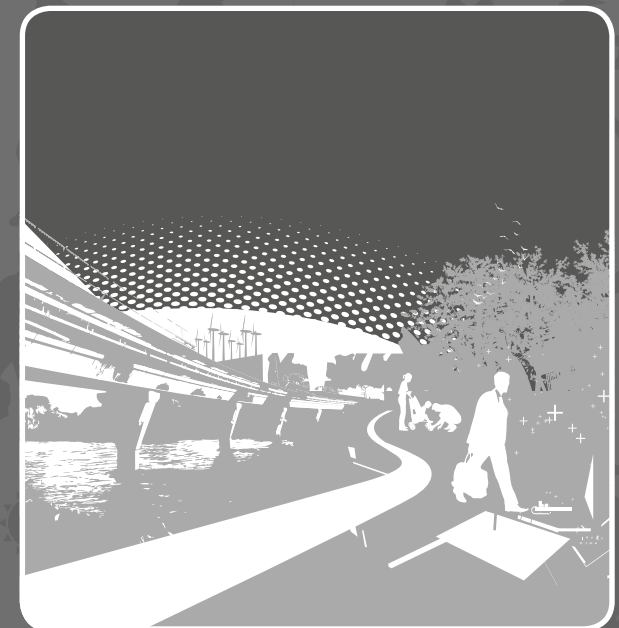
- Palmerston North City Council is **financially responsible** and residents are satisfied that they get value for money from their rates.
- Palmerston North City Council understands the diverse views of the City's people, makes **prudent decisions**, and ensures that people know what it is doing and why.

Under the Local Government Act 2002 these are also called Community Outcomes.

The Council reviews the Vision and Goals with each 10 Year Plan. The proposed Vision and Goals are very similar to the Vision and Goals adopted in 2012 (and are similar in intent to the goals for 2009). They have been endorsed through previous consultation on the 10 Year Plan, annual plans and Council's strategies. The slight change is to move the word "prosperous" from the Economic Goal to the Vision.

To achieve the Vision and Goals, the Council has community and land-use strategies. These show in more detail what the Council is aiming to achieve and how it will do this.

The Council's main Strategy is the Sustainable City Strategy. This provides a route map for Council's Vision of Palmerston North as a sustainable City. Subsequently, the Council has adopted more detailed strategies as "chapters" of the sustainable city Strategy. More information on these chapters is set out below. Copies of the Strategies can be found by going to <http://www.pncc.govt.nz/yourcouncil/our-strategies/>





Active Recreation Strategy

Palmerston North has many recreation facilities and lots of sports groups. Despite this, city people have only average participation rates in recreation.

Based on this, the Council's main goal is to get more people using existing facilities. Our particular focus is making Arena Manawatū a more vibrant sports hub for a wider range of users.

We fund Sport Manawatū to promote community sport and to provide sector leadership.

We also encourage people to walk and cycle and to use local parks and natural areas like the Manawatū Riverside.

Hence our focus is on:

- Ensuring opportunities for active recreation
- Increasing participation in active recreation
- Encouraging organisations and communities to work together
- Redeveloping Arena Manawatū as the City's central hub for sport.

The Council's contribution to the Active Recreation Strategy occurs through the Parks, Sport and Recreation Activity. For this Activity's levels of service and programmes see [pages 106-114](#) of this Plan.



Events and Festivals Strategy

Palmerston North hosts many events and the Council wants to get more people attending these. It also wants to use the events and festivals to create a stronger sense of community pride.

We fund Destination Manawatū to deliver core events. We also support other events that celebrate neighbourhoods and communities. We want Palmerston North to host events with national profiles, particularly cycling and national secondary school events.

We encourage event organisers to work together and to connect individual events into festivals to provide more impact.

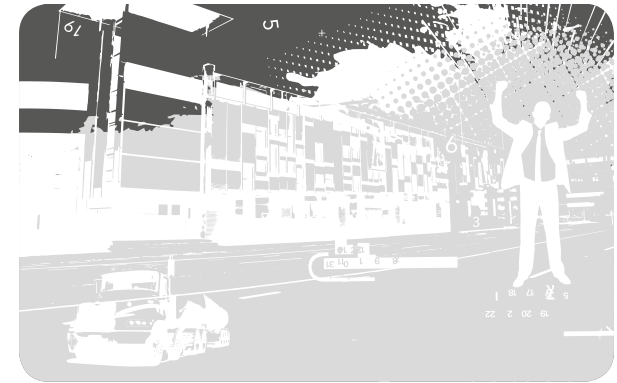
Hence our focus is on:

- Building a sense of place and attracting visitors
- Supporting a strong community sector
- Optimising the use of event resources.

The Council's contribution to the Events and Festivals Strategy mostly occurs through the City Library and Community Development; Work and City Promotion; Parks, Sport and Recreation; and Arts and Culture Activities all contribute to the Events Strategy.

Specific programmes include:

[799-National Sports Events and Cycling Support \(page 111\)](#)



[913 –Christmas in The Square \(page 98\)](#)

[1142-Te Mana Kuratahi National Primary and Intermediate Kapa Haka Event \(page 104\)](#)

[1254-Support to the Kairanga Lions Club for Fireworks Display over the River \(page 104\)](#)

Economic Well-Being Strategy

Economic development delivers more jobs and higher incomes. The Council's role is to improve quality of life so people want to live and work here, to ensure there are good transport and communication links within Palmerston North and to outside markets, and to make it easy for businesses to invest here.

We fund Vision Manawatū and Destination Manawatū to deliver economic development and city promotion services.

Council provides roading, water and wastewater networks which businesses rely on.

Hence our focus is on:

- Enhancing quality of life
- Maximising connectivity
- Raising skills and increasing participation in work
- Stimulating investment
- Supporting priority sectors
- Improving business performance.

Since quality of life is a key part of the Economic Well-Being Strategy the Council's contribution to this Strategy occurs across all Activities.

Specific economic development levels of service are listed in the Work and City Promotion Activity ([see pages 91-94 of this Plan](#)).

Specific programmes include:

[1115-Massey and Research Institutes Development \(Food HQ\) Investigation \(page 126\)](#)

[1121-Massey and Research Institutes Development \(Food HQ\) \(page 127\)](#)

[1154-Sort-It Employment Expo](#)

[1189-City-wide Digital Strategy \(page 77\)](#)

[1251-i-Site Provision of Increased Hours \(page 94\)](#)

[1255-Broadway Plan \(page77\)](#)



Biodiversity Strategy

Palmerston North has many parks and tree-lined suburbs but the trees are largely exotic and offer limited benefits for biodiversity. The City's rural area is predominantly farmland and relatively devoid of native bush.

Biodiversity is important because biodiversity helps provide clean air and water, decomposes waste and recycles nutrients, maintains healthy soils, reduces air pollution, regulates local climates and reduces flooding.

The Council's aim, therefore, is to increase the health and extent of biodiversity on land and in water. We work in partnership with other organisations, especially Horizons Regional Council as they have lead responsibility for the natural environment.

Hence our focus is on:

- Increasing planting around the City
- Increasing pest control
- Actively promoting biodiversity
- Protecting and restoring land and aquatic biodiversity.

Programmes in this Plan that contribute to the Biodiversity Strategy are mostly in the Parks, Sport and Recreation Activity - [see pages 111-114](#) of this Plan. Programmes in other Activities have specific page numbers listed.

[111-Edwards Pit Park](#)

[155-Street Tree Replacements \(page 126\)](#)

[163-City-wide - New Street Tree Planting \(page 127\)](#)

[268-Arapuke Forest Park/Kahuterawa Pest Control and Biodiversity Protection and Enhancement](#)

[560-Te Motu o Poutoa / Anzac Park Reserve Development](#)

[587-Linklater Reserve Development](#)

[752-Manawatū Riverside - Framework Implementation](#)

[835-Ashhurst Domain - Biodiversity Improvements as part of Manawatū Gorge Project](#)

[967-Edibles Planting](#)

[1077-Biodiversity Enhancement Through Native Planting](#)

[1080-Biodiversity Strategy - Increased Funding for Plant and Animal Pest Control](#)

[1145-Green Corridors Project - Continued Development \(page 77\)](#)



Social Strategy

The Council has a key role in helping improve residents' social quality of life. We work with the city's disadvantaged communities and neighbourhoods – so people living in them can fully participate in everyday city life. We encourage residents to take up social rights and responsibilities – so they are more involved in neighbourhood and city decisions and actions.

We also support (this includes funding) a strong social voluntary sector – so community groups can provide services to people that need them. We fund the Community Services Council to provide sector leadership.

Hence our focus is on:

- Increasing connectedness in neighbourhoods
- Increasing connectedness of disadvantaged communities
- Supporting a strong and sustainable voluntary sector
- Encouraging active citizens.

The Council's contribution to the Social Strategy mostly occurs through the City Library and Community Development Activity. For this Activity's levels of service and programmes see [pages 99-105](#) of this Plan.

The Parks, Sport and Recreation Activity ([pages 106-114](#)) also contributes to social equity through programmes such as [160-Improved Access to Reserves for Person with Disabilities](#) and [1263-Gender Neutral Signage on Toilets](#).



Māori Community Strategy

Rangitāne o Manawatū have mana whenua status in Palmerston North. The Council works with Rangitāne, and the wider Māori community, to reflect Māori social, cultural, spiritual and economic aspirations and wellbeing. In doing so, we ensure greater participation and influence of Māori in shaping the City.

Hence our focus is on:

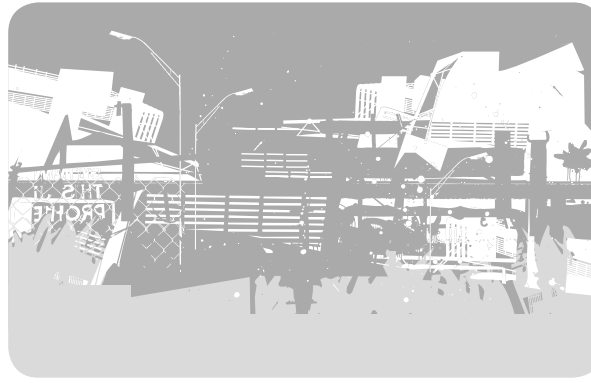
- Ensuring Māori engagement in governance, democracy and leadership
- Ensuring Māori engagement in local decision making
- Supporting Māori community development
- Supporting and strengthening Te Reo Māori, Arts, and Culture
- Ensuring Māori involvement in environmental initiatives.

For a full description on what the Council does to contribute to Māori participation in Council's decision making [see pages 229-231 of this Plan](#).

Specific programmes in this 10 Year Plan that contribute to the Māori Community Strategy include:

[803-Māori/Pasifika Community Development](#)

[1142-Te Mana Kuratahi National Primary and Intermediate Kapa Haka Event](#).



Urban Design Strategy

Palmerston North has good basic infrastructure. However, many streets, public spaces and central city areas are uninspiring and not necessarily people-centric. We are working with businesses and residents to improve the way the City looks and functions for people. By promoting a mix of uses we can get people out onto the streets - adding vibrancy and improving safety. We are also making City design more people-focused rather than utility focused.

We want to make our streets easy to move around by car, cycle, foot and bus.

We want to celebrate our iconic architecture, Rangitāne culture, heritage places and river.

We want to do all of this while caring for the environment by making Palmerston North a compact, energy-efficient city with lots of green spaces.

Hence our focus is on:

- Improving the public realm (public spaces)
- Having vibrant and diverse places
- Having a city that is well-connected with multi-purpose streets, paths, walkways, and public transport networks
- Developing a sense of character
- Including environmental features in the design of the City.

Council contributes to the Urban Design Strategy through the Direction Setting Activity ([pages 72-77](#)) and other Activities that involve infrastructural programmes, particularly Roading and Parking ([pages 121-128](#)).

Specific programmes in this 10 Year Plan that contribute to the Urban Design Strategy include:

[209-The Square \(Main Street West to Rangitikei Street\) -Streetscape Upgrade](#)

[243-City Centre - Major Upgrade of Main Bus Terminal \(Urban and Inter-regional Services\)](#)

[244-The Square East Side \(ANZ to Plaza\) – Streetscape Upgrade](#)

[247-The Square \(Church Street, from the Plaza to Square Edge\) - Streetscape Upgrade](#)

[248-The Square \(Broadway/The Square to Rangitikei/Cuba\) -Streetscape Upgrade](#)

[752-Manawatū Riverside - Framework Implementation \(page 113\)](#)

[762-City-wide – Urban Design and Placemaking – Delivering Changes \(page 77\)](#)

[1115-Massey and Research Institutes Development \(Food HQ\) - Investigation](#)

[1121-Massey and Research Institutes Development \(Food HQ\)](#)

[1131-City Boundary Entrance Treatments](#)

[1134-City Entrance Corridors - Streetscape Improvements](#)

[1084-Arena Manawatu - Masterplan Priority 1 Projects \(urban design links to the CBD\) \(page 113\)](#)

[1167-Placemaking Co-created Project](#)

Note: unless specific page numbers are given these programmes are in the Roading and Parking Activity ([pages 121-128](#)).



Arts Strategy

Palmerston North has people from many different cultural and ethnic groups. It also has many wonderful arts and cultural facilities. The Council works with the arts sector on this ensuring there are more people participating in arts and cultural activities, more pride in our cultural diversity, and more co-ordination and leadership in the sector.

We also use public art to make Palmerston North more exciting and attractive.

Hence our focus is on:

- Strengthening leadership and cooperation in the arts sector
- Enhancing the look and feel of the City
- Increasing peoples' participation and involvement in the arts
- Improving access to the arts
- Celebrating the diversity of culture and creativity in the City.

The Council's contribution to the Arts Strategy occurs through the Arts and Culture Activity. For this Activity's levels of service and programmes see [pages 95-98](#) of this Plan.



Safe City Strategy

The Council wants to make Palmerston North to be a safer place to live. Palmerston North has been endorsed as a World Health Organisation Accredited International Safe Community. One of the reasons behind the endorsement was the inter-agency Palmerston North Safety Advisory Board. The Board provides information and guidance on all safety and crime matters within Palmerston North.

The Council also uses CEPTED (Crime Prevention through Environmental Design) principles.

Hence our focus is on:

- Reducing and preventing crime
- Improving perceptions of safety
- Creating safe environments
- Improving safety in civil defence emergencies.

The Council's contribution to safety is spread over many of its Activities. Much of it happens as part of Council's day to day services:

Direction Setting – safety through District Plan rules and Crime Prevention through Environmental Design ([pages 72-77](#))

Civil Defence – helping people “Get Ready – Get Thru” ([pages 83-85](#))

Library and Community Services – funding and other support for safety groups eg Safety Advisory Board, working in

neighbourhoods to improve safety, CCTV monitoring in the CBD ([pages 99-105](#))

Regulatory – public health inspections, liquor licencing, animal control, bylaws etc ([pages 115-119](#))

Water – safe water supply ([pages 149-156](#))

Stormwater – protection from flooding ([pages 135-140](#))

Wastewater – safe collection and disposal of wastewater ([pages 141-148](#))

Roading and Parking – safe, footpaths, cycleways, and roads ([pages 121-128](#))

Parks, Sport and Recreation – safe and health recreation facilities ([pages 106-114](#))

Specific programmes in this 10 Year Plan include:

[130-Earthquake Prone Buildings - Assessment of Compliance with the Building Act \(page 119\)](#)

[158-City-wide - Safety Improvements to Reserves \(page 113\)](#)

[684-Longburn Rongotea Road/No. 1 Line Intersection – Safety Upgrade \(page 127\)](#)

[902-Seismic Strengthening of Council Owned Buildings \(page 98\)](#)

[931-CBD - CCTV Monitoring \(page 104\)](#)

[991-Shade and Shelter Development - Manawatū Community Athletics Track \(page 111\)](#)

[1052-Turitea Dams Implementation of the Dam Safety Assurance Project \(page 154\)](#)

[1076-Junior Road Safety Park \(New Community Project\) \(page 113\)](#)

[1099-Parks and Reserves - Shade Development \(page 113\)](#)

[1171-City-wide - Increased Smokefree Signage \(page 114\)](#)

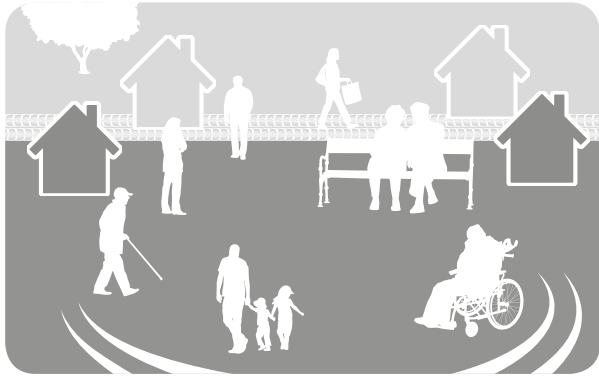
[1175-Parks and Reserves - Shade Trees \(page 114\)](#)

[1182-Recreation Spaces - Improved Lighting \(page 114\)](#)

[1183-Stoney Creek Road \(School\) Safety Upgrade \(page 128\)](#)

[1190-Smokefree Education \(page 77\)](#)

[1214-Bikes in Schools \(page 126\)](#)



Social Housing Strategy

The Social Housing Strategy 2015 guides Council's social housing activities and is a decision making tool for meeting future social housing demand. The Strategy shows Council's role in helping meet the housing needs of three groups of tenants:

- older people on low incomes
- people with disabilities who receive the Supported Living Payment
- people on low incomes who experience barriers to accessing affordable and appropriate rental accommodation.

The first two groups pay ratepayer-subsidised rentals for their units. The third group of tenants pays market rentals (although Council is moving towards providing subsidised rentals for up to 20 units for these tenants who have very low incomes).

The services and programmes that contribute to the Social Housing Strategy are all part of the Housing Activity – see pages (86-89).



Integrated Transport Strategy

The Council is also developing an Integrated Transport Strategy. This is focussed integrating land-use and transport planning to support transport choices as part of an easy to use and efficient transport system that meets the needs of people, businesses, and the environment. The draft Strategy proposes a change in emphasis to better balance the needs of all road users, particularly of people walking and cycling.

Programmes that will contribute to this Strategy are in the Roding and Parking Activity ([pages 121-128](#))



Domestic Energy Strategy, Water Conservation Management Plan, Waste Management and Minimisation Plan (WMMP)

The aim of these is to make Palmerston North a more sustainable city.

The Domestic Energy Strategy aims to make houses more energy efficient, so that household energy costs are reduced, homes are warmer and healthier and greenhouse gasses are reduced.

The Water Conservation Management Plan encourages people to use less water. This is good for the environment and also reduces the need for the Council to develop new water treatment and distribution facilities.

The WMMP aims to reduce the amount of material that goes to waste.

Hence our focus is on:

- Reducing energy use in Palmerston North households
- Reducing water use in Palmerston North
- Diverting 75% of Palmerston North's waste from landfill.

The Council works towards these mostly through its Rubbish and Recycling, Wastewater, Stormwater and Water Activities.

Specific programmes include:

[374-Waste Minimisation Funding to Assist Activities](#) (page

134)

[506-City-wide Split Rubbish / Recycling Bins \(page 127\)](#)

[657-Recycling Wheelie Bins and Crates to Additional Properties \(page 134\)](#)

[725-Three Waters Public Education – Wastewater \(page 146\)](#)

[765-City-wide – RidePro Carpooling Initiative \(page 77\)](#)

[994-Recycling Installation of Eddy Current at the Materials Recovery Facility \(page 134\)](#)

[1217-City-wide Shared Pathways New Rubbish / Recycling Bins \(page 114\)](#)

[1246 -Three Waters Public Education – Water \(page 154\)](#)

[1247-Three Waters Public Education – Stormwater \(page 140\)](#)

The Council also has **Financial and Infrastructural Strategies** that set out its financial and infrastructure priorities.



District Plan and Land-Use Strategies

The Council also has a District Plan and a set of Land-Use Strategies. These are described below.

The District Plan is the document that gives effect to the various land use planning strategies discussed below. The District Plan has the ability to rezone land and include rules regarding subdivision and development.

The Council is doing a Sectional Review of the District Plan. This review is guided by the Vision and Goals, the Sustainable City Strategy, the Urban Design Strategy, and other key planning documents. Some of these are described below.

Residential Growth Strategy

The Residential Growth Strategy was adopted in 2010 and identified City West and Whakarongo as preferred residential growth options. Following further research and analysis in light of the Canterbury earthquakes, an addendum to the Residential Growth Strategy was adopted in 2012. The addendum prioritised Whakarongo for short to medium term residential growth and identified City West for medium to long term residential growth, subject to greater certainty regarding the cost and effectiveness of liquefaction mitigation measures at City West and the ability for Council to fund the necessary network infrastructure at City West. (See the Infrastructure Strategy for a map.)

Other important criteria in deciding where residential development should occur were compact urban form, avoiding flood hazards and retaining high class soils for agriculture and horticulture.

The Whakarongo area is 62 hectares of land on the eastern outskirts of Palmerston North bounded by James Line, Napier Road, Stoney Creek Road and the southern extent of the Kelvin Grove Cemetery. It was rezoned for residential development in 2014 and will provide between 700 and 900 sections for new houses. Together with existing residential land at Kelvin Grove and Aokautere this will meet the demand for greenfield sections for approximately 15 years.

Joint Industrial Land Review

Providing enough suitably located and serviced industrial land is a key part of ensuring that a city is a good place for businesses and jobs. Hence the 2007 Joint Industrial Land Review was commissioned by Palmerston North City Council and the Manawatu District Council. It identified the following land for future industrial growth:

- North-east of the existing North East Industrial Zone for logistics, freight and distribution
- Longburn for wet industry
- Agri-business in Feilding.

The recommendations of this review were a key driver for the boundary change with the Manawatu District Council in 2012. The Council proposes to rezone a further 120 hectares of land at the North East Industrial Zone and a further 30 hectares of industrial land at Longburn during 2015 via the Sectional District Plan Review.

Palmerston North Retail Strategy

The Retail Strategy provides the Council with the necessary foundation to be able to plan for the future retailing and office needs of the City. A centres based approach is assumed for managing retail and office activity throughout the city. This approach seeks to keep commercial activity centred in the core of the city and to avoid the dispersion of office and retail activity to the periphery of the urban area. This approach is given effect to through the District Plan hierarchy of business zones as follows:

- Inner Business Zone (traditional pedestrian-based retailing)
- Outer Business Zone (mixed-use commercial activity)
- Fringe Business Zone (large format retailing)
- Local Business Zone (local services).

The Retail Strategy recognises that it is areas supported by traditional pedestrian-based retailing (the City Centre) that are most at risk from Large Format Retail development in the Outer and Fringe Business Zones and the Industrial Zone (located outside the City Centre). Implementation of the Retail Strategy within the District Plan is now complete.

Rural-Residential Land Use Strategy

Rural residents and the rural sector play an important role in the City. To recognise this, the Council has a Rural-Residential Land Use Strategy. This balances the desire for some people to live on lifestyle blocks with the impact of this on rural production, greenhouse gas emissions of transport, and minimises the impact of urban sprawl.

The Strategy is based around the following rural hierarchy:

- The Rural Producer (people using rural land for productive purposes)
- Satellite Development (traditional rural-residential subdivision)
- Integrated Development (residential type living in rural areas)
- Existing Rural-Residential Areas (already subdivided and developed).

Other Strategies that are important to the Council's direction are the Regional Land Transport Strategy and the Regional Development Strategy.

Palmerston North – Manawatū Joint Strategic Transport Study

This study was commissioned by Horizons Regional Council, Palmerston North City Council, Manawatu District Council and the New Zealand Transport Agency. It takes a regional approach to planning for roading. Hence it informs the City Council's roading decisions.

A key component of the strategy is an outer rural ring road around Palmerston North with links to Feilding and the wider region. This will reduce traffic congestion by getting through traffic off residential streets such as Vogel Street, Milson Line, Ruahine Street and Featherston Street. It will also make it easier for some residents to drive from one side of the urban area to the other. If this through and cross-city traffic is not removed from the urban area, then the Council may have to carry out disruptive and expensive developments on roads such as those listed above

The Council expects that this study will inform the development and approval of the Regional Transport Plan prepared by Horizons Regional Council.

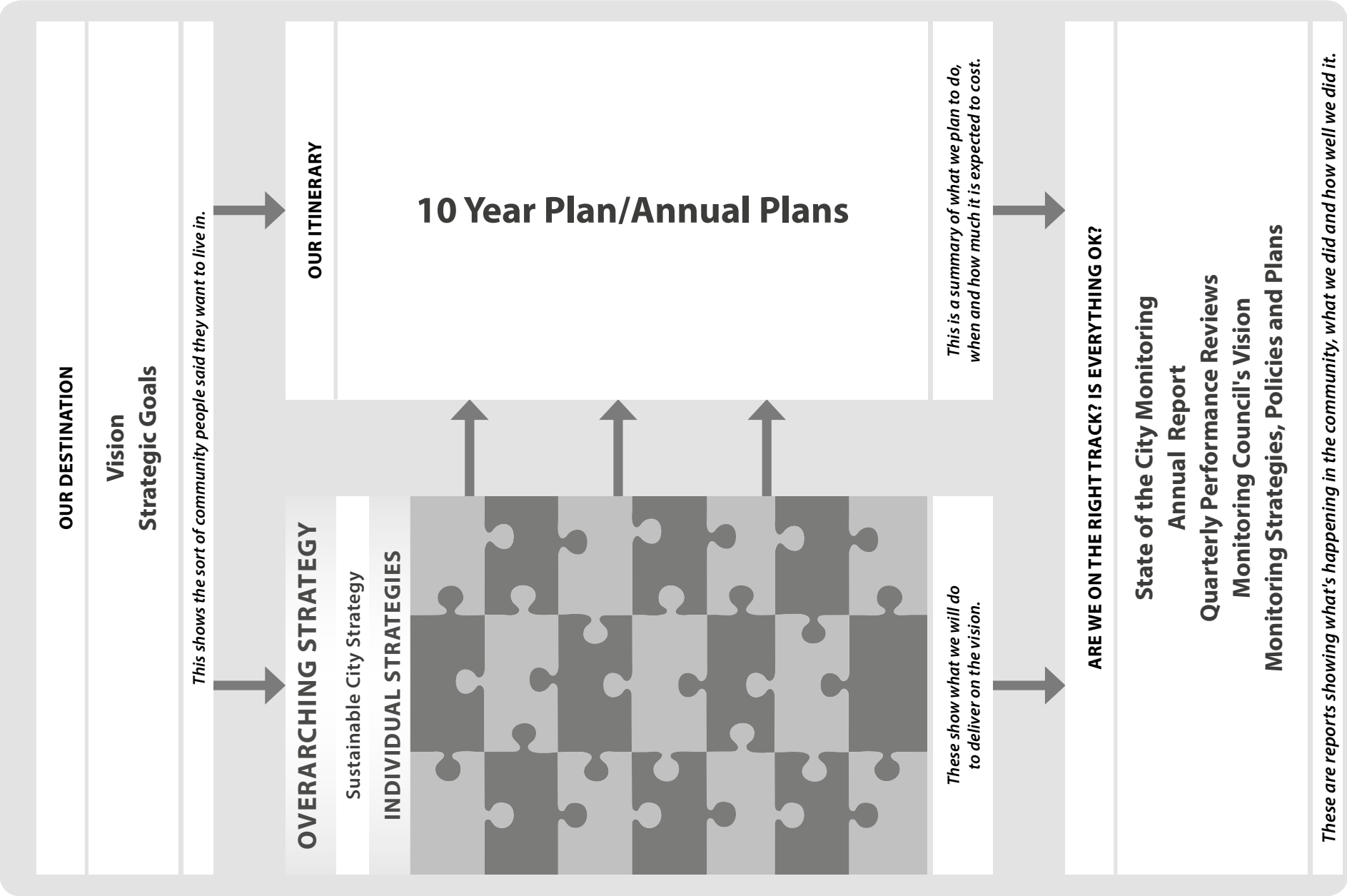
Regional Development Strategy

The Council is also a partner in the Regional Development Strategy. This strategy is closely aligned to Council's strategic direction and is led by the City Council, Manawatu District Council, Vision Manawatu and Destination Manawatu. The strategy builds on the region's current strengths and has the overall goal of making the Manawatū the best place to raise a family. The organisations will do this by making it a safe place to live, a world centre of food innovation, a stronger transport hub for the North Island, a leader in sustainable and innovative environmental practices, and an economy with lots of jobs and opportunities.

Significance and Engagement Policy

Community engagement is a very important part of the Council's decision making. This Policy shows how and when

the Council will engage residents. For more information see section 4 of this Plan.



Financial Strategy 2015-25

1. Preface

The Council is driven by a strategic approach to achieving outcomes which contribute to the following Vision and Goals:

Vision:

Palmerston North is recognised as a vibrant, caring, innovative, sustainable and prosperous city.

City Goals:

- Palmerston North is a **socially sustainable city** where people want to live because of its safe and easy lifestyle and its many social, cultural and recreational opportunities.
- Palmerston North is a leading City in the quest to become **environmentally sustainable**.
- Palmerston North is an **economically sustainable** city which attracts, fosters and retains businesses and jobs.

Organisational Goals:

- Palmerston North City Council is **financially responsible** and residents are satisfied that they get value for money from their rates.
- Palmerston North City Council understands the diverse views of the City's people, makes **prudent decisions**, and ensures that people know what it is doing and why.

The Council's Financial Strategy provides a framework which guides it to make decisions in a financially responsible and transparent way. The strategy is the touchstone which has been used in the formulation of the budgets for the 10 Year Plan.

Key elements of the strategy involve:

- Making sure the Council's long term financial position is sustainable.
- Recognising which generation will benefit when considering its approach to funding.
- Managing debt within defined levels.
- Looking after the City's infrastructure provided by previous generations for the use by current and future generations.
- Leaving financial capacity for future generations so they are capable of funding unanticipated high priority programmes.
- Taking account of ability to pay over the longer term.
- Having robust systems and processes.

[Note – this Financial Strategy is an integral component of the Council's 10 Year Plan and should be read in conjunction with the remainder of the Plan as many aspects of the Strategy are amplified in other relevant sections. The Strategy also has

close links with the ***30 year Infrastructure Strategy***.]

During the formulation of this strategy the Council has focused heavily on:

- What needs to be done to ensure the City's infrastructure remains capable of providing desired levels of service and any growth in demand.
- What level of rates is required to sustain this.
- How to create sufficient borrowing 'headroom' to cope with any unexpected future high priority programmes.

As a consequence the approach adopted has been to:

- Encourage staff to find innovative and more efficient ways of delivering services.
- Commit to funding capital renewals at levels required so that assets are not run down.
- Make sure that expenditure required for growth is not committed too far in advance of when the infrastructure will actually be required.
- Challenge expenditure proposals to make sure they are aligned to key Council strategies.

2. Palmerston North now and over the 10 next years

Being strategically located in the central southern North Island, the City is ideally located as a hub for many things including business, education, health, defence and recreational activity. This location together with the strength of the agricultural sector means the City has grown at a steady pace over the last decade.

Since 2001 the population has grown at an average rate of 0.9% p.a. and 1.2% p.a. over the last three years. Consistent with Statistics New Zealand's medium population projections (October 2012) the 10 Year Plan assumes the population will grow at an average annual rate of 0.8% from 2015 to 2025 and that through a reduction in the average household size the number of households will increase by 0.9% pa over the same period.

Council's recent focus has been on making sure the district planning framework it has in place clearly articulates where future growth of the City should occur, how the basic infrastructure will be provided and how it will be funded.

This translates to the following actions:

- Continuation of the sectional review of the City's District Plan with the current focus being on industrial growth at Longburn and to the north east of the City, providing greater housing choice in existing urban areas, the management of rural subdivision and the incorporation of the boundary change area into the Palmerston North City District Plan.
- Confirmation of the Whakarongo area for short to medium term greenfield residential growth. The 10 Year Plan makes provision for providing network and community infrastructure at Whakarongo. The suitability of the City West area for medium to long term greenfield residential growth is subject to obtaining greater certainty regarding the costs and effectiveness of liquefaction mitigation and the ability of the Council to fund the necessary network and community infrastructure. If approved, privately initiated residential development at City West is likely to require additional Council investment in network and community infrastructure during the period of the 10 Year Plan.

The City's network and community infrastructure has sufficient capacity to cope with the anticipated growth, though additional investment will be required in new growth areas. At this stage it is not known whether the City's wastewater treatment plant will be adequate to meet the review of the of the existing resource consent.

3. The costs of providing for growth

As a consequence of anticipated growth in population and changes in land use the Council will incur significant new capital expenditure and operating costs. The 10 Year Plan identifies, for each activity, the specific capital expenditure programmes it is anticipating will be required and any operating costs associated with the programmes are incorporated in the operating budgets. These are summarised in the following table:

The Council's Revenue and Financing Policy outlines how expenditure and operating costs for each activity are to be funded. 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 \$52.2m over the 10 year period and that revenue from development contributions will amount to \$22.2m over the same time. Given that the Council will endeavour not to commit expenditure required for growth too far in advance of when the infrastructure is actually required, the level of development contribution revenue actually received will be very dependent on the actual timing of the expenditure. The timing of the revenue forecast represents our best assessment of this and of the associated growth, and is consistent with our overall growth forecasts.

ACTIVITY GROUP	GROWTH RELATED CAPITAL EXPENDITURE FOR 10 YEARS (EXCLUDING RENEWALS)	ADDITIONAL OPERATING COSTS ASSOCIATED WITH GROWTH RELATED EXPENDITURE (INCLUDES DEPRECIATION & INTEREST ON BORROWING)
	\$'000s	\$'000s
Leadership	0	0
Community Support	0	0
Work & City Promotion	0	0
Leisure	4,456	2,316
Regulatory	0	0
Roading & Parking	19,091	8,971
Rubbish & Recycling	0	0
Stormwater	6,221	2,343
Wastewater	9,361	4,607
Water	13,081	7,369
Support Services	0	0
TOTAL	\$52,210	25,606

4. Looking after the present infrastructure

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

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

To help plan and manage the large investment in City infrastructure the Council has an overall **30 year Infrastructure Strategy** and detailed asset management plans for each activity which 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 is obligated to make sure that assets are appropriately maintained and renewed and that sufficient funding is arranged for this to occur.

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

TOTAL CAPITAL RENEWAL EXPENDITURE FOR 10 YEARS	
	\$'000s
Roading & Parking	60,642
Stormwater	4,714
Wastewater	25,505
Water	35,538
TOTAL	\$126,399

As part of the Council’s funding policy capital renewal expenditure is funded directly from rates. The amount funded from rates in each year is currently calculated using a formula which averages the expected renewals expenditure in the current and next two years.

Capital renewal expenditure is determined from the 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 next 20 years. The forecast average level of renewals to be funded from rates will increase from \$15.6m in 2014/15 to approximately \$20m pa over the first three years of the Plan. This increase will impact on the total rates requirement and place restraints on other expenditure if the Council is to live within its guidelines for the maximum percentage increase in totals rates for the first two years.

5. Other significant factors affecting Council’s ability to maintain levels of service and meet additional demands

The Council has made a number of **significant forecasting assumptions** in preparing its 10 Year Plan and these are contained section 3 of the Plan.

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

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

6. Equity between generations

The 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 that the current generation pays a fair share of the costs of the City’s services and facilities and that future generations are provided with a sound foundation for them to be able to address challenges and grasp new opportunities to enhance the City.

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

7. Levels of service, priorities and funding levels

The Council will review at least three yearly the levels of service to be provided within each activity and assets will be maintained to the standard necessary 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 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:

- Making sure 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.

What level of new capital expenditure is considered sustainable will be governed by the Council’s ability to service and repay debt and this will be assessed against a series of prudential guidelines outlined in 9.5 of this Financial Strategy.

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

The Council will aim to ensure the total rates set each year will be sufficient to cover net annual operating expenses (excluding depreciation) plus the projected three year rolling average cost of renewals and a contribution toward the repayment of debt over the effective life of the assets (with a maximum of 30 years) funded from the borrowing.

8. Funding and Financial Policies

Grants, subsidies and capital contributions will be actively sought as a means of minimising the impact on City ratepayers.

Capital expenditure required to service City growth will be funded by development contributions set in accordance with the Development Contributions Policy.

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

- As an interim measure prior to the receipt of development contributions for growth related expenditure
- As a means of spreading the costs of major developments over the generations who will ultimately benefit
- As a means of smoothing the effects of capital expenditure
- Where programmes will provide a positive net present value.

Council will operate a corporate treasury function which will allocate the costs of servicing and repaying borrowings over the activities which are funded from borrowing.

Renewals will be funded from subsidies and grants, rates revenue, and in extenuating circumstances (on an interim basis) from borrowing.

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

To ensure that all citizens 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 being set in the Revenue and Financing Policy.

To enable ratepayers to plan with certainty the Council will operate a stable easily understood method of setting rates.

The Council will aim to set rates in a manner which is fair and equitable between various ratepayers and classes of ratepayer and which is consistent with Council's strategic and district planning objectives.

9. What does this mean in particular for 2015-2025?

9.1. Levels of service

The aim is to maintain at least the current levels of service and to improve them in a few instances e.g. additional cycling facilities. The Council believes that, subject to the *significant forecasting assumptions*, sufficient revenue has been allowed for to fund the costs of providing the levels of service outlined. In a number of activities, funding has been held at current levels, meaning there is a slightly increased risk that operating expenses will need to be re-prioritised in the event of any significant unforeseen maintenance expenses. More information about each activity is provided in [section 2](#) of this 10 Year Plan.

9.2. Asset condition

The Council has assets (mainly infrastructure like roads and pipe networks) valued at over \$1.4 billion. It is committed to maintaining and renewing these in a responsible manner so that their condition is not run down. Even in tough economic times it is important to protect the City's assets. Over the first three years of the Plan average renewals are forecast to increase by approximately \$3m. As many of the City's key assets are relatively new the total cost of renewing them is forecast to be reasonably consistent for many years after that.

9.3. Sustainability of long term funding

In broad terms the City's key assets, particularly infrastructural ones, are around the middle of their life cycles. As a consequence the peak for capital renewal expenditure is not expected for another 35 to 50 years, depending on the activity concerned. Capital renewal expenditure can be expected to steadily increase from about year 20 onward. The Council's asset management plans are being progressively

refined to gain a better understanding of the overall asset condition and renewal profile.

The 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 which 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 **\$223m** and it is assumed \$25m of this will be funded from external subsidies and grants leaving a net sum of \$198m to be funded from rates. The Council's rolling average calculation formula means that a total of \$204m will be received from rates for funding renewals over this period. The \$6m received in excess of actual requirements effectively reduces the amount of borrowing the Council will undertake.

Given the renewal profile of the Council's assets it is recognised that the amount required to be funded from rates will increase over the first three years then progressively from about year 20 onward. The Council believes that at the present time there is insufficient sound information to substantiate any greater sum being sought from current ratepayers.

The present funding arrangements are adequate to meet the forecast costs for the time being but the Council recognises that in the longer term additional revenue will be required 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. The addition of \$6m funding above represents one component of how Council will address this issue. 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 2. above the Council's Plan assumes there will be further City growth over the 10 years and that it will be necessary for the Council to provide infrastructure to support this. The Council does not wish to inhibit/constrain desirable City growth through a lack of key infrastructure however, in order to make the Plan affordable, a number of significant desirable capital expenditure programmes have been excluded.

9.5. Level of net debt

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

BORROWING LIMITS	PRUDENTIAL MAXIMUM	FORECAST LEVEL AT 30 JUNE 2016	FORECAST MAXIMUM DURING 10 YEARS	FORECAST LEVEL AT 30 JUNE 2025
Net external debt as a percentage of total assets	<20%	8.3%	11.8%	11.7%
Net external debt as a percentage of total revenue	<175%	113%	149%	141%
Net interest as a percentage of total revenue	<15%	7.3%	9.5%	8.9%
Net interest as a percentage of annual rates income	<20%	9.5%	12.2%	11.5%
Liquidity	>110%	139%	139%	121%

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.

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.

Due to the level of uncertainty about some of the **significant forecasting assumptions** used for the development of the Plan, the Council has determined that it is more important than ever to ensure that it plans with sufficient ‘headroom’ to cope with unexpected future high priority capital expenditure (e.g. if significant upgrades are required to the wastewater treatment plant). For planning purposes the Council set itself a goal of keeping the net debt/total revenue ratio below 150%. The Plan achieves this through a combination of restraint for new capital expenditure and a focus on planned debt repayment. If net debt is kept below this lower ratio it means the Council has borrowing headroom of approximately \$30 million. The Council believes that for the time being this level of headroom will be sufficient but future Councils will need to remain focused on this goal to ensure long term financial sustainability.

Based on the projected capital expenditure programme for new capital items contained in the 10 Year Plan of \$235m, the Council will need to borrow an additional \$96m over the 10 years.

After a period of significant capital development, during which Council was paying interest only on its borrowings, a new strategy was adopted in 2009 which involved the implementation of a planned debt repayment programme. Since 2009/10 the 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 80 years) of the asset being funded. Provision was also made for progressively increasing sums to begin repaying existing borrowings of \$145m as at 1 July 2009 and from 1 July 2012 provision for accelerated debt repayments. This 10 Year Plan continues this strategy, but replaces the previous provisions for accelerated debt repayment with a reduction in the maximum repayment term from 80 years to 30 years.

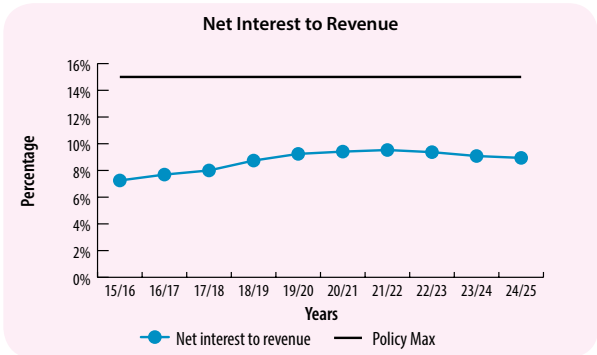
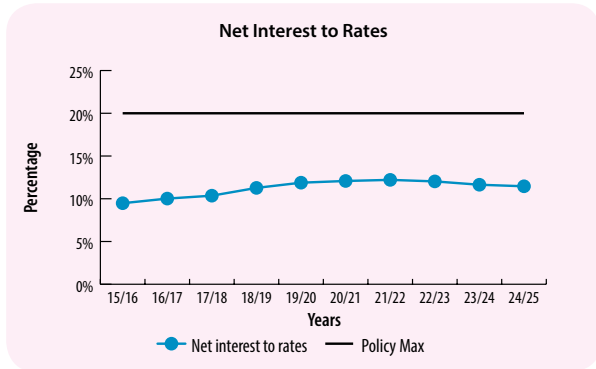
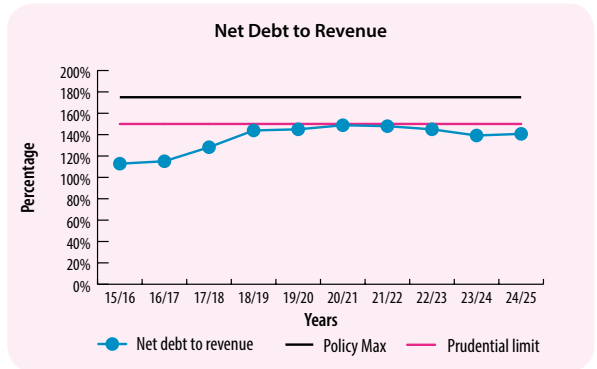
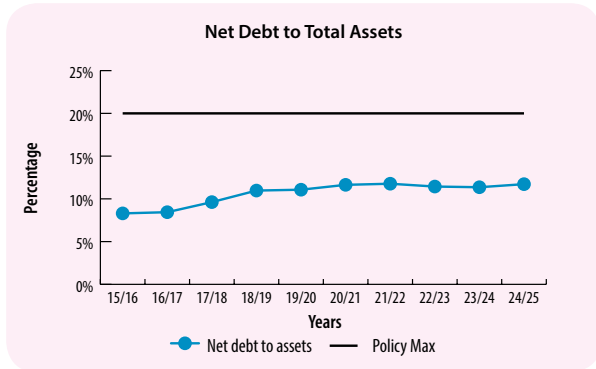
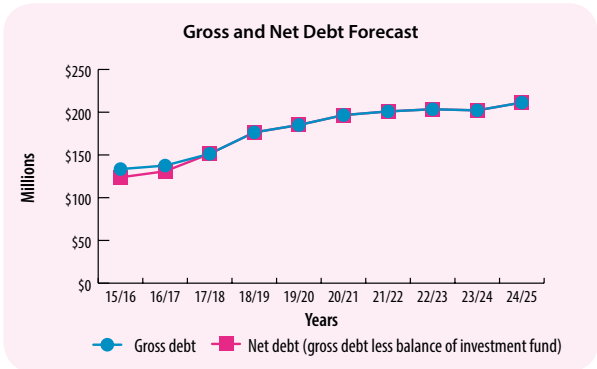
This means that the Plan includes the following provisions for debt repayment:

- Debt as at 1 July 2009 being repaid over the average life of the assets funded from that.
- New debt since 1 July 2009 (including any new borrowings in the Plan) being repaid over the average life of the assets funded (the repayment term for the new borrowing ranges from 5 to 30 years).
- A total of \$6m from excess renewals funding.

The combination of the debt repayment for present debt and the additional debt required to fund new capital items means that over the 10 year period it is forecast there will be the following movements in the Council's debt levels:

\$M	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	TOTAL
Planned expenditure on new capital items	31.0	22.8	32.9	33.7	19.4	25.3	18.9	15.3	12.0	23.1	234.5
less external subsidies and grants	(6.7)	(6.8)	(4.7)	(0.6)	(0.5)	(4.3)	(3.7)	(0.4)	(0.4)	(0.5)	(28.6)
less development contributions	(1.2)	(1.3)	(1.7)	(2.0)	(2.2)	(2.4)	(2.5)	(2.8)	(2.9)	(3.2)	(22.2)
Additional debt required to fund new capital programmes	23.1	14.6	26.5	31.1	16.7	18.7	12.7	12.1	8.7	19.4	183.7
less debt repayment funded from rates	(5.2)	(4.9)	(5.5)	(6.2)	(7.0)	(7.7)	(8.4)	(9.0)	(8.6)	(8.8)	(71.4)
less asset sales	(0.1)	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.2)
less debt repayment funded from investment fund	(1.0)	(3.0)	(6.6)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(10.6)
less funding from rates for capital renewals received in advance	1.3	(2.4)	(0.6)	0.2	(1.0)	0.6	0.1	(0.6)	(1.4)	(1.4)	(5.4)
Additional debt required	18.2	4.1	13.8	25.1	8.6	11.5	4.3	2.5	(1.3)	9.1	96.0

This results in the Council's total debt increasing from \$115m (net debt \$104m) to \$211m (net debt \$211m).



9.6. Fees and charges for services

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

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

9.7. Rates

To fund the activities provided for in the Plan will require rates to increase. Conscious of the economic climate the Council has tried to keep these increases to a minimum and challenges Council staff to continually search for innovative and more efficient ways of delivering services.

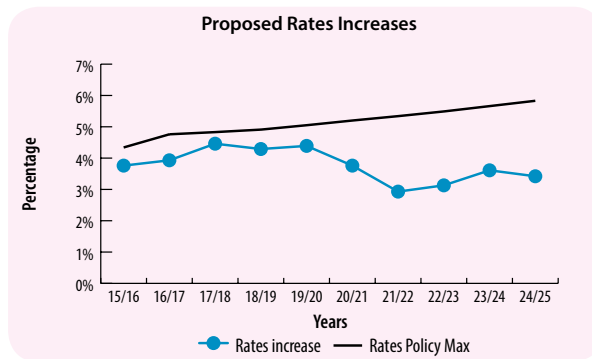
This aim to keep rates increases as low as possible has to be balanced with the need to continue to fund the maintenance and renewal of key City infrastructure and the need to plan for a higher level of debt repayment to create sufficient capacity to service debt associated with any future as yet unforeseen high priority capital programmes.

Over the 10 year period the Council will aim to limit rates as follows:

- Total rates¹ will increase by no more than the Local Government Cost Index (LGCI)² plus the growth in the rating base plus 2%.
- Total rates² will be no more than 2% of the City's rateable land value.

1 Total rates excludes rates on Council properties but includes metered water revenue.
 2 LGCI is an overall cost index developed by 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 used in this Plan is that published by BERL in September 2014.

Rates are made up of two parts, a fixed part which is the same for each property and a variable part based on the land value.



For 2015/16 the fixed part (\$1,278 for residential properties) is proposed to be made up of the following:

CHARGE TYPE	COST	WHAT IT PAYS FOR
Water	\$264	Pays for the cost of the provision of water
Wastewater	\$227	Pays for the cost of treatment and disposal of wastewater
Kerbside Recycling	\$129	Pays for the cost of kerbside recycling
Rubbish & Public Recycling	\$68	Pays for general rubbish & recycling costs including transfer stations, fly tipping, community education
General	\$590	Contributes to paying for all other Council services and acts as a way of ensuring that all properties contribute a fairer share of the cost rather than it all being based on the land value

The variable part is based on the land value of the property. It is a legal requirement that the Council obtain updated rating valuations at least every three years. The values obtained in 2012 will be used again in 2015/16 and the new values obtained in 2015 will be used for the three years from 2016/17.

The rate in the \$ charged on the land value varies depending on the use made of the property with a higher rate in the dollar applying to non-residential property than residential or rural/semi-serviced property.

More detail about the rating system is shown in section 3 of this 10 Year Plan.

10. 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.

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

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

- There is a direct relationship between the debt and the asset purchase/construction e.g. operating lease or project finance; and/or
- Council considers a pledge of physical assets to be appropriate.

Any pledging of physical assets must comply with the terms and conditions contained in the Debenture Trust Deed.

11. Financial Investments and Equity Securities

11.1. Financial investments

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

In 2001 the Council resolved to invest the sum of \$70m from the sale of its investments in the electricity sector in a long term fund, managed with the objectives of growing its capital value in real terms and providing annual distributions to supplement operating revenue.

Over succeeding years the Council's position moved from that of a net investor to a net borrower and the Council was increasingly of the view that it was no longer prudent to retain the Fund. In 2007 the Council resolved that the Fund should be progressively wound down and used to repay term borrowing or in substitution for term borrowing. The process of winding down the Fund is managed under delegated authority by the Chief Executive and Council staff and is subject to quarterly reporting. It is expected they will utilise the services of an investment advisor. The aim is to realise the Fund in an orderly manner without incurring capital losses.

As a net borrower the Council will seldom have funds to invest but it may do so to:

- meet statutory obligations to fund certain reserves
- maintain short or medium term cash surpluses
- maintain operating cash levels
- prefund refinancing of maturing debt.

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

11.2. 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	Owner and operator of Palmerston North Airport	To ensure the City has an appropriate air gateway for passengers and freight	100%
New Zealand Local Government Insurance Corporation Limited	Provider of a range of risk management products for New Zealand local government	To ensure an appropriate insurance vehicle exists for local government in the event the private market fails to provide the desired insurance cover	3%
New Zealand Local Government Funding Agency	Provider of long term funding to local government	To facilitate the establishment of an appropriate vehicle for accessing cost effective long term funding	0.4%

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

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

ENTITY & RATIOS	TARGET
Palmerston North Airport Ltd	
Net surplus before interest/tax/valuations to total assets	2.5%
Net surplus after interest/tax to consolidated shareholders' funds	1.5%
Interest cover (net surplus before interest and tax to interest)	>=2.5
Net tangible worth	>\$35m
Maintain high level of customer satisfaction	>=90%
Passenger throughput p.a.	471,000
NZ Local Government Insurance Corporation Ltd & NZ Local Government Funding Agency	
No specific targets	

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

It is envisaged that any other equity investments which the Council may hold in the future would only be as a result of a gift, through a restructuring of the Council or to enable the Council to participate in a central Government or regional initiative associated with the provision of a key infrastructural activity. From time to time the Council will establish "shelf" companies so it is able to respond appropriately to any opportunities which arise.

30 Year Infrastructure Strategy

1. Introduction	33	3. Significant Infrastructure Issues	37-40	4.4. Major Wastewater programmes	
2. Setting the Scene	33-37	3.1. Introduction		4.4.1. Renewal	
2.1. Background		3.2. Renewal of infrastructure		4.4.2. Capital Development (Growth & LOS)	
2.2. Description and value of the City's infrastructure		3.3. Development of new infrastructure for growth		4.4.3. Wastewater Principal Options and timing of decisions	
2.3. Condition and performance of the City's infrastructure		3.4. Facilities to encourage alternative transport modes		4.5. Major Water programmes	
2.4. Critical Assets		3.5. Implementation of the Urban Design Strategy		4.5.1. Renewal	
2.5. Projected growth of the City		3.6. Wastewater treatment and upgrading		4.5.2. Capital Development	
2.6. Council's strategic direction		3.7. Security and safety of the water supply		4.5.3. Water Principal Options and timing of decisions	
2.7. Land use strategies		3.8. Increasing the resilience of infrastructure to natural hazards		4.6. Financial Expenditure – Operating and Capital (Inflation indexed)	
2.8. Residential Growth Strategy		3.9. Provision for a further river crossing		4.7. Relationship to the Financial Strategy	
2.9. Industrial Land Use Strategy		3.10. Impact of climate change		4.8. Asset Life Cycles	
2.10. Rural Residential Strategy		4. The Most Likely Scenario	40-50	4.9. Assumptions, Uncertainties and Implications	
2.11. Retail Strategy		4.1. Management of the assets		Assumptions, Uncertainties & Implications	51-53
2.12. Urban Design Strategy		4.2. Major Roothing programmes			
2.13. Demand for services over the next 30 years		4.2.1. Renewal			
2.14. Levels of service		4.2.2. Capital Development (Growth & LOS)			
2.15. Public health and environmental outcomes		4.2.3. Roothing Programmes, Principal Options and timing of decisions			
		4.3. Major Stormwater programmes			
		4.3.1. Renewal			
		4.3.2. Capital Development (Growth & LOS)			
		4.3.3. Stormwater Principal Options and timing of decisions			

1. Introduction

The Local Government Act 2002 (as amended 2014) requires each council to adopt an Infrastructure Strategy covering a period of at least 30 years as part of its 10 Year Plan. This Strategy covers the core activities of Rooding and Footpaths, Stormwater Drainage, Wastewater Collection and Treatment and Water Supply Activities.¹ It is set out in three parts:

Section 2 - Setting the Scene

Setting out the environment in which the City's infrastructure is developed and the key drivers

Section 3 - Significant Infrastructure Issues

The issues over the next 30 years which have high expenditure, high risk, and/or high public interest associated with them

Section 4 - The Most Likely Scenario

An outline for each Activity, the key projects, principal options, estimated costs and key decisions for the Council to make. This includes an overall forecast of operating and capital costs together with the underlying assumptions and uncertainties.

This Infrastructure Strategy is an integral component of the Council's 10 Year Plan and should be read in conjunction with the remainder of the Plan as many aspects for years 1-10 of this Strategy are amplified in other relevant sections of the Plan. The Strategy also has close links with the Financial Strategy.

Further detail of programmes for years 11-30 of the Strategy can be found in the relevant Asset Management Plan.

2. Setting the Scene

2.1. Background

Investment in infrastructure over the next 30 years is determined by a large number of factors including

¹ Horizons Regional Council is responsible for flood protection, which is not covered in this strategy.

maintaining and renewing existing infrastructure, supporting the growth of the city, the need adapt to a more sustainable life style and the need to meet new legislative and regulatory requirements. Some of the key drivers feeding into this strategy are set out in the following paragraphs.

2.2. Description and value of the City's infrastructure

Palmerston North is a city with a population around 85,000 and is forecast to rise to about 105,000 by 2046. Rooding, stormwater, wastewater and water infrastructure provide core services that underpin the economic and social activity of the city.

The rooding and footpaths network consists of 556km of road, 113 bridges and culverts, 551km of footpaths, 7,800 streetlights, 24 sets of traffic signals, over 2,800 CBD car park spaces, 93km of on-road dedicated cycle lanes / off-road shared paths and over 14,000 street trees.

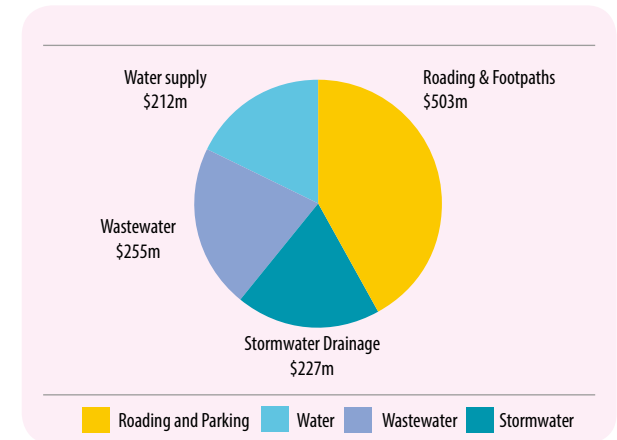
The stormwater drainage network consists of 272 km of pipes, 9 km of culverts, 5,125 manholes, connections to over 18,500 properties, 91 flood gates and other structures.

The wastewater network consists of 404 km of pipelines, 5,565 manholes, 34 wastewater pumping stations, connections to about 28,000 properties. In addition there is the Totara Road wastewater treatment plant which treats all the city's wastewater before discharge to the Manawatū River.

The Water Supply activity provides for water collection, water treatment and water distribution. The infrastructure for water collection consists of:

- two dams at Turitea Reserve and 6 water supply bores. The Turitea Water Treatment Plant treats the water collected in the dams. The distribution network consists of 535 km of main pipelines, 196 km of service lines, 4,491 valves, 3,105 hydrants, 2,080 metres, 411 backflow preventers and 27,878 tobies connecting to properties.

This infrastructure has been developed largely over the last 110 years as the city has grown. The total replacement cost of this infrastructure is around \$1.2Billion.



Optimised Depreciated Replacement Costs for each of the activity areas are Rooding - \$271m, Stormwater Drainage - \$171m, Wastewater - \$142m and Water Supply - \$134m.

Council's Asset Management Plans provide more detailed information of these assets.

2.3. Condition and performance of the City's infrastructure

The bulk of the infrastructure is in good condition with much of the infrastructure being in the early to midpoint phase of its lifecycle. Approximately \$7.0m per annum on average has been spent on renewing the infrastructure over the past three years.

RENEWAL EXPENDITURE OVER THE PAST 3 YEARS			
ACTIVITY	2011/12 \$m	2012/13 \$m	2013/14 \$m
Rooding	4.28	3.99	3.79
Stormwater	0.29	0.50	0.02
Wastewater	0.68	1.19	0.75
Water	2.23	1.73	1.60
TOTAL	7.48	7.41	6.16

In the **Roading** activity the maintenance and renewal regime has kept pavement surfaces in overall good condition. The life of road pavement seals varies between 12-30 years depending on the type of seal applied and the level of traffic it is subject to. The overall condition of footpaths has improved over the last few years with a targeted renewals programme so that the majority of footpaths are in the top half of the condition rating scale. The majority of bridges are between 20-50 years old with significant renewal requirements expected between 2030- 2050.

Stormwater drainage infrastructure is generally only operational during storm events and consequently the pipeline and culvert assets have a very long life (over 150 yrs) and most assets are only in the early stage of their lifecycles. These are assessed as being in very good condition. Most of the older stormwater pump stations have fairly recently undergone renewal so that the condition rating for stormwater pump stations is also very good. 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 the **wastewater** pipelines and pumping stations are considered to be good with over 60% of the system having been installed since 1960. The average life of pipes is around 120 years. Problems of blockages can arise as a result of tree root intrusion and uneven grades in places as a result of ground settlement although these are minimised through a targeted maintenance regime. Stormwater inflow and infiltration is about on par with wastewater networks worldwide.

The wastewater treatment plant performs as designed but some of the elements of the plant built in the late 1960s such as the sedimentation tanks and inlet facilities are now becoming due for renewal.

In the **water** network about 59% of the pipelines are less than 30 years old. These pipes are expected to have a life of over 100 years. Issues experienced with discoloured water as a result of iron and manganese build up in cast iron pipes have largely been overcome through an accelerated cast iron pipe replacement programme, construction of additional feeder

mains and an improved maintenance regime. However, increasing frequency of bursts with A/C pipes requires a higher level of renewal for these pipes over the next few years.

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

2.4. Critical Assets

Council's critical assets based on failure affecting a large number of people or having a high consequential cost are:

Roading: Fitzherbert 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 Pumping station, water reservoir and large diameter pipelines

2.5. Projected growth of the City

Population over the period of this Strategy has been forecast to increase at an average rate of 0.8% per annum over the next ten years, reducing to an average growth rate of 0.7% over the following ten year period and 0.5% over the final ten year period.

Projected average annual household growth is not expected to slow to the same extent as the population growth rate and is projected to remain on average at 0.9% per annum over the 30 year period because the average size of households is expected to reduce, primarily due to the aging population and an increase in the number of single person households. This household growth equates to 300 lots per year.

The types of residential development are also assumed to remain constant over the 30 year period of the strategy and are based on a preference for Greenfield development of 40%, Infill development of 33%, Rural Residential development of 12% and Minor Dwellings and Apartments of 15%. This takes account of the expected changes to the District Plan allowing medium density growth in the city and minor dwellings on properties.

This represents a greater focus on redevelopment within the existing city than there has been in the past.

2.6. Council's strategic direction

Council's strategies set out a high level route map for the development of the City. In particular the Sustainable City Strategy points the future direction that the city needs to take to achieve sustainability. This in turn shapes how infrastructure is developed in the future. The Sustainable City Strategy and its sub-strategies underlie programmes set out in the Council's 30 year Asset Management Plans. Two sets of strategies in particular that come under the umbrella of the Sustainable City Strategy have relevance to the development of Council's infrastructure – the land use strategies and the Urban Design Strategy.

2.7. Land use strategies

A major influence on the form and need for infrastructure is the way in which land is developed and for what purpose. The strategies that will shape the development of infrastructure over the next 30 years are:

- Residential Growth Strategy
- Rural Residential Strategy
- Industrial Land Use Strategy
- Retail Strategy

The schematic in Figure 1 shows the location of the areas referred to.

2.8. Residential Growth Strategy

In 2012 Council confirmed that its residential growth strategy was for the Whakarongo area to provide for short to medium term residential growth with City West deferred for medium to long term residential growth. Whakarongo was rezoned for residential growth in August 2014.

The Whakarongo area comprises 56.5ha and is expected to yield approximately 750-900 lots. City West comprises 220ha and yield approximately 2500-3000 lots.

For the purposes of infrastructure planning, it has been assumed that the Whakarongo development will commence over Years 1-10 of this Strategy. Whakarongo, together with

the existing residential zone land bank, provides 203.7 ha or 17.5 years of greenfield residential growth based on the assumed growth trends. It is anticipated that development in the Whakarongo Area will occur in accordance with the Whakarongo Residential Area Structure Plan.

For the purposes of infrastructure planning, it has been assumed that the City West development will commence over Years 10 - 20 of this Plan and be developed in stages. Development at City West is subject to there being greater certainty regarding the costs and effectiveness of liquefaction mitigation measures and the ability for Council to fund the necessary network infrastructure.

A small residential growth area is also planned for Ashhurst and comprises 13.2ha. It is expected to yield approximately 120 lots. The Ashhurst growth area is anticipated to be serviced via capacity within the existing infrastructure.

As indicated in section 2.4 there is expected to be increased infill development with a trend towards medium density housing which may impose greater loadings on the existing infrastructure. This is discussed in Section 3.3.

2.9. Industrial Land Use Strategy

Two areas are identified for future industrial expansion:

- An extension to the north-east of the existing North East Industrial Zone (NEIZ) for transport, warehousing, distribution and logistics
- Longburn

NEIZ & Extension Area: The existing NEIZ (107 hectares) is located north-east of the airport on land bounded by Railway Road, Roberts Line (North), Richardsons Line and Setters Line. The NEIZ is well connected to the primary road network to serve as a distribution and warehouse centre for the Lower North Island and it is expected that it will continue to attract these activities. A proposed 126ha extension area to the NEIZ is currently being progressed via the Sectional District Plan Review. The purpose of the extension area is to provide additional land for large floor-plate industrial activities such as logistic, transport, and warehousing. It is envisaged the extent of the existing NEIZ and the extension area will be sufficient to meet the growth in large floor plate industrial activity over the next 20 to 30 years.

Longburn: Longburn's proximity to the Council's wastewater treatment plant, State Highway 56 and the North Island Main Trunk Line make it suitable as an industrial growth node. The joint industrial land review completed in 2007 identified Longburn for future wet industry. A 33 hectare industrial extension for dairy related industrial activity is currently being progressed via the Sectional District Plan Review. The extension at Longburn is referred to as the Braeburn Industrial Area. It is assumed that development within the Braeburn Industrial Area will be self-serviced and not contribute towards the overall industrial land market with subdivision strongly discouraged. General industrial development, including freight and distribution activities, is also anticipated within the existing vacant industrial land to the south of State Highway 56.

2.10. Rural Residential Strategy

The Rural-Residential Land-Use Strategy adopted in 2012 seeks to minimise the infrastructure burden of rural-residential development and provide a clear distinction between the services provided in rural and urban areas.

Council currently does not generally provide a water or wastewater service to rural residential and rural properties within the City boundary. It is considered that the size of rural-residential and rural lots is adequate for on-site disposal of wastewater.

The Rural-Residential Land-Use Strategy and pending changes to the District Plan also seek to reduce the extent of the area identified for rural subdivision, particularly in those areas which would require substantial upgrades to the roading network in order to facilitate future rural subdivision and development.

2.11. Retail Strategy

The Retail Strategy applies a centres based approach to managing retail and office activity throughout the city. The Strategy seeks to keep commercial activity centred in the core of the city and to avoid the dispersion of office and retail activity to the periphery of the urban area. The Strategy is given effect to through the District Plan hierarchy of business zones as follows:

- Inner Business Zone (IBZ)

- Outer Business Zone (OBZ)
- Fringe Business Zone (FBZ)
- Local Business Zone (LBZ)

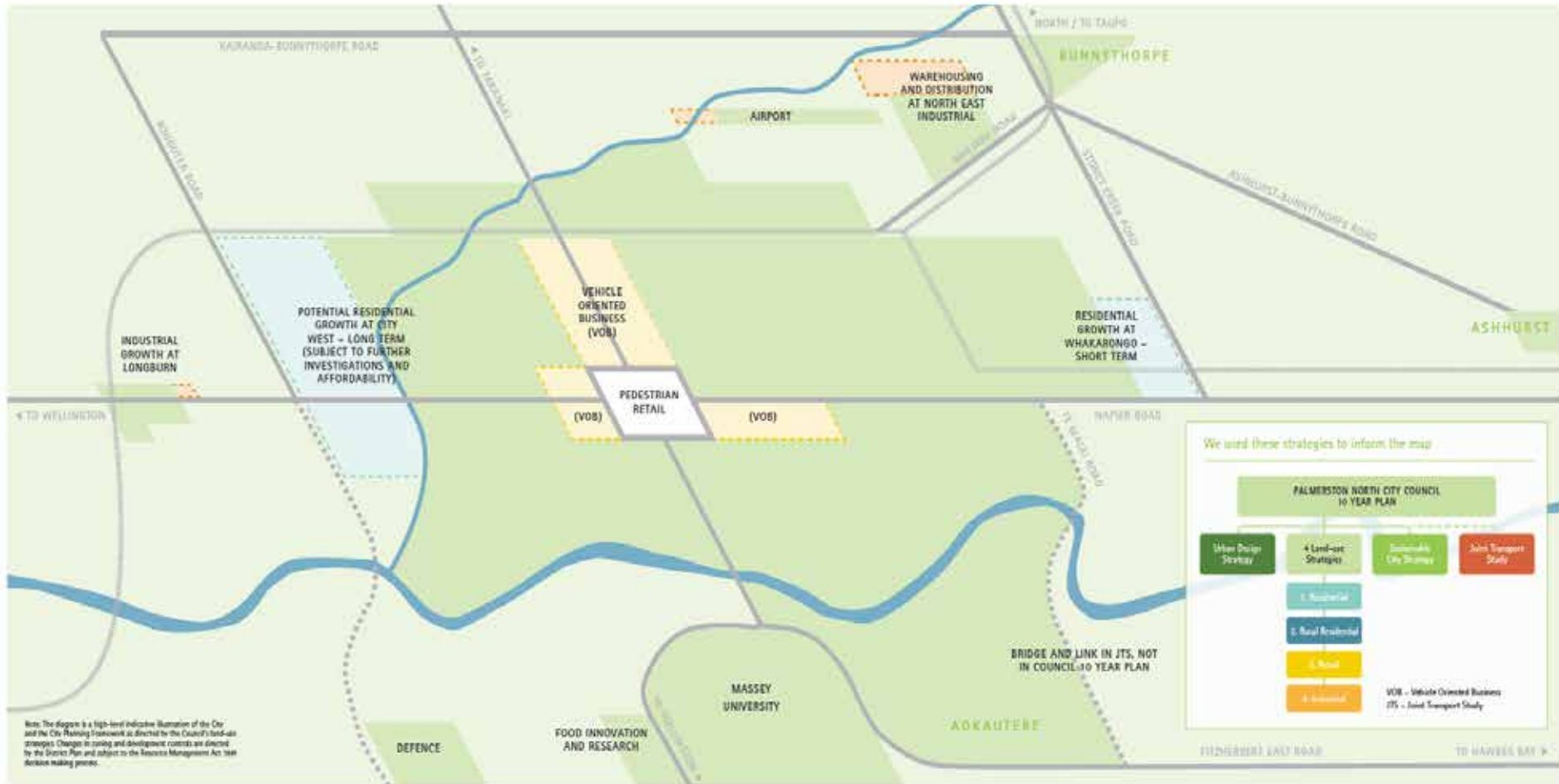
Inner Business Zone: The primacy of the IBZ within the hierarchy of business zones reflects its role as the commercial heart of the city. The Plan provides for the greatest diversity, intensity and scale of use and development to occur in the IBZ. The Plan actively encourages intensification of development and activity. The primary purpose of the Zone is to provide a high amenity, compact and pedestrian orientated CBD. Development in the IBZ is not expected to be self-sufficient but rather leverage off public investment in on-street car parking; landscaping and beautification works (The Square); lighting, loading and pedestrian facilities.

Outer Business Zone: Provides for a less concentrated form of space extensive, low-rise and vehicle orientated development fronting the four arterial entrance roads into the city. Development must be fully self-sufficient with respect to parking; loading; lighting; landscaping and storage. The diverse range of retail, office, light industrial and commercial service activities complements the function of the neighbouring IBZ.

Fringe Business Zone: As part of the integrated approach to managing retail activities within the city's business zones the FBZ provides for large format retailing but not in a way that adversely affects the IBZ's function as the primary retailing precinct in the city. Similar to the OBZ, development in the FBZ is expected to be self-sufficient. Unlike the OBZ, the FBZ provides for a relatively narrow range of large format retail activities that are destination and vehicle orientated in nature.

Local Business Zone: The LBZ provides for the business areas that serve the city's suburban areas. The primary purpose of the LBZ is to provide for the day to day shopping and service needs of surrounding residential areas. Similar to the OBZ and FBZ, development in the LBZ is expected to be functionally self-sufficient.

FIGURE 1 – SCHEMATIC SHOWING THE LOCATIONS THAT RELATE TO THE LAND USE STRATEGIES



2.12. Urban Design Strategy

The Urban Design Strategy adopted by the Council in September 2010 provides direction to making the public realm a more people friendly and inviting place, creating a vibrant City Centre, and welcoming and memorable entrances to the city. Roads make up a significant amount of public space so represent an opportunity to transform the city. This will reflect in the development of infrastructure for roading, parking and footpaths over the next 30 years. Street design, especially in the city centre and new subdivisions, will be focused on providing a balance for all street users including cars, cyclists and pedestrians.

2.13. Demand for services over the next 30 years

Overall demand for water, wastewater and stormwater services is expected to increase in line with household and industrial growth in the city although greater focus on conservation and demand management is expected to ensure that demand per capita for water supply remains at or below the current demand. Non domestic demand will depend on the industries and businesses that are established over this period.

In the roading area increasing demand in the areas of cycling and passenger transport facilities is allowed for in this strategy. In addition Palmerston North is continuing to become the distributional hub for import, export and domestic commodity movements in the lower North Island which will impact not only on the State Highways but also on the demand placed on the local transport network.

Any changes with respect to the use of Linton Army Camp will also have a significant effect on routes around this camp with respect to both heavy vehicle traffic and civilian commuter traffic. Current indications are that the Linton Camp will be a major centre for army activities into the long term.

2.14. Levels of service

The Communitrak surveys that Council has conducted over the past decade show that there is a high overall level of satisfaction with the level of service being provided to the community through its infrastructure. It is anticipated that

over the next 30 years the level of service will remain at a similar level to that being currently provided² except in some particular areas where an increase in level of service is allowed for through this strategy, namely:

- An increase in facilities for cyclists and passenger transport throughout this period
- An improvement in the urban streetscape environment through better people centered design and street facilities
- A higher level of environmental service being provided in the area of wastewater treatment in connection with consent renewal around 2028³
- A higher level of health protection being provided in the water supply area through meeting revised Drinking Water Guidelines around 2020

2.15. Public health and environmental outcomes

Both the water and the wastewater systems are developed and maintained to provide for the public health of the community. They are operated in a manner to achieve this and there have been no outbreaks of infectious disease in recent times.

The water supply is assessed annually by the Ministry of Health for compliance with the Drinking Water Standards and is fully compliant with these standards.

It is expected that the next review of the NZ Drinking Water guidelines will specify the need for a further level of barrier protection at the Water Treatment Plant and this is provided for in this Strategy.

The City's wastewater is also treated to meet the environmental standards set in its Discharge Consent for discharge to the Manawatū River. Recently Horizon's One Plan has become operative and the National Policy Statement for Freshwater Management released both with a focus on increasing environmental standards with respect to freshwater. To

² The current level of service is set out in the Activities section of this Plan.

³ This could be earlier depending on the outcome of the Wastewater Consent Review currently being heard.

obtain future consents for the discharge of wastewater to the Manawatū River a higher level of treatment than is currently provided will be required. This is further discussed in Section 3.6.

In addition the stormwater system is operated and maintained to reduce the adverse impact of stormwater drainage on the city and also to reduce contaminants getting into the stormwater system through debris and pollutant traps.

3. Significant Infrastructure Issues

3.1. Introduction

The significant infrastructure issues for the Council over the next 30 years that involve large expenditure, high risk, have high Council priority and/or high public interest, are identified as:

- Renewal of infrastructure
- Development of new infrastructure for growth
- Facilities to encourage alternative transport modes
- Implementation of the Urban Design Strategy
- Wastewater treatment and upgrading
- Security of water supply
- Increasing resilience of infrastructure
- Provision of a further river crossing
- Impact of climate change

3.2. Renewal of infrastructure

A total of about \$590m (\$320m present day cost) is estimated to be required over the next 30 years to ensure that the roading, stormwater, wastewater and water infrastructure is kept in good condition so that it can go on providing the same level of service to the community.

Around \$7m per annum has been spent on renewing these assets over the past 3 years and generally the assets in all the activity areas are considered to be in good condition. There is little in the way of deferred renewals apart from the water network where the focus on dealing with the discoloured water issue over the past few years with an accelerated replacement of cast iron pipes has led to some backlog of

renewals of asbestos cement pipes and a consequential increase in maintenance costs.

Over the next 30 years it is estimated that on average \$19.6m per annum (\$10.6m present day cost) will be required to maintain the assets in good condition. This is an increase over what is currently spent but it reflects the need to catch up on deferred renewals of water pipes and to renew aging assets. There are some significant assets in need of renewal in this period such as Milson Line overbridge and components of the Wastewater Treatment Plant as well as keeping the pipe networks and the roading network in good condition.

ACTIVITY	AVERAGE ANNUAL RENEWAL EXPENDITURE (INFLATION ADJUSTED)	AVERAGE ANNUAL RENEWAL EXPENDITURE (PRESENT DAY COSTS)
Roading	\$11.4m	\$5.8m
Stormwater	\$0.7m	\$0.4m
Wastewater	\$2.8m	\$1.7m
Water	\$4.7m	\$2.7m
TOTAL	\$19.6m	\$10.6m

Details of the major expenditure items and principal options in each area are given in Section 4.

3.3. Development of new infrastructure for growth

Greenfields development is expected to account for 40% of household growth during the period of this strategy. This development requires significant expenditure in new infrastructure by Council to achieve this although much is recouped through receipt of Development Contributions.

Council’s residential growth strategy provides for the Whakarongo area to be developed first. Infrastructure development over the first 10 years is provided in this strategy to support this. Generally the aim is to develop the infrastructure ‘just in time’ for the development to occur rather than years before it is required.

The other major greenfields residential development

provided for is the City West area with development of infrastructure programmed for years 11-25 of this strategy. However, more investigation is required into the cost effectiveness of liquefaction mitigation measures before this area is rezoned for development. Growth forecasts also predict a greater focus on infill housing and apartments. Currently District Plan changes are being proposed to allow medium density housing where appropriate. As a result loadings on existing infrastructure are likely to increase.

Allowance has been made in this strategy to make improvements and upgrading to the existing networks where necessary to meet infill housing development. These upgrades will generally occur in response to specific increased loadings and informed by computer modelling of the network. The biggest impact is for stormwater drainage infrastructure with higher peak flows resulting from a greater area in impervious materials. Low impact design principles will be encouraged with these developments where appropriate.

The strategy also provides for industrial growth with the development of infrastructure to service the extension to the North East Industrial Zone (NEIZ) over the first 10 years of this strategy. Timing will be dependent on uptake of this by industry. Generally, existing infrastructure is adequate for the industrial growth anticipated at Longburn.

3.4. Facilities to encourage alternative transport modes

Council’s Sustainable City Strategy includes a driver of sustainable energy use to get around the City. Included as sub-drivers are to:

- Increase the amount and use of public transport
- Encourage walking and cycling

Both the Urban Design Strategy and the Integrated Transport Strategy which sit under the Sustainable City Strategy set out changes and development of infrastructure that is required to meet these objectives.

Specific programmes included in this strategy to help meet these goals are:

- Development of a main bus terminal for

urban and inter regional services

- Bus stop improvements
- Ongoing improvement for cyclists and pedestrians, particularly at intersections
- Further development of the shared pathway around the city

3.5. Implementation of the Urban Design Strategy

The Urban Design Strategy has the objective of bringing change to the city through a positive and proactive approach that will enhance the public realm through a series of urban design initiatives. Development of infrastructure in keeping with the principles of good urban design has a significant part to play in these initiatives particularly in relation to street design, and the Manawatū River Master Plan. These mainly relate to programmes within the Roothing Activity.

Over the first 10 years of this strategy substantial upgrading of the streetscape around the Square is provided for, upgrade of the bus terminal and improvements to the City Entrances. Urban design principles will also be reflected in renewal of infrastructure where possible as well as capital new programmes. Some reduction of inner city parking space to enhance pedestrian oriented activities can be expected as a result of implementing these programmes.

Also there is provision in the first few years of the strategy for construction of a pedestrian / cycle bridge across the Manawatū River and development of a shared pathway from the Fitzherbert Bridge to Linton that will contribute to achieving the goals of the Manawatū River Framework.

3.6. Wastewater treatment and upgrading

The Council’s discharge consent for the discharge of treated wastewater to the Manawatū River expires in 2028. Higher environmental standards can be expected for the disposal of wastewater at this time as signalled in Horizon’s One Plan and the National Policy Statement (NPS) for Freshwater Management. Further upgrading of the wastewater treatment facilities can be expected in order to obtain consents and provide for treatment of wastewater into the future.

Council's current planning allows for a high level of nitrogen treatment to be added to the existing treatment processes around 2028. However there are several factors that will influence the timing and direction that the Council will take for its future wastewater treatment and disposal.

- A consent review is currently being heard to determine whether changes are required now to the Council's consent conditions to reduce the effect that the discharge is having on the river. Although an interim decision was released in February 2015 the hearing remains open for consideration of further responses from PNCC and submitters. Council has recently submitted a proposal to undertake investigation of all options for its wastewater treatment and disposal that would result in new consents being applied for by June 2022. The outcome of this submission will not be known until the final decision of the Hearing Panel is released. The implications will then be considered by the Council.
- The process for investigating and consulting with the community on the various options for its future wastewater treatment is likely to take around 5 years to complete. It is expected that all main options will be considered including land based treatment, river discharge and a mixture of the two. Estimated costs for these options are expected to range from \$35m to over \$140m (\$23m to over \$100m present day costs) depending on the option chosen. Any expenditure which significantly exceeded \$35m would require the Council to review its capital programme to enable it to remain within borrowing limits prescribed in its Financial Strategy.

3.7. Security and safety of the water supply

An adequate supply of water suitable for drinking is a fundamental requirement for the health and general wellbeing of the community. An adequate water supply also underpins economic activity in the city.

Over the period of this strategy there is significant investment required to ensure that the water supply remains secure and safe for the community. Three aspects are addressed in this strategy – refurbishment of the city's bores, duplication of

the pipeline from the Water Treatment Plant (WTP) and extra treatment protection at the WTP to meet expected changes to the NZ Drinking Water Standards.

Several of the city's bores have significantly declining yields and issues with sand ingress and require redeveloping or replacing over the next 10 years to ensure security of water supply from the bores.

The Water Treatment Plant supplies over half of the City's water and is linked to the Harts Road reservoir by a single large pipeline. This pipeline is nearing the end of its life and in need of renewal within the next five years. It also passes along the Treatment Plant access road that is subject to slips both above and below the road. As a consequence there is relatively high risk of damage to this supply line with consequential loss of supply from this source to the City for several weeks. It is planned to construct a duplicate pipeline in years 2017-19 to allow renewal of the main pipeline and also to decrease the risk of losing supply of water to the city from the Water Treatment Plant.

Water is supplied to the community that complies with the NZ Drinking Water Standards. These standards are reviewed every 10 years and it is expected that as a result of the review due in 2018 that the City will need to add an additional layer of barrier protection (UV treatment) to its water treatment to maintain compliance with these standards. This will enhance the safety of the water supply. Provision is made in this strategy for this additional treatment process.

3.8. Increasing the resilience of infrastructure to natural hazards

One of the outcomes of the recent 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.

Over the past three 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 of sufficient strength (apart from the Milson Line Bridge) to withstand the required seismic design loadings for these structures although some further detailed assessment is required for the Turitea dams. They have also been assessed as capable of withstanding major flood events. The Milson Line bridge does carry some higher risk in a major seismic event but is scheduled for renewal in 2028-30 and the cost of earthquake strengthening before then is not economically justified.

In addition other key infrastructure that is critical to the continuation of service such as the water and wastewater treatment plant civil structures, large pumping stations and large diameter pipelines have also been assessed and work identified to enable these structures to meet the required code levels for withstanding seismic shock. Programmes for strengthening of Wastewater and Water structures are included in this strategy.

Generally the roading 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 NZTA jurisdiction, namely SH3 Ashhurst Bridge and SH56 Opiki Bridge.

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. Currently the Council's engineering standards for land development are being revised with the intention of including revised requirements for water and wastewater pipe networks. These revised requirements are expected to be introduced in the 2015/16 year after consultation with the development community.

3.9. Provision for a further river crossing

Previous Council planning (2009/19 10YP) placed the construction of a further river bridge in the period 2012-15 to fit in with urban growth planning around Te Matai Rd and Staces Rd and with the NZTA funding that was likely to be available at that time. However, with a change to Council's Urban Growth Strategy in 2010 the horizon for a further bridge crossing was moved to the early 2020's although there is no specific provision in the current 2012/22 10YP.

A further river crossing will only be viable for the Council with financial assistance from NZTA. This strategy now places construction of a further river crossing around 2040-43 based on the latest traffic forecasts and acknowledgement of NZTA funding policy.

It is considered that by this time with increased population and business activity there will be significant traffic pressure on the Fitzherbert River Bridge crossing and a need for a further river crossing. This will need to be aligned with the increasing importance of Palmerston North as a distributional hub for freight and the needs of the Linton Army camp for vehicle movement.

Currently a new traffic model is being developed for the City and surrounding areas which together with traffic monitoring will enable a more reliable replication of traffic patterns and network performance to be gained. This will assist in providing predictions of changes in traffic flows and patterns in future years in response to changes in land use or the network.

The Integrated Transport Strategy, discussions with Horizons Regional Council, New Zealand Transport Agency, and neighbouring local authorities and further community consultation will help to inform Council decision making in the years leading up to this time.

3.10. Impact of climate change

The Ministry of the Environment predicts that over the longer term the Manawatū-Wanganui region will become warmer and also be subject to more extreme weather events with the region experiencing more frequent heavy rainfall events as well as more frequent droughts. Horizons RC 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 to account for this change.

This has significant implications for infrastructure with many assets having life-cycles of over a hundred years and in some case much longer and so needs to take account of expected long term future changes when they are built.

The largest impact is on stormwater infrastructure. New infrastructure associated with development for growth will

be designed with the aim of having hydraulic neutrality for the development as a whole (i.e. not increasing the peak flows from the development area) and will take into account the expected stormwater loadings.

There is also likely to be additional peak stormwater flows in the existing network as a result of increasing infill development. Further modelling and monitoring will be carried out in the next few years to assess the impact of this additional stormwater loading on the network but provision has been made for stormwater network improvements over the period of this strategy to allow for flooding issues to be addressed. Where appropriate low impact design for on-site stormwater systems will be encouraged.

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. In the future this may occur on a more frequent basis and a lower yield obtained from the Turitea dams. However this is likely to be variable and the city has a significant water supply from bores which can be managed to alleviate a lower yield from the dams at times.

4. The Most Likely Scenario

4.1. Management of the assets

The Council adopted the 30 year 2014 Asset Management Plans in December 2014. These AMPs set out the programmes that are assessed as being optimal for the maintenance, renewal and development of the assets. The programmes from these plans have informed the 10YP 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 the Council assets comprises in years 110 the infrastructure programmes that form part of the 10YP and for years 11-30 the AMP programmes.

The following sections outline the major programmes in each of the activity areas (that also cover the significant infrastructure issues identified in Section 3) together with indicative present day costs, when a decision by council can be expected, and what options can be expected to be considered.

Section 4.6 shows inflation adjusted 30 year financial forecasts for each year for the first 10 years and then the 5 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.

Section 4.7 describes the relationship of the 30 year financials to the Council's financial strategy.

Section 4.8 sets out the assumed asset lives that have been used to inform the renewal programme.

Section 4.9 lists the assumptions and uncertainties that lie behind the most likely scenario.

Council's 2014 AMPs give further information about the management of the assets and programmes that are part of the most likely scenario.

4.2. Major Roading programmes

4.2.1 Renewal

Renewal of roading infrastructure covers assets comprising roads, footpaths, parking, street facilities, street lighting and traffic services and requires around \$10.4m (\$5.8m present day cost) on average to be spent annually over 30 years to maintain these assets in good condition. Generally the lifecycle of the roading 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 around 2 km of pavement rehabilitation and 15km 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 2029-2031.

4.2.2 Capital Development (Growth & LOS)

There are major programmes during the period of this strategy for improving and extending the roading system to service the Whakarongo and City West Residential areas and the North East Industrial Zone. Expenditure on projects for Whakarongo and NEIZ commence from 2015/16 but those for development of the City West do not commence until around 2025.

In keeping with Council's Urban Design Strategy provision is made in the first 10 years for improvements to the streetscape around the Square and for applying treatment and improvements to the City Entrances.

Major facilities to encourage alternative transport modes include provision of a new central bus terminal in 2018-20, development of the shared pathway system over the 30 years of the strategy and a Manawatū River pedestrian / cycle bridge programmed for construction 2016-19. This is to complete the shared pathway around the whole city and to extend links to Bunnythorpe, Linton and Longburn.

The construction of the pedestrian / cycle bridge and shared pathway along the Manawatū River also contributes to achieving Manawatū River Framework goals.

The FoodHQ initiative that seeks to create a super campus extending across Tennant Drive incorporating both Massey University and the Research Institutes will impact on roading infrastructure around Massey University. Early concepts indicate significant changes to the roading configuration in this area with good inter-connectivity for cyclists and pedestrians. Further work is required leading up to the 2018-28 10YP to determine changes to the roading configuration.

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, upgrading of strategic routes to accommodate high productivity motor vehicles (HPMV), road widening and road realignment in places to accommodate increasing traffic demands and maintain the level of service.

4.2.3 Roading 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
Renewals					
Sealed pavement renewals	2015-45	1.52 p.a.	2.98 p.a.	Appropriate level of renewal decided through each 10YP process	The renewal programme reflects the most cost effective option to maintain the integrity of the asset.
Sealed road resurfacing	2015-45	1.92 p.a.	3.78 p.a.	Appropriate level of renewal decided through each 10YP process	The renewal programme reflects the most cost effective option to maintain the integrity of the asset.
Milson Line overbridge	2028- 31	5.0	9.3	In the 10YP preceding the scheduled renewal date	Options will be developed prior to the renewal
Development					
Infrastructure to support Whakarongo residential development	2015-28	12.3	14.9	Through 2015-25 10YP process	In March 2014 Council decided on development at Whakarongo before City West with Council involvement in providing lead infrastructure.
Infrastructure to support NEIZ industrial development	2016-26	6.7	8.0	Through 2015-25 10YP process	Timing of programmes considered during 10YP process
Infrastructure to support City West residential development	2025-45	36.5	86.8	The development of this area will be subject to further investigation and planning process over the next few years	Options will be identified as Council works through the process
Urban Design Streetscape & City entrances	2017-22	9.8	10.6	Through the 2015-25 10YP and subsequent 10YPs	The scope & extent of streetscape improvement will be considered by the Council for each programme
Shared Pathways	2015-31	9.4	10.6	Through the 2015-25 10YP and subsequent 10YPs	The standard of pathway surface (e.g. limestone, A/C) will be considered for each section.
Cycle / pedestrian bridge	2015-19	7.0	7.2	Through the 2015-25 10YP and subsequent AP process	Options with respect to siting and form of bridge to be considered.
Bus Terminal	2018-20	2.0	2.0	Through 2015-25 10YP and subsequent AP process	Options relating to siting & scope of terminal to be identified and presented for consideration
Manawatū River Bridge	2040-43	79.0	239.0	From around 2035 onwards noting that demand on the Fitzherbert corridor is under constant monitoring that may change this timeframe	Options with respect to siting of the bridge and development of routes will be fully examined at the time

4.3. Major Stormwater programmes

4.3.1 Renewal

Whilst there is an ongoing programme of minor renewals of stormwater assets no major renewal programme is required during this period. This is because stormwater assets 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.

4.3.2 Capital Development (Growth & LOS)

There are major programmes during this period for extending the stormwater system to the Whakarongo and City West Residential areas and the North East Industrial Zone to provide for predicted residential and industrial growth. However, it is also expected that developers will design future subdivisions in accordance with the principles of maintaining hydraulic neutrality with respect to the surrounding drainage channels. Council may have to facilitate in some cases the construction of detention storage and this is provided for in this strategy.

In addition there is an ongoing programme of stormwater improvement works to correct flooding inundation issues and improve stormwater discharge quality. Further modelling work is to be undertaken in the next two years 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.

4.3.3 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
Renewals					
No major programme					
Development					
Provision of stormwater systems for Whakarongo residential development	2015-20	3.28	3.7	Through 2015-25 10YP process	In March 2014 Council decided on development at Whakarongo before City West with Council involvement in providing lead infrastructure.
Stormwater systems for North East Industrial Extension	2019/20	0.3	0.3	Through 2015-25 10YP process	Generally in accordance with Low Impact design principles
Stormwater systems for City West residential growth area	2024-27	1.5	2.1	The development of this area will be subject to further investigation and planning process over the next few years	Options will be identified as Council works through the process
Stormwater Improvement works	2015-45	10.9	18.7	Ongoing decision making through 10YP and Annual Plan processes	Options will be identified on a case by case basis

4.4. Major Wastewater programmes

4.4.1 Renewal

The Totara Road Wastewater Treatment Plant (WWTP) providing primary wastewater treatment was opened in 1969. Several of the plant's components are now reaching the end of their asset lives and in need of renewal or refurbishment in the next few years. These include the inlet pumps, screens, grit removal chamber and the primary sedimentation tanks. In addition there is a need to refurbish the lids of the sludge digesters and repair the secondary treatment pond wave bands.

There is an ongoing pipe renewal programme throughout the period of the strategy replacing around 1-2 kilometres of pipes per year to maintain the serviceability of the network.

This programme is integrated with the stormwater infiltration and control programme to optimise expenditure. There are also 34 pump stations for which replacement of pumps and electrical equipment is provided for.

4.4.2 Capital Development (Growth & LOS)

There are major programmes during this period for extending the wastewater system to the Whakarongo and City West Residential areas and North East Industrial Zone to provide for residential and industrial growth and for increasing the treatment capacity at the WWTP.

Some seismic strengthening of the civil structures at the WWTP is scheduled to bring these up to building code standards.

A programme to install a tertiary filter to further reduce the level of Total Phosphorus discharged into the river will be completed in 2015/16.

The most significant expenditure during this period relates to providing further treatment of the wastewater to obtain new consents after the expiry of the current discharge consent in 2028 to meet higher environmental standards. A programme is provided for reducing nitrogen in the wastewater to very low levels.

This programme will be subject to further investigation of a wide range of treatment and disposal options for the future treatment and disposal of the city's wastewater, including land based disposal, before applying for resource consents. The timing of these investigations may change once the final decision from the wastewater consent review is released as explained in section 3.6.

4.4.3 Wastewater 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
Renewals					
Treatment Plant Renewals	2015 - 45	7.1	8.5	Through the 3 yearly 10YP process	This programme reflects the most cost effective option. Deferring renewals increases risk of asset failure
Pipeline Renewals	2015-45	1.36 p.a.	2.3 p.a.	Through the 3 yearly 10YP process	The programme reflects that required to avoid a backlog of deferred renewals & higher future costs.
Development					
Extension of network to Whakarongo residential development	2015-2023	1.91	2.1	Through the 2015-25 10YP process	In March 2014 Council decided on development at Whakarongo before City West with Council involvement in providing lead infrastructure.
Extension of network for North East industrial zone	2017/18	2.35	2.6	Through the 2015-25 10YP process	Few alternatives. Most cost effective solution to be adopted
Extension of network to City West residential development	2023-31	3.16	5.0	The development of this area will be subject to further investigation and planning process over the next few years	Options will be identified as Council works through the process
Installation of Tertiary Filtration for reducing Total Phosphorus in discharge	2014-16	2.65	2.7	Decided by Council in Sept 2013 as part of its response to the consent review	Options already considered
Primary Treatment Duplication to add capacity	2017- 25	7.4	11.8	Through the 2015-25 10YP process	Few alternatives - most cost effective option
Seismic strengthening of wastewater structures to meet building code requirements	2018-19	1.6	1.7	Decided through the 2015-25 10YP process	Work done to meet code requirements. Timing of work considered during the 10YP process
Treatment Plant Consent Renewal upgrade ⁴	2022-29	23.0	35.0	Investigation into future treatment and disposal options is expected to commence around 2022 followed by community consultation and application for resource consents. There will be several stages of Council decision making through this period	Options of continued river discharge, land based treatment and disposal and a mix of the two are expected to be considered

4 Timing and cost may change once Council has considered the final decision from the Consent Review Hearing and from subsequent investigations

4.5. Major Water programmes

4.5.1 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.

The life of the Asbestos Cement pipelines is proving to be less than originally expected and with the recent focus having been on replacing cast iron pipes to address the discoloured water issue there are now some deferred renewals leading to increased maintenance costs. To address this issue and backlog of renewals the level of pipe renewal over the next 30 years has been increased to a level sufficient to maintain the serviceability of the network.

As indicated in section 3.7 there is a need to renew the supply main from the Water Treatment Plant to the Harts Road reservoir. This will be done in conjunction with the duplication of this pipeline so as to also increase the resilience and security of this supply.

The other area of major investment required in this period is the replacement or redevelopment of several of the bores feeding the City water supply. Three of these (Papaioea, Roberts Line and Takaro) bores are scheduled for attention in years 2015–20 with other bores programmed for redevelopment over the following 25 years.

4.5.2 Capital Development

There are major programmes during this period for extending the water system to the Whakarongo and City West Residential areas and North East Industrial Zone to provide for predicted residential and industrial growth.

Some seismic strengthening of the civil structures of water structures is scheduled to bring these up to building code standards and increase the resilience of the water system.

Other major programmes that provide for ensuring a secure and safe water supply for the city include a new bore in the Kelvin Grove area, duplication of the main supply pipeline from the Water Treatment Plant to the Harts Road reservoir, a water supply link and reservoir to service the Pacific Drive area and provision for additional barrier protection for water treatment at the Turitea water treatment plant that is expected to be an outcome of the review of the NZ drinking water standards.

4.5.3 Water Principal Options and timing of decisions

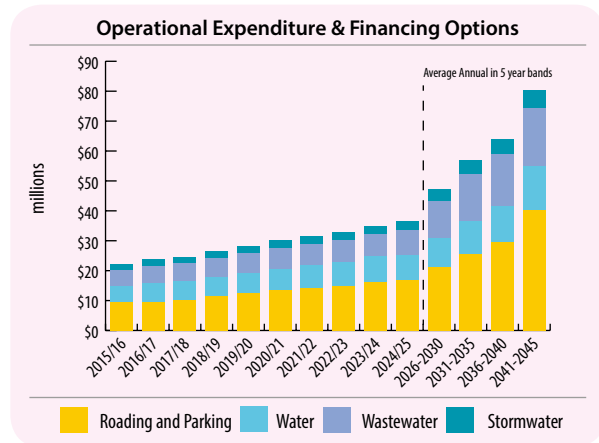
MAJOR PROGRAMMES	WHEN	\$m PRESENT DAY COST	\$m COST WITH INFLATION	WHEN COUNCIL DECISION LIKELY	EXPECTED PRINCIPAL OPTIONS TO BE CONSIDERED
Renewals					
Rehabilitation of pipeline from WTP to Harts Rd reservoir	2019-21	1.85	2.2	Through 2015-25 10YP and subsequent 10YP processes	Rehabilitation options to be considered to determine the most cost effective solution.
Water Bore replacement or redevelopment	2015-20 2022-45	1.3 2.26	1.4 3.6	Through 2015-25 10YP process & subsequent 10YP & AP processes	Most cost effective solution.
Network pipeline renewal	Ongoing through 30 yrs	2.0 p.a.	3.6 p.a.	Through 2015-25 and subsequent 10YP process	These pipes are part of ongoing network replacement to maintain the integrity of the asset at least overall cost.
Development					
New bore in Kelvin Grove water supply zone	2015/16	0.5	0.51	Through the 2015-25 10YP process	Part of the Water Supply Development Plan. Timing considered during 10YP process
Turitea Valley Rd/Pacific Drive new water supply link pipe and reservoir	2015-18	5.3	5.4	Through the 2015-25 10YP process. Programme carried forward from the 2014/15 AP	Most cost effective solution that provides increased pressure for the Pacific Drive area and additional water storage for the City
Development of water supply network for Whakarongo residential growth	2015 -22	3.85	4.3	Through the 2015-25 10YP process	In March 2014 Council decided on development of Whakarongo before City West with Council involvement in lead infrastructure.
Development of water supply network for NEIZ industrial growth	2015-21	1.65	1.7	Through the 2015-25 10YP process	Further investigation work to be done to identify options
Seismic strengthening of water structures to meet building code	2015-21	1.3	1.4	Through the 2015-25 10YP process	Work done will be to meet code requirements. Timing of work will be considered during the 10YP process
Duplicate pipeline from WTP to Harts Rd reservoir	2018-20	2.9	3.3	Through the 2015-25 10YP process	Further work to be done on route & pipeline configuration
Additional barrier protection to meet NZ Drinking Water Standards	2022-26	3.4	4.6	Through the 2018-28 10YP process	Once the review of drinking water standards is released this programme will be reviewed and options identified
Development of water supply for City West residential growth	2024-34	3.8	6.0	The development of this area will be subject to further investigation and planning process over the next few years	Options will be identified as Council works through the planning process

4.6. 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 annually for the first 10 years and corresponds to that in the 10 Year Plan. Years 11-30 of the strategy are shown as an annual average for 5 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.)

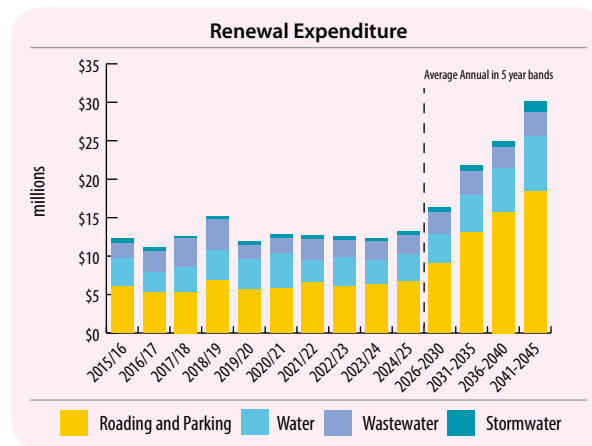
Operational

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 the wastewater area where a substantial increase in operating costs will be required around 2028 for a further treatment facility likely to be required to obtain new discharge consents.



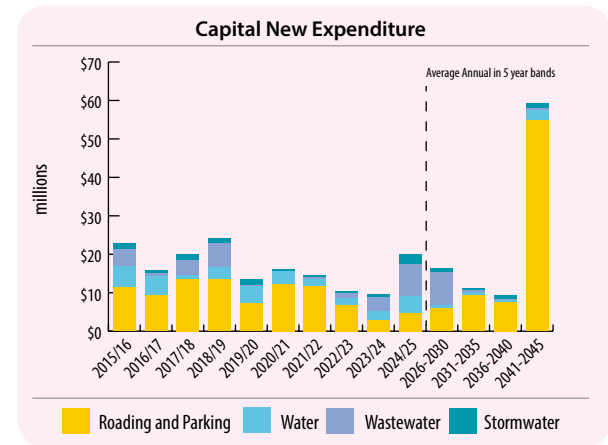
Renewal

The overall level of renewals expenditure is expected to be fairly constant throughout the 30 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. Further information about renewals and sustainability of asset performance is given in each of the Asset Management Plans.

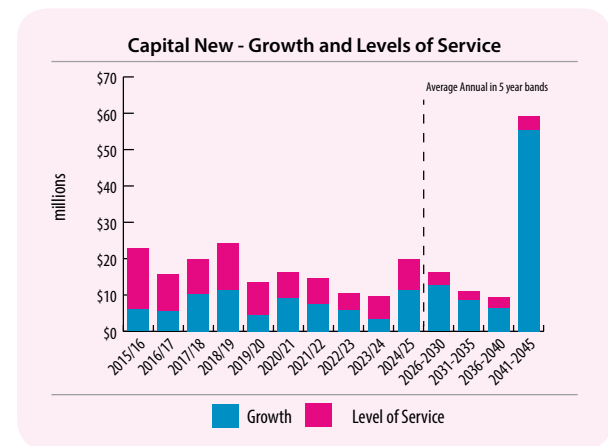


Capital Development

The first graph shows the capital development requirements for each activity area. The roading activity has the largest 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, particularly around additional treatment facilities required in connection with any new consent by 2028.



The second capital development graph shows the breakdown between expenditure for growth and that required to maintain or improve the level of service. A significant proportion of that for growth relates to the provision of infrastructure for the Whakarongo and City West residential growth areas and the NEIZ growth area.



5 This may change depending on the outcome of the current consent review and the investigation for new consents.

4.7. Relationship to the 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 though it also takes into account longer term impacts on the long term financial sustainability of the Council.

The Strategy not only incorporates information from the Infrastructure Strategy for the groups of activities covered by it but also the long term planning and budgeting information for all other Council activities. The Strategy contains the debt and rates parameters the Council uses to judge that its long term plans are financially sustainable.

As part of the Strategy the Council commits to ensuring adequate funding is made available to look after the City's infrastructure provided by previous generations for the use by current and future generations. It also seeks to ensure sufficient financial capacity is left for future generations so they are capable of funding unanticipated high priority programmes.

The Strategy envisages an approach which, inter alia:

- Encourages staff to find innovative and more efficient ways of delivering services
- Commits to funding capital renewals at levels required so that assets are not run down
- Makes sure that expenditure required for growth is not committed too far in advance of when the infrastructure will actually be required
- Challenges expenditure proposals to make sure they are aligned to key Council strategies

4.8. Asset Life Cycles

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 (YRS)
Roading	Road Pavements	Formation & Basecourse	100
		Asphaltic Concrete	30
		Chip Seal	12
	Footpaths	Asphaltic Concrete	30
		Concrete	80
	Drainage	Channels & sumps	80
		Culverts	40
	Bridges	Reinforced Concrete components	125
		Steel Beams	125
	Street Lighting	Concrete pole	80
		Luminaire	25
	Bus shelters	Shelter	15-20
		Main Terminal	50
	Cycleways	Limestone	5
		Asphaltic Concrete	25
Stormwater	Pipes & channels	Pipes & culverts	100-175
		Manholes & structures	150
	Mains & sump connections	150	
	Kerb connections	80	
	Concrete retaining and flood walls	120	
	Concrete channel lining	70	
	Earthen stop banks, channels & storage basins	indefinite	

ACTIVITY	ASSET TYPE	DESCRIPTION	ASSUMED LIFE (YRS)
Wastewater	Pipe network	Pipes	100-175
		Manholes	150
	Pump stations	Civil structure	100
		Mechanical plant (pumps)	10-35
		Electrical equipment	15-25
	Treatment Plant	Building & civil	100
		Electrical	30
		Mechanical	30
		Pipework	50
Water	Headworks	Bores	35
		Pipework	50-100
	Treatment Facilities	Valves	50-80
		Pumps	15-35
		Electrical	10-35
		Telemetry	15
		Building	75-100
	Reservoirs	Structures	75-100
		Pipework	50-100
		Mechanical	10-35
	Distribution Network	Electrical	10-30
		Structures	100
		Pipes (Ductile iron, steel, PVC, Polyethylene, ABS)	120
		AC Pipes	60-90
	Hydrants & Valves		75

4.9. Assumptions, Uncertainties and Implications

ASSUMPTIONS	UNCERTAINTIES & IMPLICATIONS
General	
<p>Population & Household Growth Predicted population growth is Yrs 1-10 0.8% p.a. Yrs 11-20 0.7% p.a. Yrs 21-30 0.5% p.a. Household growth is 0.9% p.a. through the period. Population changes in terms of ethnicity or age will have minimal impact on infrastructure development over this period</p>	<p>If the rate of growth is different to that predicted changes will need to be made to the timing of the growth programmes. The 3 year review of AMPs and the 10YP minimises the risk of expenditure not matching growth requirements.</p>
<p>City Growth - Residential That Whakarongo commences development in years 1-10 followed by City West commencing development in years 11-20.</p>	<p>The Whakarongo area is now rezoned and can be expected to develop close to that forecast although some changes can be expected to timing and scope of sub areas of development through the period. Adjustment may need to be made to some programmes as a result. Because the infrastructure programme is staged there is low risk of this development getting out of line with demand</p> <p>For the City West area there is still further investigation required around the cost and applicability of mitigation measures for liquefaction before this can be confirmed. In addition a private plan change application has been lodged for part of the City West area (Pioneer West).</p> <p>Both of the above and any further private plan changes could potentially lead to significant alteration to scope and timing of infrastructure planned for growth in the longer term.</p>
<p>City Growth – Industrial That the timing of infrastructure for the extension to the NEIZ meets the needs of industrial growth in this area.</p>	<p>This is dependent 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 that the overall uptake is slower than expected.</p>
<p>Development Type That the split between types of development is</p> <ul style="list-style-type: none"> • Greenfield Residential 40% • Infill 33% • Rural Residential 12% • Apartments/minor dwellings 15%. 	<p>These are based on historical trends and an assessment of future population trends and are not likely to change suddenly. If preferences were to change over the period of this strategy this could be accommodated by accelerating or decelerating the appropriate growth programmes.</p>
<p>Natural disasters No major natural disasters such as storms, floods, earthquakes and volcanic eruptions which 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 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>
<p>Climate Change In the longer term increased frequency & intensity of storm events and possibly longer drought periods</p>	<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 than predicted this will be assessed as this becomes evident.</p>

ASSUMPTIONS	UNCERTAINTIES & IMPLICATIONS
<p>LGA 2002 Section 17A – Delivery of services review That this review to be initially carried out by July 2017 and thereafter at no more than 6 yearly intervals will not lead to major changes to the governance, funding, delivery of infrastructure or services.</p>	<p>After each review the 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>
<p>Legislation No unexpected changes to legislation that will impact on the management of the assets or the services provided by the assets.</p>	<p>Amalgamation of authorities and/or new structures to manage particular classes of assets e.g. a water CCO would impact on the way the assets are management, particularly the synergies between the current infrastructure although the fundamental service delivered by the asset is likely to remain the same. Legislative changes generally have transition periods for Councils to respond as necessary.</p>
<p>Construction costs No major changes to current cost structure apart from that 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>Roading</p>	
<p>Financial Assistance That a NZTA financial assistance rate of 51% will apply to all qualifying expenditure for the first three years of the 10 yr plan. NZTA subsidies have been assumed at this rate through 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 of the projects for the city, particularly the bridge crossing programmed for around 2041/2.</p>
<p>Demand for services That demand for services will grow in line with a growing city but with particular increased demands on freight routes with the city acting as a distribution centre of North Island freight distribution and key arterial routes. Increased demand for pedestrian, cycling and public transport services.</p>	<p>Any substantial change to demand will lead to reassessment of timing and scope of programmes to meet these demands through the 3 yearly 10YP process. There is low risk of infrastructure development getting out of line with demand.</p>
<p>Levels of service Generally the overall levels of service remain at the same level apart from an increase provided in the areas of safety, cycling and passenger transport.</p>	<p>The Council is only the provider of the passenger transport infrastructure and not the services themselves.</p>
<p>Asset Life Cycles Shown in section 4.8.</p>	<p>Life cycles are generally in line with accepted industry standards with some modification for local conditions. With the generally shorter life cycles (15-30yrs) for the bulk of roading assets there is a high level of certainty around adopted life cycles.</p>
<p>Stormwater</p>	
<p>Demand for services Demand for stormwater drainage services increase in line with household and industrial growth. Greater emphasis on hydraulic neutrality for new subdivision will limit the need for enlarging the existing pipe stormwater network.</p>	<p>The particular sections of the stormwater system that need attention as a result of greater infill will depend on the locations of infill development. This is expected to happen gradually and will be addressed if needed through the 3 yearly 10YP process.</p>
<p>Level of service provided 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. Some provision is made in this strategy for meeting expected changes.</p>
<p>Asset Life Cycles Shown in section 4.8.</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>

ASSUMPTIONS	UNCERTAINTIES & IMPLICATIONS
Wastewater	
<p>Wastewater Treatment & Disposal The discharge of treated wastewater to the Manawatū river continues through the life of this strategy with additional nitrogen treatment added to the treatment process from about 2028.</p>	<p>There is a high level of uncertainty with respect to the future treatment and disposal of wastewater.</p> <p>The current consent is under review with a final decision from the Hearing Panel yet to be released. This review cannot render the consent inviable or change the 2028 expiry date of the consent. However, as part of its response to the Hearing Panel the Council is proposing a package of changes to consent conditions including applying for new consents by June 2022.</p> <p>The implications of the final decision of the Hearing Panel will need to be considered by the Council once the decision is released and may well be significant. If an application for a new consent is required by 2022 investigation into all options including land based and river discharge can be expected to commence earlier than currently planned. If as a result of those investigations the Council decides to adopt land based disposal or a mixture of land based and river discharge considerably higher capital and operational costs can be expected to those shown in this strategy which are for an upgraded river discharge.</p>
<p>Demand for services That demand will increase in line with household and industrial growth. The industrial demand will depend on industry 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 reassessment of demand and programmes through the 3 yearly 10YP process.</p>
<p>Levels of service The level of service provided for collection will remain at a similar level to that currently provided.</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>Asset Life Cycles Shown in section 4.8.</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>
Water	
<p>Resource consents 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>Demand for services 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 3 yearly review of AMPs and 10YP if necessary. There is low risk of infrastructure development getting out of line with demand.</p>
<p>Levels of service The level of service provided will remain at a similar level to that currently provided adjusted by any requirements of the NZ 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>Asset Life cycles Shown in section 4.8.</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 that predicted when laid has been taken account of in this strategy.</p>

Financial Overview and Statements

FORECAST FINANCIAL STATEMENTS

The Council's 10 Year Plan covers the period 1 July 2015 to 30 June 2025. 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) as to 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 upon 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 pa 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. The Council is making provision to fund between \$17.1m and \$22.9m pa 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 \$7m and \$12.7m pa there is a surplus of between \$1.6m and \$8.8m pa projected throughout the 10 years of the Plan. The Council is therefore deemed to have a "balanced budget" throughout this period.

These forecast financial statements were authorised for issue by Palmerston North City Council on 24 June 2015.

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 – Section 2 of this Plan.

PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

Budget 2014/15 \$'000s		10YP 2015/16 \$'000s	10YP 2016/17 \$'000s	10YP 2017/18 \$'000s	10YP 2018/19 \$'000s	10YP 2019/20 \$'000s	10YP 2020/21 \$'000s	10YP 2021/22 \$'000s	10YP 2022/23 \$'000s	10YP 2023/24 \$'000s	10YP 2024/25 \$'000s
REVENUE											
Operating Revenue											
80,937	Rates	83,977	87,276	91,170	95,082	99,286	103,018	106,039	109,362	113,305	117,176
506	Interest & Dividends	448	375	240	217	217	217	217	217	217	217
2,572	Operating Subsidies & Grants	2,661	2,599	2,649	2,728	2,811	2,904	3,015	3,109	3,223	3,348
23,354	Other Operating Revenue	22,654	23,470	23,970	24,542	25,352	26,002	26,594	27,678	28,513	29,437
107,369		109,740	113,720	118,029	122,568	127,666	132,141	135,865	140,365	145,259	150,178
Capital Revenue											
3,449	Capital Subsidies & Grants	9,537	8,978	6,981	3,349	2,827	6,531	6,242	2,799	2,905	3,087
1,251	Development Contributions	1,203	1,347	1,731	2,010	2,181	2,397	2,538	2,773	2,878	3,187
2,000	Vested Assets	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
6,700		12,740	12,325	10,712	7,359	7,008	10,928	10,780	7,572	7,783	8,274
114,069	TOTAL REVENUE	122,480	126,044	128,741	129,928	134,674	143,069	146,645	147,937	153,042	158,452
EXPENSES											
78,494	Expenses	79,345	81,169	83,349	85,141	88,372	91,264	93,904	97,359	101,208	104,991
9,634	Interest	8,209	8,917	9,485	10,731	11,810	12,454	12,957	13,171	13,201	13,444
25,866	Depreciation	26,490	27,141	28,708	30,185	31,290	33,239	34,136	34,938	37,015	37,391
113,995	TOTAL EXPENSES	114,044	117,228	121,542	126,057	131,471	136,958	140,997	145,468	151,423	155,826
74	SURPLUS/(DEFICIT)	8,436	8,817	7,199	3,870	3,203	6,112	5,648	2,470	1,619	2,626
OTHER COMPREHENSIVE REVENUE AND EXPENSE											
-	Gain on property revaluations	5,352	47,397	-	6,601	51,109	-	9,137	66,183	-	11,757
74	TOTAL COMPREHENSIVE REVENUE AND EXPENSE	13,788	56,213	7,199	10,471	54,312	6,112	14,785	68,653	1,619	14,383
3.8%	RATES INCREASE	3.8%	3.9%	4.5%	4.3%	4.4%	3.8%	2.9%	3.1%	3.6%	3.4%
		2015/16 \$'000s	2016/17 \$'000s	2017/18 \$'000s	2018/19 \$'000s	2019/20 \$'000s	2020/21 \$'000s	2021/22 \$'000s	2022/23 \$'000s	2023/24 \$'000s	2024/25 \$'000s
Rates revenue shown above includes the following amounts for metered water revenue		1,700	1,840	1,950	2,060	2,060	2,120	2,120	2,220	2,320	2,350

PROSPECTIVE STATEMENT OF CHANGES IN EQUITY

Budget 2014/15 \$'000s		10YP 2015/16 \$'000s	10YP 2016/17 \$'000s	10YP 2017/18 \$'000s	10YP 2018/19 \$'000s	10YP 2019/20 \$'000s	10YP 2020/21 \$'000s	10YP 2021/22 \$'000s	10YP 2022/23 \$'000s	10YP 2023/24 \$'000s	10YP 2024/25 \$'000s
1,271,430	Opening Balance	1,320,581	1,334,369	1,390,582	1,397,782	1,408,253	1,462,565	1,468,676	1,483,461	1,552,113	1,553,732
74	Total Comprehensive Revenue and Expense	13,788	56,213	7,199	10,471	54,312	6,112	14,785	68,653	1,619	14,383
1,271,504		1,334,369	1,390,582	1,397,782	1,408,253	1,462,565	1,468,676	1,483,461	1,552,113	1,553,732	1,568,115

PROSPECTIVE STATEMENT OF FINANCIAL POSITION

Budget 2014/15 \$'000s		10YP 2015/16 \$'000s	10YP 2016/17 \$'000s	10YP 2017/18 \$'000s	10YP 2018/19 \$'000s	10YP 2019/20 \$'000s	10YP 2020/21 \$'000s	10YP 2021/22 \$'000s	10YP 2022/23 \$'000s	10YP 2023/24 \$'000s	10YP 2024/25 \$'000s
6,925	Current Assets	6,313	6,313	6,313	6,313	6,313	6,313	6,313	6,313	6,313	6,313
	NON-CURRENT ASSETS										
10,743	Investment Fund	9,643	6,643	-	-	-	-	-	-	-	-
12,433	Investments in CCOs and industry companies	12,424	12,424	14,424	14,424	14,424	14,424	14,424	14,424	14,424	14,424
17,183	Investment Property & Other Financial Assets	17,344	17,344	17,344	17,344	17,344	17,344	17,344	17,344	17,344	17,344
1,395,610	Property, Plant & Equipment	1,445,370	1,508,664	1,534,300	1,569,837	1,632,794	1,650,449	1,669,577	1,740,733	1,741,075	1,764,591
1,442,893	TOTAL ASSETS	1,491,094	1,551,388	1,572,380	1,607,917	1,670,874	1,688,529	1,707,657	1,778,813	1,779,155	1,802,672
23,773	Current Liabilities	20,432	20,432	20,432	20,432	20,432	20,432	20,432	20,432	20,432	20,432
	NON-CURRENT LIABILITIES										
1,007	Employee Entitlements	1,066	1,066	1,066	1,066	1,066	1,066	1,066	1,066	1,066	1,066
144,602	Term Liabilities	133,457	137,537	151,330	176,396	185,042	196,584	200,928	203,432	202,154	211,288
2,007	Provisions	1,770	1,770	1,770	1,770	1,770	1,770	1,770	1,770	1,770	1,770
	EQUITY										
1,009,379	Retained Earnings	1,018,310	1,027,126	1,034,326	1,038,196	1,041,398	1,047,510	1,053,158	1,055,628	1,057,247	1,059,873
262,125	Other Reserves	316,059	363,456	363,456	370,057	421,166	421,166	430,303	496,486	496,486	508,242
1,442,894	TOTAL LIABILITIES/EQUITY	1,491,094	1,551,388	1,572,380	1,607,917	1,670,874	1,688,529	1,707,657	1,778,813	1,779,155	1,802,672

PROSPECTIVE STATEMENT OF CASH FLOWS

Budget 2014/15 \$'000s	10YP 2015/16 \$'000s	10YP 2016/17 \$'000s	10YP 2017/18 \$'000s	10YP 2018/19 \$'000s	10YP 2019/20 \$'000s	10YP 2020/21 \$'000s	10YP 2021/22 \$'000s	10YP 2022/23 \$'000s	10YP 2023/24 \$'000s	10YP 2024/25 \$'000s
OPERATING ACTIVITIES										
	Cash Provided									
80,937	83,977	87,276	91,170	95,082	99,286	103,018	106,039	109,362	113,305	117,176
306	248	175	40	17	17	17	17	17	17	17
200	200	200	200	200	200	200	200	200	200	200
2,572	2,661	2,599	2,649	2,728	2,811	2,904	3,015	3,109	3,223	3,348
23,354	22,654	23,470	23,970	24,542	25,352	26,002	26,594	27,678	28,513	29,437
3,449	9,537	8,978	6,981	3,349	2,827	6,531	6,242	2,799	2,905	3,087
1,251	1,203	1,347	1,731	2,010	2,181	2,397	2,538	2,773	2,878	3,187
	Cash Disbursed									
(9,634)	(8,209)	(8,917)	(9,485)	(10,731)	(11,810)	(12,454)	(12,957)	(13,171)	(13,201)	(13,444)
(78,494)	(79,345)	(81,169)	(83,349)	(85,141)	(88,372)	(91,264)	(93,904)	(97,359)	(101,208)	(104,991)
23,940	32,926	33,958	33,907	32,055	32,492	37,351	37,784	35,407	36,634	38,017
INVESTING ACTIVITIES										
	Cash Provided									
-	1,000	3,000	6,643	-	-	-	-	-	-	-
295	109	133	-	-	-	-	-	-	-	-
	Cash Disbursed									
(41,772)	(52,276)	(41,171)	(52,343)	(57,121)	(41,138)	(48,894)	(42,128)	(37,911)	(35,357)	(47,151)
	-	-	(2,000)	-	-	-	-	-	-	-
(41,477)	(51,167)	(38,038)	(47,700)	(57,121)	(41,138)	(48,894)	(42,128)	(37,911)	(35,357)	(47,151)
FINANCING ACTIVITIES										
	Cash Provided									
17,537	18,241	4,081	13,793	25,066	8,646	11,543	4,344	2,504	-	9,134
	Cash Disbursed									
-	-	-	-	-	-	-	-	-	(1,277)	-
17,537	18,241	4,081	13,793	25,066	8,646	11,543	4,344	2,504	(1,277)	9,134
-	-	-	-	-	-	-	-	-	-	-
2,000	580	580	580	580	580	580	580	580	580	580
2,000	580	580	580	580	580	580	580	580	580	580
	CASH AT YEAR END									

Long-Term Plan Disclosure Statement

FOR PERIOD COMMENCING 1 JULY 2015

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.

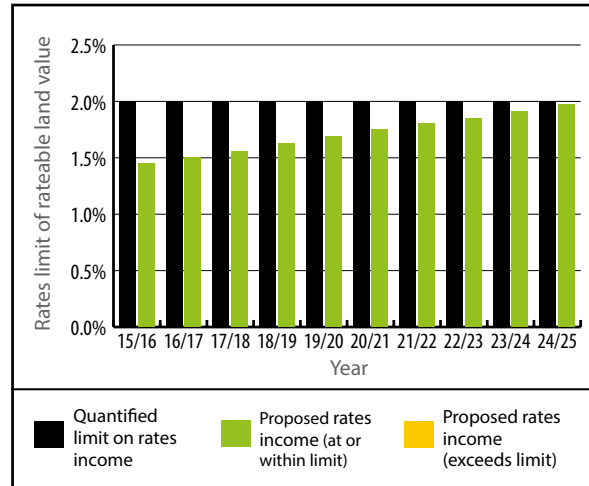
Rates affordability benchmark

The council meets the rates affordability benchmark if–

- its planned rates income equals or is less than each quantified limit on rates; and
- its planned rates increases equal or are less than each quantified limit on rates increases.

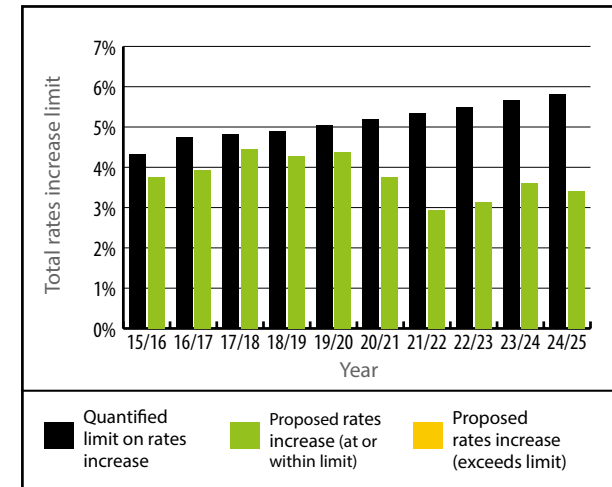
Rates (income) affordability

The following graph compares the council's planned rates with a quantified limit on rates contained in the financial strategy included in this long-term plan. The quantified limit is that total rates will be no more than 2% of the City's rateable land value.



Rates (increases) affordability

The following graph compares the council's 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 plus the growth in the rating base plus 2%.

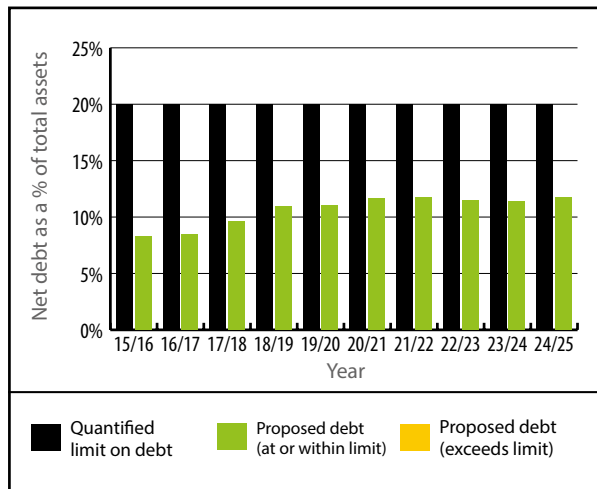


Debt affordability benchmark

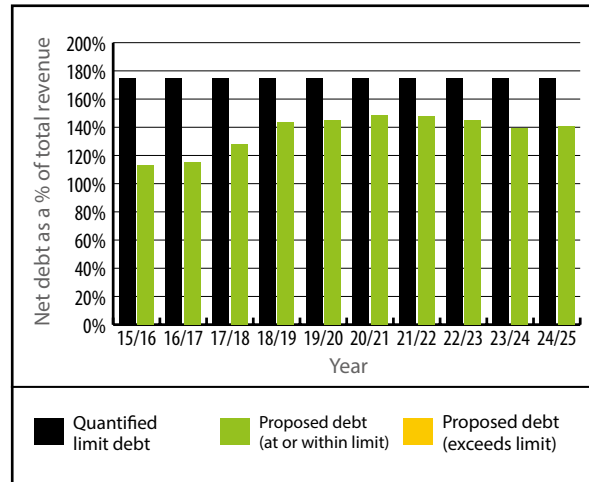
The council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

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.

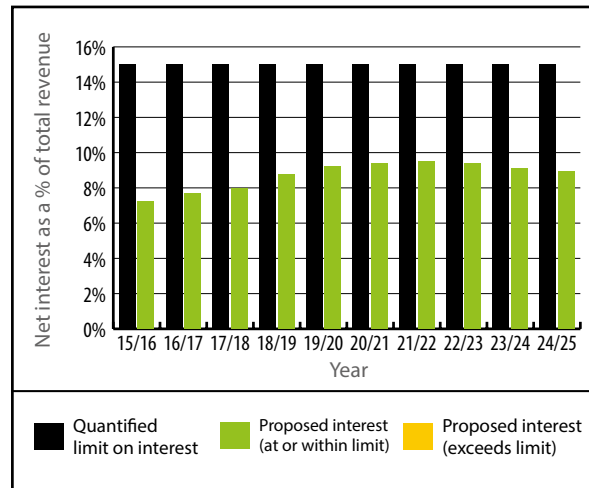
The quantified limit for this graph is that net external debt as a percentage of total assets will not exceed 20%.



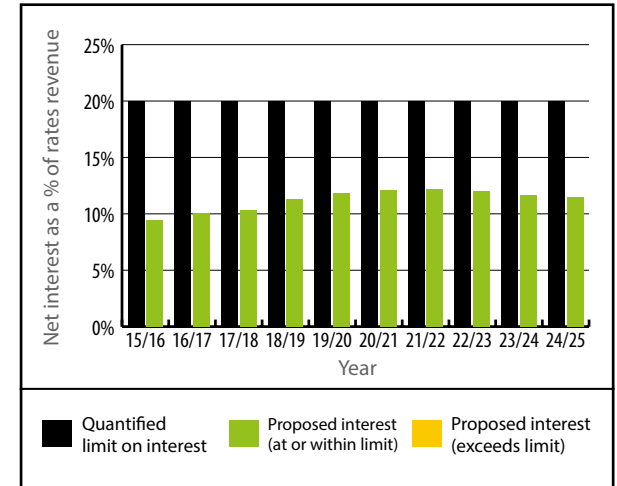
The quantified limit for this graph is that net external debt as a percentage of total revenue will not exceed 175%.



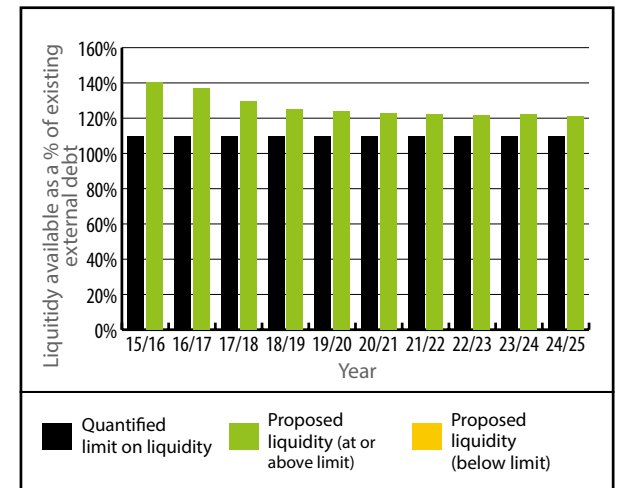
The quantified limit for this graph is that net interest as a percentage of total revenue will not exceed 15%.



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



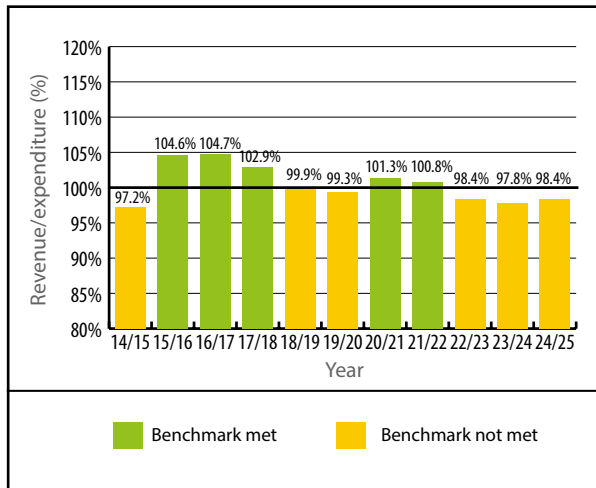
The quantified limit for this graph is that liquidity available will exceed 110% of existing external debt. Liquidity available is defined as the sum of existing external term debt, unused committed bank/loan facilities and liquid investments.



Balanced budget benchmark

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

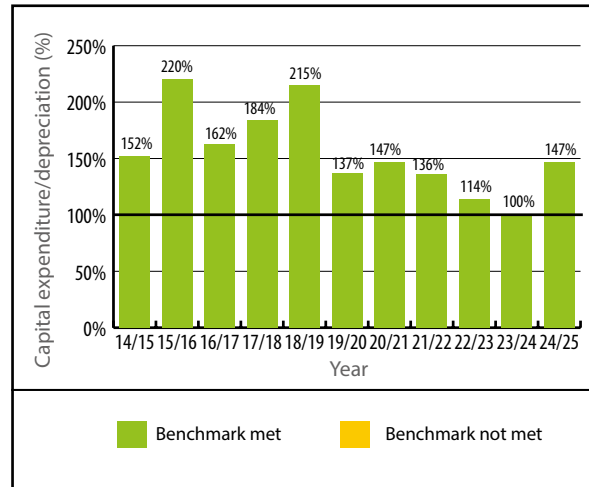
The council meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses.



Essential services benchmark

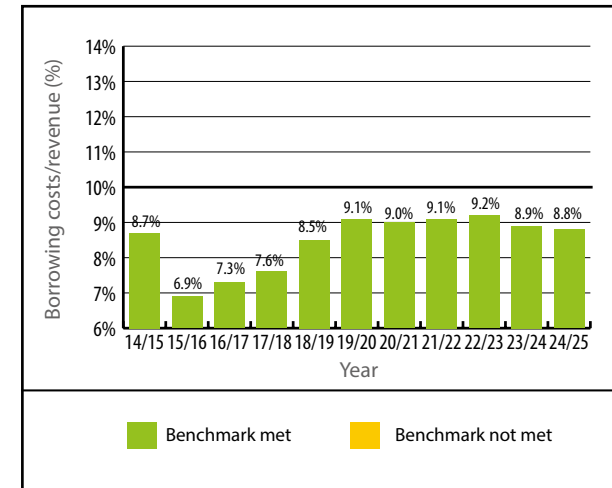
The following graph displays the council’s planned capital expenditure on network services as a proportion of expected depreciation on network services.

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



Debt servicing benchmark

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



Additional information or comment

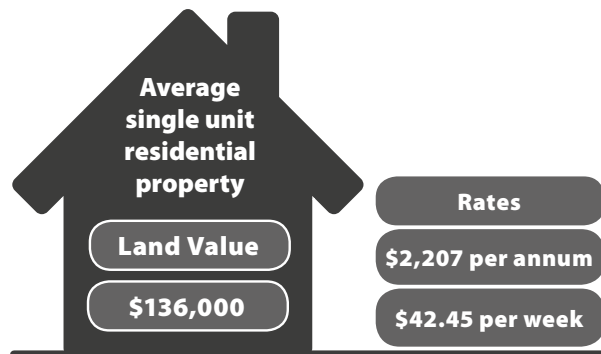
Balanced budget benchmark

The Council’s asset management plans ensure Council is appropriately planning for renewals. The financial strategy includes ensuring that rates are set at levels which are adequate to fund operating services, average capital renewals and debt repayment over the expected life (with a maximum of 20 years) of assets being funded from debt. The graph shows the Council does not meet the prescribed benchmark for five years of the 10 Year Plan. It is the Council’s view that its financial strategy is prudent and if it set rates at a higher level to ensure the benchmark would be met it would be building up unnecessary cash reserves.

What we Provide

AND WHAT IT COSTS THE AVERAGE RESIDENTIAL RATEPAYER

An average single unit residential property has a land value of \$136,000. The owner of this property will pay rates of \$2,207 per annum or \$42.45 per week. The diagram on the next page shows the services the Council provides in each of its Activities, and the cost per week to the owner of the average residential property.



How to work out your rates

Proposed rates for ordinary residential properties can be calculated as follows:

Rates for 2015/16

$$(\$ \text{ Land Value}) \times 0.006832 + \$ 1,278.00$$





For example (a property with a land value of \$136,000):

$$(\$ 136,000) \times 0.006832 + \$ 929.15$$

$$\$ 929.15 + \$ 1,278.00 = \$ 2,207.15$$

This calculation does not apply to non-residential property.

These Council services compare with:

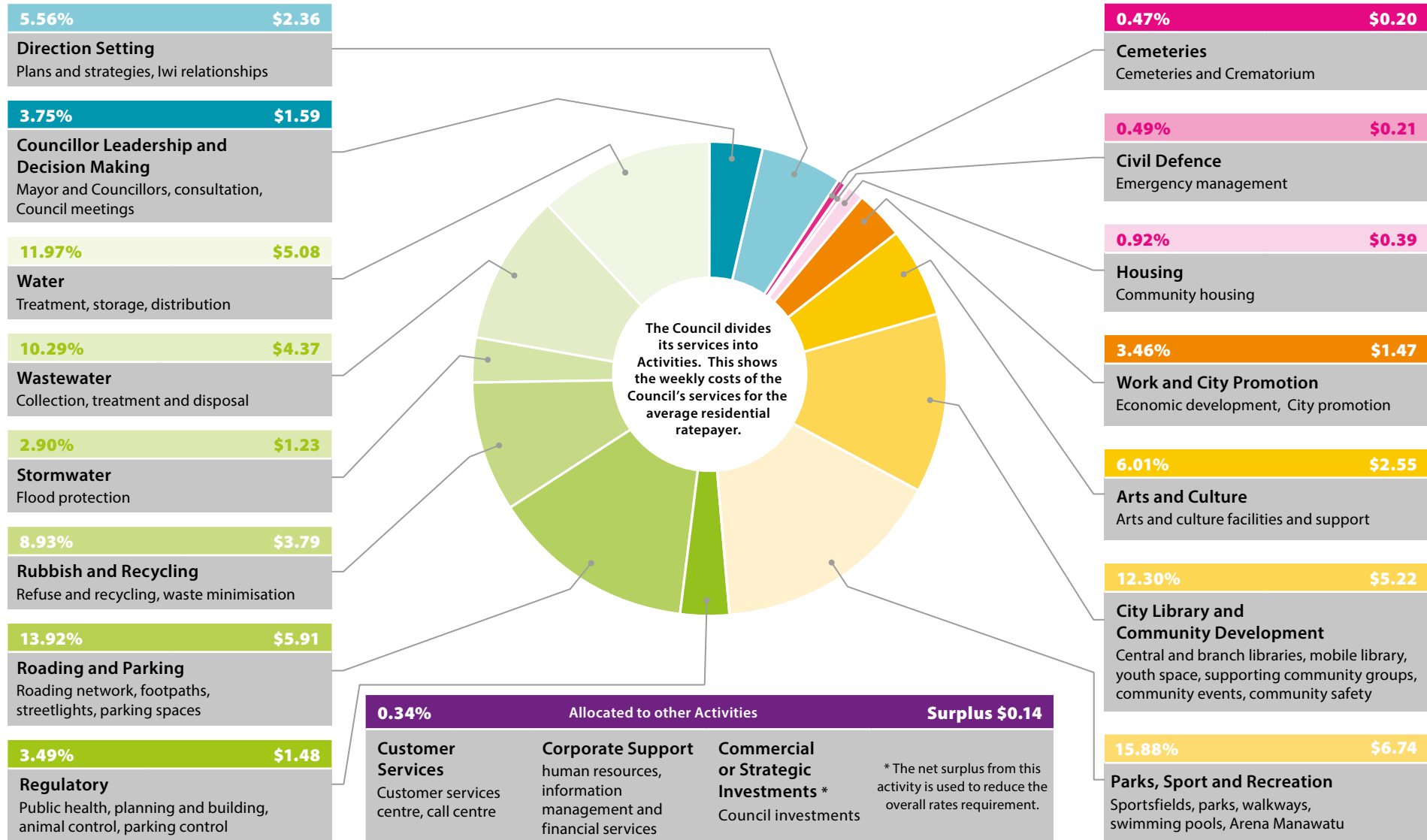
	cost per week
 Telecommunications	\$32.70
 Newspaper	\$6.80
 Electricity	\$40.00
 Milk (4 x 2L/week)	\$13.00

If you want help with calculating your rates, you can contact the Council's Customer Services staff P 356 8199



How your money is spent 2015/16

\$42.45 per week for average ratepayer



Footnote for Stormwater: Horizons Regional Council is responsible for Manawatū River and Mangaone Stream flood protection

Section 2

How we are Planning to get There

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

Groups of Activities – Introduction

Leadership

Councillor Leadership and Decision Making
Direction Setting

Community Support

Cemeteries
Civil Defence
Housing

Work and City Promotion

Leisure

Arts and Culture
City Library and Community Development
Parks, Sport and Recreation

Regulatory

Roading and Parking

Rubbish and Recycling

Stormwater

Wastewater

Water

Support Services

Commercial or Strategic Investments
Corporate Support
Customer Services

Groups of Activities

WHAT WE ARE PLANNING TO DO AND WHY - INTRODUCTION

The Council provides a wide range of services and facilities for people living in Palmerston North. These services and facilities - called Activities - help to make Palmerston North a vibrant, caring, innovative, sustainable and prosperous city. They include things like roading and parking, civil defence, libraries, parks, sport and recreation, and customer services.

We have 18 Activities. The rest of this section explains what we plan to do in each Activity and, on average, what it is expected to cost ratepayers. The information covers our plans for the next 10 years.

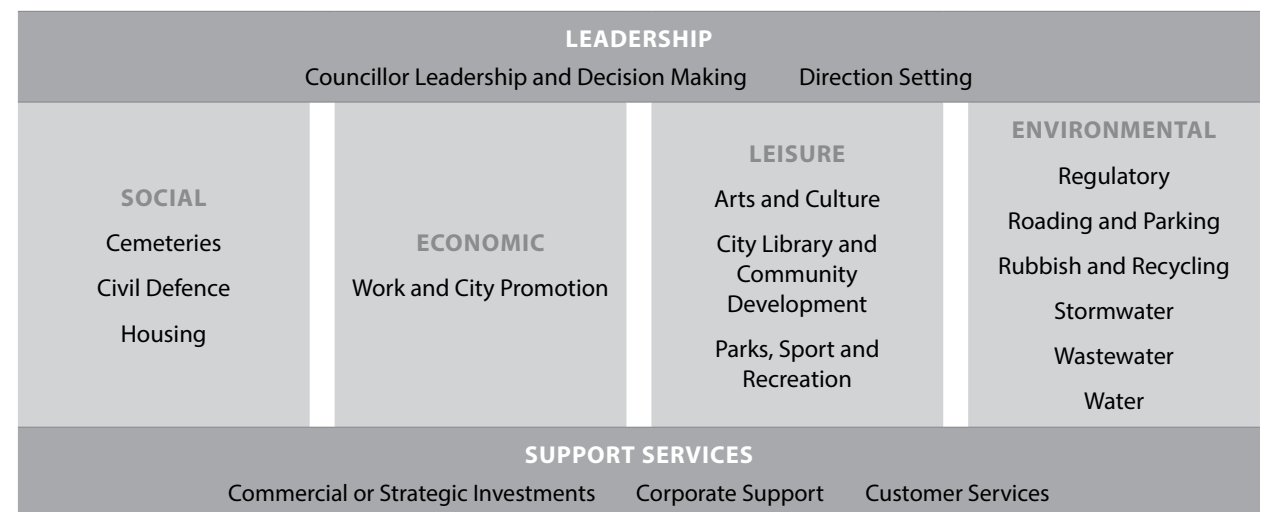
The four central pillars of this diagram show the main services that the Council provides directly to City residents and organisations. They are grouped here in these four areas to reflect the sustainable development approach to community outcomes of which the activity relates, being: social, economic, leisure and environmental.

Tying these pillars together at the top is Council's leadership and direction setting. These make sure that the Council is doing the right things within the four main areas and has got appropriate balance between them.

Supporting them at the bottom are Council's support services - things like human resources, financial systems, information systems and customer services.

The information in the following pages explains why the Council has grouped the Activities together and how they contribute to the Council's Vision and Goals.

It also contains information on what people expect from the Council and what the Council provides.



Each Activity section contains information on what people expect from the Council and what the Council provides. This shows why the Council provides the Activity.

Bold text in this section links to the key levels of service in the accompanying tables (i.e. “What we do”).

If the Activity has major physical assets there is a section on the condition and performance of key assets used by this Activity.

There is a table setting out levels of service. These are measurable descriptions of what the Council provides. The table also shows how the Council will measure the levels of service.

In the Annual Report the Council will briefly describe what it has done and the impact of this. This is to give people good information that they can use to judge the value of the level of service.

The levels of service have been set through a whole range of processes involving public input:

- Council strategies
- surveys
- LTP / Annual Plan submissions
- community forums and workshops
- user feedback.

Other factors have included:

- demographic trends
- asset management planning
- usage patterns
- government legislation and standards.

There is also information on major projects for the next 10 years, followed by budgets and a list of programmes.

If an Activity has any significant negative effects these are listed, along with an outline of what the Council does to reduce them.

A guide to the programmes within this section

Rounding

Because the figures are rounded to the nearest thousand dollars, it sometimes appears that they do not add up, but the total represents the sum of the individual forecast amounts.

Operating Programmes

Individual operating programmes occasionally generate additional revenue streams for the Council. For this reason, the figures shown in relation to the programme reflect the planned net amount that the Council will fund from rates.

In the Summary Activity Financial Statements the revenue and expenses from the programme are included in the relevant categories, along with all the other revenue and expenses to fund the Activity.

Capital Programmes

Since individual capital programmes result in the Council creating an asset (capital new), or replacing an existing asset (capital renewal), the total cost is shown in the programme 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.

Activity Financial Statements relationship with Prospective Statement of Comprehensive Revenue and Expense

The following Activity Financial Statements present the operating revenue (excluding rates income) that will be earned and the operating expenditure (including depreciation) that will be incurred by each individual Activity. This differs slightly from the Prospective Statement of Comprehensive Revenue and Expense on page 55 which includes rates income. The Net Operating Cost of Activity Groups less Rates Requirement (in the Group of Activities Summary Financial Statements on page 66) equates to the Surplus/(Deficit) less Capital Revenue (in the Prospective Statement of Comprehensive Revenue and Expense on page 55).

Programme Descriptions

For a more detailed description of the programmes, see [W pncc.govt.nz](http://pncc.govt.nz) | or ask for a copy P **356 8199**



Groups of Activities Summary

COUNCIL ACTIVITY GROUPS

ACTIVITY FINANCIAL STATEMENTS - WHOLE OF COUNCIL

Budget 2014/15 \$'000s		10YP 2015/16 \$'000s	10YP 2016/17 \$'000s	10YP 2017/18 \$'000s	10YP 2018/19 \$'000s	10YP 2019/20 \$'000s	10YP 2020/21 \$'000s	10YP 2021/22 \$'000s	10YP 2022/23 \$'000s	10YP 2023/24 \$'000s	10YP 2024/25 \$'000s
	REVENUE										
	Leadership										
16	Councillor Leadership and Decision Making	9	139	11	11	150	12	12	165	13	13
174	Direction Setting	161	166	171	175	180	186	191	198	204	212
	Community Support										
526	Cemeteries	586	601	616	632	650	668	689	711	734	759
-	Civil Defence	-	-	-	-	-	-	-	-	-	-
2,436	Housing	2,436	2,497	2,559	2,626	2,629	2,705	2,787	2,898	2,993	3,095
1,004	Work and City Promotion	1,033	1,063	1,090	1,118	1,150	1,183	1,219	1,258	1,299	1,344
	Leisure										
-	Arts and Culture	-	-	-	-	-	-	-	-	-	-
729	City Library and Community Development	651	669	687	705	725	746	769	794	821	850
1,915	Parks, Sport and Recreation	1,949	1,998	2,048	2,101	2,160	2,222	2,289	2,362	2,440	2,523
3,980	Regulatory	4,230	4,378	4,541	4,592	4,762	4,960	5,036	5,244	5,482	5,594
6,152	Roading and Parking	6,240	6,226	6,355	6,522	6,698	6,895	7,116	7,333	7,577	7,844
3,369	Rubbish and Recycling	2,950	3,040	3,124	3,214	3,313	3,418	3,530	3,652	3,783	3,925
23	Water	23	24	25	26	27	27	28	30	31	32
864	Wastewater	888	1,012	1,042	1,081	1,123	1,150	1,205	1,251	1,301	1,355
2	Stormwater	2	2	2	2	2	2	2	3	3	3
	Support Services										
4,191	Commercial or Strategic Investments	3,491	3,487	3,418	3,481	3,575	3,676	3,783	3,901	4,026	4,163
1,050	Corporate Support	1,114	1,142	1,171	1,202	1,236	1,272	1,169	1,206	1,246	1,290
-	Customer Services	-	-	-	-	-	-	-	-	-	-
26,432	TOTAL REVENUE	25,763	26,444	26,859	27,487	28,380	29,123	29,826	31,003	31,954	33,002

Budget 2014/15 \$'000s		10YP 2015/16 \$'000s	10YP 2016/17 \$'000s	10YP 2017/18 \$'000s	10YP 2018/19 \$'000s	10YP 2019/20 \$'000s	10YP 2020/21 \$'000s	10YP 2021/22 \$'000s	10YP 2022/23 \$'000s	10YP 2023/24 \$'000s	10YP 2024/25 \$'000s
	EXPENSES										
	Leadership										
3,234	Councillor Leadership and Decision Making	3,518	3,793	3,745	3,768	4,241	3,987	4,133	4,762	4,394	4,542
5,280	Direction Setting	5,273	5,260	5,303	5,262	5,483	5,803	5,784	5,491	5,860	5,775
	Community Support										
973	Cemeteries	990	1,070	1,102	1,134	1,184	1,221	1,269	1,320	1,379	1,426
444	Civil Defence	442	452	464	477	491	506	522	539	557	576
2,684	Housing	2,804	2,905	3,066	3,261	3,431	3,447	3,514	3,568	3,554	3,596
4,155	Work and City Promotion	4,323	4,404	4,514	4,611	4,736	4,867	5,012	5,162	5,325	5,503
	Leisure										
6,430	Arts and Culture	6,746	6,893	6,990	7,110	7,577	7,565	7,854	8,175	8,579	8,748
12,074	City Library and Community Development	12,290	12,497	12,875	13,637	14,295	14,718	15,238	15,763	16,121	16,699
15,477	Parks, Sport and Recreation	15,872	16,338	17,360	17,962	18,824	19,594	20,407	21,263	21,895	22,564
7,428	Regulatory	7,385	7,597	7,797	7,975	8,178	8,500	8,706	9,043	9,373	9,729
24,501	Roading and Parking	23,907	24,270	25,477	26,899	28,034	29,748	30,949	31,831	34,109	34,928
8,305	Rubbish and Recycling	7,522	7,208	7,382	7,493	7,744	7,966	8,218	8,427	8,718	9,010
7,131	Water	7,639	8,179	8,612	8,821	9,090	9,694	10,048	10,355	10,992	10,873
8,097	Wastewater	8,406	9,263	9,296	9,696	10,028	10,729	10,762	10,924	11,401	12,367
3,169	Stormwater	3,574	3,663	3,813	3,926	4,002	4,232	4,239	4,431	4,647	4,623
	Support Services										
4,219	Commercial or Strategic Investments	2,998	3,107	3,189	3,370	3,508	3,572	3,803	3,903	3,989	4,061
393	Corporate Support	354	325	556	654	624	807	538	511	530	806
	Customer Services	-	-	-	-	-	-	-	-	-	-
113,995	TOTAL EXPENSES	114,044	117,228	121,542	126,057	131,471	136,958	140,997	145,468	151,423	155,826
87,562	NET OPERATING COST OF ACTIVITY GROUPS	88,281	90,784	94,683	98,571	103,092	107,835	111,171	114,464	119,470	122,824
	RATING REQUIREMENT										
(25,866)	Less Depreciation	(26,490)	(27,141)	(28,708)	(30,185)	(31,290)	(33,239)	(34,136)	(34,938)	(37,015)	(37,391)
(404)	Less Transfers To/(From) Reserves	(85)	-	-	-	-	-	-	-	-	-
15,577	Plus Net Capital Renewal (3 Year Average)	17,113	18,692	19,742	20,463	20,442	20,711	20,556	20,854	22,219	22,929
4,067	Plus Debt Repayment	5,159	4,941	5,453	6,233	7,042	7,712	8,447	8,981	8,631	8,814
80,937	RATES REQUIREMENT	83,977	87,276	91,170	95,082	99,286	103,018	106,039	109,362	113,305	117,176
3.8%		3.8%	3.9%	4.5%	4.3%	4.4%	3.8%	2.9%	3.1%	3.6%	3.4%

Budget 2014/15 \$'000s		10YP 2015/16 \$'000s	10YP 2016/17 \$'000s	10YP 2017/18 \$'000s	10YP 2018/19 \$'000s	10YP 2019/20 \$'000s	10YP 2020/21 \$'000s	10YP 2021/22 \$'000s	10YP 2022/23 \$'000s	10YP 2023/24 \$'000s	10YP 2024/25 \$'000s
	CAPITAL EXPENDITURE										
	CAPITAL RENEWALS										
	Leadership										
-	Councillor Leadership and Decision Making	-	-	-	-	-	-	-	-	-	-
-	Direction Setting	-	-	-	-	-	-	-	-	-	-
	Community Support										
160	Cemeteries	69	67	198	79	48	123	400	59	63	212
-	Civil Defence	-	-	-	-	-	-	-	-	-	-
596	Housing	651	633	745	732	729	833	1,407	1,806	1,458	1,642
139	Work and City Promotion	34	449	83	198	43	52	93	163	105	226
	Leisure										
1,010	Arts and Culture	250	61	157	382	221	797	329	182	1,001	698
1,592	City Library and Community Development	1,054	1,229	1,363	1,372	1,344	1,903	1,528	1,478	1,714	2,061
3,255	Parks, Sport and Recreation	3,097	2,214	3,835	2,577	3,947	2,403	2,307	2,664	2,683	3,062
-	Regulatory	-	44	-	-	47	-	-	52	-	-
5,715	Roading and Parking	6,096	5,326	5,337	6,797	5,630	5,821	6,536	6,071	6,309	6,719
101	Rubbish and Recycling	209	278	308	419	467	735	1,098	825	625	306
2,094	Water	3,618	2,542	3,236	4,002	4,016	4,579	2,914	3,786	3,251	3,594
899	Wastewater	1,995	2,751	3,399	3,789	1,818	1,929	2,758	2,260	2,350	2,456
660	Stormwater	587	415	278	499	524	543	440	457	475	495
	Support Services										
1,490	Commercial or Strategic Investments	1,247	1,191	1,300	1,318	1,643	1,295	1,217	1,281	1,623	1,462
1,884	Corporate Support	2,349	1,185	1,166	1,291	1,242	2,534	2,166	1,502	1,658	1,159
-	Customer Services	-	-	-	-	-	-	-	-	-	-
19,595	TOTAL CAPITAL RENEWALS	21,255	18,385	21,406	23,456	21,719	23,547	23,192	22,587	23,316	24,093

Budget 2014/15 \$'000s		10YP 2015/16 \$'000s	10YP 2016/17 \$'000s	10YP 2017/18 \$'000s	10YP 2018/19 \$'000s	10YP 2019/20 \$'000s	10YP 2020/21 \$'000s	10YP 2021/22 \$'000s	10YP 2022/23 \$'000s	10YP 2023/24 \$'000s	10YP 2024/25 \$'000s
	CAPITAL NEW										
	Leadership										
8	Councillor Leadership and Decision Making	-	-	-	-	-	-	-	-	-	-
-	Direction Setting	-	-	-	-	-	-	-	-	-	-
	Community Support										
276	Cemeteries	193	211	54	168	113	183	101	189	108	202
	Civil Defence										
4,125	Housing	250	1,365	1,687	1,841	-	-	-	-	-	-
	Work and City Promotion										
	Leisure										
1,249	Arts and Culture	775	143	105	1,238	1,583	2,290	2,053	1,841	63	65
30	City Library and Community Development	200	333	1,130	2,906	1,028	973	-	-	-	-
2,218	Parks, Sport and Recreation	5,289	4,335	6,966	2,677	2,989	5,464	2,020	2,599	2,076	2,609
	Regulatory										
4,265	Roading and Parking	11,355	9,246	13,535	13,514	7,243	12,276	11,746	6,792	2,891	4,707
439	Rubbish and Recycling	1,335	179	515	124	128	132	136	140	145	150
3,672	Water	5,540	5,075	1,035	3,211	4,471	3,147	1,600	1,787	2,275	4,297
4,238	Wastewater	4,381	794	4,218	6,143	114	118	550	1,219	3,697	8,456
1,499	Stormwater	1,540	779	1,459	1,550	1,624	649	612	635	660	2,442
	Support Services										
109	Commercial or Strategic Investments	63	19	23	21	15	-	-	-	-	-
50	Corporate Support	100	308	210	270	111	114	118	122	126	131
-	Customer Services	-	-	-	-	-	-	-	-	-	-
22,177	TOTAL CAPITAL NEW	31,021	22,786	30,937	33,664	19,419	25,347	18,936	15,324	12,041	23,058
41,772	TOTAL CAPITAL EXPENDITURE	52,276	41,171	52,343	57,121	41,138	48,894	42,128	37,911	35,357	47,151
	FUNDED BY										
2,712	External Revenue Renewal	2,864	2,129	2,261	2,792	2,313	2,236	2,581	2,376	2,469	2,589
736	External Revenue New	6,673	6,849	4,720	558	514	4,295	3,661	424	437	498
1,251	Development Contributions	1,203	1,347	1,731	2,010	2,181	2,397	2,538	2,773	2,878	3,187
295	Asset Sales	109	133								
15,577	Rates	17,113	18,692	19,742	20,463	20,442	20,711	20,556	20,854	22,219	22,929
21,200	New Borrowing / (Repayment)	24,315	12,022	23,889	31,298	15,687	19,255	12,791	11,485	7,354	17,948
41,772	TOTAL	52,276	41,171	52,343	57,121	41,138	48,894	42,128	37,911	35,357	47,151

Group of Activities

Leadership

The Leadership Group of Activities consists of:

**Councillor Leadership
and Decision Making**

Direction Setting

Both of these Activities are about understanding community expectations and deciding what the Council will do to meet its goals.

2

Councillor Leadership and Decision Making

What the Council does

The Council provides services that allow people to become **involved in its decision making processes**. The Council also provides **information** to people about its plans and actions.

It does these things in a wide range of ways so that most peoples' communication preferences can be met. For example, it uses committee meetings, informal community meetings, other public meetings, public consultation, the Square Circular, media releases, other communications, website, civic functions, and so on. (For more information on the Council's Committees see section 4 of this Plan.) It also ensures that all meetings meet **statutory requirements**.

The Leadership Activity also runs the **three-yearly elections**.

This Activity also includes the Mayor's and Chief Executive's office support. It also helps Council Controlled Organisations meet their Constitution and Trust Deed requirements (see section 4 of this Plan).

Why the Council does this and how it contributes to the Council's Vision and Goals

By making decisions on what the Council will do this Activity contributes to all five of the Council's major goals.

In particular it contributes to the Council's goal of understanding the diverse views of the City's people, making prudent decisions, and ensuring that people know what it is doing and why.

This is important because a strong local community depends upon people having the ability to contribute to the Council's decision making process, so that the Council can understand what people want.

The Council ensures that all policy, procedural and statutory requirements for decision making are met to uphold the effectiveness and integrity of local democracy. This means that residents have an opportunity to influence the Council's decisions.

In the same way the Council promotes transparency with its decision making process to maintain accountability to the public. This means that the Council tells residents what it is doing and why. This helps close the decision making loop.

The decisions that the Council makes through its Committee and Council meetings sets the Council's strategic direction.

Key strategies guiding this Activity include the Significance and Engagement Policy. This shows how the Council will involve people in its decision making. The aim of this Policy is to ensure the Council's engagement of the community in decision making is genuine, appropriate to the issue Council is engaging on and the communities it is engaging with, and cost effective.

The Council also has a Māori Community Strategy. This Strategy has two overarching aims. Firstly, it is about increasing Māori participation in local government to fulfil the Crown's statutory requirements and to realise the Crown's Treaty obligations to Māori. Secondly the Strategy is about promoting and facilitating Māori participation in all aspects of our City, including how the Council will engage Maori in its decision-making.

Priorities and major projects in the next 10 years

The Council will continue to look at ways in which it can use new technologies and social media to hear from and give information to a wider audience.

Significant negative effects

There are no significant negative effects from this Activity.

How people can judge the Council’s success

WHAT WE DO	HOW WE SHOW WE ARE DOING A GOOD JOB	OUR CURRENT RESULTS		OUR TARGETS		
(LEVELS OF SERVICE)	(PERFORMANCE MEASURES)	(2013/14)	2015/16	2016/17	2017/18	2018/19- 2024/25
The Council encourages and provides opportunities for all people to get involved in its decision making in ways that are appropriate to their preferences and needs.	Council prepares an Annual Report on its Significance and Engagement Policy.	New measure.	Report prepared and key outcomes described.	Report prepared and key outcomes described.	Report prepared and key outcomes described.	Report prepared and key outcomes described.
	Council holds at least 20 “Let’s Talk with a Councillor” meetings each year.	New measure.	At least 20 meetings held.	At least 20 meetings held.	At least 20 meetings held.	At least 20 meetings held.
	Resident satisfaction with the way Council involves them in decision making. (Communitrak Survey. ¹)	78%.	No measure.	At least 75%.	No measure.	At least 75%. (2019/20 and 2022/23).
The Council provides information to people on what it is doing in a way that is appropriate to their preferences and needs.	Resident satisfaction with the quality of information Council provides them. (Communitrak Survey. ¹)	84%.	No measure.	At least 85%.	No measure.	At least 65%. (2019/20 and 2022/23).
The Council manages its Councillor Leadership and Decision Making Activity in a financially sustainable way.	10 Year Plan levels of service and programmes are achieved within budget.	Services were provided within budget.	Services provided within budget.	Services provided within budget.	Services provided within budget.	Services provided within budget.

1 Communitrak Survey is every three years. Satisfaction percentages exclude “don’t knows” and neither satisfied nor dissatisfied.

	Satisfaction with decision making	Satisfaction with information
very satisfied/satisfied	45%	58%
neither satisfied nor dissatisfied	34%	22%
dissatisfied/very dissatisfied	13%	11%
don’t know	8%	9%

COUNCILLOR LEADERSHIP AND DECISION MAKING - ACTIVITY FINANCIAL STATEMENTS

Budget 2014/15 \$'000s		10YP 2015/16 \$'000s	10YP 2016/17 \$'000s	10YP 2017/18 \$'000s	10YP 2018/19 \$'000s	10YP 2019/20 \$'000s	10YP 2020/21 \$'000s	10YP 2021/22 \$'000s	10YP 2022/23 \$'000s	10YP 2023/24 \$'000s	10YP 2024/25 \$'000s
	REVENUE										
12	Councillor Meetings and Administration	9	10	10	10	10	11	11	11	12	12
4	Elections	-	129	1	1	140	1	1	153	1	1
16	TOTAL REVENUE	9	139	11	11	150	12	12	165	13	13
	EXPENSES										
2,217	Councillor Meetings and Administration	2,398	2,399	2,562	2,523	2,629	2,676	2,782	3,005	2,953	3,053
50	Elections	65	308	61	77	409	71	73	437	72	75
967	Mayoral and Chief Executive's Office	1,055	1,087	1,122	1,168	1,203	1,240	1,279	1,320	1,369	1,415
3,234	TOTAL EXPENSES	3,518	3,793	3,745	3,768	4,241	3,987	4,133	4,762	4,394	4,542
3,218	NET OPERATING COST OF ACTIVITY	3,509	3,655	3,734	3,757	4,091	3,975	4,121	4,597	4,381	4,529
	RATING REQUIREMENT										
(8)	Less Depreciation	(8)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
-	Less Transfers To/(From) Reserves	(85)	-	-	-	-	-	-	-	-	-
2	Plus Debt Repayment	2	3	3	3	3	3	4	4	4	4
3,212	RATES REQUIREMENT	3,419	3,656	3,735	3,758	4,093	3,977	4,123	4,599	4,384	4,532
	CAPITAL EXPENDITURE										
8	New	-	-	-	-	-	-	-	-	-	-
8	TOTAL CAPITAL EXPENDITURE	-	-	-	-	-	-	-	-	-	-
	FUNDED BY										
8	New Borrowing / (Repayment)	-	-	-	-	-	-	-	-	-	-
8	TOTAL	-	-	-	-	-	-	-	-	-	-

COUNCILLOR LEADERSHIP AND DECISION MAKING - OPERATING PROGRAMMES

ID-NAME	GROWTH	LOS	10YP 2015/16 \$'000s	10YP 2016/17 \$'000s	10YP 2017/18 \$'000s	10YP 2018/19 \$'000s	10YP 2019/20 \$'000s	10YP 2020/21 \$'000s	10YP 2021/22 \$'000s	10YP 2022/23 \$'000s	10YP 2023/24 \$'000s	10YP 2024/25 \$'000s
377-Councillors' Training	0%	100%	32	43	33	34	35	36	37	39	40	41
1213-Elected Member Community Engagement	0%	100%	10	10	11	11	11	11	12	12	13	13
1256-Councillors' RMA training	0%	100%	-	-	-	-	11	-	-	12	-	-
TOTAL			42	53	44	45	58	48	49	63	53	55

Direction Setting

What the Council does

The role of this Activity is to give effect to the Council's Vision and five major goals (see section 1 of this Plan) through its policy and strategic planning. It does this by aligning **plans and strategies** to the Vision and Goals. These give the direction to Council's other Activities so that they work towards the Council's Vision and Strategic Goals. Working towards the Vision and Goals also involves **working with key stakeholders**.

The Activity also has a key monitoring role. It monitors the City's progress towards the Vision and Goals. It also monitors national and international trends and then **advocates** on behalf of the City on key issues that affect its future. Economic advice, research and monitoring is a particular focus, to align with Government's emphasis on economic growth.

The Vision and Goals focus on sustainability. For the Council "sustainability" is about taking into account the social, economic and cultural interests of people and communities and the need to maintain and enhance the quality of the environment and the reasonably foreseeable needs of future generations (s14 Local Government Act).

Sustainability cannot be achieved by the Council working on its own. Hence, this Activity also has a role in education and communication with the public on living more sustainably.

The Activity also works to develop the Council's relationships with Rangitāne. More information is provided in the Māori Participation in Council Decision Making (see section 4 of this Plan).

Direction Setting also includes the Council's District Plan. This sets out the rules of what people can and cannot do with land in the City. These rules make sure that the City is **well designed and attractive**. They also ensure that the City looks after its natural and built environment and that the things people do with land fit together well. The District Plan also gives businesses certainty about land use so that they can make good decisions.

This Activity is also responsible for developing bylaws.

The Council also provides the Natural and Cultural Heritage Incentive Fund. This fund assists owners of listed heritage buildings, objects, or sites with maintenance, repairs, or restoration costs. The Council also makes funding available for heritage education and promotion.

Why the Council does this and how it contributes to the Council's Vision and Goals

By giving advice on how the Council can develop and implement its Vision and Goals this Activity contributes to all five of the Council's major goals.

The Council is required by legislation to:

- have a Long Term Plan and review it every three years
- have a District Plan and review it every 10 years
- monitor and enforce the District Plan
- monitor the state of the environment and the effectiveness of the District Plan
- process designations and private plan change requests
- review bylaws.

Urban Design is another part of a well-designed and planned city. This Activity leads the implementation of the Council's Urban Design Strategy. It shows how the Council can shape the physical development of Palmerston North so it is recognised as a vibrant, compact, creative, and sustainable City.

Placemaking is an important urban design initiative. It enables residents, retailers and businesses to use local knowledge to express and implement a vision of how they want their residential streets, retail precincts and neighbourhood centres to develop. Little Cuba and the Broadway Backyard are good examples of placemaking that creates places that work for people.

The Council monitors its progress towards its goals and reviews its strategies accordingly. This ensures that its goals and strategies are based on current community needs and circumstances.

This Activity provides the framework and advice for Council's strategic direction. It does this by implementing a robust strategy and policy framework that aligns current strategies and policies (such as the District Plan, Sustainable City Strategy and Urban Design Strategy) to the Vision and develops new strategies and policies. These give direction to Council's other activities so that they work towards the Council's Vision and strategic goals (see section 1 of this Plan).

Priorities and major projects in the next 10 years

One major priority for the Direction Setting Activity is the ongoing communication, review and monitoring of the Council's strategies. In particular, research into sustainability issues that affect the City will inform ongoing monitoring and review of the Sustainable City Strategy. The other priority is the sectional review of the District Plan. An emphasis on achieving good urban design outcomes will be supported by education to help deliver the change and the establishment of an urban design panel to provide advice on developments and major projects. For more information see Council's Strategic Direction in section 1 of this Plan.

The Council's planning also covers village planning for Longburn and Bunnythorpe (as part of the boundary change). This involves working with residents in these areas to work out what levels of service and projects are appropriate for "village life". The Council is also developing the Manawatū River environs to make more of the recreational opportunities they offer. This is being guided by the Manawatū River Framework.

The Council will develop a plan for Broadway and the CBD, including the inter-regional bus terminal, so that the community, retailers and building owners all engage in the process and it became a collaborative engagement to improve the prosperity of the CBD.

The complexity of strategic issues means that resolving them involves working with a range of City, regional and national stakeholders. The Council has built up good relationships with these stakeholders and this will help the Council move forward on its strategic direction.

Significant negative effects

There are no significant negative effects from this Activity.

How people can judge the Council’s success

WHAT WE DO	HOW WE SHOW WE ARE DOING A GOOD JOB	OUR CURRENT RESULTS	OUR TARGETS			
(LEVELS OF SERVICE)	(PERFORMANCE MEASURES)	(2013/14)	2015/16	2016/17	2017/18	2018/19- 2024/25
The Council has plans and policies in place for the sustainable well-being of Palmerston North.	A 10 Year Plan that gives effect to Council’s strategic direction is adopted every three years. In the other years an Annual Plan is adopted.	Annual Plan adopted.	Annual Plan adopted.	Annual Plan adopted.	10 Year Plan adopted.	10 Year Plan adopted every three years. In other years an Annual Plan adopted.
The Council works with stakeholders to take a collaborative approach to planning for a sustainable City.	The District Plan is reviewed in a way that gives effect to Council’s strategic direction.	Work on stage 3 of District Plan.	The Residential Zone, Rural Zone and Boundary Change, Industrial Growth and Recreation Zones Plan Changes are being processed.	Plan reviewed. Specific projects will be identified in the Annual Plan.	Plan reviewed. Specific projects will be identified in the Annual Plan.	Plan reviewed. Specific projects will be identified in 10 Year and Annual Plans.
	City strategies are reviewed and monitored in a way that gives effect to Council’s strategic direction.	Biodiversity and Community Engagement Strategy adopted.	Sustainable City, Events and Festivals and Domestic Energy Strategies are being reviewed.	Strategies reviewed. Specific strategies will be identified in the Annual Plan.	Strategies reviewed. Specific strategies will be identified in the Annual Plan.	Strategies reviewed. Specific strategies will be identified in 10 Year and Annual Plans.
	An Annual Strategy Monitoring Report is prepared. ¹	New measure.	Report prepared and key outcomes described.	Report prepared and key outcomes described.	Report prepared and key outcomes described.	Report prepared and key outcomes described.
	Council participates in Regional InterAgency Network Meetings.	Meetings were attended.	Meetings attended. Council will describe the Network’s key achievements.	Meetings attended. Council will describe the Network’s key achievements.	Meetings attended. Council will describe the Network’s key achievements.	Meetings attended. Council will describe the Network’s key achievements.
	The Council applies Urban Design Principles through the District Plan, infrastructure and strategic projects.	Major projects include urban design principles and design review processes ² .	New measure.	An urban design plan for Broadway and the CBD is developed.	Specific projects will be identified in the Annual Plan.	Specific projects will be identified in the Annual Plan.

1 The Council also monitors its strategies through its online State of the City Monitoring tool - go to www.pncc.govt.nz and search for “our performance”.

2 The Urban Design Principles are:

- Creating vibrant and distinctive places for people
- Providing choice in terms of lifestyle
- Easy access to amenities
- Celebrating what is unique about a place
- Embracing sustainability

WHAT WE DO	HOW WE SHOW WE ARE DOING A GOOD JOB	OUR CURRENT RESULTS	OUR TARGETS			
(LEVELS OF SERVICE)	(PERFORMANCE MEASURES)	(2013/14)	2015/16	2016/17	2017/18	2018/19- 2024/25
The Council advocates to central government on major issues affecting the City.	Council advocates on relevant issues.	Issues included housing, Capital Connection train, psycho-active substances, and Resource Management Act.	Council will describe topics it has advocated on.	Council will describe topics it has advocated on.	Council will describe topics it has advocated on.	Council will describe topics it has advocated on.
The Council manages its Direction Setting Activity in a financially sustainable way.	10 Year Plan levels of service and programmes are achieved within budget.	Services were provided within budget.	Services provided within budget.	Services provided within budget.	Services provided within budget.	Services provided within budget.

DIRECTION SETTING - ACTIVITY FINANCIAL STATEMENTS

Budget 2014/15 \$'000s		10YP 2015/16 \$'000s	10YP 2016/17 \$'000s	10YP 2017/18 \$'000s	10YP 2018/19 \$'000s	10YP 2019/20 \$'000s	10YP 2020/21 \$'000s	10YP 2021/22 \$'000s	10YP 2022/23 \$'000s	10YP 2023/24 \$'000s	10YP 2024/25 \$'000s
	REVENUE										
174	Environment Policy and District Planning	161	166	171	175	180	186	191	198	204	212
174	TOTAL REVENUE	161	166	171	175	180	186	191	198	204	212
	EXPENSES										
3,782	Environment Policy and District Planning	3,870	3,850	3,629	3,726	3,832	3,946	4,067	3,715	3,776	3,912
1,498	Strategy Development and 10 Year Planning	1,403	1,410	1,674	1,537	1,651	1,857	1,717	1,776	2,084	1,863
5,280	TOTAL EXPENSES	5,273	5,260	5,303	5,262	5,483	5,803	5,784	5,491	5,860	5,775
5,106	NET OPERATING COST OF ACTIVITY	5,112	5,094	5,132	5,087	5,303	5,617	5,593	5,293	5,655	5,563
	RATING REQUIREMENT										
5,106	RATES REQUIREMENT	5,112	5,094	5,132	5,087	5,303	5,617	5,593	5,293	5,655	5,563

DIRECTION SETTING - OPERATING PROGRAMMES

ID-NAME	GROWTH	LOS	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
			\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
751-City-wide - Research into Sustainability Issues that Impact on the City and its Environment	0%	100%	26	26	27	28	29	30	30	31	-	-
762-City-wide - Urban Design and Placemaking - Delivering Change	0%	100%	48	49	50	52	53	55	57	58	60	63
764-City-wide - Sustainability Awareness Raising	0%	100%	93	95	97	100	103	106	109	113	117	121
765-City-wide - Ridepro Carpooling Initiative	0%	100%	5	5	6	6	6	6	6	6	7	7
1145-Green Corridors Project - Continued Development	0%	100%	33	34	34	35	36	38	39	40	41	43
1180-Focus Group Research	0%	100%	25	-	26	-	28	-	30	-	32	-
1189-City-wide Digital Strategy	0%	100%	50	-	-	-	-	-	-	-	-	-
1190-Smokefree Education	0%	100%	10	10	11	11	11	11	12	12	13	13
1255-Plan for Broadway and the CBD	0%	100%	100	-	-	-	-	-	-	-	-	-
1264-Development Contributions Fees - Support for Community Groups	0%	100%	20	21	21	22	22	23	24	24	25	26
TOTAL			409	240	273	253	288	268	306	286	295	273

Group of Activities

Community Support

The Community Support Group of Activities consists of:

Cemeteries

Civil Defence

Housing

The Council provides them because it wants to help create a caring and safe community. Having a caring and safe community makes the City a better place to live for current residents and makes the City more attractive to people who are thinking of moving here.

Hence the main Council goal that these Activities work towards is Palmerston North is a city where people want to live because of its safe and easy lifestyle and its many social, cultural and recreational opportunities.

2

Cemeteries

What the Council does

The Council provides four cemeteries (at Kelvin Grove, Terrace End, Ashhurst and Bunnythorpe) and a crematorium at Kelvin Grove.

Why the Council does this and how it contributes to the Council's Vision and Goals

The Council provides this so that people who have lost loved ones can bury or cremate them in a controlled and dignified manner.

This Activity contributes indirectly to the Council's major goals.

Under the Burial and Cremation Act 1964 councils are required to provide cemeteries.

Asset condition and performance

The Cemetery and Crematorium assets are maintained in good condition through ongoing maintenance and renewals. The number of deaths is likely to increase in the future due to a combination of an aging population and an increase in population. However, there is still enough land in the cemeteries until about 2080-2090, mostly at Kelvin Grove. However, public reception space and staff office facilities are limited.

Priorities and major projects in the next 10 years

The main issue at Kelvin Grove Cemetery is the earthquake prone building status of the crematorium. The strengthening works will commence once the final legislation regarding earthquake prone buildings has been passed.

Land at Whakarongo is to be rezoned from rural to residential. This affects an eight hectare block of land currently designated cemetery land. A new land purchase has been made to the north of the cemetery.

The current Muslim and Jewish burial areas will be extended as existing beams fill up.

Provision of a natural burial option will be made from year 2.

The Kelvin Grove Cemetery office is planned to be refurbished in year 7.

The Council is working with Veteran's Affairs to construct further ash plots and later burial plots to accommodate qualifying members of the Armed Services.

Significant negative effects

There are no significant negative effects from this Activity.

How people can judge the Council’s success

WHAT WE DO	HOW WE SHOW WE ARE DOING A GOOD JOB	OUR CURRENT RESULTS	OUR TARGETS			
(LEVELS OF SERVICE)	(PERFORMANCE MEASURES)	(2013/14)	2015/16	2016/17	2017/18	2018/19- 2024/25
The Council provides cemeteries and a crematorium that are accessible, well maintained and take into account the cultural and religious needs of the community.	Resident satisfaction with the Council’s cemeteries. (Communitrak Survey ¹ .)	New measure.	No measure.	First survey to set baseline.	No measure.	Results at least match baseline (2019/20 and 2022/23).
	A 30 year asset management plan is in place for the cemeteries and major AMP projects approved in the 10 Year Plan are achieved.	AMP was in place.	AMP in place and major projects (cemetery renewals) achieved.	AMP in place and major projects (cemetery renewals, new burial berms) achieved.	AMP in place and major projects (cemetery renewals) achieved.	AMP in place and major projects achieved. Specific projects will be listed in 10 Year and Annual Plans.
The Council manages its Cemeteries Activity in a financially sustainable way.	10 Year Plan levels of service and programmes are achieved within budget.	Services were provided within budget.	Services provided within budget.	Services provided within budget.	Services provided within budget.	Services provided within budget.

1 Communitrak Survey is every three years. Satisfaction percentages exclude “don’t knows.”

CEMETERIES - ACTIVITY FINANCIAL STATEMENTS

Budget 2014/15 \$'000s		10YP 2015/16 \$'000s	10YP 2016/17 \$'000s	10YP 2017/18 \$'000s	10YP 2018/19 \$'000s	10YP 2019/20 \$'000s	10YP 2020/21 \$'000s	10YP 2021/22 \$'000s	10YP 2022/23 \$'000s	10YP 2023/24 \$'000s	10YP 2024/25 \$'000s
	REVENUE										
526	Cemeteries	586	601	616	632	650	668	689	711	734	759
526	TOTAL REVENUE	586	601	616	632	650	668	689	711	734	759
	EXPENSES										
973	Cemeteries	990	1,070	1,102	1,134	1,184	1,221	1,269	1,320	1,379	1,426
973	TOTAL EXPENSES	990	1,070	1,102	1,134	1,184	1,221	1,269	1,320	1,379	1,426
448	NET OPERATING COST OF ACTIVITY	404	470	486	502	535	553	581	610	645	667
	RATING REQUIREMENT										
(109)	Less Depreciation	(109)	(123)	(131)	(136)	(154)	(158)	(170)	(184)	(204)	(210)
160	Plus Net Capital Renewal (3 Year Average)	111	115	108	83	190	194	174	111	112	111
19	Plus Debt Repayment	16	20	25	28	32	35	40	44	49	54
518	RATES REQUIREMENT	423	482	489	477	603	624	625	581	602	622
	CAPITAL EXPENDITURE										
160	Renewal	69	67	198	79	48	123	400	59	63	212
276	New	193	211	54	168	113	183	101	189	108	202
436	TOTAL CAPITAL EXPENDITURE	262	278	252	247	161	306	500	248	170	414
	FUNDED BY										
160	Rates	111	115	108	83	190	194	174	111	112	111
276	New Borrowing / (Repayment)	151	163	144	164	(30)	112	327	137	59	303
436	TOTAL	262	278	252	247	161	306	500	248	170	414

CEMETERIES - OPERATING PROGRAMMES

ID-NAME	GROWTH	LOS	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
			\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
1168-Terrace End Cemetery - Maintenance Enhancement	0%	100%	10	10	10	11	11	11	12	12	13	13
TOTAL			10	10	10	11	11	11	12	12	13	13

CEMETERIES - CAPITAL RENEWAL

ID-NAME	GROWTH	LOS	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
			\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
37-Terrace End Cemetery - Site Enhancements	0%	100%	9	9	9	10	10	10	11	11	11	12
278-Kelvin Grove Cemetery - Roothing and Footpath Refurbishment	0%	100%	60	57	71	69	38	41	46	48	51	56
563-Kelvin Grove Cemetery - Reception, Toilet and Office Upgrade	0%	100%	-	-	-	-	-	-	312	-	-	-
564-Crematorium - Replacement of Cremator Refractory Brick Lining	0%	100%	-	-	118	-	-	-	-	-	-	145
567-Crematorium - Chapel Interior Renewals	0%	100%	-	-	-	-	-	72	-	-	-	-
774-Bunnythorpe - Cemetery Renewals	0%	100%	-	-	-	-	-	-	31	-	-	-
TOTAL			69	67	198	79	48	123	400	59	63	212
Funded by Council (Rates and Borrowing)			69	67	198	79	48	123	400	59	63	212

CEMETERIES - CAPITAL NEW

ID-NAME	GROWTH	LOS	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
			\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
107-Kelvin Grove Cemetery - Ash Plot Developments and Childrens Burial area extension	0%	100%	36	37	38	39	40	41	42	44	45	47
133-Kelvin Grove Cemetery - New Burial Sections footpaths and roading extension	0%	100%	-	-	-	-	49	-	-	-	-	-
147-New Burial Berms - Kelvin Grove Main Lawn area and hillside, Ashhurst and Bunnythorpe Cemeteries	0%	100%	-	123	-	129	24	137	-	145	63	155
484-Natural Burial Cemetery	0%	100%	-	51	16	-	-	-	-	-	-	-
937-C/fwd - Natural Burial Cemetery	0%	100%	57	-	-	-	-	-	-	-	-	-
1103-Kelvin Grove Cemetery - Hedge to James Line Boundary	0%	100%	20	-	-	-	-	-	-	-	-	-
1196-Kelvin Grove Cemetery - New Cemetery Staff Facility	0%	100%	-	-	-	-	-	6	59	-	-	-
1224-C/fwd - Kelvin Grove Cemetery - Additional Burial Berms (Main Lawn Area)	0%	100%	80	-	-	-	-	-	-	-	-	-
TOTAL			193	211	54	168	113	183	101	189	108	202
Funded by Council (Rates and Borrowing)			193	211	54	168	113	183	101	189	108	202

Civil Defence

What the Council does

The Council provides civil defence services to help people prepare for, respond to, and recover from a **civil defence emergency**, such as an earthquake, flood, volcanic eruption, major fire, or widespread power or communication failure.

The Council is also a Rural Fire Authority, and hence is required to respond to and put out non-structural fires in rural areas.

The Council meets these responsibilities by providing **public education** programmes, coordination with other civil defence and emergency service organisations, a civil defence response organisation of trained Council staff and volunteers, a local disaster recovery coordination plan, rural fire plans and a trained rural fire team, and an emergency operations centre.

The Council takes a **collaborative approach** to civil defence and works closely with other emergency service providers.

Why the Council does this and how it contributes to the Council's Vision and Goals

The Council does this to help build a sense of community and to help people feel safe.

If an emergency does happen the Council wants to ensure that people, businesses, schools, community groups, sports groups, etc. can do as much as possible to look after themselves. It also wants them to be able to recover as quickly as possible from civil defence emergencies.

Hence this Activity contributes to the Council's goals of being a city where people want to live because it is safe. This Activity is a big part of the Council's Safe City Strategy.

This Activity is guided by the Manawatū-Wanganui Civil Defence and Emergency Management Plan. The Council is an active member of the Manawatū-Wanganui Civil Defence Emergency Management Group as required by the Civil Defence Emergency Management Act 2002. The Group is a consortium of the local authorities in the region with the vision 'to build a resilient and safer region with communities understanding and managing their hazards and risks.' The Group Plan covers all phases of emergency: reduction; readiness; response; and recovery. A business plan is also managed by the Group with each of the member councils contributing to achieving the goals of the Group. The Group has adopted a philosophy of centralised coordination and local delivery and works closely with emergency services, welfare agencies and other strategic partners for effective and comprehensive emergency management.

The Council also has to meet legal requirements. The Council's legislative obligations are set out in the Civil Defence Emergency Management Act 2002 and the Forest and Rural Fires Act 1977.

Priorities and major projects in the next 10 years

The biggest challenge facing civil defence is making sure that people are prepared for an emergency. This means that people can look after themselves for a minimum of three days.

The most recent civil defence preparedness survey (2013) showed that 40% of people thought they had "excellent" or "very good" preparedness, up from 26%. However there was a drop in the proportion of people who said they had a good level of preparedness from 43% to 19%, suggesting that the main change was that people who previously had good level of preparedness moved to a higher level. Overall total preparedness (good or better) dropped from 69% to 59%.

The survey also showed that between 2009 and 2013 the proportion of people with emergency food supplies increased from 42% to 51%. Those with water stored increased from 43% to 54%.

The nature of civil defence preparedness means that it relies upon a large number of volunteers and on people taking more responsibility for their own welfare.

In response to both of these issues the Council is looking at more innovative ways to encourage people to be prepared to look after themselves for three days.

The Council is also reviewing the business continuity plans it has for all its critical services. This should ensure it can continue to provide these services to an appropriate level during an emergency.

Significant negative effects

There are no significant negative effects from this Activity.

How people can judge the Council’s success

WHAT WE DO	HOW WE SHOW WE ARE DOING A GOOD JOB	OUR CURRENT RESULTS	OUR TARGETS			
(LEVELS OF SERVICE)	(PERFORMANCE MEASURES)	(2013/14)	2015/16	2016/17	2017/18	2018/19- 2024/25
The Council is prepared for civil defence and rural fire emergencies by having emergency plans, an emergency operating centre, and trained volunteers.	The Council’s Civil Defence Plan is consistent with the Manawatū-Wanganui Civil Defence and Emergency Management Group Plan. Key annual actions described.	Plan was consistent.	Plans consistent. The priority will be reviewing the Group Plan.	Plans consistent. Priorities will be set once the Group Plan is reviewed.	Plans consistent. Priorities will be set once the Group Plan is reviewed.	Plans consistent. Priorities will be set by the Group.
	The Council has trained volunteers able to respond to emergencies. ¹	New Measure	At least 90 emergency operating centre, rural fire and REST volunteers.	At least 90 emergency operating centre, rural fire and REST volunteers.	At least 90 emergency operating centre, rural fire and REST volunteers.	At least 90 emergency operating centre, rural fire and REST volunteers.
	The Council’s Rural Fire Plan passes audit by the National Rural Fire Authority every five years.	Audit standard met.	No measure.	No measure.	No measure.	Audit standard met in 2018/19.
The Council carries out public education to prepare people to look after themselves, their families and their neighbours in an emergency.	Council engages residents and organisations on civil defence preparedness through presentations, events and other information.	New Measure	Engagement techniques will be described.	Engagement techniques will be described.	Engagement techniques will be described.	Engagement techniques will be described.
The Council works collaboratively with other emergency service organisations.	Council participates in Coordinating Executive Group and Emergency Management Committee meetings attended.	Meetings were attended.	Meetings attended. Council will describe the Group’s key achievements.	Meetings attended. Council will describe the Group’s key achievements.	Meetings attended. Council will describe the Group’s key achievements.	Meetings attended. Council will describe the Group’s key achievements.
The Council manages its Civil Defence Activity in a financially sustainable way.	10 Year Plan levels of service and programmes are achieved within budget.	Services were provided within budget.	Services provided within budget.	Services provided within budget.	Services provided within budget.	Services provided within budget.

1 The Council also works with groups such as Neighbourhood Support, marae and churches that have large numbers of volunteers that the Council will work with in an emergency. The Council also has a Safe City Strategy. Through this the Council monitors the proportion of people who are prepared for an emergency. The results of this are outlined above in the Priorities and Major Projects section. REST means Rescue Emergency Support Team.

The Council also has a Safe City Strategy. Through this the Council monitors the proportion of people who are prepared for an emergency. The results of this are outlined in the priorities and major projects section.

CIVIL DEFENCE - ACTIVITY FINANCIAL STATEMENTS

Budget 2014/15 \$'000s		10YP 2015/16 \$'000s	10YP 2016/17 \$'000s	10YP 2017/18 \$'000s	10YP 2018/19 \$'000s	10YP 2019/20 \$'000s	10YP 2020/21 \$'000s	10YP 2021/22 \$'000s	10YP 2022/23 \$'000s	10YP 2023/24 \$'000s	10YP 2024/25 \$'000s
	REVENUE										
-	Civil Defence	-	-	-	-	-	-	-	-	-	-
-	TOTAL REVENUE	-	-	-	-	-	-	-	-	-	-
	EXPENSES										
444	Civil Defence	442	452	464	477	491	506	522	539	557	576
444	TOTAL EXPENSES	442	452	464	477	491	506	522	539	557	576
444	NET OPERATING COST OF ACTIVITY	442	452	464	477	491	506	522	539	557	576
	RATING REQUIREMENT										
(4)	Less Depreciation	(2)	(1)	(1)	(1)	-	-	-	-	-	-
440	RATES REQUIREMENT	441	451	463	477	491	506	522	539	557	576

Housing

What the Council does

The Council provides around 400 social housing units for three groups of tenants:

- older people on low incomes
- people with disabilities who receive the Supported Living Payment
- people on low incomes who experience barriers to accessing affordable and appropriate rental accommodation.

The first two groups pay ratepayer-subsidised rentals for their units. The third group of tenants pays market rentals (although Council is moving towards providing subsidised rentals for up to twenty units for these tenants).

Why the Council does this and how it contributes to the Council's Vision and Goals

The Council has a long history of social housing provision. The Council has just confirmed, through the 2015 Social Housing Strategy, its on-going commitment to providing social housing.

This is because social housing contributes to a caring and safe community. The whole City benefits when the overall standard of housing is adequate because good housing promotes health and wellbeing and encourages community stability and connection. This increases the social connectedness of disadvantaged communities and helps Council's tenants take part in everyday life of the City.

The Council's particular focus is on providing affordable, healthy, secure and stable housing for some of the City's most vulnerable people, in particular older people on low incomes, people with disabilities who receive the Supported Living Payment, and people who experience barriers to participating in the private rental market.

Priorities and major projects in the next 10 years

Major priorities are around implementing the Social Housing Strategy, including:

- Implementing a warrant of fitness scheme to ensure that the housing is of a good standard
- Converting the remaining bedsit units to one-bedroom units by 2025
- Upgrading the Papaioea Place social housing complex
- Reviewing the delivery mechanisms for Council's social housing. This review will be carried out in 2015/16. It is about how the Council delivers its Social Housing Strategy in a way that makes best use of resources and achieves the best outcomes for tenants
- Carrying out a cost saving review of how Council manages and maintains its social housing
- Considering how Council can work with other organisations to increase the amount of social housing in Palmerston North.

Significant negative effects

There are no significant negative effects from this Activity.

How people can judge the Council's success

WHAT WE DO	HOW WE SHOW WE ARE DOING A GOOD JOB	OUR CURRENT RESULTS	OUR TARGETS			
(LEVELS OF SERVICE)	(PERFORMANCE MEASURES)	(2013/14)	2015/16	2016/17	2017/18	2018/19- 2024/25
The Council provides housing units for: <ul style="list-style-type: none"> low-income older people and low income people with long-term disabilities and low-income people with other barriers to renting in the private market. 	Units are in demand and tenanted.	New measure.	At least 95% of available Units are tenanted.	At least 95% of available Units are tenanted.	At least 95% of available Units are tenanted.	At least 95% of available Units are tenanted.
	Tenants are satisfied with the Council's housing (two-yearly survey).	89% (July 2014 survey).	No measure.	At least 90%.	No measure.	At least 90% (survey every two years).
	Units met University of Otago Medical School Supported Warrant of Fitness standards.	New measure.	All Units meet standards by 30 June 2016.	All Units meet standards.	All Units meet standards.	All Units meet standards.
The Council maintains and develops the housing units to meet tenants' needs in a cost-effective way.	A 30 year asset management plan is in place for community housing and major AMP projects approved in the 10 Year Plan are achieved.	AMP was in place.	AMP in place and major projects (bedsit conversions to one-bedroom units and Papaioea Place upgrades as scheduled) achieved.	AMP in place and major projects (bedsit conversions to one-bedroom units and Papaioea Place upgrades as scheduled) achieved.	AMP in place and major projects (bedsit conversions to one-bedroom units and Papaioea Place upgrades as scheduled) achieved.	AMP in place and major projects achieved. Specific projects will be listed in 10 Year and Annual Plans.
The Council manages its Housing Activity in a financially sustainable way.	10 Year Plan levels of service and programmes are achieved within budget.	Services were provided within budget.	Services provided within budget.	Services provided within budget.	Services provided within budget.	Services provided within budget.

The Council is reviewing the delivery mechanisms for its social housing – this may change some of these levels of service and KPIs.

HOUSING - ACTIVITY FINANCIAL STATEMENTS

Budget 2014/15 \$'000s		10YP 2015/16 \$'000s	10YP 2016/17 \$'000s	10YP 2017/18 \$'000s	10YP 2018/19 \$'000s	10YP 2019/20 \$'000s	10YP 2020/21 \$'000s	10YP 2021/22 \$'000s	10YP 2022/23 \$'000s	10YP 2023/24 \$'000s	10YP 2024/25 \$'000s
	REVENUE										
2,436	Social Housing	2,436	2,497	2,559	2,626	2,629	2,705	2,787	2,898	2,993	3,095
2,436	TOTAL REVENUE	2,436	2,497	2,559	2,626	2,629	2,705	2,787	2,898	2,993	3,095
	EXPENSES										
2,684	Social Housing	2,804	2,905	3,066	3,261	3,431	3,447	3,514	3,568	3,554	3,596
2,684	TOTAL EXPENSES	2,804	2,905	3,066	3,261	3,431	3,447	3,514	3,568	3,554	3,596
248	NET OPERATING COST OF ACTIVITY	368	409	507	635	802	742	727	670	560	501
	RATING REQUIREMENT										
(574)	Less Depreciation	(766)	(781)	(803)	(839)	(899)	(861)	(870)	(861)	(780)	(750)
649	Plus Net Capital Renewal (3 Year Average)	676	703	736	765	990	1,349	1,557	1,635	1,775	1,724
7	Plus Debt Repayment	24	26	43	66	91	97	103	110	117	125
331	RATES REQUIREMENT	303	357	483	627	984	1,326	1,517	1,555	1,673	1,600
	CAPITAL EXPENDITURE										
596	Renewal	651	633	745	732	729	833	1,407	1,806	1,458	1,642
4,125	New	250	1,365	1,687	1,841	-	-	-	-	-	-
4,721	TOTAL CAPITAL EXPENDITURE	901	1,998	2,432	2,574	729	833	1,407	1,806	1,458	1,642
	FUNDED BY										
649	Rates	676	703	736	765	990	1,349	1,557	1,635	1,775	1,724
4,072	New Borrowing / (Repayment)	225	1,295	1,696	1,809	(261)	(516)	(150)	171	(317)	(83)
4,721	TOTAL	901	1,998	2,432	2,574	729	833	1,407	1,806	1,458	1,642

HOUSING - CAPITAL RENEWAL

ID-NAME	GROWTH	LOS	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
			\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
180-City-wide - Community Housing Refurbishments	0%	100%	600	550	660	590	182	328	278	780	413	599
304-Public Rental Housing - Replacement of Structures, Internal Fitout and Services	0%	100%	51	83	85	142	49	50	319	236	207	115
1208-City-wide - Community Housing - Completion of Bedsit Conversions	0%	100%	-	-	-	-	498	456	810	791	838	927
TOTAL			651	633	745	732	729	833	1,407	1,806	1,458	1,642
Funded by Council (Rates and Borrowing)			651	633	745	732	729	833	1,407	1,806	1,458	1,642

HOUSING - CAPITAL NEW

ID-NAME	GROWTH	LOS	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
			\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
357-Papaioea Place Community Housing - Eco Friendly Unit Replacements	0%	100%	250	1,365	1,687	1,841	-	-	-	-	-	-
TOTAL			250	1,365	1,687	1,841	-	-	-	-	-	-
Funded by Council (Rates and Borrowing)			250	1,365	1,687	1,841	-	-	-	-	-	-

Group of Activities

Work and City Promotion

The Work and City Promotion Group of Activities is a single Activity.

2

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Work and City Promotion

What the Council does

The Council helps support businesses and jobs in the City in two different ways.

At a general level everything the Council does contributes to the local economy – for example, leadership, provision of roads, stormwater, water, rubbish and recycling services, community services, and regulation and planning. These are all services used by businesses. They help attract people to live in the City.

At a more specific level the Council **provides funding for business support**, e.g. skills development and education programmes, business incubators, small-business development, and business information.

The Council also provides funding to help support tourism promotion and development, including events. The Council supports these events for both economic and social reasons.

The aim of these is to create an environment that is conducive to economic growth. However, creating jobs and increasing business numbers is a long-term role and national or international factors also impact on this area.

The Council, along with the Manawatu District Council, resolved that a single Council Controlled Organisation be formed to deliver economic development and tourism activities.

Why the Council does this and how it contributes to the Council's Vision and Goals

One of the major reasons people move to a new place to live is for work. A major aim of the Council is to increase the number of businesses and jobs available to people. Hence this Activity makes it easier for businesses to attract staff by making Palmerston North a city where people want to live because of its safe and easy lifestyle and its many social, cultural and recreational opportunities. Increasing the number of visitors to the City also has economic benefits.

The Activity is also about providing business support services, so it contributes as well to making Palmerston North a city which attracts, fosters and retains businesses and jobs to create a prosperous community. The Council can only achieve these things by working with government agencies and local businesses and organisations.

The Council has several roles in creating jobs and a vibrant business sector. These are set out in the Council's Economic Well-Being Strategy and are delivered by Activities right across the Council. The Work and City Promotion Activity helps increase the number of businesses and jobs in the City by funding and working with organisations like Vision Manawatu and Destination Manawatu.

Through other Activities the Council makes sure that there is enough land and good quality infrastructure (roads, water, sewerage, stormwater, etc.) to meet the needs of businesses.

Under its Events and Festivals Strategy the Council helps provide events for two reasons. One is to attract visitors and to promote the City (e.g. national school sports events). These events are funded through the Work and City Promotion and Parks, Sport and Recreation Activities. The other reason is to celebrate and strengthen the City's identity and diverse communities. They are funded through the City Library and Community Development Activity.

Priorities and major projects in the next 10 years

The Council, along with the Manawatu District Council, will establish a single Council Controlled Organisation to deliver economic development and tourism activities.

For more information on the local economy see our website pncc.govt.nz and search "Economic Update Reports".

Significant negative effects

There are no significant negative effects from this Activity.

How people can judge the Council’s success

WHAT WE DO	HOW WE SHOW WE ARE DOING A GOOD JOB	OUR CURRENT RESULTS	OUR TARGETS			
(LEVELS OF SERVICE)	(PERFORMANCE MEASURES)	(2013/14)	2015/16	2016/17	2017/18	2018/19- 2024/25
The Council works in cooperation with people, organisations and community groups to support priority economic areas.	KPI and target to be set through negotiation with the new Economic Development CCO.		To be set through contract / statement of intent negotiations.	To be set through contract / statement of intent negotiations.	To be set through contract / statement of intent negotiations.	To be set through contract / statement of intent negotiations.
The Council provides funding to external organisations to help it achieve its economic development objectives.	KPI and target to be set through negotiation with the new Economic Development CCO.		To be set through contract / statement of intent negotiations.	To be set through contract / statement of intent negotiations.	To be set through contract / statement of intent negotiations.	To be set through contract / statement of intent negotiations.
The Council manages its Work and City Promotion Activity in a financially sustainable way.	10 Year Plan levels of service and programmes are achieved within budget.	Services were provided within budget.	Services provided within budget.	Services provided within budget.	Services provided within budget.	Services provided within budget.

Council’s economic priority areas are: health, logistics (warehousing and transport), research and development, agriculture and FoodHQ, retail and business services, education and defence.

WORK AND CITY PROMOTION - ACTIVITY FINANCIAL STATEMENTS

Budget 2014/15 \$'000s		10YP 2015/16 \$'000s	10YP 2016/17 \$'000s	10YP 2017/18 \$'000s	10YP 2018/19 \$'000s	10YP 2019/20 \$'000s	10YP 2020/21 \$'000s	10YP 2021/22 \$'000s	10YP 2022/23 \$'000s	10YP 2023/24 \$'000s	10YP 2024/25 \$'000s
	REVENUE										
-	Business Support	-	-	-	-	-	-	-	-	-	-
65	City Marketing and Branding	64	66	68	70	72	74	76	79	81	84
939	Convention Centre	969	997	1,022	1,049	1,078	1,109	1,143	1,179	1,218	1,259
1,004	TOTAL REVENUE	1,033	1,063	1,090	1,118	1,150	1,183	1,219	1,258	1,299	1,344
	EXPENSES										
117	Business Support	102	104	107	110	113	116	120	124	128	133
2,513	City Marketing and Branding	2,594	2,644	2,713	2,747	2,825	2,910	3,000	3,099	3,204	3,319
1,525	Convention Centre	1,627	1,656	1,694	1,754	1,798	1,841	1,892	1,940	1,994	2,051
4,155	TOTAL EXPENSES	4,323	4,404	4,514	4,611	4,736	4,867	5,012	5,162	5,325	5,503
3,151	NET OPERATING COST OF ACTIVITY	3,290	3,341	3,424	3,493	3,587	3,684	3,793	3,905	4,026	4,160
	RATING REQUIREMENT										
(304)	Less Depreciation	(300)	(296)	(300)	(322)	(324)	(324)	(330)	(327)	(328)	(328)
107	Plus Net Capital Renewal (3 Year Average)	188	243	108	98	63	103	120	165	132	251
82	Plus Debt Repayment	10	10	11	12	13	13	14	15	16	17
3,036	RATES REQUIREMENT	3,189	3,299	3,243	3,281	3,337	3,476	3,598	3,757	3,847	4,099
	CAPITAL EXPENDITURE										
139	Renewal	34	449	83	198	43	52	93	163	105	226
139	TOTAL CAPITAL EXPENDITURE	34	449	83	198	43	52	93	163	105	226
	FUNDED BY										
107	Rates	188	243	108	98	63	103	120	165	132	251
33	New Borrowing / (Repayment)	(155)	206	(25)	100	(20)	(50)	(28)	(2)	(27)	(25)
139	TOTAL	34	449	83	198	43	52	93	163	105	226

WORK AND CITY PROMOTION - OPERATING PROGRAMMES

ID-NAME	GROWTH	LOS	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
			\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
1154-Sort It Employment Expo	0%	100%	15	15	16	16	17	17	18	18	19	20
1251-i-Site - Provision for Increased Opening Hours	0%	100%	34	35	36	-	-	-	-	-	-	-
TOTAL			49	50	52	16	17	17	18	18	19	20

WORK AND CITY PROMOTION - CAPITAL RENEWAL

ID-NAME	GROWTH	LOS	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
			\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
251-Convention Centre - Replacement of Equipment	0%	100%	34	34	35	36	37	38	39	41	42	43
664-Convention Centre - Renewals	0%	100%	-	154	-	162	6	14	53	122	63	183
989-Venues Manawatu - Replacement of Booking System	0%	100%	-	87	-	-	-	-	-	-	-	-
1165-Convention Centre - Kitchen Upgrade	0%	100%	-	102	-	-	-	-	-	-	-	-
1166-Convention Centre - Equipment Purchases	0%	100%	-	72	47	-	-	-	-	-	-	-
TOTAL			34	449	83	198	43	52	93	163	105	226
Funded by Council (Rates and Borrowing)			34	449	83	198	43	52	93	163	105	226

Group of Activities

Leisure

The Leisure Group of Activities consists of:

Arts and Culture

**City Library and Community
Development**

Parks, Sport and Recreation.

These are about providing people with a wide range of fun things to do - going to a show at the Regent Theatre, reading or listening to music, walking along the river bank or watching and playing sport. People expect a wide range of leisure opportunities in a modern, vibrant city.

They are also about working with community groups, neighbourhoods and communities to provide a caring community.

Hence these Activities particularly contribute to the Council goal of Palmerston North being a socially sustainable city where people want to live because of its easy and safe lifestyle and its many social, cultural and recreational opportunities.

Arts and Culture

What the Council does

The Council has an Arts Strategy and employs a City Cultural Coordinator to facilitate leadership in the Arts Sector.

The Council also helps fund and provide the facilities for a range of arts and cultural facilities. The two major ones are Te Manawa and the Regent Theatre.

Te Manawa consists of the museum, science centre and art gallery. The complex also contains the Rugby Museum. The Regent Theatre is a civic auditorium and regional centre for the performing arts. Te Manawa and the Regent are run for the Council by the Te Manawa and Regent Theatre Trust Boards (see section 4 of this Plan).

The Council also owns the buildings used by:

- Globe Theatre Trust Board
- Creative Sounds Society Inc. (The Stomach) – this is a low cost performance venue and music recording facility especially for youth
- Caccia Birch Trust Board – Caccia Birch is a heritage building used for events and activities
- Square Edge.

The Council funds Community Arts Palmerston North to provide an interactive space to support artists with information and exhibition space. The Council also helps fund the Centrepoint Theatre.

The Council has a contract with the Public Sculpture Trust until 2018 to provide part-funding for works of public art to be commissioned and placed around the City. The Council will then continue to contribute to public sculptures in some way.

The Council makes grants to groups and individuals undertaking arts or cultural activities or events. This Creative Communities Scheme funding is made available through a partnership between the Council and Creative New Zealand.

It also develops and implements a Property Asset Management Plan (which covers the arts and cultural facilities). The objective of asset management is to deliver reliable services to existing and future customers in the most cost-effective and sustainable way.

Why the Council does this and how it contributes to Council's Vision and Goals

This Activity contributes mostly to the Council's goal of making Palmerston North a socially sustainable city where people want to live, because of its safe and easy lifestyle and its many social, cultural and recreational opportunities. It also makes the City attractive to business – businesses also want to be in an innovative city because it helps them attract employees from other places.

There is a demand from the community to have fun things to do – this demand is partially met by the Council in providing the arts and cultural facilities, and in supporting arts and cultural groups.

A city with a strong arts and culture sector also attracts visitors. Increasing visitor numbers can lead to spin-off benefits for the local economy through increased retail spending. It also helps to build local pride through recognition of the cultural achievements of the community.

The Council's guiding principles in this area are set out in its Arts Strategy. This has three main areas for the Council to focus on: working with arts and cultural organisations to build up their leadership and cooperation; celebrating the cultural diversity and creativity of residents; and increasing people's participation and involvement in the arts. The Council's focus is on facilitating better coordination of the arts sector and ensuring participation leads to better use of its arts and cultural facilities.

Asset condition and performance

Overall the quality of the Cultural Facility assets is considered to be high, although differences in quality exist across the facilities, ranging from the Regent Theatre (very high) to the Square Edge Courtyard (moderate/adequate). The range in quality of the assets reflects the end use and profile of the facility.

The newer, purpose-built complexes such as the Te Manawa Science Centre (especially with its recent major overhaul), are highly functional, but older facilities, adapted to meet the needs of alternative services, such as Square Edge, have less optimal layouts and characteristics.

Priorities and major projects in the next 10 years

In the past Council’s role in this area was focussed mostly on contract management and the dissemination of information. Now the Council is taking more of a leadership role to help develop the arts sector in Palmerston North. Part of this leadership role is encouraging increased coordination in

the arts sector. The City has many cultural facilities in the City, and the Council will also encourage residents to make more use of these.

The Council is providing for increased strengthening of its property assets that have been identified as being an earthquake risk. Secondary structural assessments have been completed and work will start in years 3 and 4.

Significant negative effects

There are no significant negative effects from this Activity.

How people can judge the Council’s success

WHAT WE DO	HOW WE SHOW WE ARE DOING A GOOD JOB	OUR CURRENT RESULTS	OUR TARGETS			
(LEVELS OF SERVICE)	(PERFORMANCE MEASURES)	(2013/14)	2015/16	2016/17	2017/18	2018/19- 2024/25
The Council empowers and supports the arts and culture sector to strengthen leadership and co-operation in the sector.	Major projects from the Arts Strategy are implemented. Networking opportunities are provided.	Projects implemented.	Annual projects and networking opportunities and their outcomes will be described.	Annual projects and networking opportunities and their outcomes will be described.	Annual projects and networking opportunities and their outcomes will be described.	Annual projects and networking opportunities and their outcomes will be described.
The Council provides funding and facilities to external organisations to help it achieve its Arts Strategy ¹ .	Arts and Culture Funding is distributed. The Council will report on the achievements of the funded organisations.	Funding provided.	Funding is distributed and the general outcomes achieved will be described.	Funding is distributed and the general outcomes achieved will be described.	Funding is distributed and the general outcomes achieved will be described.	Funding is distributed and the general outcomes achieved will be described.
	The Council provides a mix of studio, performance, rehearsal, exhibition, retail and office space for the arts (e.g. Square Edge and the Stomach).	New measure.	Facilities provided for a diverse range of arts groups and outcomes described.	Facilities provided for a diverse range of arts groups and outcomes described.	Facilities provided for a diverse range of arts groups and outcomes described.	Facilities provided for a diverse range of arts groups and outcomes described.
The Council provides appropriate facilities for the cultural CCOs (Te Manawa, the Regent on Broadway, the Globe Theatre, Caccia Birch).	30 year asset management plans are in place that cover Te Manawa, the Regent, Globe Theatre and Caccia Birch. Major AMP projects approved in the 10 Year Plan are achieved.	AMP was in place.	AMP in place and major projects (building and asset renewals and scheduled seismic strengthening) achieved.	AMP in place and major projects (building and asset renewals and scheduled seismic strengthening) achieved.	AMP in place and major projects (building and asset renewals and scheduled seismic strengthening) achieved.	AMP in place and major projects achieved. Specific projects will be listed in 10 Year and Annual Plans.
The Council manages its Arts and Culture Activity in a financially sustainable way.	10 Year Plan levels of service and programmes are achieved within budget.	Services were provided within budget	Services provided within budget.	Services provided within budget.	Services provided within budget.	Services provided within budget.

¹ Drivers in the Council’s Arts Strategy are to strengthen leadership and bring people together in the art sector; to enhance the look and feel of the City; to increase participation and involvement in the arts, to celebrate diversity of culture and creativity; and to improve access to the arts.

ARTS AND CULTURE - ACTIVITY FINANCIAL STATEMENTS

Budget 2014/15 \$'000s		10YP 2015/16 \$'000s	10YP 2016/17 \$'000s	10YP 2017/18 \$'000s	10YP 2018/19 \$'000s	10YP 2019/20 \$'000s	10YP 2020/21 \$'000s	10YP 2021/22 \$'000s	10YP 2022/23 \$'000s	10YP 2023/24 \$'000s	10YP 2024/25 \$'000s
	REVENUE										
-	Grants to Arts and Cultural Groups	-	-	-	-	-	-	-	-	-	-
-	TOTAL REVENUE	-	-	-	-	-	-	-	-	-	-
	EXPENSES										
1,000	Grants to Arts and Cultural Groups	1,118	1,157	1,185	1,162	1,429	1,186	1,222	1,262	1,305	1,352
1,579	Other Cultural Facilities	1,767	1,818	1,820	1,887	1,997	2,133	2,282	2,451	2,692	2,687
3,851	Te Manawa	3,861	3,918	3,985	4,061	4,151	4,247	4,349	4,462	4,581	4,709
6,430	TOTAL EXPENSES	6,746	6,893	6,990	7,110	7,577	7,565	7,854	8,175	8,579	8,748
6,430	NET OPERATING COST OF ACTIVITY	6,746	6,893	6,990	7,110	7,577	7,565	7,854	8,175	8,579	8,748
	RATING REQUIREMENT										
(1,432)	Less Depreciation	(1,522)	(1,535)	(1,532)	(1,516)	(1,526)	(1,529)	(1,530)	(1,565)	(1,741)	(1,726)
340	Plus Net Capital Renewal (3 Year Average)	156	200	254	467	449	436	504	627	915	981
125	Plus Debt Repayment	91	98	105	113	135	162	199	236	272	291
5,463	RATES REQUIREMENT	5,472	5,657	5,816	6,175	6,635	6,635	7,027	7,472	8,025	8,293
	CAPITAL EXPENDITURE										
1,010	Renewal	250	61	157	382	221	797	329	182	1,001	698
1,249	New	775	143	105	1,238	1,583	2,290	2,053	1,841	63	65
2,259	TOTAL CAPITAL EXPENDITURE	1,025	205	262	1,621	1,805	3,087	2,382	2,022	1,063	763
	FUNDED BY										
-	External Revenue New	-	72	-	-	-	-	-	-	-	-
340	Rates	156	200	254	467	449	436	504	627	915	981
1,919	New Borrowing / (Repayment)	869	(67)	9	1,154	1,355	2,651	1,878	1,395	149	(217)
2,259	TOTAL	1,025	205	262	1,621	1,805	3,087	2,382	2,022	1,063	763

ARTS AND CULTURE - OPERATING PROGRAMMES

ID-NAME	GROWTH	LOS	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
			\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
778-Arts Strategy Implementation	0%	100%	32	33	34	35	36	37	38	39	40	42
831-Regent Theatre Additional Funding	0%	100%	126	129	132	136	140	144	149	154	159	164
913-Christmas in The Square	0%	100%	50	51	53	54	56	57	59	61	63	65
1157-World War 1 Commemoration	0%	100%	20	41	42	43	278	-	-	-	-	-
1199-Regent Theatre - Increased Operating Grant to Allow for Better Front of House Hospitality	0%	100%	30	31	32	32	33	34	35	37	38	39
1200-Caccia Birch - Increased Operating Grant	0%	100%	27	28	28	29	30	31	32	33	34	35
1201-Globe Theatre - Increased Operating Grant	0%	100%	20	21	21	22	22	23	24	24	25	26
1253-Manawatu Jazz Festival - Funding Support	0%	100%	5	-	-	-	-	-	-	-	-	-
TOTAL			310	333	342	351	594	326	336	347	359	372

ARTS AND CULTURE - CAPITAL RENEWAL

ID-NAME	GROWTH	LOS	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
			\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
213-Cultural Facilities - Replacement of Structures, Internal Fitout and Services	0%	100%	250	61	157	382	221	797	329	182	1,001	698
TOTAL			250	61	157	382	221	797	329	182	1,001	698
Funded by Council (Rates and Borrowing)			250	61	157	382	221	797	329	182	1,001	698

ARTS AND CULTURE - CAPITAL NEW

ID-NAME	GROWTH	LOS	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
			\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
367-Public Sculptures/Art Funding	0%	100%	-	-	-	54	55	57	59	61	63	65
902-Seismic Strengthening of Council Owned Buildings	0%	100%	-	-	105	1,185	1,528	2,233	1,995	1,780	-	-
1016-C/fwd - Seismic Strengthening of Council Owned Buildings	0%	100%	775	-	-	-	-	-	-	-	-	-
1176-Globe Theatre - Mobility Access to Main Auditorium (subject to part external funding)	0%	100%	-	143	-	-	-	-	-	-	-	-
TOTAL			775	143	105	1,238	1,583	2,290	2,053	1,841	63	65
Funded by Council (Rates and Borrowing)			775	72	105	1,238	1,583	2,290	2,053	1,841	63	65

City Library and Community Development

What the Council does

The Council provides the Central Library, four branch libraries (Ashhurst, Awapuni, Highbury / Te Pātikitiki, and Roslyn), the mobile library, and the Youth Space in Coleman Mall. It also provides the Ian Matheson City Archives (the City Council's Archives and Community Archives), and a prison library service.

The services that the libraries provide are growing: they still provide access to printed information – but access to digital information is becoming increasingly important. The libraries also provide community spaces where people can come to meet, learn and participate in events.

These libraries' services are free for residents of Palmerston North City (other than charges for some services such as audio-visual materials and best sellers).

The Council also provides seven community centres (for example, the Highbury Whanau Centre, the Ashhurst Village Valley Centre and the Awapuni Community Centre). These help cater for the recreational and social needs of local neighbourhoods.

The Council also works with community groups, neighbourhoods and communities in Palmerston North. These services include funding, office space, rental subsidies and rates remissions for community groups, training, interagency collaboration, advocacy, support, and information and advice.

Why the Council does this and how it contributes to the Council's Vision and Goals

In the past few years the role of a library has changed fundamentally from being a book warehouse to being a community centre for information, learning and community interaction. The key roles of a library today are:

- Collecting, curating and providing access to knowledge, ideas and works of the imagination
- Fostering the joy of reading and supporting the development of literacy in all its forms
- Enabling independent lifelong learning, research and innovation
- Providing community based services for all in places that are at the heart of the community
- Collecting, creating and making available local history.

This change has come about in response to community expectations and changes in technology.

The Library carried out focus group studies in 2009 and found that people want more space in the library for community centred activities. They want to use library spaces to come together and showcase their culture and their creativity, and to build a sense of community.

The amalgamation of City Library and Community Development activities also enables more community-based service delivery in a variety of ways. This includes people being able to experience more of the library out in community spaces and places.

Technology is also driving changes in communication and reading experiences. Social networking has become one of the most common forms of interaction. Access to the Internet is now regarded as a fundamental human right. Libraries are now doing more to provide access to computers and the Internet, especially for those people who otherwise would have limited access.

Priorities and major projects in the next 10 years

The Council will continue to focus on providing access to digital resources and technologies like the Internet and e-books. It will also continue to focus on meeting changing demographic needs, which includes the increasing ethnic diversity - over 130 languages are now spoken in the City.

A new community hub for the Kelvin Grove area is planned. It will ensure that the City Council has a tangible place, in the form of a community facility, in an area that has been waiting a considerable time for this action to take place. At the same time the area continues to grow. The Council will investigate options for the location of the community hub, with construction planned for 2018/19.

The Central Library is the most heavily used Council facility, with more than 10,000,000 visits since it opened 18 years ago. The resources and services provided on opening are undergoing transformational change as libraries adapt from static to dynamic; fixed to flexible; separated technology to embraced technology; collection to connection; book warehouse to community centre and transactions to relationships. To complement the attitudinal change required, the physical space of the Central Library needs a major revitalisation, to maintain its place as one of the truly

outstanding public libraries in the country, if not further afield. The Council is planning this process to be spread over three years, beginning in 2015/16.

Significant negative effects

There are no significant negative effects from this Activity.

How people can judge the Council’s success

WHAT WE DO	HOW WE SHOW WE ARE DOING A GOOD JOB	OUR CURRENT RESULTS		OUR TARGETS		
(LEVELS OF SERVICE)	(PERFORMANCE MEASURES)	(2013/14)	2015/16	2016/17	2017/18	2018/19- 2024/25
The Council provides access to information, ideas, and works of the imagination (books, audio-visual materials and digital content).	Library weekly opening hours. ¹	Libraries were open for more than scheduled hours.	The Central Library is open at least 53 hours; community libraries at least 26 hours each; and the mobile library has at least 38 stops.	The Central Library is open at least 53 hours; community libraries at least 26 hours each; and the mobile library has at least 38 stops.	The Central Library is open at least 53 hours; community libraries at least 26 hours each; and the mobile library has at least 38 stops.	The Central Library is open at least 53 hours; community libraries at least 26 hours each; and the mobile library has at least 38 stops.
	Total issues or uses of physical materials and online materials (eg: books, magazines, DVDS, CDs,e-books, and subscriptions). (Note: the use of physical materials is expected to decrease or plateau, while use of e-books and digital content databases is expected to increase.)	New measure.	Total use of materials and resources matches or exceeds the previous year’s figure.	Total use of materials and resources matches or exceeds the previous year’s figure.	Total use of materials and resources matches or exceeds the previous year’s figure.	Total use of materials and resources matches or exceeds the previous year’s figure.
	Number of members and visitors to the library facilities and events in community spaces.	New measure.	Membership and visitor numbers at least match the annual average of the previous 3 years.	Membership and visitor numbers at least match the annual average of the previous 3 years.	Membership and visitor numbers at least match the annual average of the previous 3 years.	Membership and visitor numbers at least match the annual average of the previous 3 years.
	Resident satisfaction with Council’s libraries. (Communitrak Survey ² .)	98%.	No measure.	At least 95%.	No measure.	At least 95% (2019/20 and 2022/23).

1 KPI excludes scheduled and well-advertised closures for library developments (e.g. adding RFID barcodes to books and other items).

2 Communitrak Survey is every three years. Satisfaction percentages exclude “don’t knows.”

WHAT WE DO	HOW WE SHOW WE ARE DOING A GOOD JOB	OUR CURRENT RESULTS	OUR TARGETS			
(LEVELS OF SERVICE)	(PERFORMANCE MEASURES)	(2013/14)	2015/16	2016/17	2017/18	2018/19- 2024/25
The Council provides support for lifelong learning.	Number of participants in lifelong learning initiatives such as Summer Holiday Reading Programme, Local History Week, and Stepping Up Programmes.	New measure.	The number of participants will at least match the previous year's number. The Council will also report on their expectations and the actual outcomes.	The number of participants will at least match the previous year's number. The Council will also report on their expectations and the actual outcomes.	The number of participants will at least match the previous year's number. The Council will also report on their expectations and the actual outcomes.	The number of participants will at least match the previous year's number. The Council will also report on their expectations and the actual outcomes.
	Number of digital and non-digital help sessions run.	New measure.	The number and length of time spent on one-on-one engagements in all sites and in community spaces is more than in the previous year.	The number and length of time spent on one-on-one engagements in all sites and in community spaces is more than in the previous year.	The number and length of time spent on one-on-one engagements in all sites and in community spaces is more than in the previous year.	The number and length of time spent on one-on-one engagements in all sites and in community spaces is more than in the previous year.
The Council provides online access to the digital world.	Use of internet and Wi-Fi.	New measure.	Total Wi-Fi and internet sessions, unique sessions and length of sessions increase. (Within this PC usage is expected to plateau.)	Total Wi-Fi and internet sessions, unique sessions and length of sessions increase. (Within this PC usage is expected to plateau.)	Total Wi-Fi and internet sessions, unique sessions and length of sessions increase. (Within this PC usage is expected to plateau.)	Total Wi-Fi and internet sessions, unique sessions and length of sessions increase. (Within this PC usage is expected to plateau.)
The Council provides empowering leadership, funding and support to the community sector. to help achieve Council's Social Strategy.	The Council organises an annual Social Well-Being Forum that identifies outcomes and actions to achieve these.	Forum was held.	Forum held. Outcomes and actions will be described.	Forum held. Outcomes and actions will be described.	Forum held. Outcomes and actions will be described.	Forum held. Outcomes and actions will be described.
	Funding is distributed to community groups.	Funding was distributed.	Funding distributed and the outcomes achieved will be described.	Funding distributed and the outcomes achieved will be described.	Funding distributed and the outcomes achieved will be described.	Funding distributed and the outcomes achieved will be described.
	Hancock Community House is available for community office space and is used by a wide range of community groups.	Community House space was available.	Community House space available and tenanted by a diverse range of groups.	Community House space available and tenanted by a diverse range of groups.	Community House space available and tenanted by a diverse range of groups.	Community House space available and tenanted by a diverse range of groups.

WHAT WE DO	HOW WE SHOW WE ARE DOING A GOOD JOB	OUR CURRENT RESULTS	OUR TARGETS			
(LEVELS OF SERVICE)	(PERFORMANCE MEASURES)	(2013/14)	2015/16	2016/17	2017/18	2018/19- 2024/25
The Council makes available community centres for community use.	Community centres are available and well used. (This KPI is to be reviewed as part of the Community Centre Review.)	New measure.	Each centre used for at least 1,000 hours a year.	Each centre used for at least 1,000 hours a year.	Each centre used for at least 1,000 hours a year.	Each centre used for at least 1,000 hours a year.
The Council provides funding for events that build city identity and celebrate its diverse communities.	Celebrating Communities funding is distributed to help achieve Council's Events Strategy.	New measure.	Funding distributed and the outcomes achieved will be described.	Funding distributed and the outcomes achieved will be described.	Funding distributed and the outcomes achieved will be described.	Funding distributed and the outcomes achieved will be described.
The Council provides a wide range of activities and support for youth.	Youth Space usage and number of events and activity sessions. Key outcomes will also be described.	New measure.	The number of visits, events and programmes at least matches the previous year. The outcomes of these will also be described.	The number of visits, events and programmes at least matches the previous year. The outcomes of these will also be described.	The number of visits, events and programmes at least matches the previous year. The outcomes of these will also be described.	The number of visits, events and programmes at least matches the previous year. The outcomes of these will also be described.
The Council manages its City Library and Community Development Activity in a financially sustainable way.	10 Year Plan levels of service and programmes are achieved within budget.	Services were provided but library budget exceeded.	Services provided within budget.	Services provided within budget.	Services provided within budget.	Services provided within budget.

CITY LIBRARY AND COMMUNITY DEVELOPMENT- ACTIVITY FINANCIAL STATEMENTS

Budget 2014/15 \$'000s		10YP 2015/16 \$'000s	10YP 2016/17 \$'000s	10YP 2017/18 \$'000s	10YP 2018/19 \$'000s	10YP 2019/20 \$'000s	10YP 2020/21 \$'000s	10YP 2021/22 \$'000s	10YP 2022/23 \$'000s	10YP 2023/24 \$'000s	10YP 2024/25 \$'000s
REVENUE											
390	Main Library - Living Room of the City	346	356	365	375	386	397	409	423	437	453
15	Library Books and Content	30	31	32	32	33	34	35	37	38	39
324	Grants/Community Centres/Branch Libraries	275	283	290	298	306	315	324	335	346	358
729	TOTAL REVENUE	651	669	687	705	725	746	769	794	821	850
EXPENSES											
4,065	Main Library - Living Room of the City	4,109	4,128	4,315	4,547	4,826	5,119	5,300	5,415	5,603	5,850
3,246	Library Books and Content	3,165	3,212	3,303	3,643	3,780	3,735	3,851	4,084	4,067	4,203
4,764	Grants/Community Centres/Branch Libraries	5,015	5,157	5,258	5,447	5,688	5,864	6,087	6,263	6,450	6,646
12,074	TOTAL EXPENSES	12,290	12,497	12,875	13,637	14,295	14,718	15,238	15,763	16,121	16,699
11,345	NET OPERATING COST OF ACTIVITY	11,639	11,828	12,189	12,932	13,570	13,972	14,469	14,969	15,300	15,849
RATING REQUIREMENT											
(2,113)	Less Depreciation	(1,864)	(1,806)	(1,925)	(2,201)	(2,281)	(2,499)	(2,648)	(2,658)	(2,641)	(2,712)
1,176	Plus Net Capital Renewal (3 Year Average)	1,145	1,321	1,360	1,540	1,592	1,636	1,573	1,751	1,849	1,939
159	Plus Debt Repayment	204	204	273	346	404	412	422	406	382	340
10,568	RATES REQUIREMENT	11,125	11,548	11,896	12,617	13,284	13,522	13,816	14,468	14,889	15,417
CAPITAL EXPENDITURE											
1,592	Renewal	1,054	1,229	1,363	1,372	1,344	1,903	1,528	1,478	1,714	2,061
30	New	200	333	1,130	2,906	1,028	973	-	-	-	-
1,622	TOTAL CAPITAL EXPENDITURE	1,254	1,562	2,494	4,278	2,372	2,876	1,528	1,478	1,714	2,061
FUNDED BY											
-	External Revenue New	75	77	-	81	83	-	-	-	-	-
1,176	Rates	1,145	1,321	1,360	1,540	1,592	1,636	1,573	1,751	1,849	1,939
445	New Borrowing / (Repayment)	34	164	1,134	2,657	697	1,239	(45)	(273)	(135)	122
1,622	TOTAL	1,254	1,562	2,494	4,278	2,372	2,876	1,528	1,478	1,714	2,061

CITY LIBRARY AND COMMUNITY DEVELOPMENT- OPERATING PROGRAMMES

ID-NAME	GROWTH	LOS	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
			2015/16 \$'000s	2016/17 \$'000s	2017/18 \$'000s	2018/19 \$'000s	2019/20 \$'000s	2020/21 \$'000s	2021/22 \$'000s	2022/23 \$'000s	2023/24 \$'000s	2024/25 \$'000s
395-Welcome To New Residents	0%	100%	12	12	13	13	13	14	14	14	15	15
803-Maori/Pasifika Community Development	0%	100%	61	62	64	66	67	69	72	74	76	79
811-Digital Resources and Content	0%	100%	60	62	63	65	67	69	71	73	76	78
812-Youth Council Grants and Scholarships	0%	100%	5	6	6	7	8	9	9	10	11	13
931-CBD - CCTV Monitoring	0%	100%	13	13	13	14	14	14	15	15	16	16
1142-Te Mana Kuratahi National Primary and Intermediate Kapa Haka Event	0%	100%	40	-	-	-	-	-	-	-	-	-
1148-City Library and Community Services - Website and Virtual Services Upgrade and Renewal	0%	100%	15	77	16	16	106	17	18	116	19	20
1149-Digital Citizenship Programme	0%	100%	20	20	21	22	22	23	23	24	25	26
1160-Public/City Library: 150 Years Celebration	0%	100%	-	-	-	-	-	-	-	-	19	20
1161-Palmerston North City: 150 Years Celebration	0%	100%	-	-	-	-	-	-	-	12	63	131
1163-Kelvin Grove - New Community Hub - Ongoing Resourcing	0%	100%	-	-	-	67	138	142	147	151	156	162
1210-Social Support to Social Housing	0%	100%	50	51	52	54	55	57	59	61	63	65
1211-The Library of the Future - Concept Plan Development	0%	100%	50	-	-	-	-	-	-	-	-	-
1254-Lions Club of Kairanga - Traffic Management Planning Assistance for Fireworks Over the River	0%	100%	5	-	-	-	-	-	-	-	-	-
TOTAL			331	303	248	323	491	414	427	551	539	624

CITY LIBRARY AND COMMUNITY DEVELOPMENT- CAPITAL RENEWAL

ID-NAME	GROWTH	LOS	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
			2015/16 \$'000s	2016/17 \$'000s	2017/18 \$'000s	2018/19 \$'000s	2019/20 \$'000s	2020/21 \$'000s	2021/22 \$'000s	2022/23 \$'000s	2023/24 \$'000s	2024/25 \$'000s
178-Central Library Replacement of Furniture and Fittings	0%	100%	-	128	53	54	56	86	59	61	95	65
188-Replacement and Purchase of New Library Materials (Books, ebooks and non-Book Purchases)	0%	100%	750	760	780	860	900	939	980	987	996	1,032
202-Central Library Interior Design Renewals	0%	100%	-	113	195	103	122	212	112	134	233	124
203-Interior Design of Community Libraries, Youth Space, and Mobile Library	0%	100%	-	41	52	32	33	34	35	36	38	39
265-City-wide - Community Centre Refurbishments	0%	100%	33	61	10	140	55	392	138	40	38	710
777-Genealogy Equipment	0%	100%	-	44	-	-	-	-	50	-	-	-
1014-C/fwd - Central Library - Interior Design Renewals	0%	100%	175	-	-	-	-	-	-	-	-	-
1120-Ashhurst and Te Patikitiki Community Library Renewals	0%	100%	-	-	-	108	-	-	-	-	-	-
1138-Digital Technology to Support 21st Century Citizens and Service (Renewal)	0%	100%	-	-	105	54	111	57	59	122	63	65
1139-Radio Frequency Identification (RFID) Materials Management	0%	100%	-	21	105	22	22	114	24	24	126	26
1143-Pataka Ipurangi (Archives Digital Library)	0%	100%	60	62	63	-	-	-	-	-	-	-
1144-Pataka Ipurangi (Archival Digital Library) Renewal	0%	100%	-	-	-	-	44	-	-	-	50	-
1151-City Libraries - Building Security System Renewal	0%	100%	-	-	-	-	-	69	71	73	76	-
1222-C/fwd - Interior Design of Community Libraries, Youth Space, and Mobile Library	0%	100%	36	-	-	-	-	-	-	-	-	-
TOTAL			1,054	1,229	1,363	1,372	1,344	1,903	1,528	1,478	1,714	2,061
Funded by Council (Rates and Borrowing)			1,054	1,229	1,363	1,372	1,344	1,903	1,528	1,478	1,714	2,061

CITY LIBRARY AND COMMUNITY DEVELOPMENT - CAPITAL NEW

ID-NAME	GROWTH	LOS	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
			\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
300-Kelvin Grove - New Community Hub Fitout	0%	100%	-	-	-	188	-	-	-	-	-	-
336-City Archives - Additional Storage	0%	100%	-	-	-	460	-	-	-	-	-	-
342-Kelvin Grove - New Community Hub	0%	100%	-	-	-	799	-	-	-	-	-	-
1101-The Library of the Future	0%	100%	-	-	894	1,296	945	973	-	-	-	-
1137-Digital Technology to Support 21st Century Citizens and Services	0%	100%	50	77	26	-	-	-	-	-	-	-
1141-Community Learning and Transformation Space	0%	100%	25	77	105	-	-	-	-	-	-	-
1147-Open Libraries Project	0%	100%	-	-	52	81	-	-	-	-	-	-
1150-City Libraries - Building Security System Replacement	0%	100%	50	103	53	-	-	-	-	-	-	-
1164-Spatial Augmented Reality Projecting our Stories on the City (subject to part external funding)	0%	100%	75	77	-	81	83	-	-	-	-	-
TOTAL			200	333	1,130	2,906	1,028	973	-	-	-	-
Funded by Council (Rates and Borrowing)			125	256	1,130	2,825	945	973	-	-	-	-

Parks, Sport and Recreation

What the Council does

The Council's parks, sport and recreation assets fall into three main areas:

- sportsfields, parks, reserves and walkways
- Arena Manawatu
- swimming pools.

Sportsfields, Reserves and Walkways: The Council has 173 City-wide and local reserves and sportsfields, ranging in size from 100m², to the 176 hectare Arapuke (Kahuterawa) Forest park. The total area is 836 hectares, or about 9.9 hectares per 1,000 people, with a further 132 hectares that is not publicly accessible. There are also 63 km of walkways and paths in reserves.

The Council provides facilities like cycle stands, car parking and public toilets at major sportsfields. The sportsfields can be used for open space by the community when organised sport is not being played.

Arena Manawatu: The Council maintains and manages Arena Manawatu for the citizens of Palmerston North and surrounding districts for recreation and sporting purposes. It consists of the FMG Stadium, Arena 2, B&M Centre, Arena 3 and Arena 5 (Waldegrave Lounge, Bell and Barber Halls).

Swimming Pools: the Council owns the Lido and Freyberg swimming pools. These are managed for the Council by Community Leisure Management Ltd. The Lido consists of three outdoor pools, four indoor pools, an indoor hydroslide, three new outdoor water features, and a gymnasium.

Public toilets are also managed within this Activity. There are 68 public toilets provided by the Council around the City. These are mostly at parks and sportsfields.

The Council provides funding to Sport Manawatu so it can act as a regional sports, recreation and events coordinator. Sport Manawatu also distributes Council funds for sports and recreation. The Council also provides funding through rental subsidies and rates remissions for a wide range of recreation groups.

It also develops and implements a Recreation and Community Facilities **Asset Management Plan**. The objective of asset management is to deliver **reliable services** to existing and future customers in the most **cost-effective and sustainable way**.

Why the Council does this and how it contributes to the Council's Vision and Goals

This Activity contributes to Council's goal of being a city where people want to live because of its leisure opportunities (e.g. the Arena, parks and reserves, sportsfields and swimming pools). People want to live in a place that has lots of fun things for them and their families to do, either in a formal or informal way. Parks, trees and open spaces also make the City a more attractive place to live and make it more attractive to visitors.

The Council's parks, sport and recreation facilities also help people keep fit and healthy. For example, obesity is recognised as a national issue, and the 2005 MidCentral Health Needs Assessment estimated that over half of the people in Palmerston North are obese or overweight. The Council can play a role in addressing this issue through effective promotion of the range of physical activity opportunities throughout the City, and by removing barriers to people accessing these opportunities.

The Council distributes grants and contracts to various organisations in order to meet the ultimate goal in the Regional Sport and Active Recreation Strategy: "to increase the total time and frequency that people are active". Council subsidies and grants encourage sporting organisations to keep their fees minimal and allow a culture where everyone has the opportunity to participate in active sport and recreation opportunities, regardless of income or circumstance.

The Activity also contributes to the Council's goal of environmental sustainability. It does this by providing green space throughout the City. These spaces enhance environmental values and biodiversity by increasing the amount and variety of trees, plants and birdlife in the City. They also enhance sustainable approaches to transport such as walking and cycling. As well, these areas allow for sustainable drainage systems such as stormwater ponding areas. The Council also minimises the use of chemicals on its sportsfields, reserves and walkways.

The Council has reviewed its recreation policies and developed an overall Active Recreation Strategy. This has a focus on increasing residents' participation in sport and ensuring that Council's facilities are matched to community needs. Much of the Council's focus is on providing recreation assets. The maintenance and development of these is guided by the Recreation and Community Facilities Asset Management Plan.

Asset condition and performance

Sportsfields: These are generally in reasonable condition and are located fairly evenly across the City. Some sportsfields have poor drainage, limiting the availability of fields for play during wet weekends. Sportsfield buildings have been well-maintained and hence are largely in an average to good condition. Assets in poor condition include Colquhoun Park, Bill Brown Park, Lincoln Park, Hokowhitu Park and Bunnythorpe Domain changing rooms, which are programmed for renewal in 2016, 2018, 2020, 2022 and 2024 respectively. Palmerston North has an average level of sportsfield (1.15 hectares of sportsfield playing surface per 1,000 residents), which is meeting current needs.

Parks and reserves: These are also generally in good condition. The reserves are generally well used – but still have enough space to meet current needs, although the Esplanade and Memorial Park (especially the playgrounds) are stretched at peak times.

Arena Manawatu: The FMG Stadium, Arena 2, B&M Centre are newer facilities that are in good condition. Arena 3 is in average condition. Arena 5 (Waldegrave Lounge, Bell and Barber Halls) is a facility in poor condition and reaching the end of its useful life. The Arena facilities are well used but still meet reasonable levels of demand. In 2013 a review of Arena Manawatu was carried out, with four priority areas being identified for future development. The main focus is to make the most of existing facilities and to improve the street frontage and public interface with the facility.

Swimming pools: The Lido Aquatic Centre is in a generally good condition. The Freyberg Pool is also in a generally good condition. Use of the pools increased following the Lido upgrade and patronage has remained at the same levels since. Availability of pool space generally meets community needs.

Public toilets: These are generally in average to good condition and capacity meets people's needs.

Priorities and major projects in the next 10 years

A review of the Active Recreation Strategy will guide the types and locations of the Council's recreation facilities.

Specific projects in the 10 Year Plan include:

- Develop the Wildbase Recovery Centre in the Esplanade. This facility will provide rehabilitation aviaries for some of our most endangered species to rehabilitate from illness and injury before their release back into the wild. There will also be permanent breeding and inflight aviaries. Wildlife patients from all over the country will come to Wildbase Recovery and the facility will give the City a unique opportunity to contribute towards conserving of our native species, while providing visitors with up close and personal experiences with wildlife such as kiwi, takahē, and yellow-eyed penguins.

It is a collaboration between and Palmerston North City Council, Massey University, the Department of Conservation, Rotary, the Wildbase Recovery Community Trust, Rangitāne o Manawātū, and the Lions. It will replace the current aviaries in the Esplanade.

- The Council is also developing the Arena as a central sports hub. Major proposed projects within the first 4 years include: a new Cuba St entrance with better links to the CBD, retractable seating for Arena 2, and floodlights for the rear fields. Longer-term projects include improving other entrances and replacing the buildings off Waldegrave Street. The Council has put up to \$1m to cover the embankment and provide a hard surface for the stockcar pits if businesses and the community also put in \$1m (2017).
- Planning for and developing the Linklater Reserve (ongoing).
- Continuing with walkway construction (ongoing).
- Provision of facilities along the new and existing shared pathways (ongoing).
- Ongoing development of the Edwards Pit Park (Featherston Street Pit).

- Development of Arapuke Forest Park (Kahuterawa) following each year of forest harvest, and implementing pest control and biodiversity protection and enhancement.
- Development of Te Motu o Poutoa / ANZAC Park (2017).
- Increased access to and quality of Manawātū River reserve environments (ongoing).
- A new skatepark facility in Palmerston North (2015). The Council will also build a new skatepark in Ashhurst (to be jointly funded with the Council and the community).
- A grant for up to \$500k, being Council's share of the anticipated cost of \$1.5m, for construction of a third national level hockey turf in the City (2017).
- An artificial sportsfield (2020).
- A junior road safety park (to be jointly funded with the Council and the community) (2015).
- Modifications to the toddler pool at Freyberg (2016).

A preliminary review of indoor court space has indicated there is no need for extra courts, so the programme that was in the previous 10 Year Plan for these has been removed.

The Council has also removed the programme for improvements to the outdoor area and the internal/external layout at the Lido.

Significant negative effects

There are no significant negative effects from this Activity.

How people can judge the Council’s success

WHAT WE DO	HOW WE SHOW WE ARE DOING A GOOD JOB	OUR CURRENT RESULTS	OUR TARGETS			
(LEVELS OF SERVICE)	(PERFORMANCE MEASURES)	(2013/14)	2015/16	2016/17	2017/18	2018/19- 2024/25
The Council provides a well-maintained multi-purpose sports, leisure and cultural facility (Arena Manawatu) that meets a wide range of people’s leisure interests.	Key projects from the Arena Master Plan are implemented.	New measure.	Scheduled projects from the Arena Master Plan are achieved.	Scheduled projects from the Arena Master Plan are achieved.	Scheduled projects from the Arena Master Plan are achieved.	Projects will be identified in 10 Year and Annual Plans.
The Council provides parks that are safe and maintained to a high standard appropriate to their range and level of uses. The Council provides multi-use local reserves, playgrounds and City reserves that meet a diverse range of public leisure interests.	Satisfaction with parks (ParksCheck).	New measure.	At least 89%.	At least 89%.	At least 89%.	At least 89%.
	Resident satisfaction with the Council’s parks. (Communitrak Survey. ¹)	98%.	No measure.	At least 95%.	No measure.	At least 95% (2019/20 and 2022/23).
	A 30 year asset management plan is in place for the parks and reserves and major AMP projects approved in the 10 Year Plan are achieved.	AMP was in place.	AMP in place and major projects (reserves and playgrounds renewals, skate park, junior road safety park ²) achieved.	AMP in place and major projects (reserves and playgrounds renewals, scheduled Linklater Reserve developments) achieved.	AMP in place and major projects (reserves and playgrounds renewals, Te Motu o Poutoa / Anzac Park development, scheduled Linklater Reserve developments) achieved.	AMP in place and major projects achieved. Specific projects will be listed in 10 Year and Annual Plans.
The Council’s sportsfields are available and widely used by a range of sports groups and codes. The Council’s sportsfields are well maintained, accessible and safe to use.	Sportsfields are available for weekend organised use.	100% availability.	At least 85%.	At least 85%.	At least 85%.	At least 85%.
	Satisfaction with sportsfields (ParksCheck).	New measure.	At least 86%	At least 86%	At least 86%	At least 86%
	Resident satisfaction with Council’s sportsfields. (Communitrak Survey. ¹)	98%.	No measure.	At least 90%.	No measure.	At least 90% (2019/20 and 2022/23).
	A 30 year asset management plan is in place for the sportsfields and major AMP projects approved in the 10 Year Plan are achieved. Show major projects.	AMP was in place.	AMP in place and major projects (Lincoln Park carpark resealing, and sportsfields renewals) achieved.	AMP in place and major projects (sportsfields renewals) achieved.	AMP in place and major projects (sportsfields renewals, off-road cycling park) achieved.	AMP in place and major projects achieved. Specific projects will be listed in 10 Year and Annual Plans.

1 Communitrak Survey is every three years. Satisfaction percentages exclude “don’t knows.”

2 Achievement of the Junior Road Safety Park depends upon community fund raising.

WHAT WE DO	HOW WE SHOW WE ARE DOING A GOOD JOB	OUR CURRENT RESULTS	OUR TARGETS			
(LEVELS OF SERVICE)	(PERFORMANCE MEASURES)	(2013/14)	2015/16	2016/17	2017/18	2018/19- 2024/25
The Council provides aquatic facilities that are well-supervised, safe to use, value for money and cater for a range of uses. The Council maintains and develops the swimming pools to meet the current and future needs in a cost-effective way.	Satisfaction with swimming pools (PoolCheck).	New measure.	At least 85%.	At least 85%.	At least 85%.	At least 85%.
	Resident satisfaction with Council's swimming pools. (Communitrak Survey. ¹)	94%.	No measure.	At least 90%.	No measure.	At least 90% (2019/20 and 2022/23).
	Lido and Freyberg pools comply with NZ recommended standards for pool supervision and water quality.	100% compliance.	100% compliance.	100% compliance.	100% compliance.	100% compliance.
	A 30 year asset management plan is in place for swimming pools and major AMP projects approved in the 10 Year Plan are achieved.	AMP was in place.	AMP in place and major projects (aquatics renewals) achieved.	AMP in place and major projects (modifications to Freyberg toddler pool, aquatics renewals) achieved.	AMP in place and major projects (aquatics renewals) achieved.	AMP in place and major projects achieved. Specific projects will be listed in 10 Year and Annual Plans.
The Council provides public toilets that are well-designed, clean and safe to use. The Council provides an adequate number of public toilets that are available where and when people gather.	Number of public toilet facilities (76 facilities in 2015/16 increasing by at least one per year ³).	New measure.	There will be at least 76 facilities.	There will be at least 77 facilities.	There will be at least 78 facilities.	The number of facilities will increase by at least one per year.
	Resident satisfaction with Council's public toilets. (Communitrak Survey. ¹)	90%.	No measure.	At least 80%.	No measure.	At least 80% (2019/20 and 2022/23).
The Council manages its Parks, Sport and Recreation Activity in a financially sustainable way.	10 Year Plan levels of service and programmes are achieved within budget.	Services were provided within budget.	Services provided within budget.	Services provided within budget.	Services provided within budget.	Services provided within budget.

¹ Communitrak Survey is every three years. Satisfaction percentages exclude "don't knows."

³ Actual number of new public toilets will depend upon the location and hence the cost of the new toilets.

PARKS, SPORT AND RECREATION - ACTIVITY FINANCIAL STATEMENTS

Budget 2014/15 \$'000s		10YP 2015/16 \$'000s	10YP 2016/17 \$'000s	10YP 2017/18 \$'000s	10YP 2018/19 \$'000s	10YP 2019/20 \$'000s	10YP 2020/21 \$'000s	10YP 2021/22 \$'000s	10YP 2022/23 \$'000s	10YP 2023/24 \$'000s	10YP 2024/25 \$'000s
	REVENUE										
1,648	Arena Manawatu	1,735	1,778	1,823	1,870	1,923	1,978	2,038	2,103	2,172	2,246
15	City-Wide Reserves	8	8	8	9	9	9	9	10	10	10
150	Local Reserves	103	106	109	112	115	118	122	126	130	134
102	Sportsfields	102	105	108	110	113	117	120	124	128	133
1,915	TOTAL REVENUE	1,949	1,998	2,048	2,101	2,160	2,222	2,289	2,362	2,440	2,523
	EXPENSES										
4,703	Arena Manawatu	4,689	4,890	5,032	5,242	5,546	5,759	6,038	6,302	6,518	6,681
4,620	City-Wide Reserves	4,652	4,880	5,143	5,802	6,037	6,301	6,589	6,777	7,011	7,322
2,648	Local Reserves	2,950	2,894	2,914	3,061	3,285	3,456	3,575	3,767	3,836	3,933
1,784	Sportsfields	1,857	1,890	2,429	1,974	2,024	2,101	2,177	2,332	2,388	2,444
1,723	Swimming Pools	1,723	1,784	1,842	1,883	1,931	1,978	2,027	2,086	2,143	2,185
15,477	TOTAL EXPENSES	15,872	16,338	17,360	17,962	18,824	19,594	20,407	21,263	21,895	22,564
13,562	NET OPERATING COST OF ACTIVITY	13,923	14,341	15,312	15,861	16,664	17,372	18,117	18,901	19,455	20,041
	RATING REQUIREMENT										
(3,194)	Less Depreciation	(3,171)	(3,453)	(3,570)	(3,963)	(4,354)	(4,555)	(4,681)	(5,123)	(5,210)	(5,234)
2,837	Plus Net Capital Renewal (3 Year Average)	2,835	2,823	3,351	2,922	2,836	2,458	2,551	2,803	3,416	3,548
445	Plus Debt Repayment	907	815	901	1,059	1,164	1,283	1,442	1,562	1,697	1,454
13,650	RATES REQUIREMENT	14,494	14,526	15,994	15,879	16,309	16,558	17,430	18,143	19,357	19,809
	CAPITAL EXPENDITURE										
3,255	Renewal	3,097	2,214	3,835	2,577	3,947	2,403	2,307	2,664	2,683	3,062
2,218	New	5,289	4,335	6,966	2,677	2,989	5,464	2,020	2,599	2,076	2,609
5,473	TOTAL CAPITAL EXPENDITURE	8,386	6,549	10,801	5,254	6,936	7,867	4,327	5,263	4,760	5,671
	FUNDED BY										
500	External Revenue Renewal	330	1	146	11	150	-	-	-	-	-
68	External Revenue New	3,069	2,487	1,336	-	42	914	-	-	-	-
225	Development Contributions	115	128	165	191	208	228	242	264	274	303
2,837	Rates	2,835	2,823	3,351	2,922	2,836	2,458	2,551	2,803	3,416	3,548
1,843	New Borrowing / (Repayment)	2,037	1,110	5,804	2,131	3,700	4,267	1,533	2,196	1,070	1,821
5,473	TOTAL	8,386	6,549	10,801	5,254	6,936	7,867	4,327	5,263	4,760	5,671

PARKS, SPORT AND RECREATION - OPERATING PROGRAMMES

ID-NAME	GROWTH	LOS	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
			2015/16 \$'000s	2016/17 \$'000s	2017/18 \$'000s	2018/19 \$'000s	2019/20 \$'000s	2020/21 \$'000s	2021/22 \$'000s	2022/23 \$'000s	2023/24 \$'000s	2024/25 \$'000s
268-Arapuke Forest Park/Kahuterawa Pest Control and Biodiversity Protection and Enhancement	0%	100%	71	72	80	65	61	63	62	69	66	68
355-Arapuke Forest Harvest and Replanting	0%	100%	61	48	73	52	54	67	81	57	40	41
799-National Sports Events and Cycling Support	0%	100%	81	83	85	87	89	92	95	98	101	104
835-Ashhurst Domain - Biodiversity Improvements as Part of Manawatū Gorge Project	0%	100%	42	43	44	46	47	48	50	51	53	55
991-Shade and Shelter Development - Manawatū Community Athletics Track	0%	100%	-	-	75	-	-	-	-	-	-	-
1073-Reserve Management Planning	0%	100%	61	62	64	66	68	69	-	-	-	-
1080-Biodiversity Strategy - Increased Funding for Plant and Animal Pest Control	0%	100%	52	53	19	19	20	21	21	22	23	23
1212-Hockey Turf - Grant for Share of Construction (subject to part external funding)	0%	100%	-	-	500	-	-	-	-	-	-	-
1244-207 Maxwells Line - Public Engagement on the Use of the Site and the Wider Surrounding Areas	0%	100%	5	5	-	-	-	-	-	-	-	-
1249-Arapuke Forest Park - Contribution to Manawatū Mountain Bike Club for Trail Development	0%	100%	20	20	20	20	20	20	20	-	-	-
1252-Manawatū Gorge - Support for the Manawatū Gorge Trail Project	0%	100%	-	25	-	-	-	-	-	-	-	-
1263-City-wide - Gender Neutral Signage on Toilets	0%	100%	1	-	-	-	-	-	-	-	-	-
1265-Edwards Pit Park - Operational Support	0%	100%	-	-	-	-	33	34	35	36	38	39
TOTAL			394	413	960	355	392	414	363	333	320	331

PARKS, SPORT AND RECREATION - CAPITAL RENEWAL

ID-NAME	GROWTH	LOS	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
			\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
98-City-wide Reserves – Renewals (Victoria Esplanade, Memorial Park, Ashhurst Domain and The Square)	0%	100%	240	246	252	258	266	273	282	291	300	310
173-City-wide – Playground Renewals	0%	100%	150	154	262	269	332	342	411	424	563	582
174-City-wide – Replacement of Furniture on Reserves	0%	100%	58	59	61	62	64	66	68	70	73	75
177-City-wide – Replacement of Gardens on Reserves	0%	100%	30	31	31	32	33	34	35	36	38	39
184-City-wide – Walkway Renewals	0%	100%	44	45	46	47	49	50	52	53	55	57
186-City-wide – Public Toilet Refurbishments and Replacements	0%	100%	24	149	26	26	161	28	29	176	30	31
190-City-wide – Replacement of Trees on Reserves	0%	100%	13	13	13	13	14	14	15	15	16	16
194-City-wide – Renewal of Bridges on Reserves	0%	100%	45	-	73	-	50	-	53	-	56	-
195-City-wide – Renewal of Hardsurface Areas on Reserves	0%	100%	64	66	67	69	71	73	75	77	80	83
234-Sportsfields Changing Room Refurbishments	0%	100%	50	51	700	43	740	342	39	303	41	334
254-City-wide – Sportsfield Carpark and Hardsurface Area Resurfacing	0%	100%	70	-	194	-	41	-	31	-	33	-
257-Fitzherbert/Manawaroa/Ongley Parks – Cricket Block Replacements	0%	100%	45	-	47	-	50	-	53	-	56	-
258-City-wide – Refurbishment and Replacement of Boundary Fences on Reserves	0%	100%	44	45	46	47	49	50	52	53	55	57
264-Memorial Park – Sportsfield Sand Carpet Replacement	0%	100%	-	-	-	-	149	-	-	-	-	48
266-Fitzherbert Park – Hockey Turf Refurbishment (subject to part external funding)	0%	100%	-	-	541	-	556	-	-	-	-	-
267-Fitzherbert/Manawaroa/Ongley Parks – Cricket Wicket Renovations	0%	100%	-	12	-	13	-	14	-	15	-	16
269-Vautier Park – Synthetic Court Refurbishments	0%	100%	-	-	-	32	33	34	-	-	-	39
271-Sportsfields Hardsurfaces – Takaro, Wallace and Awapuni Court Renewals	0%	100%	155	-	52	86	-	-	-	-	100	-
565-The Square – Events Quadrant Resurface and Drainage	0%	100%	-	-	-	-	17	-	-	-	-	19
596-Lido Pool – Asset Renewals	0%	100%	565	579	215	221	228	234	241	249	257	266
598-Freyberg Community Pool – Renewal of Capital Plant and Equipment	0%	100%	61	62	64	66	67	69	71	74	76	79
813-Bunnythorpe – Playground and Park Renewals	0%	100%	60	-	-	-	-	-	-	-	-	-
819-Arena Manawatu – Replacement of Equipment	0%	100%	42	43	44	46	47	48	50	51	51	52
1051-Arena Manawatu – Combined Asset Refurbishment	0%	100%	842	650	890	1,030	710	731	753	777	802	959
1108-Hokowhitu Lagoon – Bank Renewal	0%	100%	-	10	210	215	221	-	-	-	-	-
1221-C/fwd – Community Mobile Big Screen – Replacement for Arena Big Screen (subject to part external funding)	0%	100%	495	-	-	-	-	-	-	-	-	-
TOTAL			3,097	2,214	3,835	2,577	3,947	2,403	2,307	2,664	2,683	3,062
Funded by Council (Rates and Borrowing)			2,767	2,214	3,690	2,567	3,797	2,403	2,307	2,664	2,683	3,062

PARKS, SPORT AND RECREATION - CAPITAL NEW

ID-NAME	GROWTH	LOS	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
			\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
93-Memorial Park - Capital Development Programme	0%	100%	48	50	52	56	-	-	-	-	-	-
94-City-wide - Purchase of Land to Extend Walkways Network	15%	85%	63	65	66	68	70	72	74	76	79	81
95-City-wide - Construction of Walkways	15%	85%	68	70	71	73	75	77	80	82	85	88
111-Edwards Pit Park	0%	100%	30	50	52	33	-	-	-	-	-	-
140-Peace Tree Reserve Development	100%	0%	-	-	210	-	-	-	-	-	-	-
144-Urban Growth - Whakarongo - Reserves Land Purchases	100%	0%	-	-	687	-	-	-	-	-	-	-
146-Urban Growth - City West - Reserves Land Purchases	100%	0%	-	-	-	-	-	-	-	-	-	575
157-City-wide - Playground Development	0%	100%	-	15	168	-	-	-	-	24	275	-
158-City-wide - Safety Improvements to Reserves	0%	100%	33	34	35	36	37	38	39	40	41	43
160-City-wide - Improved Access to Reserves for Persons with Disabilities	0%	100%	36	37	38	39	40	41	42	44	45	47
161-City-wide - New Public Toilets	15%	85%	120	123	346	205	210	216	223	230	238	155
165-Arapuke Forest Park/Kahuterawa - Development	0%	100%	65	114	45	39	40	70	8	8	6	6
285-Freyberg Pool - Modifications to Toddler Pool	0%	100%	30	248	-	-	-	-	-	-	-	-
354-Arapuke Forest Park - Infrastructure and Replanting	0%	100%	65	38	-	-	-	-	-	-	-	-
368-Victoria Esplanade - New Aviary (subject to part external funding)	0%	100%	2,675	2,739	-	-	-	-	-	-	-	-
558-Oriana Reserve Development	0%	100%	-	87	-	-	-	-	-	-	-	-
560-Te Motu o Poutoa / Anzac Park Reserve Development	0%	100%	-	-	334	-	-	-	-	-	-	-
568-207 Maxwells Line - Land Development	0%	100%	-	-	-	-	257	-	-	-	-	-
587-Linklater Reserve Development	0%	100%	10	271	278	285	293	121	-	-	-	-
599-Urban Growth - City West - Walkways Land Purchases	100%	0%	-	-	-	-	-	-	-	-	-	120
697-Clearview Reserve Development	0%	100%	-	-	-	-	-	114	-	-	-	-
706-Urban Growth - Whakarongo - Reserves Development	100%	0%	-	-	-	-	23	455	-	-	-	-
708-Urban Growth - Reserves Land Purchase Aokautere Area	100%	0%	-	-	630	-	-	-	727	-	-	-
716-Urban Growth - Whakarongo - Walkways Land Purchases	60%	40%	-	-	359	368	-	-	-	-	-	-
717-Urban Growth - Whakarongo - Walkways Development	60%	40%	-	-	-	-	50	52	-	-	-	-
738-Skatepark Facility (subject to part external funding)	0%	100%	300	-	-	-	-	-	-	-	-	-
752-Manawatū Riverside - Framework Implementation	0%	100%	-	-	278	285	293	302	311	-	-	-
909-C/fwd - Manawatū River Rocklining Below Esplanade - Cost Share Project with Horizons and Powerco	0%	100%	195	-	-	-	-	-	-	-	-	-
925-C/fwd - Te Motu o Poutoa / Anzac Park Reserve Development	0%	100%	383	-	-	-	-	-	-	-	-	-
967-Edibles Planting	0%	100%	5	5	5	5	6	6	6	6	6	6
990-Arena Manawatu - FMG Stadium - Covered Embankment and Pits Area (subject to part external funding)	0%	100%	-	-	2,000	-	-	-	-	-	-	-
1076-Junior Road Safety Park (New Community Project) (subject to part external funding)	0%	100%	450	-	-	-	-	-	-	-	-	-
1077-Biodiversity Enhancement Through Native Planting	0%	100%	20	20	21	22	22	23	23	24	25	26
1081-Victoria Esplanade - Park Road Entrance and Parking Reconfiguration	0%	100%	-	-	26	258	-	-	-	-	-	-
1082-Arena Manawatu - Masterplan Priority 2 Projects	0%	100%	-	-	-	646	554	456	-	-	-	-
1083-Arena Manawatu - Masterplan Priority 3 Projects	0%	100%	-	-	-	-	664	1,253	1,173	1,211	1,251	-
1084-Arena Manawatu - Masterplan Priority 1 Projects	0%	100%	250	256	787	-	-	-	-	-	-	-
1096-Lincoln Park, Ashhurst - Sportsfield Carpark Sealing	0%	100%	210	-	-	-	-	-	-	-	-	-
1097-Sportsfield Drainage - Increased Capacity	0%	100%	-	-	-	183	17	97	6	103	-	-
1099-Parks and Reserves - Shade Development	0%	100%	-	26	-	27	-	28	-	-	-	-
1127-Victoria Esplanade - Bonsai House	0%	100%	-	-	-	-	94	-	-	-	-	-

PARKS, SPORT AND RECREATION - CAPITAL NEW (CONTINUED)

ID-NAME	GROWTH	LOS	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
			\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
1133-Artificial Sportsfield (subject to part external funding)	0%	100%	-	-	-	-	83	1,623	-	-	-	-
1171-City-wide - Increased Smokefree Signage	0%	100%	10	10	10	-	-	-	-	-	-	-
1172-Drinking Fountains at Recreational Facilities	0%	100%	30	31	31	-	-	-	-	-	-	-
1174-Future Outdoor Gyms	0%	100%	-	-	-	-	122	-	-	-	-	142
1175-Parks and Reserves - Shade Trees	0%	100%	25	26	26	27	17	11	12	-	-	-
1181-Hokowhitu Lagoon - Canoe Polo Club Court Improvements	0%	100%	-	-	52	-	-	-	-	-	-	-
1182-Recreation Spaces - Improved Lighting	0%	100%	20	20	21	22	22	23	23	24	25	26
1194-Arena Manawatu - Masterplan Priority 4 Projects	0%	100%	-	-	-	-	-	-	-	-	-	1,293
1202-Bike Manawatu Off-road Cycling Park (subject to part external funding)	0%	100%	-	-	336	-	-	-	-	-	-	-
1217-City-wide Shared Pathways - New Rubbish/Recycling Bins	0%	100%	9	-	-	-	-	-	-	-	-	-
1243-Memorial Park - Changing Room Upgrade (subject to part external funding)	0%	100%	-	-	-	-	-	387	-	-	-	-
1245-Ashhurst - Skatepark Facility (subject to part external funding)	0%	100%	140	-	-	-	-	-	-	-	-	-
TOTAL			5,289	4,335	6,966	2,677	2,989	5,464	2,020	2,599	2,076	2,609
Funded by Council (Rates and Borrowing)			2,220	1,848	5,630	2,677	2,947	4,550	2,020	2,599	2,076	2,609

Group of Activities

Regulatory

The Regulatory Group of Activities is a single Activity.

2

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Regulatory

What the Council does

The Regulatory Activity provides services in five areas – **animal control, building control, planning, public health** (including **noise control**), and **support services**.

Animal Control: The Council provides a 24/7 service to respond to complaints about wandering or stray animals, barking dogs, or animal attacks. The Council also operates an animal pound within the City.

Building Control: The Council processes applications for building consents, undertakes inspections during construction and provides advice and information to customers. It ensures compliance with regulations and undertakes any required enforcement action.

Planning: The Council processes resource consent applications, provides advice on the City's District Plan and information to customers, ensures compliance with current District Plan rules, monitors existing resource consents, and undertakes any required enforcement action. The Council provides residents with information about what they can and cannot do in developing land and resources.

Public Health: The Council inspects food-related premises, hairdressers, funeral parlours, swimming pools and grease traps; enforces noise controls, vermin, hygiene and hazardous substances controls; enforces the Sale and Supply of Alcohol Act 2012 for compliance with licensing provisions; enforces gambling laws; and enforces statutory and Council rules and regulations relating to signs, footpath furniture, abandoned vehicles, overgrown trees and shrubs, and litter.

Support Services: The primary focus is to provide administration support services to the Regulatory Activity.

To also issue street numbers and names, process requests for Land Information Memoranda and Residential Property Enquiries, maintain the Property Issues database, provide customer advice, review and audit building warrants of fitness, and inspect vehicle crossings.

Why the Council does this and how it contributes to the Council's Vision and Goals

This Activity contributes to all of the Council's major City goals.

It makes the City a more attractive place to live by making sure that people and businesses comply with the rules that help make the City a better place to live and help keep people safe and healthy, e.g. animal control, building regulations and commercial food place standards.

It also minimises the negative effects of the different activities that can occur in a city, e.g. noise, overgrown trees and disruptions that occur along residential and industrial boundaries.

It also helps to make sure that buildings and the urban environment are developed in a safe and sustainable way by enforcing planning rules and legislation.

The District Plan (which sets out the rules on what people and businesses can and cannot do with land and properties in the City), the Council's bylaws, and central government legislation drives what Council does in the Regulatory Activity. The Council also has a 'business friendly' approach to help ensure that Palmerston North is an attractive and easy place to do business. The main focus of the approach is to work with

industry groups to improve the efficiency of services, and to provide a seamless service for major development projects.

More detail on how this happens is set out for each of the Activity's five key areas:

Animal Control: Animals such as dogs are popular pets, however it is recognised that there is a potential for these animals to pose a nuisance to other residents, and in some cases to cause serious injury. To minimise the risk of injury to people from animals, the Council provides animal control services. This ensures that people can have the freedom to keep animals and pets, while minimising the impact on other residents.

Building Control: The Council provides this role to facilitate safe residential and commercial building in the City in accordance with the Building Act. Building construction is a complex and technical matter. Buildings are required to be inspected and consented by an accredited building consent authority, to make sure that the buildings are constructed to appropriate standards for safety. The Council became an accredited Building Consent Authority in 2007 and has retained this as a result of audits by International Accreditation New Zealand (IANZ) every two years since 2007 enabling it to carry out building inspections and issue building consents.

Planning: The Council provides planning services and information so people and businesses can develop land and other resources in a way that fits with the surrounding community and environment. It does this by ensuring the developments are in accordance with the District Plan and the Resource Management Act 1991. Resource consent applications are carefully assessed to identify and mitigate the potential adverse effects of proposed developments.

Monitoring of consents is undertaken to ensure compliance. Mediation and enforcement action is undertaken to resolve any non-compliances and environmental matters.

Public Health: The Council provides public health services to ensure a high standard of hygiene is maintained throughout the City, in particular at food premises. Maintaining high standards of hygiene means people can eat at restaurants and cafés without worrying about whether the food is safe to eat. As a part of providing public health services, the Council also ensures that regulations and bylaws set by the Council are enforced. By enforcing bylaws such as the liquor ban, and ensuring compliance with the Sale and Supply of Alcohol Act 2012, the potential for disorderly behaviour is minimised, so residents and visitors can feel safer in the City.

Support Services: The Council provides a wide range of land administration services to make information available to the residents and businesses, ensure emergency services can locate properties without delay or confusion and ensure vehicle crossings are built to the required standard.

Priorities and major projects in the next 10 years

In order for Council to be vibrant, caring, innovative, sustainable and prosperous, there is a need to develop and implement a range of online services. The provision of online services presents an opportunity for the Council to deliver services to its customers via another channel. Online services are a commonly used method of providing service to customers internally and externally and the use of these tools is growing rapidly. As part of the digital strategy the configuration and systems integration will enable Council to use online services as a delivery method for services. Through this approach there are benefits for both Council and its customers.

Customers can choose when they wish to interact with the Council at a time that suits them on a computing device of their choice, the key is they have choices and will be more engaged and accepting of a choice they make. To enable applications to be lodged and payments to be made online enables information to be entered directly into Councils systems (data capture) thereby saving on resources and

improving the level of service.

By 2017/18 the Council aims to have completed an assessment of all potentially earthquake prone buildings in accordance with the Council's current Earthquake-Prone Building Policy (2006). The timeframe and approach is likely to be amended once the Government announces changes to the Building Act 2004 regarding earthquake-prone buildings. The intent of government is clear through the Building (Earthquake-prone Buildings) Amendment Bill 2014. Improving information on the seismic capacity of buildings is a key component of the changes. The Council will be required to undertake a seismic capacity assessment of existing non-residential buildings and multi-storey and multi-unit residential buildings in their districts within five years from commencement.

The current policy states that those assessments are paid for by the Council, but that not all buildings receive an assessment. No decisions have been made regarding the resourcing of assessments and whether this is funded by Council, building owners, or a mixture of both. Regardless of the specific details of the changes, the number of buildings requiring assessment will increase and requires changes to funding.

The Council does not expect a large number of claims for leaky homes. A budget provision of \$333,000 per annum is included in this Plan to settle any claims.

The Council is an accredited Building Consent Authority under the Building Act 2004. However, there are ongoing costs to maintain that accreditation such as auditing Council's building consent processes, ongoing training for new and existing staff. The Council has budgeted \$250,000 per year to maintain accreditation so that it can continue to issue building consents.

Other changes in legislation affect or will affect what the Council does. These include: changes to the Sale and Supply of Alcohol Act 2012, the Resource Management Act 1991, the Building Act 2004, and enforcement from 1 March 2016 of the Food Act 2014.

Significant negative effects

There are no significant negative effects from this Activity.

How people can judge the Council's success

WHAT WE DO	HOW WE SHOW WE ARE DOING A GOOD JOB	OUR CURRENT RESULTS	OUR TARGETS			
(LEVELS OF SERVICE)	(PERFORMANCE MEASURES)	(2013/14)	2015/16	2016/17	2017/18	2018/19- 2024/25
The Council provides a 24/7 30 minute response service for dog attacks.	Complaints regarding dog attacks are responded to by an Animal Control Officer within 30 minutes of the call being received by Council.	100%.	100%.	100%.	100%.	100%
The Council ensures that building work is safe and in accordance with the Building Act by processing building applications, inspecting construction work, inspecting building warrants of fitness, and providing information and advice.	An increasing proportion of building consents applications are processed within statutory timeframes.	99%.	At least 95%.	At least 96%.	At least 97%.	At least 98%.
	The Council keeps its status as an accredited building consent authority.	Accreditation was retained.	Accreditation retained.	Accreditation retained.	Accreditation retained	Accreditation retained
The Council ensures that resource consent applications are processed within the statutory timeframe.	Resource consents applications are processed within statutory timeframes.	99%.	At least 96%.	At least 96%.	At least 96%.	At least 96%.
The Council processes food licence applications and ensures food business are complying with food safety legislation.	Food businesses registered under the food hygiene regulations receive annual inspections.	100%.	100%.	100%.	100%.	100%.
	Food businesses registered with a Food Control Plan receive an annual audit.	New measure.	100%.	100%.	100%.	100%.
The Council provides a 24/7 one hour response service for noise complaints. ¹	Complaints about noise are responded to within one hour (see note).	98%.	At least 95%.	At least 95%.	At least 95%.	At least 95%.
The Council provides friendly, professional and knowledgeable service to its customers. This includes providing the information they are seeking and giving feedback on the results of their requests and complaints.	An increasing proportion of customers surveyed are satisfied with the friendliness, professionalism, and knowledge of the service they receive. (Surveys to be undertaken throughout the year.)	100% (based on previous survey methodology).	At least 50% (new survey methodology will be used).	At least 55%.	At least 60%.	At least 65%.
The Council manages its Regulatory Activity in a financially sustainable way.	10 Year Plan levels of service and programmes are achieved within budget.	Services were provided within budget.	Services provided within budget.	Services provided within budget.	Services provided within budget.	Services provided within budget.

¹ The Council responds directly to noise complaints within one hour after 10pm on Sunday-Thursday nights and after 11pm on Friday and Saturday nights. Prior to these times the Council asks the complainant to ring back within 30 minutes if the noise continues. In these cases the one-hour time starts at that point.

REGULATORY - ACTIVITY FINANCIAL STATEMENTS

Budget 2014/15 \$'000s		10YP 2015/16 \$'000s	10YP 2016/17 \$'000s	10YP 2017/18 \$'000s	10YP 2018/19 \$'000s	10YP 2019/20 \$'000s	10YP 2020/21 \$'000s	10YP 2021/22 \$'000s	10YP 2022/23 \$'000s	10YP 2023/24 \$'000s	10YP 2024/25 \$'000s
	REVENUE										
568	Animal Control	600	622	644	667	692	719	748	779	812	849
2,044	Building Control	2,170	2,256	2,358	2,344	2,444	2,566	2,561	2,680	2,825	2,834
258	Land Administration	334	343	352	362	372	383	395	408	422	437
579	Planning Services - Private	616	635	651	669	688	709	731	755	780	808
21	Planning Services - Public	-	-	-	-	-	-	-	-	-	-
509	Public Health	509	522	536	551	566	583	602	621	642	666
3,980	TOTAL REVENUE	4,230	4,378	4,541	4,592	4,762	4,960	5,036	5,244	5,482	5,594
	EXPENSES										
629	Animal Control	660	683	711	747	773	799	828	859	899	934
3,851	Building Control	3,892	4,019	4,091	4,117	4,197	4,389	4,458	4,648	4,798	4,986
423	Land Administration	376	378	384	394	406	418	431	445	460	477
500	Planning Services - Private	598	606	619	636	654	673	694	717	742	768
809	Planning Services - Public	638	662	693	727	749	772	796	822	856	884
1,217	Public Health	1,221	1,249	1,300	1,355	1,399	1,448	1,498	1,552	1,619	1,680
7,428	TOTAL EXPENSES	7,385	7,597	7,797	7,975	8,178	8,500	8,706	9,043	9,373	9,729
3,448	NET OPERATING COST OF ACTIVITY	3,156	3,220	3,256	3,383	3,415	3,540	3,670	3,799	3,891	4,134
	RATING REQUIREMENT										
(161)	Less Depreciation	(18)	(17)	(22)	(22)	(22)	(23)	(23)	(23)	(25)	(25)
15	Plus Net Capital Renewal (3 Year Average)	15	15	16	16	16	17	17	17	19	19
3,301	RATES REQUIREMENT	3,152	3,217	3,250	3,377	3,409	3,535	3,664	3,793	3,886	4,129
	CAPITAL EXPENDITURE										
-	Renewal	-	44	-	-	47	-	-	52	-	-
-	TOTAL CAPITAL EXPENDITURE	-	44	-	-	47	-	-	52	-	-
	FUNDED BY										
15	Rates	15	15	16	16	16	17	17	17	19	19
(15)	New Borrowing / (Repayment)	(15)	29	(16)	(16)	31	(17)	(17)	35	(19)	(19)
-	TOTAL	-	44	-	-	47	-	-	52	-	-

REGULATORY - OPERATING PROGRAMMES

ID-NAME	GROWTH	LOS	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
			\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
130-Earthquake Prone Buildings – Assessment of Compliance with the Building Act	0%	100%	120	123	130	-	-	-	-	-	-	-
1204-Additional Resources – Building Compliance Resources	0%	100%	-	-	-	-	-	-	-	-	-	-
1205-Additional Resources – Support Services	0%	100%	-	-	-	-	-	-	-	-	-	-
1206-Additional Resources – Training Programme for Building Officer Cadets	0%	100%	108	82	60	117	89	66	128	97	72	141
TOTAL			228	205	190	117	89	66	128	97	72	141

REGULATORY - CAPITAL RENEWAL

ID-NAME	GROWTH	LOS	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
			\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
40-Noise Measuring Equipment for Noise Complaints – Rolling Replacement	0%	100%	-	44	-	-	47	-	-	52	-	-
TOTAL			-	44	-	-	47	-	-	52	-	-
Funded by Council (Rates and Borrowing)			-	44	-	-	47	-	-	52	-	-

Group of Activities

Roading and Parking

The Roding and Parking Group of Activities is a single Activity.

2

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Roading and Parking

What the Council does

The Council manages and develops a **roading network** of 556 km of roads, 113 bridges, 551 km of **footpaths**, 7,807 streetlights, 24 sets of traffic signals, over 2,800 CBD car **parking** spaces, 560 bus stops (80 with shelters), 63 km of **cycle lanes/shared paths** and 14,000 street trees. Operational planning and policy ensures that the network continues to meet the needs of a growing city.

The Council manages the roading network for the safe, efficient, convenient and orderly flow of all traffic – motor vehicles, cycles and pedestrians. As part of this it discourages inappropriate (e.g. heavy vehicles) traffic activity in residential areas. It provides suitable roads for heavy transport.

It also provides facilities such as cycleways, walkways and bus stops and shelters to **encourage people to cycle, walk or use public transport**. Horizons Regional Council is responsible for providing the public transport services.

The Council also works with groups such as the Disabled Persons Assembly to make sure that roads and footpaths are accessible to everybody.

It also develops and implements a Roding and Parking **Asset Management Plan**. The objective of asset management is to deliver **reliable services** to existing and future customers in the most **cost-effective and sustainable way**.

Why the Council does this and how it contributes to the Council's Vision and Goals

The Roding and Parking Activity contributes to all three of the Council's major goals for the City:

1. Social sustainability and people wanting to live here because of the safe and easy lifestyle. People want to be able to move easily around Palmerston North. This means that the roads are safe and that intersections and traffic signals allow traffic to flow freely. Cyclists want safe and cycle friendly access along key routes, such as to schools. Pedestrians want well maintained footpaths free from defects, overhanging trees and vehicles parked on them. They want pedestrian crossings to be safe and easy to use for everybody.

People also use roads, cycle ways and footpaths to get to many of the social, cultural and recreational opportunities in the City. Cycling itself is a major recreation activity.

2. Environmental sustainability. The Roding and Parking Activity does have some potential significant negative effects of the environment but it works hard to minimise and mitigate these.

The negative impacts can include:

- water run-off pollution from road traffic and air emissions from road transport and their associated health impacts
- traffic noise and vibration
- community severance relating to heavy traffic on strategic and arterial routes
- visual intrusion of roads and degradation of amenity

values

- public health risks associated with traffic crashes.

In response to these the Council:

- makes roading improvements to minimise traffic delays and hence air pollution
- improves road surfaces in the urban areas to keep road noise to a minimum without compromising safety
- weighs up all issues during planning of new roads
- plants approximately 200-300 additional street trees each year
- promotes alternative means of transport – e.g. public transport and walking and cycling
- carries out remedial work on those areas with a high number of crashes or safety concerns.

The Council also installs energy efficient street lighting as the street lighting network is maintained and upgraded.

3. A city which attracts and retains businesses. Businesses also depend on roading and parking to ensure the efficient movement of goods and services, and so that their customers can easily reach their businesses.

This Activity is guided by several sets of Plans. These include the Regional Land Transport Strategy and the Integrated Transport Strategy. The Integrated Transport Strategy is a new strategy that is currently being developed. It will be adopted early in 2015. The strategies show how the Council provides a roading network that has easy and comfortable movement for vehicles throughout the City with a high level of safety and a low level of delays.

Under the Sustainable City Strategy the Council encourages people to use environmentally-friendly transport options, such as cycling, walking and public transport.

Other important guiding documents for this Activity include the Cycle Action Plan, the Comprehensive Parking Management Plan, the Public Transport Position Statement and the Integrated Parking Strategy. Active transportation includes those forms of transport that involve physical activity, such as cycling, jogging, skateboarding and walking.

The Public Transport Position Statement seeks improvements in the frequency, hours and routes of the local and commuter bus services. (These services are funded by the Regional Council.)

The Integrated Parking Strategy and Comprehensive Parking Management Plan encourage people to use public and active transport for a more sustainable, less car-use intensive future.

The Urban Design Strategy sets out how roads, cycleways and paths make it easier for people to connect with different parts of the City. It also shows how they can contribute to the look and feel of the City.

The Council also develops and implements a Roading and Parking Asset Management Plan. The objective of asset management is to deliver the required level of service to existing and future customers in the most cost-effective way.

Therefore asset management planning includes:

- defining the services to be provided, and the measures used to monitor the good delivery of these
- translating Council's Strategic Vision and Goals into activity strategies and action plans
- responsibly managing the infrastructure so that public funds are optimally applied to deliver cost-effective services that meet customer expectations
- documenting current asset management practices used by the Council as part of a sustainable and optimised lifecycle management strategy and identifying actions planned to enhance management performance
- complying with the requirements of relevant legislation.

Asset condition and performance

The City's roads are generally in an average condition. ("Average" means that they have been assessed as being well maintained and not deteriorating. Hence they are fit for their everyday usage.) There are noticeable signs that defects are increasing on some Arterial and Collector routes – and a preventative maintenance and renewal schedule has been introduced to retain road pavements at an acceptable condition for the foreseeable future.

Pavement roughness data indicates that Palmerston North road are relatively smooth.

Urban arterial roads are likely to experience continued traffic growth, as the population increases and new development occurs. Significant future heavy traffic growth is anticipated in expanding industrial areas. Plans are in place to address this through intersection upgrades, road widening, traffic signal installation.

There has been a steady trend of reduced injury accidents on the City's roads over the past 28 years, with a decrease of approximately 25% over the past 10 years.

Footpaths are also in a good condition – 80% of footpaths are rated 1 or 2 on a scale of 1 to 5, with 1 being in perfect condition and 5 being unacceptable. Only 0.37% are graded as a 5, and programmes are in place to fix these.

Priorities and major projects in the next 10 years

Key projects include:

- Finalising the Integrated Transport Strategy.
- The Council had \$9m in the previous 10 year Plan Plan for a bus terminal. This has been reduced to \$2m so the project will be re-scoped accordingly (2018).
- Urban Design Streetscapes - The Square programmes (2017, 2018, 2019, 2021).
- Ongoing minor safety roading improvements around the City - approximately \$700,000 per year is allocated for this.
- A shared cycle/pedestrian pathway between

Palmerston North and Bunnythorpe (2018).

- A shared cycle/pedestrian pathway between Fitzherbert Bridge and Linton (2015).
- A shared cycle/pedestrian pathway between James Line and Stoney Creek Road (2015).
- A pedestrian/cycle bridge over the Manawatū River (2018).
- Upgrade of strategic routes for high productivity motor vehicles (HPMVs) (2017, 2018, 2020, 2021).
- Roading upgrades and improvements associated with Whakarongo urban growth (various and ongoing).
- Additional cycle facilities (various and ongoing).
- Street light LEDs (2015).
- Undergrounding of PowerCo and Telecom cables (2015 onwards).
- Upgrading Broadway, incorporating the CBD and bus terminal (2016).
- Providing a grant for the purchase of bikes and helmets, and construction of tracks in schools (2015 and 2018 onwards).
- Working with Bike Manawatu to build an off-road cycling park (2017).
- Implementation of the Street Design Manual (ongoing).

Significant negative effects

This Activity's significant negative effects are listed under the heading of Environmental Sustainability in the section on Why the Council does this and its contribution to Council's Vision and Goals.

How people can judge the Council's success

WHAT WE DO	HOW WE SHOW WE ARE DOING A GOOD JOB	OUR CURRENT RESULTS	OUR TARGETS			
(LEVELS OF SERVICE)	(PERFORMANCE MEASURES)	(2013/14)	2015/16	2016/17	2017/18	2018/19- 2024/25
The Council provides a roading network that has easy and comfortable movement for motorists and cyclists throughout the City with a high level of safety and a low level of delays.	Mandatory: The average quality of ride on the sealed local road network, measured by smooth travel exposure.	New measure.	At least 80%.	At least 80%.	At least 80%.	At least 80%.
	Mandatory: The change in the number of fatal and serious injury crashes from the previous financial year on the City's local roading network. ¹	Year 1 will set the baseline.	Fewer than the previous year.	Fewer than the previous year.	Fewer than the previous year.	Fewer than the previous year.
	Mandatory: Percentage of sealed roads that are resurfaced each year.	New measure.	Over 3.5%.	Over 3.5%.	Over 3.5%.	Over 3.5%.
	Resident satisfaction with the Council's roads. (Communitrak Survey ² .)	82%.	No measure.	At least 80%.	No measure.	At least 80% (2019/20 and 2022/23).
The Council provides footpaths that are smooth and free of hazards, and pram crossings that are safe and easy to negotiate for a wide range of users.	Mandatory: The percentage of footpaths receiving a grade 4 or 5 condition rating on a 1 (best) to 5 (worst) scale.	0.5%.	Less than or equal to 1%.	Less than or equal to 1%.	Less than or equal to 1%.	Less than or equal to 1%.
	The number of complaints and requests for service about footpaths.	No measure.	Year 1 will set baseline number.	Reduction in number of complaints and requests for service.	Reduction in number of complaints and requests for service	Reduction in number of complaints and requests for service
	Resident satisfaction with the Council's footpaths. (Communitrak Survey ² .)	73%.	No measure.	At least 70%.	No measure.	At least 70% (2019/20 and 2022/23).
The Council provides facilities which encourage more travel by cycling, walking or public transport.	Resident satisfaction with the Council's onroad cycle lanes. (Communitrak Survey ² .)	New 10 Year Plan measure. (2013 survey results 71%)	No measure.	At least 70%.	No measure.	At least 70% (2019/20 and 2022/23).
The Council provides car parking that is conveniently available throughout the City to meet the needs of retailers, shoppers, commuters and visitors.	Resident satisfaction with the Council's parking. (Communitrak Survey ² .)	50%.	No measure.	At least 65%.	No measure.	At least 65% (2019/20 and 2022/23).

1 It will be difficult to measure this for a financial year as the New Zealand Transport Agency Crash Analysis System data has a time lag of 3-4 months. The numbers of fatal and serious injuries can vary from year to year so the Council will also report on five-yearly rolling trends.

2 Communitrak Survey is every three years. Satisfaction percentages exclude "don't knows."

WHAT WE DO	HOW WE SHOW WE ARE DOING A GOOD JOB	OUR CURRENT RESULTS	OUR TARGETS			
(LEVELS OF SERVICE)	(PERFORMANCE MEASURES)	(2013/14)	2015/16	2016/17	2017/18	2018/19- 2024/25
The Council maintains and develops the roading, footpaths and cycleways to meet current and future needs in a cost-effective way.	A 30 year asset management plan is in place for Council's roading and major AMP projects approved in the 10 Year Plan are achieved.	AMP was in place.	AMP in place and major projects (network renewals, LED streetlight upgrade, Fitzherbert Bridge to Linton cycleway [2 year project]) achieved.	AMP in place and major projects (network renewals, Fitzherbert Bridge to Linton cycleway) achieved.	AMP in place and major projects (network renewals, The Square East Side (ANZ to Plaza)streetscape upgrade, Ferguson Street [Linton Street to Pitt Street] widening, Stoney Creek Road [school] safety upgrade) achieved.	AMP in place and major projects achieved. Specific projects will be listed in 10 Year and Annual Plans.
	Mandatory: Percentage of requests for service relating to roads and footpaths responded to (with at least an initial formal response) within three working days.	New measure.	At least 95%.	At least 95%.	At least 95%.	At least 95%.
The Council manages its Roding and Parking Activity in a financially sustainable way.	10 Year Plan levels of service and programmes are achieved within budget.	Services were provided within budget.	Services provided within budget.	Services provided within budget.	Services provided within budget.	Services provided within budget.

The Council will be adopting an Integrated Transport Strategy in 2015/16. After this it will prepare a Transport Management Plan. This may lead to new KPIs.

ROADING AND PARKING - ACTIVITY FINANCIAL STATEMENTS

Budget 2014/15 \$'000s		10YP 2015/16 \$'000s	10YP 2016/17 \$'000s	10YP 2017/18 \$'000s	10YP 2018/19 \$'000s	10YP 2019/20 \$'000s	10YP 2020/21 \$'000s	10YP 2021/22 \$'000s	10YP 2022/23 \$'000s	10YP 2023/24 \$'000s	10YP 2024/25 \$'000s
	REVENUE										
-	Footpaths	-	-	-	-	-	-	-	-	-	-
3,727	Parking	3,702	3,758	3,841	3,933	4,031	4,140	4,256	4,384	4,520	4,669
1,212	Roads	1,307	1,328	1,376	1,415	1,456	1,502	1,564	1,604	1,661	1,723
171	Street Facilities	191	194	198	203	208	213	219	226	233	241
586	Street Lighting	546	443	424	439	456	475	494	516	538	563
457	Traffic Services	494	503	516	531	547	564	583	603	625	648
6,152	TOTAL REVENUE	6,240	6,226	6,355	6,522	6,698	6,895	7,116	7,333	7,577	7,844
	EXPENSES										
1,869	Footpaths	1,728	1,782	1,789	1,798	1,820	1,842	1,859	1,873	1,887	1,902
2,640	Parking	2,824	2,875	2,991	3,099	3,191	3,270	3,359	3,458	3,566	3,668
13,162	Roads	12,824	13,016	13,899	14,994	15,757	16,973	17,797	18,304	20,173	20,542
2,930	Street Facilities	2,809	2,738	2,916	2,922	2,999	3,206	3,295	3,393	3,493	3,623
1,783	Street Lighting	1,624	1,662	1,767	1,833	1,881	1,937	1,990	2,049	2,108	2,171
2,117	Traffic Services	2,097	2,196	2,115	2,253	2,386	2,518	2,648	2,754	2,883	3,022
24,501	TOTAL EXPENSES	23,907	24,270	25,477	26,899	28,034	29,747	30,949	31,831	34,109	34,928
18,349	NET OPERATING COST OF ACTIVITY	17,667	18,044	19,122	20,377	21,336	22,853	23,833	24,498	26,531	27,083
	RATING REQUIREMENT										
(9,275)	Less Depreciation	(9,282)	(9,462)	(10,031)	(10,371)	(10,591)	(11,364)	(11,690)	(11,807)	(12,802)	(13,014)
3,434	Plus Net Capital Renewal (3 Year Average)	3,281	3,478	3,568	3,689	3,669	3,745	3,830	3,889	4,074	4,267
709	Plus Debt Repayment	991	1,071	1,230	1,435	1,697	1,903	2,127	2,334	2,514	2,703
13,216	RATES REQUIREMENT	12,657	13,131	13,889	15,130	16,111	17,137	18,100	18,913	20,317	21,039
	CAPITAL EXPENDITURE										
5,715	Renewal	6,096	5,326	5,337	6,797	5,630	5,821	6,536	6,071	6,309	6,719
4,265	New	11,355	9,246	13,535	13,514	7,243	12,276	11,746	6,792	2,891	4,707
9,980	TOTAL CAPITAL EXPENDITURE	17,451	14,573	18,871	20,311	12,873	18,097	18,283	12,863	9,200	11,426
	FUNDED BY										
2,212	External Revenue Renewal	2,534	2,128	2,115	2,781	2,163	2,236	2,581	2,376	2,469	2,589
668	External Revenue New	3,529	4,213	3,384	477	389	3,380	3,661	424	437	498
600	Development Contributions	481	539	692	804	872	959	1,015	1,109	1,151	1,275
3,434	Rates	3,281	3,478	3,568	3,689	3,669	3,745	3,830	3,889	4,074	4,267
3,066	New Borrowing / (Repayment)	7,627	4,213	9,111	12,561	5,779	7,777	7,195	5,066	1,070	2,797
9,980	TOTAL	17,451	14,573	18,871	20,311	12,873	18,097	18,283	12,863	9,200	11,426

ROADING AND PARKING - OPERATING PROGRAMMES

ID-NAME	GROWTH	LOS	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
			\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
28-i-Site - Provision of Cycle Parking Lockers	0%	100%	10	-	-	-	-	-	-	-	-	-
1115-Massey and Research Institutes Development (Food HQ) - Investigation	0%	100%	150	152	-	-	-	-	-	-	-	-
1167-Placemaking Co-created Project	0%	100%	50	51	52	53	54	56	57	59	61	63
1207-Additional Resources - City Networks	0%	100%	-	76	104	212	218	223	230	237	244	252
1214-Bikes in Schools	0%	100%	150	-	-	53	54	56	57	59	61	63
1250-City East (Mangaone Stream to Manawatū River) - Shared Path Connection (Investigation)	0%	100%	-	25	-	-	-	-	-	-	-	-
1262-Ashhurst Christmas Lights	0%	100%	2	2	2	2	2	2	2	2	2	3
TOTAL			362	306	158	320	328	337	347	357	368	380

ROADING AND PARKING - CAPITAL RENEWAL

ID-NAME	GROWTH	LOS	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
			\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
64-City-wide - Footpath Renewals and Replacements	0%	100%	650	665	685	707	731	757	784	815	847	882
74-City-wide - Street Light Replacements	0%	100%	130	132	135	138	141	145	149	154	159	164
82-City-wide - Off Street Parking Resurfacing, Remarking and Signage Replacement	0%	100%	10	10	10	11	11	11	11	12	12	126
115-City-wide - Sealed Pavement Renewals	0%	100%	1,675	1,380	1,420	1,470	1,524	1,577	1,633	1,695	1,761	1,832
122-City-wide - Road Drainage Replacements	0%	100%	454	465	480	496	514	533	553	575	599	624
139-City-wide - Sealed Road Resurfacing	0%	100%	1,689	1,720	1,780	1,840	1,905	1,974	2,047	2,127	2,213	2,305
155-City-wide - Street Tree Replacements	0%	100%	60	61	62	64	65	67	69	71	73	76
162-City-wide - Vehicle Crossing Replacements	0%	100%	397	407	420	434	449	466	484	503	524	546
175-City-wide - Traffic Signals Renewals	0%	100%	470	477	249	64	65	101	103	106	110	151
181-City-wide - Bus Shelter Upgrades and Replacements	0%	100%	-	-	34	34	35	-	-	-	-	-
648-City-wide - Replacement of Deteriorating Cycle Stands	0%	100%	11	11	11	11	12	12	12	13	13	13
741-Kairanga Bunnythorpe Road (Jacks Creek) - Bridge Renewal	0%	100%	265	-	-	-	-	-	-	-	-	-
742-Campbells Road - Bridge Renewal	0%	100%	-	-	52	1,411	-	-	-	-	-	-
743-Railway Road - Culvert Renewal	0%	100%	-	-	-	-	58	-	-	-	-	-
744-Kairanga Bunnythorpe Road (Mangaone Stream) - Bridge Renewal	0%	100%	-	-	-	-	-	56	574	-	-	-
828-City-wide - Parking Meter Replacement	0%	100%	-	-	-	117	120	123	115	-	-	-
1238-C/fwd - Kairanga Bunnythorpe Road (Jacks Creek) - Bridge Renewal	0%	100%	285	-	-	-	-	-	-	-	-	-
TOTAL			6,096	5,326	5,337	6,797	5,630	5,821	6,536	6,071	6,309	6,719
Funded by Council (Rates and Borrowing)			3,562	3,198	3,221	4,016	3,467	3,585	3,955	3,696	3,840	4,130

ROADING AND PARKING - CAPITAL NEW

ID-NAME	GROWTH	LOS	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
			2015/16 \$'000s	2016/17 \$'000s	2017/18 \$'000s	2018/19 \$'000s	2019/20 \$'000s	2020/21 \$'000s	2021/22 \$'000s	2022/23 \$'000s	2023/24 \$'000s	2024/25 \$'000s
57-Manawatū River - Downstream Pedestrian/Cycle Bridge Construction (subject to part external funding)	0%	100%	850	3,042	3,157	139	-	-	-	-	-	-
114-City-wide - New Cycle Stands and Shelters	0%	100%	17	17	18	18	18	19	20	20	21	21
148-City-wide - Bus Stop Improvements	0%	100%	35	35	36	37	38	39	40	41	43	44
159-Kelvin Grove Road (Stoney Creek Road to Henaghans Road) - Vertical Realignment of 5 Dips	50%	50%	-	-	-	-	-	1,229	1,290	-	-	-
163-City-wide - New Street Tree Planting	0%	100%	27	27	28	29	29	30	31	32	33	34
167-Urban Growth - Whakarongo - James Line Upgrade	63%	37%	2,247	703	-	-	-	-	-	-	-	-
201-City-wide - Roading Subdivision Contributions	100%	0%	160	162	166	170	174	179	184	189	195	202
209-The Square (Main Street West to Rangitikei Street) - Streetscape Upgrade	0%	100%	-	-	-	-	2,096	-	-	-	-	-
228-Upgraded Strategic Routes to HPMV Standard	25%	75%	-	-	1,349	1,822	-	1,108	663	-	-	-
243-City Centre - Major Upgrade of Main Bus Terminal (Urban and Inter-regional Services)	0%	100%	-	-	-	2,000	-	-	-	-	-	-
244-The Square East Side (ANZ to Plaza) - Streetscape Upgrade	0%	100%	-	193	1,895	-	-	-	-	-	-	-
247-The Square (Church Street, from the Plaza to Square Edge) - Streetscape Upgrade	0%	100%	-	-	-	-	-	1,946	-	-	-	-
248-The Square (Broadway/The Square to Rangitikei/Cuba) - Streetscape Upgrade	0%	100%	-	-	-	2,022	-	-	-	-	-	-
279-City-wide - Minor Road Projects	0%	100%	700	710	725	743	761	782	804	828	854	882
324-Park Road / Cook Street - Intersection Upgrade	25%	75%	-	-	-	478	-	-	-	-	-	-
506-City-wide - Split Rubbish/Recycling Bins	0%	100%	21	22	22	23	23	24	24	25	26	27
636-Aokautere Drive (from Titirangi Drive to Aokautere Village) - Shared Cycle/Pedestrian Facilities	0%	100%	-	-	-	-	-	-	-	-	-	312
684-Longburn Rongotea Road/No. 1 Line Intersection - Safety Upgrade	25%	75%	-	-	-	-	-	1,452	1,952	-	-	-
732-Summerhill Drive - Pedestrian and Cycle Improvements	0%	100%	-	254	-	-	-	-	-	-	-	-
829-City-wide - Undergrounding of Power and Telecom Cables	0%	100%	400	406	978	365	374	384	395	407	419	433
839-Rangitikei Street (SH3) / Featherston Street - Intersection Widening	0%	100%	-	-	-	906	(1,156)	-	-	875	-	1,890
876-C/fwd - City Centre - Major Upgrade of Main Bus Terminal (Urban and Inter-regional Services)	0%	100%	255	-	-	-	-	-	-	-	-	-
910-Ferguson Street (Linton Street to Pitt Street) - Road Widening and Traffic Signal Installation	55%	45%	-	-	1,262	-	-	-	-	-	-	-
977-Manawatū River (Fitzherbert Bridge to Linton) - Cycle/Pedestrian Pathway (subject to part external funding)	0%	100%	1,000	1,318	-	-	-	-	-	-	-	-
1002-Urban Growth - Whakarongo - Vehicle Underpass	75%	25%	-	-	-	-	-	-	-	-	-	357
1003-Urban Growth - Whakarongo - Intersection Upgrades	70%	30%	-	24	143	780	1,305	2,011	1,089	450	-	-
1007-Urban Growth - Whakarongo - Internal Roads	40%	60%	-	30	119	149	163	179	92	219	146	44
1037-Mangaone Stream Shared Path - Underpass at Botanical Road	0%	100%	-	-	280	-	-	-	-	-	-	-
1038-Mangaone Stream Shared Path - Underpass at Highbury Avenue	0%	100%	-	-	280	-	-	-	-	-	-	-
1039-City East (Mangaone Stream to Manawatū River) - Shared Path Connection	0%	100%	-	-	389	525	256	240	207	-	-	-
1040-Napier Road (SH3)/Roberts Line - Intersection Safety Upgrade	0%	100%	-	-	-	-	-	1,044	-	-	-	-
1086-City Wide - Street Lighting Upgrade to Current LEDs	0%	100%	2,700	1,622	-	-	-	-	-	-	-	-
1087-Industrial Growth - NEIZ - Alderson Drive to Richardsons Line Link	80%	20%	-	-	-	-	-	-	-	-	1,006	101
1089-Industrial Growth - NEIZ - Richardsons Line Upgrade	100%	0%	-	-	-	1,248	-	-	-	2,782	-	-
1090-Industrial Growth - NEIZ - Intersection Upgrades	75%	25%	-	-	684	-	-	-	-	781	-	208
1095-Palmerston North to Bunnythorpe - Cycle/Pedestrian Pathway	0%	100%	-	-	168	788	1,322	528	-	-	-	-
1121-Massey and Research Institutes Development (Food HQ) (subject to part external funding)	0%	100%	-	-	-	-	-	2,793	2,871	-	-	-
1124-Orrs Road - Seal Extension	0%	100%	-	-	-	-	-	101	-	-	-	-
1125-Park Road (from Fitzherbert Avenue to Katene Street) - Cycle/Pedestrian Improvements	0%	100%	-	-	-	212	-	-	-	-	-	-
1131-City Boundary Entrance Treatments	0%	100%	250	254	-	-	-	-	-	-	-	-
1132-Milson Line Mangaone Stream Bridge	0%	100%	-	-	-	-	870	-	-	-	-	-

ROADING AND PARKING - CAPITAL NEW (CONTINUED)

ID-NAME	GROWTH	LOS	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
			\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
1134-City Entrance Corridors - Streetscape Improvements	0%	100%	-	-	363	934	838	-	-	-	-	-
1155-City-wide - Street Seats	0%	100%	11	11	11	12	12	12	13	13	13	14
1183-Stoney Creek Road (School) Safety Upgrade	25%	75%	-	-	1,347	-	-	-	-	-	-	-
1215-CBD - Bird Control	0%	100%	50	-	-	-	-	-	-	-	-	-
1216-City-wide - Additional Cycle Lanes	0%	100%	100	101	104	106	109	112	115	118	122	126
1223-C/fwd - CBD - Under Veranda Lighting (subject to part external funding)	0%	100%	474	-	-	-	-	-	-	-	-	-
1225-C/fwd - Manawatū River (Ashhurst to Riverside Drive) - Cycle/Pedestrian Pathway	0%	100%	575	-	-	-	-	-	-	-	-	-
1226-C/fwd - Tremaine Avenue/North Street - Traffic Signal Installation	0%	100%	199	-	-	-	-	-	-	-	-	-
1228-C/fwd - Albert Street - New Kerb and Channel - Non-subsidised	0%	100%	26	-	-	-	-	-	-	-	-	-
1229-C/fwd - Manawatū River (Fitzherbert Bridge to Linton) - Cycle/Pedestrian Pathway	0%	100%	396	-	-	-	-	-	-	-	-	-
1230-C/fwd - Manawatū River (Ashhurst SH Bridge to Domain Cafe) - Cycle/Pedestrian Pathway	0%	100%	57	-	-	-	-	-	-	-	-	-
1231-C/fwd - Ashhurst/Cambridge Ave RAB	0%	100%	210	-	-	-	-	-	-	-	-	-
1232-C/fwd - Parking Sensors	0%	100%	440	-	-	-	-	-	-	-	-	-
1248-James Line to Stoney Creek Road - Cycle/Pedestrian Pathway	0%	100%	110	-	-	-	-	-	-	-	-	-
1257-City-wide - Cycle Phases at Intersections	0%	100%	10	10	10	11	11	11	11	12	12	13
1258-Turitea Road - Pedestrian Path/Steps	0%	100%	10	-	-	-	-	-	-	-	-	-
1259-Broadway Avenue upgrade	0%	100%	-	304	-	-	-	-	-	-	-	-
1260-Ashhurst - Footpath Improvements	0%	100%	25	-	-	-	-	-	-	-	-	-
TOTAL			11,355	9,246	13,535	13,514	7,243	12,276	11,746	6,792	2,891	4,707
Funded by Council (Rates and Borrowing)			7,826	5,033	10,150	13,038	6,854	8,896	8,085	6,369	2,454	4,209

Group of Activities

Rubbish and Recycling

The Rubbish and Recycling Group of Activities is a single Activity.

2

Rubbish and Recycling

What the Council does

The Council collects and disposes of refuse and recyclables from households and businesses in the City. This includes a weekly kerbside **refuse and recyclables collection service for households in residential areas**. Recycling and rubbish collections are also provided in the CBD and to some other commercial properties.

The Council also operates recycling facilities at Ferguson Street, the Awapuni landfill site and **transfer stations at Ashhurst and Bunnythorpe**. People outside the kerbside collection area can drop-off waste at these **collection points** and at the privately owned facility at Bennett Street. There is a green waste drop-off facility at the Awapuni landfill site.

There is a materials recovery facility at the closed Awapuni landfill site where sorting and processing of recyclables takes place. Composting of **green waste** and organic material also occurs at Awapuni. Harvesting of the closed Awapuni landfill gas and conversion to electrical energy is also part of this Activity. One privately owned transfer station also operates in the City. Refuse and all non-recyclable waste is taken to the Bonny Glen landfill via the private transfer station.

The Rubbish and Recycling Activity also includes waste minimisation and public education services to encourage the reduction, re-use and recycling of waste.

It also develops and implements a Rubbish and Recycling **Asset Management Plan**. The objective of asset management is to deliver **reliable services** to existing and future customers in the most **cost-effective and sustainable** way.

Why the Council does this and how it contributes to the Council's Vision and Goals

The Rubbish and Recycling Activity contributes to all three of the Council's City goals of people wanting to live here, attracting and retaining businesses, and environmental sustainability.

People want to live in a place that helps them look after the environment by making it easy for them to recycle. They want a city to have reliable and efficient waste and recyclables kerbside collection services. They want to minimise the amount of waste that goes into landfills.

Businesses also rely on the efficient collection of their waste.

An efficient and safe waste collection and disposal service is essential for the health and quality of life of the community and environment, and supports the business activities in the City. The Council also has legislative reasons for its involvement in Rubbish and Recycling:

- the Health Act 1956, which requires the Council to provide 'sanitary works', the definition of which includes works for the collection and disposal of refuse
- the Waste Minimisation Act 2008, which encourages waste minimisation and a decrease in waste disposal.

The Waste Management and Minimisation Plan guides how the Council encourages people to reduce their resource use, to re-use resources, and to increase their recycling. The key target in the Plan is to divert 75% of the waste that would be otherwise buried in landfills and cleanfills to beneficial uses of waste.

The Council develops and implements a Rubbish and Recycling Asset Management Plan. The objective of asset management is to deliver reliable services to existing and future customers in the most cost-effective and sustainable way. Therefore asset management planning includes:

- defining the services to be provided, and the measures used to monitor the effective delivery of these
- translating Council's Strategic Vision and Goals into activity strategies and action plans
- responsibly managing the infrastructure so that public funds are optimally applied to deliver cost-effective services that meet customer expectations
- documenting current asset management practices used by the Council as part of a sustainable and optimised life-cycle management strategy and identifying actions planned to enhance management performance
- complying with the requirements of relevant legislation.

Asset condition and performance

All Awapuni landfill assets are in good condition. The closed landfill and composting operations are operated in compliance with resource consents for the discharge of leachate, landfill gas, dust, odour and waste management.

The recycling facilities are reasonably new and are in excellent condition. The Rubbish and Recycling Activity assets have sufficient capacity to meet current and projected waste flows.

Recycling wheelie bins and glass recycling crates were distributed to all properties within the collection area in 2010. The bins and crates are in good condition.

Priorities and major projects in the next 10 years

No significant changes to the Rubbish and Recycling Activity are proposed during the next 10 years. Services will be extended to newly zoned residential areas at Whakarongo and City West as they develop. Enhanced services to the commercial areas, such as food waste collection, will be considered.

The Plan includes ongoing funding to promote recycling and waste minimisation.

Significant negative effects

The Activity has the following significant negative effects. They are being managed as indicated:

- Gas emissions from closed landfills: Various gases including methane, ammonia, hydrogen sulphide and nitrogen gases may be produced in the landfill and released into the atmosphere. A grid of collection wells has been established on the landfill with the collected gas being used for energy generation. This greatly reduces release of environmentally harmful emissions.
- Leachate and stormwater discharges: Leachates discharging from the closed landfill and sediment eroding off the landfill can result in degradation of the environment if they are not contained. Mitigation of these effects is through a system of leachate and stormwater collection and return to the wastewater treatment plant. In addition there is extensive groundwater monitoring required by resource consents for substances that may have toxic effects.

How people can judge the Council's success

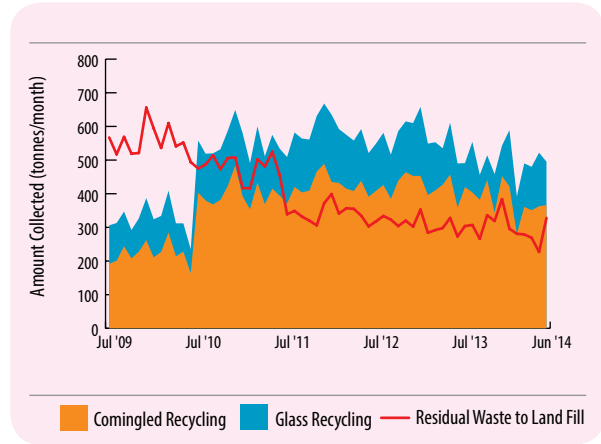
WHAT WE DO	HOW WE SHOW WE ARE DOING A GOOD JOB	OUR CURRENT RESULTS	OUR TARGETS			
(LEVELS OF SERVICE)	(PERFORMANCE MEASURES)	(2013/14)	2015/16	2016/17	2017/18	2018/19- 2024/25
The Council provides a weekly reliable rubbish collection service to maintain hygiene standards in the City.	Rubbish and recycling placed in the Council's official receptacles is collected on the stated day.	Target was met.	At least 98%.	At least 98%.	At least 98%.	At least 98%.
The Council provides a reliable weekly recycling kerbside collection service to residential areas of the City.	Collection points are available and open for the stated hours. ¹	Collections points were open and available.	Collections points open and available.	Collections points open and available.	Collections points open and available.	Collections points open and available.
The Council provides reliable rubbish and recycling collection points for customers outside of the kerbside collection service.	Resident satisfaction with the Council's rubbish and recycling collections. (Communitrak Survey ² .)	92%.	No measure.	At least 85%.	No measure.	At least 85% (2019/20 and 2022/23).
The Council provides green waste disposal facilities for the City.	Green waste facility is available and open for the stated hours.	Facility was open and available.	Facility open and available.	Facility open and available.	Facility open and available.	Facility open and available.
The Council manages waste in an efficient and sustainable way.	No abatement notices received. No infringement notices received. No enforcement orders received. No convictions received by the Council in relation to resource consents for the Rubbish and Recycling Activity.	New measure.	No notices, orders, or convictions are received.	No notices, orders, or convictions are received.	No notices, orders, or convictions are received.	No notices, orders, or convictions are received.
The Council maintains and develops the rubbish and recycling system to meet the current and future needs in a cost-effective way.	A 30 year asset management plan is in place for rubbish and recycling and major AMP projects approved in the 10 Year Plan are achieved.	AMP was in place.	AMP in place and major projects (renewals, safety improvements at Awapuni Resource Recovery Park) achieved.	AMP in place and major projects (renewals) achieved.	AMP in place and major projects (renewals) achieved.	AMP in place and major projects achieved. Specific projects will be listed in 10 Year and Annual Plans.
The Council manages its Rubbish and Recycling Activity in a financially sustainable way.	10 Year Plan levels of service and programmes are achieved within budget.	Services were provided within budget.	Services provided within budget.	Services provided within budget.	Services provided within budget.	Services provided within budget.

1 Ferguson Street Recycling Centre, Awapuni Resource Recovery Park, Ashhurst transfer station, and Bunnythorpe transfer station. For details on their location and hours go to www.pncc.govt.nz and search for "recycling facilities"

2 Communitrak Survey is every three years. Satisfaction percentages exclude "don't knows."

Rubbish and recycling trends reflect many factors, most of which are outside of the Council's control. Trends show that the amounts of waste from Council's collections that is recycled or that goes to landfill fluctuate (see graph). However, two patterns stand out:

- the overall amount of residual waste going to landfill is dropping
- there was a big increase in the amounts recycled in July 2010 when Council introduced the weekly collections with the wheelie bins and crates.



RUBBISH AND RECYCLING - ACTIVITY FINANCIAL STATEMENTS

Budget 2014/15 \$'000s		10YP 2015/16 \$'000s	10YP 2016/17 \$'000s	10YP 2017/18 \$'000s	10YP 2018/19 \$'000s	10YP 2019/20 \$'000s	10YP 2020/21 \$'000s	10YP 2021/22 \$'000s	10YP 2022/23 \$'000s	10YP 2023/24 \$'000s	10YP 2024/25 \$'000s
	REVENUE										
1,701	Waste Minimisation	1,400	1,435	1,472	1,512	1,556	1,603	1,652	1,707	1,765	1,828
1,288	Waste Management	1,150	1,287	1,326	1,367	1,412	1,460	1,511	1,567	1,627	1,692
380	Landfill Management	400	318	326	335	345	355	366	378	391	405
3,369	TOTAL REVENUE	2,950	3,040	3,124	3,214	3,313	3,418	3,530	3,652	3,783	3,925
	EXPENSES										
5,900	Waste Minimisation	5,213	5,257	5,375	5,425	5,607	5,757	5,933	6,058	6,258	6,453
1,494	Waste Management	1,421	1,653	1,700	1,752	1,808	1,868	1,931	2,001	2,075	2,157
911	Landfill Management	888	298	307	317	329	341	354	368	384	401
8,305	TOTAL EXPENSES	7,522	7,208	7,382	7,493	7,744	7,966	8,218	8,427	8,718	9,010
4,936	NET OPERATING COST OF ACTIVITY	4,572	4,168	4,258	4,279	4,431	4,548	4,688	4,775	4,935	5,085
	RATING REQUIREMENT										
(499)	Less Depreciation	(660)	(666)	(733)	(738)	(777)	(812)	(818)	(824)	(868)	(874)
108	Plus Net Capital Renewal (3 Year Average)	257	335	398	540	766	886	849	585	443	450
785	Plus Debt Repayment	1,147	1,145	1,224	1,330	1,421	1,517	1,620	1,729	860	855
5,330	RATES REQUIREMENT	5,316	4,982	5,147	5,412	5,841	6,139	6,339	6,265	5,370	5,515
	CAPITAL EXPENDITURE										
101	Renewal	209	278	308	419	467	735	1,098	825	625	306
439	New	1,335	179	515	124	128	132	136	140	145	150
539	TOTAL CAPITAL EXPENDITURE	1,544	457	823	543	595	867	1,233	966	770	456
	FUNDED BY										
108	Rates	257	335	398	540	766	886	849	585	443	450
432	New Borrowing / (Repayment)	1,287	122	425	3	(172)	(19)	384	380	327	6
539	TOTAL	1,544	457	823	543	595	867	1,233	966	770	456

RUBBISH AND RECYCLING - OPERATING PROGRAMMES

ID-NAME	GROWTH	LOS	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
			\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
374-Waste Minimisation - Funding to Assist Activities	0%	100%	170	174	179	184	189	195	201	207	214	222
TOTAL			170	174	179	184	189	195	201	207	214	222

RUBBISH AND RECYCLING - CAPITAL RENEWAL

ID-NAME	GROWTH	LOS	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
			\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
185-Awapuni Resource Recovery Park and Rubbish Transfer Stations - Roading, Drainage and Infrastructure Replacements	0%	100%	50	51	53	54	56	57	59	61	63	65
612-Recycling - Wheelie Bin and Crate Replacements	0%	100%	118	164	223	299	393	659	949	739	529	219
649-Recycling - Materials Recovery Facility Renewals	0%	100%	16	16	33	17	18	18	90	26	33	21
1085-Awapuni Resource Recovery Park - Replacement of Access Gate with Controlled Entry Gate	0%	100%	-	46	-	-	-	-	-	-	-	-
1104-Awapuni Resource Recovery Park - Weighbridge Kiosk Replacement	0%	100%	-	-	-	49	-	-	-	-	-	-
1239-C/fwd - Awapuni Bore - New Groundwater Monitoring Bore	0%	100%	25	-	-	-	-	-	-	-	-	-
TOTAL			209	278	308	419	467	735	1,098	825	625	306
Funded by Council (Rates and Borrowing)			209	278	308	419	467	735	1,098	825	625	306

RUBBISH AND RECYCLING - CAPITAL NEW

ID-NAME	GROWTH	LOS	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
			\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
646-Awapuni Landfill - Gas Pipeline Link	0%	100%	275	62	-	-	-	-	-	-	-	-
657-Recycling - Wheelie Bins and Crates to Additional Properties	0%	100%	35	36	37	38	39	40	41	43	44	46
721-Awapuni Landfill - Cover and Landscape	0%	100%	80	82	84	86	89	92	94	98	101	104
994-Recycling - Installation of Eddy Current at the Materials Recovery Facility	0%	100%	-	-	168	-	-	-	-	-	-	-
1106-Recycling - Install RFID Tags on Existing Recycling Wheelie Bins	0%	100%	-	-	226	-	-	-	-	-	-	-
1109-Awapuni Resource Recovery Park - Safety Improvements to Materials Recovery Facility and Landfill Site	0%	100%	935	-	-	-	-	-	-	-	-	-
1110-Awapuni Resource Recovery Park - Install Airconditioning in Existing Offices	0%	100%	10	-	-	-	-	-	-	-	-	-
TOTAL			1,335	179	515	124	128	132	136	140	145	150
Funded by Council (Rates and Borrowing)			1,335	179	515	124	128	132	136	140	145	150

Group of Activities

Stormwater

The Stormwater Group of Activities is a single Activity.

2

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Stormwater

What the Council does

The purpose of the stormwater system is to protect residential and commercial buildings from internal flooding from water that ponds during heavy rain. The City Council is also responsible for the stopbanks along the Kawau Stream. (Horizons Regional Council is responsible for the stopbanks that protect the City from flooding of the Manawatū River and Mangaone Stream.)

It does this through a reticulated stormwater system of pipes, pumping stations and channels with capacity to protect from street flooding for a five-year rainfall event and protect buildings from flooding for a 100 year event. These systems consist of 272 km of piped drains, nine km of culverts, 14 pump stations, 91 flood gates and 21 km of open drains.

The City Council also protects the environment and public health by controlling the level of pollutants and sediment in stormwater that is discharged into natural streams and rivers.

It also responds to failures and requests for service in a prompt and efficient way.

The Council manages this Activity to ensure that its environmental impacts are minimised. Stormwater contamination from both urban and rural run-off increases the environmental impact of stormwater discharges. The Council manages this impact through education and monitoring and through the treatment (as appropriate) of the run-off.

The Council also works with the Regional Council to ensure the environmental impacts are minimised.

It also develops and implements a Stormwater Asset Management Plan. The objective of asset management is to

deliver reliable services to existing and future customers in the most cost-effective and sustainable way.

Why the Council does this and how it contributes to the Council's Vision and Goals

The Stormwater Activity contributes to all three of the Council's City goals of people wanting to live here, attracting and retaining businesses, and environmental sustainability.

People want to live in a safe place that has reliable and well maintained stormwater systems so that their homes, workplaces and other buildings are protected from flooding. Business people do not want their businesses to be disrupted by flooding.

Poor infrastructure, such as stormwater, can give a city a negative image, making it harder to attract people and businesses.

People also want to make sure that discharge from the Council's stormwater system has minimal environmental impact. For more information on what the Council does to make sure that the Stormwater Activity contributes to environmental sustainability, see the section on Significant negative effects.

The legislative rationale for the Council's involvement in the Stormwater Activity is contained in:

- the Local Government Act 2002 (section 130), which requires the Council to maintain the water services that it has developed
- the Health Act 1956, which requires the Council to provide 'sanitary works', the definition of

which includes stormwater drainage works.

The Comprehensive Stormwater Management Plan provides guidelines for the planning of future development of the City, recommends stormwater control polices and identifies upgrading and improvement works in areas where major flooding occurs.

The Council develops and implements a Stormwater Asset Management Plan. The objective of asset management is to deliver reliable services to existing and future customers in the most cost-effective and sustainable way.

Therefore asset management planning includes:

- defining the services to be provided, and the measures used to monitor the good delivery of these
- translating Council's Strategic Vision and Goals into activity strategies and action plans
- responsibly managing the infrastructure so that public funds are optimally applied to deliver cost-effective services that meet customer expectations
- documenting current asset management practices used by the Council as part of a sustainable and optimised life-cycle management strategy and identifying actions planned to enhance management performance
- complying with the requirements of relevant legislation.

Asset condition and performance

The majority of the pipe network is less than 50 years old and at an early stage in its life-cycle (the expected life for most pipe materials is 100 to 175 years). Pipelines generally have capacity, although in some areas of intensive development, design capacity has been exceeded resulting in localised flooding in extreme rainfall events. The pump stations are

all relatively young and are in good condition. The capacity of each station in conjunction with storage is adequate to meet pumping needs.

Overall streams and channels in the City perform well, although the capacity of some smaller channels can be exceeded in major storm events resulting in flooding onto nearby properties. High water levels in receiving streams during these events also prevent effective discharge from the stormwater primary system, causing surfacing flooding in low lying areas. Nevertheless, stop-bank improvement works implemented in the 1990s along the Kawau Stream and Pioneer Drain have so far successfully prevented flooding of habitable floors caused by overtopping, as has happened in the 1988 flooding event in Palmerston North.

Priorities and major projects in the next 10 years

The effects of climate change may contribute to a greater than average number of extreme weather events, such as substantial rainfall leading to flooding. The Council includes this increased possibility in planning of future stormwater capacity.

Work will also be done to provide stormwater services for Whakarongo urban growth.

Significant negative effects

Stormwater run-off, and in particular the “first flush” of stormwater run-off following a dry period, often contains many contaminants. These can include sediments, oils, greases, metals and organic material washed from roads and other impervious areas, rubbish and contaminants illegally discharged into the stormwater system. In rural areas, run-off may be contaminated with herbicides, pesticides, fertilisers and animal waste.

Further, in common with most urban wastewater systems, problems are experienced in Palmerston North with overloading of the wastewater system during wet weather. This can lead to overflows of dilute sewage to stormwater drains and to watercourses in extreme wet weather events. This is, however, rare in Palmerston North.

To mitigate these potential significant effects Council undertakes the following measures:

- run-off from industrial areas with the potential for adverse stormwater contamination is managed through the Building Consenting and Trade Waste processes
- emergency response plan to undertake mitigation works with Horizons Regional Council to clean-up pollution incidents
- a comprehensive programme to reduce the volume of stormwater infiltration (for more information see the Wastewater Activity pages)
- monitoring the water quality at key watercourse sites on a regular basis. Where testing indicates that there are adverse environmental impacts on the receiving waters from discharge of urban rainfall run-off, Council can reduce these effects through methods like stormwater ponds and filtering
- reduction of the entry of contaminants to the stormwater system as far as practical through installation of debris and pollutant traps combined with public education.

How people can judge the Council's success

WHAT WE DO	HOW WE SHOW WE ARE DOING A GOOD JOB	OUR CURRENT RESULTS	OUR TARGETS			
(LEVELS OF SERVICE)	(PERFORMANCE MEASURES)	(2013/14)	2015/16	2016/17	2017/18	2018/19- 2024/25
The Council provides protection for habitable buildings in urban areas from flooding in major flood events.	Mandatory: The number of flood events per year resulting in stormwater from the Council's stormwater system entering a habitable floor in an urban area.	New measure.	No more than 2 flood events.	No more than 2 flood events.	No more than 2 flood events.	No more than 2 flood events.
	Mandatory: The number of habitable floors per 1,000 properties within urban stormwater service areas affected by a flood event.	New measure.	No more than 0.2 habitable floors per 1,000 properties.	No more than 0.2 habitable floors per 1,000 properties.	No more than 0.2 habitable floors per 1,000 properties.	No more than 0.2 habitable floors per 1,000 properties.
The Council provides a reliable stormwater collection service.	Mandatory: Median time to attend a flooding event.	New measure.	Less than or equal to 2 hours.	Less than or equal to 2 hours.	Less than or equal to 2 hours.	Less than or equal to 2 hours.
The Council responds to failures and request for service in a prompt and efficient way.	Mandatory: The number of complaints received about the performance of the Council's stormwater system per 1,000 properties connected.	New measure.	Less than or equal to 10 complaints per 1,000 properties connected.	Less than or equal to 10 complaints per 1,000 properties connected.	Less than or equal to 10 complaints per 1,000 properties connected.	Less than or equal to 10 complaints per 1,000 properties connected.
	Resident satisfaction with the Council's stormwater services. (Communitrak Survey ¹ .)	86%.	No measure.	At least 80%.	No measure.	At least 80% (2019/20 and 2022/23).
The Council complies with its resource consents for its discharge from its urban stormwater systems.	Mandatory: Compliance with resource consents for discharge from Council's stormwater system measured by the number of: <ul style="list-style-type: none"> abatement notices infringement notices enforcement orders convictions in relation to stormwater resource consents.	New measure.	No notices, orders, or convictions are received.	No notices, orders, or convictions are received.	No notices, orders, or convictions are received.	No notices, orders, or convictions are received.
The Council maintains and develops the stormwater system to meet current and future needs in a cost-effective way.	A 30 year asset management plan is in place for stormwater and major AMP projects approved in the 10 Year Plan are achieved.	AMP was in place.	AMP in place and major projects (renewals, stormwater improvement works) achieved.	AMP in place and major projects (renewals, stormwater improvement works) achieved	AMP in place and major projects (renewals, stormwater improvement works) achieved	AMP in place and major projects achieved. Specific projects will be listed in 10 Year and Annual Plans.

¹ Communitrak Survey is every three years. Satisfaction percentages exclude "don't knows."

WHAT WE DO	HOW WE SHOW WE ARE DOING A GOOD JOB	OUR CURRENT RESULTS	OUR TARGETS			
(LEVELS OF SERVICE)	(PERFORMANCE MEASURES)	(2013/14)	2015/16	2016/17	2017/18	2018/19- 2024/25
The Council manages its Stormwater Activity in a financially sustainable way.	10 Year Plan levels of service and programmes are achieved within budget.	Services were provided within budget.	Services provided within budget.	Services provided within budget.	Services provided within budget.	Services provided within budget.

With the KPIs for median times for attending a flood event the Council will also report the maximum times.

A flooding event means stormwater overflows the stormwater system and enters a habitable floor. (Department of Internal Affairs)

STORMWATER - ACTIVITY FINANCIAL STATEMENTS

Budget 2014/15 \$'000s		10YP 2015/16 \$'000s	10YP 2016/17 \$'000s	10YP 2017/18 \$'000s	10YP 2018/19 \$'000s	10YP 2019/20 \$'000s	10YP 2020/21 \$'000s	10YP 2021/22 \$'000s	10YP 2022/23 \$'000s	10YP 2023/24 \$'000s	10YP 2024/25 \$'000s
	REVENUE										
2	Stormwater Collection and Disposal	2	2	2	2	2	2	2	3	3	3
2	TOTAL REVENUE	2	2	2	2	2	2	2	3	3	3
	EXPENSES										
3,169	Stormwater Collection and Disposal	3,574	3,663	3,813	3,926	4,002	4,232	4,239	4,431	4,647	4,623
3,169	TOTAL EXPENSES	3,574	3,663	3,813	3,926	4,002	4,232	4,239	4,431	4,647	4,623
3,167	NET OPERATING COST OF ACTIVITY	3,572	3,661	3,811	3,924	4,000	4,230	4,237	4,428	4,644	4,621
	RATING REQUIREMENT										
(1,273)	Less Depreciation	(1,518)	(1,538)	(1,681)	(1,703)	(1,727)	(1,875)	(1,894)	(1,913)	(2,075)	(2,076)
547	Plus Net Capital Renewal (3 Year Average)	364	397	434	522	502	480	458	476	494	513
473	Plus Debt Repayment	199	193	214	245	279	316	344	374	405	439
2,915	RATES REQUIREMENT	2,617	2,714	2,779	2,988	3,055	3,151	3,145	3,365	3,469	3,497
	CAPITAL EXPENDITURE										
660	Renewal	587	415	278	499	524	543	440	457	475	495
1,499	New	1,540	779	1,459	1,550	1,624	649	612	635	660	2,442
2,159	TOTAL CAPITAL EXPENDITURE	2,127	1,194	1,737	2,049	2,148	1,191	1,052	1,092	1,136	2,938
	FUNDED BY										
13	Development Contributions	122	137	176	204	221	243	257	281	292	323
547	Rates	364	397	434	522	502	480	458	476	494	513
1,599	New Borrowing / (Repayment)	1,641	659	1,127	1,323	1,425	468	337	335	349	2,102
2,159	TOTAL	2,127	1,194	1,737	2,049	2,148	1,191	1,052	1,092	1,136	2,938

STORMWATER - OPERATING PROGRAMMES

ID-NAME	GROWTH	LOS	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
			\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
1247-Three Waters Public Education - Stormwater	0%	100%	11	11	12	12	12	13	13	14	14	15
TOTAL			11	11	12	12	12	13	13	14	14	15

STORMWATER - CAPITAL RENEWAL

ID-NAME	GROWTH	LOS	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
			\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
1019-C/fwd - City-wide - Stormwater Pump Station Renewals	0%	100%	75	-	-	-	-	-	-	-	-	-
1020-C/fwd - City-wide - Restoring Flood Capacity of Stormwater Channels	0%	100%	112	-	-	-	-	-	-	-	-	-
1062-City-wide - Stormwater Improvement Works	0%	100%	400	415	278	499	524	543	440	457	475	495
TOTAL			587	415	278	499	524	543	440	457	475	495
Funded by Council (Rates and Borrowing)			587	415	278	499	524	543	440	457	475	495

STORMWATER - CAPITAL NEW

ID-NAME	GROWTH	LOS	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
			\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
51-City-wide - Stormwater Subdivision Contributions	100%	0%	100	104	107	110	114	118	122	127	132	138
197-Urban Growth - North East Industrial Park Stormwater	100%	0%	-	-	-	-	342	-	-	-	-	-
944-C/fwd - City-wide - Installation of Local Stormwater Treatment Devices	0%	100%	100	-	-	-	-	-	-	-	-	-
1001-Urban Growth - Whakarongo - Installation of Stormwater Systems	100%	0%	810	-	711	833	598	-	-	-	-	722
1024-C/fwd - City-wide - New Pipes to Redirect Stormwater Flows Away from Sewer Systems	0%	100%	80	-	-	-	-	-	-	-	-	-
1060-City-wide - Stormwater Improvement Works	0%	100%	450	675	641	607	570	531	489	508	528	550
1065-Urban Growth - City West - Installation of Stormwater Systems	100%	0%	-	-	-	-	-	-	-	-	-	1,032
TOTAL			1,540	779	1,459	1,550	1,624	649	612	635	660	2,442
Funded by Council (Rates and Borrowing)			1,540	779	1,459	1,550	1,624	649	612	635	660	2,442

Group of Activities

Wastewater

The Wastewater Group of Activities is a single Activity.

2

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Wastewater

What the Council does

The Council provides wastewater systems for the **safe and reliable** collection, treatment and disposal of wastewater (sewage) from **residential and commercial** properties.

There are five separate public wastewater systems servicing Palmerston North City. These cover the main urban area of the City, Ashhurst, Bunnythorpe, Longburn and Linton. A separate connection has also been provided to Linton. Wastewater collected from all four areas is conveyed to a central treatment plant in Totara Road. (The Inter-connection of Bunnythorpe to the main City plan is due for completion early in 2015/16.) The system includes 404 km of pipelines and 34 pump stations.

The Council also responds to **failures and requests for service** in a prompt and efficient way.

It also develops and implements a Wastewater **Asset Management Plan**. The objective of asset management is to deliver **reliable services** to existing and future customers in the most **cost-effective and sustainable** way.

Why the Council does this and how it contributes to the Council's Vision and Goals

Adequate systems for the disposal of wastewater are a fundamental requirement for the health and general wellbeing of the community. In urban areas wastewater is most effectively disposed of by means of reticulated wastewater systems that allow the costs associated with maintaining high standards and efficient infrastructure to be spread over a wide population base, thereby keeping

the costs to individual users for wastewater disposal within affordable levels.

Wastewater helps achieve the Council's City goals of people wanting to live here, attracting and retaining businesses, and environmental sustainability.

People expect modern cities to have reliable, safe and well maintained wastewater (sewerage) systems for residential, industrial and commercial properties. Wastewater is something that people don't want to have to think about – it should just “disappear down the drains”.

Businesses also rely on reliable and efficient wastewater systems to remove wastewater from their place of business. A lack of reliable wastewater systems can give a city a bad image, which makes it hard to attract businesses.

People also want to make sure that wastewater is properly treated so that discharge from the system has minimal environmental impact. For more information on how the Council ensures that the wastewater systems are environmentally sustainable see the section on Significant negative effects.

Legislative rationale for continued Council involvement in the Wastewater Activity and ownership of assets is contained in:

- the Local Government Act 2002 (section 130) which requires the Council to continue to provide wastewater services and maintain its capacity to do so
- the Health Act 1956, (section 25) which requires the Council to provide ‘sanitary works’, the definition of which includes “works for the disposal of sewage”.

The Council develops and implements a Wastewater Asset

Management Plan. The objective of asset management is to deliver reliable services to existing and future customers in the most cost-effective and sustainable way.

Therefore asset management planning includes:

- defining the services to be provided, and the measures used to monitor the good delivery of these
- translating Council's Strategic Vision and Goals into activity strategies and action plans
- responsibly managing the infrastructure so that public funds are optimally applied to deliver cost-effective services that meet customer expectations
- documenting current asset management practices used by the Council as part of a sustainable and optimised lifecycle management strategy and identifying actions planned to enhance management performance
- complying with the requirements of relevant legislation.

Asset condition and performance

The wastewater reticulation is in a relatively good condition. This reflects the relatively young age profile of the system, with 60% of the pipelines installed after 1960. The capacity of the system is sufficient to carry dry weather flows. Ongoing work to reduce the entry of stormwater to the wastewater system is reducing the overloading of sections of the system during wet weather.

The majority of pump stations are in good to excellent condition. They generally have the capacity to pump incoming flows without the need to call on backup pump capacity and generally have storage to accommodate 3-4 hours dry weather inflow in the unlikely event of a pump station failure.

The treatment plant is in good condition, although some large mechanical items are approaching the end of their useful lives. Since it was commissioned in 1968 the plant has been maintained to a high standard with an ongoing maintenance programme and replacing and upgrading of equipment as necessary. Significant components of the treatment plant are now in need of renewal - inlet screens, pumps, aerated grit chamber, and the digester lids.

A new discharge consent for the treatment plant was granted in May 2003 for a 25 year term. The consent required higher standards for bacteria removal and for phosphorus removal to be met by the discharged wastewater. Despite the upgraded facility meeting all the requirements of the resource consent covering the effluent quality, there is currently concern about the effect this discharge is still having on the river.

Priorities and major projects in the next 10 years

Arising from concerns about the impact of nutrients on the growth of algae in the Manawatū River, the conditions of Council's consent for discharge of treated wastewater to the river were the subject of a hearing by a panel of independent Commissioners in November 2014. Although an interim decision was released in February 2015 the hearing remains open for consideration of further responses from the Council and submitters. Council has recently submitted a proposal to undertake investigations of all options for its wastewater treatment and disposal that would result in new consents being applied for by June 2022, six years before the end of the current consent. The implications of the final decision of the Panel, which may well be significant, will be considered by the Council once the decision is released. Even with the decision being released there may be an appeal so the final determination of consent conditions may take some time. Details of the hearing can be found on the Horizons Regional Council website.

Reticulation systems will be extended to service the new residential areas planned at Whakarongo and City West. The 10 Year Plan provides for expenditure to renew elements of the pipe network and large components at the treatment plant.

Significant negative effects

Potential negative effects associated with the wastewater activity include:

- the discharge of treated wastewater effluent to the Manawatū River adversely affecting river quality
- overflows of untreated wastewater from the wastewater system to the Manawatū River adversely affecting river quality. These may result from:
 - overloading of the wastewater system during rainfall due to the entry of stormwater run-off (infiltration and inflow)
 - blockages of wastewater pipelines
 - malfunction of utility installations such as pumping stations
- 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 (stabilised solids extracted from the wastewater during the treatment process) adversely affecting the receiving environment.

All of these potential negative effects are managed as part of the day to day operation of the wastewater supply activity.

The quality of effluent discharged to the Manawatū River is regulated by conditions in resource consents for these discharges. These conditions ensure that negative effects associated with the discharge are managed to acceptable levels.

Strategies to prevent wet weather overloading of the wastewater system include:

- programmes to reduce the entry of stormwater to the wastewater system from private properties
- renewal of pipelines where there is excessive entry of stormwater and or groundwater through defects in the pipes
- providing additional capacity in parts of the wastewater system.

There are no significant odour problems associated with the wastewater system. The Council has management procedures in place for the disposal of wastewater treatment by-products.

How people can judge the Council's success

WHAT WE DO	HOW WE SHOW WE ARE DOING A GOOD JOB	OUR CURRENT RESULTS	OUR TARGETS			
(LEVELS OF SERVICE)	(PERFORMANCE MEASURES)	(2013/14)	2015/16	2016/17	2017/18	2018/19- 2024/25
The Council provides a safe (i.e. no risk to public health) and reliable wastewater collection service to residential and commercial areas of the City.	Mandatory: Number of dry weather wastewater overflows from the Council's wastewater system per 1,000 connections per year.	0.68 (per 1,000).	No more than 1 per 1,000 connections (per 1,000) connections.	No more than 1 per 1,000 connections (per 1,000).	No more than 1 per 1,000 connections	No more than 1 per 1,000 connections
	Mandatory: Complaints per 1,000 connections about: <ul style="list-style-type: none"> Wastewater odour Wastewater system faults Wastewater system blockages Council's response to issues with the wastewater system. 	New measure.	No more than 1 (per 1,000 connections) for each category.	No more than 1 (per 1,000 connections) for each category.	No more than 1 (per 1,000 connections) for each category.	No more than 1 (per 1,000 connections) for each category.
	Resident satisfaction with the Council's wastewater services. (Communitrak Survey ¹ .)	95%.	No measure.	At least 95%.	No measure.	At least 95% (2019/20 and 2022/23).
The Council responds to requests for service in relation to sewerage overflows, blockages and faults in a prompt and efficient way.	Mandatory: Median time for attending to overflows resulting from blockages or other faults.	New measure.	No more than 1.5 hours.	No more than 1.5 hours.	No more than 1.5 hours.	No more than 1.5 hours.
	Mandatory: Median time for resolution of overflows resulting from blockages or other faults.	New measure.	No more than 8.0 hours (total of 9.5 hours).	No more than 8.0 hours (total of 9.5 hours).	No more than 8.0 hours (total of 9.5 hours).	No more than 8.0 hours (total of 9.5 hours).
The Council disposes of wastewater to environmentally acceptable standards.	Mandatory: Compliance with resource consents for discharge from Council's wastewater system as measured by the number of: <ul style="list-style-type: none"> abatement notices infringement notices enforcement notices convictions received by Council in relation to resource consents.	New measure.	Zero notices or convictions received.	Zero notices or convictions received.	Zero notices or convictions received.	Zero notices or convictions received.

¹ Communitrak Survey is every three years. Satisfaction percentages exclude "don't knows."

WHAT WE DO	HOW WE SHOW WE ARE DOING A GOOD JOB	OUR CURRENT RESULTS	OUR TARGETS			
(LEVELS OF SERVICE)	(PERFORMANCE MEASURES)	(2013/14)	2015/16	2016/17	2017/18	2018/19- 2024/25
The Council maintains and develops the wastewater system to meet current and future needs in a cost-effective way.	A 30 year asset management plan is in place for wastewater and major AMP projects approved in the 10 Year Plan are achieved.	AMP was in place.	AMP in place and major projects (scheduled wastewater renewals) achieved.	AMP in place and major projects (scheduled wastewater renewals) achieved.	AMP in place and major projects (scheduled wastewater renewals, urban growth projects) achieved.	AMP in place and major projects achieved. Specific projects will be listed in 10 Year and Annual Plans.
The Council manages its Wastewater Activity in a financially sustainable way.	10 Year Plan levels of service and programmes are achieved within budget.	Services were provided within budget.	Services provided within budget.	Services provided within budget.	Services provided within budget.	Services provided within budget.

With the KPIs for median times for attending and resolving call outs the Council will also report the maximum times.

WASTEWATER - ACTIVITY FINANCIAL STATEMENTS

Budget 2014/15 \$'000s		10YP 2015/16 \$'000s	10YP 2016/17 \$'000s	10YP 2017/18 \$'000s	10YP 2018/19 \$'000s	10YP 2019/20 \$'000s	10YP 2020/21 \$'000s	10YP 2021/22 \$'000s	10YP 2022/23 \$'000s	10YP 2023/24 \$'000s	10YP 2024/25 \$'000s
	REVENUE										
261	Treatment and Disposal	225	324	333	349	367	367	394	409	425	443
603	Wastewater Collection	663	688	709	732	756	782	811	842	876	913
864	TOTAL REVENUE	888	1,012	1,042	1,081	1,123	1,150	1,205	1,251	1,301	1,355
	EXPENSES										
3,504	Treatment and Disposal	4,135	4,702	4,620	4,651	4,801	5,260	5,258	5,388	5,622	6,379
4,592	Wastewater Collection	4,270	4,562	4,676	5,045	5,227	5,469	5,504	5,536	5,779	5,988
8,097	TOTAL EXPENSES	8,406	9,263	9,296	9,696	10,028	10,729	10,762	10,924	11,401	12,367
7,232	NET OPERATING COST OF ACTIVITY	7,517	8,251	8,253	8,614	8,905	9,579	9,558	9,674	10,100	11,011
	RATING REQUIREMENT										
(2,350)	Less Depreciation	(2,717)	(2,733)	(2,979)	(3,037)	(3,093)	(3,324)	(3,333)	(3,346)	(3,548)	(3,529)
(404)	Less Transfers To/(From) Reserves	-	-	-	-	-	-	-	-	-	-
1,048	Plus Net Capital Renewal (3 Year Average)	2,683	3,316	3,005	2,515	2,168	2,316	2,456	2,356	2,447	2,538
483	Plus Debt Repayment	399	408	443	521	626	668	713	765	829	926
6,009	RATES REQUIREMENT	7,883	9,241	8,723	8,613	8,607	9,238	9,394	9,449	9,828	10,946
	CAPITAL EXPENDITURE										
899	Renewal	1,995	2,751	3,399	3,789	1,818	1,929	2,758	2,260	2,350	2,456
4,238	New	4,381	794	4,218	6,143	114	118	550	1,219	3,697	8,456
5,137	TOTAL CAPITAL EXPENDITURE	6,376	3,545	7,617	9,932	1,932	2,047	3,309	3,479	6,048	10,912
	FUNDED BY										
225	Development Contributions	266	298	383	445	483	531	562	614	637	706
1,048	Rates	2,683	3,316	3,005	2,515	2,168	2,316	2,456	2,356	2,447	2,538
3,864	New Borrowing / (Repayment)	3,427	(69)	4,229	6,972	(719)	(800)	290	509	2,964	7,667
5,137	TOTAL	6,376	3,545	7,617	9,932	1,932	2,047	3,309	3,479	6,048	10,912

WASTEWATER - OPERATING PROGRAMMES

ID-NAME	GROWTH	LOS	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
			2015/16 \$'000s	2016/17 \$'000s	2017/18 \$'000s	2018/19 \$'000s	2019/20 \$'000s	2020/21 \$'000s	2021/22 \$'000s	2022/23 \$'000s	2023/24 \$'000s	2024/25 \$'000s
725-Three Waters Public Education - Wastewater	0%	100%	11	11	12	12	12	13	13	14	14	15
TOTAL			11	11	12	12	12	13	13	14	14	15

WASTEWATER - CAPITAL RENEWAL

ID-NAME	GROWTH	LOS	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
			\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
54-City-wide - Wastewater Pipe Renewal	0%	100%	1,130	1,430	1,480	1,649	1,710	1,769	1,835	2,139	2,225	2,325
65-City-wide - Wastewater Pump Station Renewal	0%	100%	60	39	48	61	40	88	43	44	46	48
179-Totara Road Wastewater Treatment Plant - Minor Equipment Renewals	0%	100%	60	62	64	66	68	71	73	76	79	83
601-Totara Road Wastewater Treatment Plant - Aeration Pond Wave Band Repairs	0%	100%	-	-	-	179	-	-	-	-	-	-
608-Totara Road Wastewater Treatment Plant - Refurbishment of Primary Sedimentation Tank	0%	100%	250	260	-	-	-	-	-	-	-	-
615-Totara Road Wastewater Treatment Plant - Office and Staff Facilities Refurbishment	0%	100%	250	-	-	-	-	-	-	-	-	-
621-Totara Road Wastewater Treatment Plant - Digester Lids Refurbishment	0%	100%	-	467	481	-	-	-	-	-	-	-
1049-Totara Road Wastewater Treatment Plant - Replacement of Inlet Gate	0%	100%	-	-	-	165	-	-	-	-	-	-
1050-Totara Road Wastewater Treatment Plant - Replacement of PLCs and SCADA	0%	100%	150	78	-	-	-	-	-	-	-	-
1056-Totara Road Wastewater Treatment Plant - Replacement of Inlet Screens	20%	80%	-	519	1,604	-	-	-	-	-	-	-
1059-Totara Road Wastewater Treatment Plant - Replacement of Grit Removal Systems	20%	80%	-	-	53	651	-	-	-	-	-	-
1067-Totara Road Wastewater Treatment Plant - Replacement of Security Fence and Gate	0%	100%	-	-	-	221	-	-	-	-	-	-
1068-Totara Road Wastewater Treatment Plant - Replacement of Inlet Pumps	0%	100%	-	-	-	927	-	-	807	-	-	-
1240-C/fwd - Totara Road Wastewater Treatment Plant - Repairs to Sedimentation Tanks	0%	100%	95	-	-	-	-	-	-	-	-	-
TOTAL			1,995	2,855	3,730	3,919	1,818	1,929	2,758	2,260	2,350	2,456
Funded by Council (Rates and Borrowing)			1,995	2,855	3,730	3,919	1,818	1,929	2,758	2,260	2,350	2,456

WASTEWATER - CAPITAL NEW

ID-NAME	GROWTH	LOS	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
			\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
73-City-wide - Wastewater Subdivision Contributions	100%	0%	100	104	107	110	114	118	122	127	132	138
198-City-wide Pump Stations - Flow Capacity Improvements	0%	100%	259	-	-	-	-	-	-	-	-	-
210-Urban Growth - Installation of Wastewater Systems for New Industrial Areas - NEIZ extension area	100%	0%	-	-	2,138	-	-	-	428	-	-	-
628-Totara Road Wastewater Treatment Plant - Consent Renewal Upgrade	20%	80%	-	-	-	-	-	-	-	254	264	275
630-City-wide - Seismic Strengthening to Wastewater Structures	0%	100%	200	208	214	-	-	-	-	-	-	-
638-Totara Road Wastewater Treatment Plant - Primary Treatment Duplication	20%	80%	-	-	214	3,972	-	-	-	-	-	4,954
975-Totara Road Wastewater Treatment Plant - Installation of a Tertiary Filter	0%	100%	2,000	-	-	-	-	-	-	-	-	-
998-C/fwd - City-wide - Seismic Strengthening to Wastewater Structures	0%	100%	263	-	-	-	-	-	-	-	-	-
1000-Urban Growth - Whakarongo - Installation of Wastewater Systems	100%	0%	30	343	1,112	386	-	-	-	203	-	-
1043-Totara Road Wastewater Treatment Plant - Inlet Main Duplication	0%	100%	-	-	-	441	-	-	-	-	-	-
1046-Totara Road Wastewater Treatment Plant - Digester 1 Sludge Booster Connection	0%	100%	-	36	-	-	-	-	-	-	-	-
1047-Totara Road Wastewater Treatment Plant - Secondary Treatment Upgrades	0%	100%	400	-	-	-	-	-	-	-	-	-
1048-Totara Road Wastewater Treatment Plant - Construction of New Food Waste Facilities	0%	100%	-	-	102	-	-	-	-	-	-	-
1055-Urban Growth - City West - Installation of Wastewater Systems	100%	0%	-	-	-	-	-	-	-	-	660	337
1074-Totara Road Wastewater Treatment Plant - Earthquake Strengthening of Civil Structures	0%	100%	-	-	-	1,103	-	-	-	-	-	-
1102-Totara Road Wastewater Treatment Plant - Sludge Disposal Options	0%	100%	-	-	-	-	-	-	-	635	2,641	2,752
1233-C/fwd - Bunnythorpe Wastewater Connection to Palmerston North	0%	100%	479	-	-	-	-	-	-	-	-	-
1234-C/fwd - Totara Road Wastewater Treatment Plant - Installation of a Tertiary Filter	0%	100%	650	-	-	-	-	-	-	-	-	-
TOTAL			4,381	690	3,886	6,013	114	118	550	1,219	3,697	8,456
Funded by Council (Rates and Borrowing)			4,381	690	3,886	6,013	114	118	550	1,219	3,697	8,456

Group of Activities

Water

The Water Group of Activities is a single Activity.

2

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Water

What the Council does

The Council provides a safe and reliable supply of water to residential and commercial properties in the water supply area. This includes water of adequate pressure for normal household use and firefighting. There is enough water for gardening in most years without restrictions.

The Council also responds to failures and requests for service in a prompt and efficient way.

There are five public water supply systems: Palmerston North main urban area, Ashhurst, Bunnythorpe, Longburn and the Linton rural area.

These systems consist of two dams at Turitea, four treatment plants, four reservoirs, seven bores, 534 km of piped reticulation, and fire hydrants together with valves, tobies and water meters which supply water to approximately 28,000 properties.

The Council develops and implements a Water Asset Management Plan. The objective of asset management is to deliver reliable services to existing and future customers in the most cost-effective and sustainable way.

Why the Council does this and how it contributes to the Council's Vision and Goals

Like the previous Water and Waste Groups of Activities, Water contributes to the goals of making Palmerston North a city where people want to be, attracting and retaining businesses, and an environmentally sustainable city.

An adequate supply of water suitable for drinking is a fundamental requirement for the health and general well-being of the community. In urban areas this is best achieved through a reticulated (piped) community water supply.

People want to live in a city that has clean and safe drinking water. They want enough water pressure to have a "decent" shower. They want enough water for general household use, such as watering their gardens. They also want the Council to have a water conservation strategy.

Businesses and industry also rely on a good supply of water.

Residents and businesses expect the water system to be reliable and well maintained. It should keep up with growth in the City.

The Water Activity also supports community safety through the firefighting capability of the water system.

The Council contributes to environmental sustainability through the Water Activity by trying to reduce the amount of water that people use (e.g. limiting demand for garden watering in the summer months) and by reducing the amount of water lost by leaks in the system. It also promotes opportunities for the efficient use of water. As well as this it ensures that its treatment plants and pumps are efficient. The Council also maintains the ecological condition of the Turitea Reserve and the Turitea Stream.

Further ways in which the Water Activity contributes to environmental sustainability are outlined in the section on Significant negative effects.

Legislative rationale for continued Council involvement in the Water Activity and ownership of assets is contained in:

- the Local Government Act 2002 (section 130) which requires the Council to continue to provide water services and maintain its capacity to do so
- the Health (Drinking Water) Amendment Act 2007 sets out the legal requirements for water supplies.

The Council develops and implements a Water Asset Management Plan. The objective of asset management is to deliver reliable services to existing and future customers in the most cost-effective and sustainable way.

Therefore asset management planning includes:

- defining the services to be provided, and the measures used to monitor the good delivery of these
- translating Council's Strategic Vision and Goals into activity strategies and action plans
- responsibly managing the infrastructure so that public funds are optimally applied to deliver cost-effective services that meet customer expectations
- documenting current asset management practices used by the Council as part of a sustainable and optimised lifecycle management strategy and identifying actions planned to enhance management performance
- complying with the requirements of relevant legislation.

The Council adopted a Water Conservation Management Plan in December 2011.

Asset condition and performance

The condition of both the upper and lower dam is good. A Dam Safety Review is carried out annually by certified engineers. The bores are in good condition.

The storage capacity of the combined dams is 1.9 million m³. This would meet the existing population average daily use for approximately 70 days. Additional water is available from the seven bores installed to boost water supplies. Approximately one third of the City's water supply is from the ground water source under the current operation. There is therefore a reasonably high level of security of the bulk water supply.

The water quality in the dams is very good in general with slightly higher iron and manganese concentrations than the Guideline Values set out in the Drinking Water Standard for New Zealand. The bores are deep and secure from surface water contamination, and the water supplied is of excellent quality.

Water is fluoridated and chlorine is added to prevent contamination in the distribution system.

Overall the condition of the treatment facilities is good to excellent.

The reticulation system is generally in very good physical condition. Some pipes are reaching the end of their life and the replacement programme is targeted at pipes in poor condition.

Problems with iron and manganese deposits on the inside of cast iron pipes can lead to discoloured water complaints. The Council has a pipe replacement programme and this has greatly reduced discoloured water complaints.

Priorities and major projects in the next 10 years

Several years ago there was a large number of complaints about discoloured water. This was a result of sediment from old cast iron pipes. The Council has replaced these pipes and introduced a programme of swabbing the trunk mains between the treatment plant and the Fitzherbert Bridge. This resulted in a significant drop in complaints. This work will

continue. The Council will also introduce public information to encourage people to reduce their water usage.

The focus has now shifted to replacing structurally deficient pipes in the network. In addition, a new bore is being planned and existing bores redeveloped to meet the increased demand as the City grows.

Significant negative effects

Potential negative effects associated with the Water Activity include:

- the effect on public health should the water supply not meet water quality standards
- health and safety risks associated with the construction, maintenance or operation of the water supply infrastructure
- property damage resulting from mains failures
- the effect on the environment of the extraction of water on the Turitea Stream
- the effects 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 (such as treatment sludge, backwash water).

All of these potential negative effects are managed as part of the day-to-day operation of the water supply activity. Water quality is strictly controlled with a certified Quality Assurance process in place. Health and safety procedures are in place to manage risks associated with the water supply infrastructure. Renewal programmes for the water supply mains are intended to minimise the incidence of pipeline failures.

The extraction of water from the Turitea Stream is regulated by conditions of resource consents which ensure that potential adverse effects are managed to acceptable levels. Discharges of chlorinated water from the water supply system are of short duration, chlorine levels in the water are low and any effects are likely to be localised and relatively minor. There are management procedures and treatment provisions in place for the disposal of water supply treatment by-products.

How people can judge the Council's success

WHAT WE DO	HOW WE SHOW WE ARE DOING A GOOD JOB	OUR CURRENT RESULTS	OUR TARGETS			
(LEVELS OF SERVICE)	(PERFORMANCE MEASURES)	(2013/14)	2015/16	2016/17	2017/18	2018/19- 2024/25
The Council provides a good quality, safe and reliable water supply at a suitable pressure to residential and commercial areas of the City.	Mandatory: Average consumption of drinking water per day per resident. ¹	327 litres.	Less than or equal 360 litres per day per resident.	Less than or equal 360 litres per day per resident.	Less than or equal 360 litres per day per resident.	Less than or equal 360 litres per day per resident.
	Mandatory: Compliance with Part 4 (bacteria compliance criteria) of the Public Health Act 1956 (as amended by the Health (Drinking Water) Amendment Act 2007.	100% compliance.	100% compliance.	100% compliance.	100% compliance.	100% compliance.
	Mandatory: Compliance with Part 5 (protozoal compliance criteria) of the Public Health Act 1956 (as amended by the Health (Drinking Water) Amendment Act 2007.	100% compliance.	100% compliance.	100% compliance.	100% compliance.	100% compliance.
	Mandatory: The number of complaints per 1,000 connections relating to: <ul style="list-style-type: none"> Clarity of the drinking water Taste of the drinking water Odour of the drinking water The continuity of Council's water supply Drinking water pressure or flow Council's response to any of these issues. 	New measure.	Less than or equal to 17 complaints per 1,000 properties connected.	Less than or equal to 17 complaints per 1,000 properties connected.	Less than or equal to 17 complaints per 1,000 properties connected.	Less than or equal to 17 complaints per 1,000 properties connected.
	Resident satisfaction with the Council's water services. (Communitrak Survey ² .)	92%.	No measure.	At least 88%.	No measure.	At least 88% (2019/20 and 2022/23).

¹ The Department of Internal Affairs includes water used by industry, irrigation, hotels, etc. in its definition of water consumption for this KPI. Thus it overstates the amount the average resident uses each day.

² Communitrak Survey is every three years. Satisfaction percentages exclude "don't knows."

WHAT WE DO	HOW WE SHOW WE ARE DOING A GOOD JOB	OUR CURRENT RESULTS	OUR TARGETS			
(LEVELS OF SERVICE)	(PERFORMANCE MEASURES)	(2013/14)	2015/16	2016/17	2017/18	2018/19- 2024/25
The Council responds to failures and request for service in a prompt and efficient way.	Mandatory: Median response time for urgent call out time attendance.	New measure.	Less than or equal to 2 hours.	Less than or equal to 2 hours.	Less than or equal to 2 hours.	Less than or equal to 2 hours.
	Mandatory: Median response time for resolution of urgent call outs.	New measure.	Less than or equal to 7 hours.	Less than or equal to 7 hours.	Less than or equal to 7 hours.	Less than or equal to 7 hours.
	Mandatory: Median response time for non-urgent call out time attendance.	New measure.	Less than or equal to 10 hours.	Less than or equal to 10 hours.	Less than or equal to 10 hours.	Less than or equal to 10 hours.
	Mandatory: Median response time for resolution of non-urgent call outs.	New measure.	Less than or equal to 75 hours.	Less than or equal to 75 hours.	Less than or equal to 75 hours.	Less than or equal to 75 hours.
The Council uses water resources in an efficient and sustainable way.	Mandatory: percentage of real water loss from the water reticulation network.	14%.	Less than or equal to 20%.	Less than or equal to 20%.	Less than or equal to 20%.	Less than or equal to 20%.
	Compliance with resource consent monitoring conditions that relate to environmental conditions.	100%.	100%.	100%.	100%.	100%.
The Council maintains and develops the water system to meet current and future needs in a cost-effective way.	A 30 year asset management plan is in place for wastewater and major AMP projects approved in the 10 Year Plan are achieved.	AMP was in place.	AMP in place and major projects (water renewals, Kelvin Grove water supply zone new bore) achieved.	AMP in place and major projects (water renewals, Turitea Valley Road / Pacific Drive new water supply link pipe and reservoir) achieved.	AMP in place and major projects (water renewals, achieved).	AMP in place and major projects achieved. Specific projects will be listed in 10 Year and Annual Plans.
The Council manages its Water Activity in a financially sustainable way.	10 Year Plan levels of service and programmes are achieved within budget.	Services were provided within budget.	Services provided within budget.	Services provided within budget.	Services provided within budget.	Services provided within budget.

With the KPIs for median times for attending and resolving urgent call outs the Council will also report the maximum times.

WATER - ACTIVITY FINANCIAL STATEMENTS

Budget 2014/15 \$'000s		10YP 2015/16 \$'000s	10YP 2016/17 \$'000s	10YP 2017/18 \$'000s	10YP 2018/19 \$'000s	10YP 2019/20 \$'000s	10YP 2020/21 \$'000s	10YP 2021/22 \$'000s	10YP 2022/23 \$'000s	10YP 2023/24 \$'000s	10YP 2024/25 \$'000s
	REVENUE										
20	Water Collection	20	21	21	22	23	24	24	25	26	28
3	Water Distribution	3	3	3	4	4	4	4	4	4	4
23	TOTAL REVENUE	23	24	25	26	27	27	28	30	31	32
	EXPENSES										
5,186	Water Collection	5,453	5,671	5,906	5,958	5,926	6,145	6,196	6,255	6,783	6,356
824	Water Distribution	988	1,209	1,441	1,512	1,638	1,828	2,017	2,199	2,186	2,343
1,122	Water Treatment	1,199	1,299	1,265	1,351	1,527	1,721	1,835	1,901	2,023	2,174
7,131	TOTAL EXPENSES	7,639	8,179	8,612	8,821	9,090	9,694	10,048	10,355	10,992	10,873
7,108	NET OPERATING COST OF ACTIVITY	7,616	8,155	8,587	8,795	9,063	9,667	10,019	10,326	10,962	10,841
	RATING REQUIREMENT										
(2,136)	Less Depreciation	(2,461)	(2,472)	(2,692)	(2,765)	(2,806)	(3,016)	(3,104)	(3,129)	(3,368)	(3,370)
2,061	Plus Net Capital Renewal (3 Year Average)	2,976	3,260	3,751	4,199	3,836	3,760	3,317	3,544	3,682	3,773
426	Plus Debt Repayment	337	364	447	488	556	644	723	788	860	942
7,460	RATES REQUIREMENT	8,467	9,307	10,093	10,717	10,650	11,055	10,955	11,529	12,136	12,185
	CAPITAL EXPENDITURE										
2,094	Renewal	3,618	2,542	3,236	4,002	4,016	4,579	2,914	3,786	3,251	3,594
3,672	New	5,540	5,075	1,035	3,211	4,471	3,147	1,600	1,787	2,275	4,297
5,765	TOTAL CAPITAL EXPENDITURE	9,158	7,617	4,271	7,214	8,487	7,726	4,513	5,574	5,526	7,891
	FUNDED BY										
188	Development Contributions	219	245	315	366	397	436	462	505	524	580
2,061	Rates	2,976	3,260	3,751	4,199	3,836	3,760	3,317	3,544	3,682	3,773
3,516	New Borrowing / (Repayment)	5,963	4,112	204	2,648	4,254	3,530	734	1,525	1,320	3,538
5,765	TOTAL	9,158	7,617	4,271	7,214	8,487	7,726	4,513	5,574	5,526	7,891

WATER - OPERATING PROGRAMMES

ID-NAME	GROWTH	LOS	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
			\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
898-Water Supply Development Plan	50%	50%	45	-	-	-	-	-	-	-	-	206
1052-Turitea Dams - Implementation of the Dam Safety Assurance Programme	0%	100%	80	83	67	70	34	35	37	80	83	58
1246-Three Waters Public Education - Water	0%	100%	11	11	12	12	12	13	13	14	14	15
TOTAL			136	94	79	81	46	48	50	94	97	279

WATER - CAPITAL RENEWAL

ID-NAME	GROWTH	LOS	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
			\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
88-Turitea Water Treatment Plant - Rehabilitation of Pipeline from Lower Dam to the Ngahere Park Reservoirs	0%	100%	-	-	-	-	684	1,475	-	-	-	-
199-City-wide - Water Bores and Headworks Renewal	0%	100%	68	71	73	75	78	129	133	138	144	150
207-Turitea Water Treatment Plant - Equipment and Facility Renewals	0%	100%	100	104	107	186	193	172	179	185	193	201
214-City-wide - Water Toby and Meter Replacements	0%	100%	127	132	136	140	145	150	155	161	168	175
218-City-wide - Water Pipe Replacements	0%	100%	2,000	2,070	2,129	2,199	2,279	2,359	2,446	2,539	2,641	2,752
640-Turitea Water Treatment Plant - Replacement of Sludge Pipeline to Wastewater Treatment Plant	0%	100%	-	83	363	-	-	-	-	-	-	-
641-Turitea Water Treatment Plant - Sludge Handling and Disposal Improvements	0%	100%	-	-	-	408	-	-	-	-	-	-
643-Turitea Water Treatment Plant - Replacement of Filter Media	0%	100%	80	83	-	-	-	-	-	-	106	110
652-Turitea Dams - Access Road Improvements	0%	100%	320	-	-	-	171	-	-	-	-	83
663-Ashhurst - Bore to Reservoir Pipe Replacement	0%	100%	-	-	-	276	285	295	-	-	-	-
1021-C/fwd - Turitea Water Treatment Plant - Replacement of Sludge Pipeline to Wastewater Treatment Plant	0%	100%	108	-	-	-	-	-	-	-	-	-
1058-City-wide - Water Bores Renewals and Redevelopment	0%	100%	400	-	428	496	46	-	-	762	-	124
1061-City-wide - Replacement of Reservoirs Specific Component	0%	100%	55	-	-	221	-	-	-	-	-	-
1063-Turitea Water Treatment Plant - Replacement of SCADA System Hardware and Software	0%	100%	-	-	-	-	137	-	-	-	-	-
1241-C/fwd - Ashhurst - Replacement of Water Reservoir	0%	100%	360	-	-	-	-	-	-	-	-	-
TOTAL			3,618	2,542	3,236	4,002	4,016	4,579	2,914	3,786	3,251	3,594
Funded by Council (Rates and Borrowing)			3,618	2,542	3,236	4,002	4,016	4,579	2,914	3,786	3,251	3,594

WATER - CAPITAL NEW

ID-NAME	GROWTH	LOS	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
			\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
91-Turitea Water Treatment Plant - Construction of Duplicate Water Pipeline from Lower Dam to Harts Road Reservoirs	0%	100%	-	-	-	1,655	1,596	-	-	-	-	-
124-Turitea Water Treatment Plant - Upgrade to Respond to Review of Drinking Water Standards	0%	100%	-	-	-	-	-	-	-	1,016	1,453	1,376
132-College Street (Botanical Road to Maxwells Line) - Construction of New Water Supply Pipeline	10%	90%	-	-	-	-	-	-	-	-	548	571
135-Kelvin Grove - Construction of Water Pipeline Linking Bunnythorpe into Kelvin Grove Zone	90%	10%	-	-	-	-	604	-	-	-	-	-
246-City-wide - Water Subdivision Contributions	100%	0%	208	216	222	229	237	245	254	264	274	286
610-Turitea Valley Road/Pacific Drive - New Water Supply Link Pipe and Reservoir	40%	60%	834	2,768	107	-	-	-	-	-	-	-
611-Albert Street (Te Awe Awe Street to Featherston Street) - Construction of New Water Supply Pipeline	10%	90%	-	-	-	-	-	1,203	1,052	508	-	-
639-City-wide - Water Bore Security Improvements	0%	100%	40	-	-	-	-	-	-	-	-	-
651-City-wide - Seismic Strengthening of Water Structures	0%	100%	200	311	214	221	228	236	-	-	-	-
794-BC - Longburn - Water Collection Source and Storage Improvement	0%	100%	-	228	-	-	-	-	-	-	-	-
893-Turitea Water Treatment Plant - New Retaining Walls on Access Road	0%	100%	173	156	-	-	-	-	-	-	-	-
927-C/fwd - BC - Longburn - Water Distribution System Improvement	0%	100%	183	-	-	-	-	-	-	-	-	-
929-C/fwd - Turitea Valley Road/Pacific Drive - New Water Supply Link Pipe and Reservoir	0%	100%	1,698	-	-	-	-	-	-	-	-	-
985-Kelvin Grove Water Supply Zone - New Bore	30%	70%	200	311	-	-	-	-	-	-	-	-
986-Turitea Upper Dam - Installation of Aeration Facility	0%	100%	50	-	-	-	-	-	-	-	-	-
1004-Urban Growth - Whakarongo - Installation of Water Supply Systems	100%	0%	502	394	492	739	798	1,062	294	-	-	-
1005-Urban Growth - Installation of Water Supply Systems to an Expanded North East Industrial Zone	100%	0%	822	260	-	367	-	283	-	-	-	-
1053-Malden Street - Fire Capacity Improvement to Achieve Firefighting Levels of Service	0%	100%	240	-	-	-	-	-	-	-	-	-
1054-Ashhurst Water Treatment to Address the Discoloured Water Issues	0%	100%	-	-	-	-	940	-	-	-	-	-
1057-Turitea Dams - Installation of Dewatering Systems on the Turitea Upper and Lower Dams	0%	100%	-	-	-	-	68	118	-	-	-	-
1170-Urban Growth - City West - Installation of Water Supply Systems	100%	0%	-	-	-	-	-	-	-	-	-	2,064
1235-C/fwd - Kelvin Grove Water Supply Zone - New Bore	0%	100%	-	430	-	-	-	-	-	-	-	-
1236-C/fwd - Ashhurst - New Water Reservoir	0%	100%	390	-	-	-	-	-	-	-	-	-
TOTAL			5,540	5,075	1,035	3,211	4,471	3,147	1,600	1,787	2,275	4,297
Funded by Council (Rates and Borrowing)			5,540	5,075	1,035	3,211	4,471	3,147	1,600	1,787	2,275	4,297

Group of Activities

Support Services



2

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Commercial or Strategic Investments

What the Council does

The Council has a range of assets that it owns for commercial or strategic reasons. These include the Long Term Investment Fund, the Palmerston North Airport Ltd and the Gordon Kear Forest.

The Council provides some services to other councils on a contract basis. These include a call centre and building services.

Why the Council does this

The Council owns these assets because they generate revenue which helps fund the services it provides to residents. This reduces the amount it needs in rates.

There are no external levels of service.

Significant negative effects

There are no significant negative effects from this Activity.

COMMERCIAL OR STRATEGIC INVESTMENTS - ACTIVITY FINANCIAL STATEMENTS

Budget 2014/15 \$'000s		10YP 2015/16 \$'000s	10YP 2016/17 \$'000s	10YP 2017/18 \$'000s	10YP 2018/19 \$'000s	10YP 2019/20 \$'000s	10YP 2020/21 \$'000s	10YP 2021/22 \$'000s	10YP 2022/23 \$'000s	10YP 2023/24 \$'000s	10YP 2024/25 \$'000s
REVENUE											
3,073	External Contracts	2,496	2,561	2,634	2,706	2,784	2,867	2,956	3,054	3,157	3,271
471	Investment Property	473	486	498	511	525	541	557	575	594	614
328	Investments (including Investment Fund)	263	179	23	-	-	-	-	-	-	-
200	Investments in Companies (including Airport)	200	200	200	200	200	200	200	200	200	200
118	Print Synergy	59	61	62	64	66	68	70	72	75	78
4,191	TOTAL REVENUE	3,491	3,487	3,418	3,481	3,575	3,676	3,783	3,901	4,026	4,163
EXPENSES											
2,723	External Contracts	1,662	1,707	1,812	1,923	2,004	2,082	2,161	2,242	2,339	2,420
634	Investment Property	493	503	512	522	533	545	559	573	588	604
251	Investments (including Investment Fund)	306	362	361	387	440	460	548	565	582	497
613	Investments in Companies (including Airport)	562	563	563	563	563	564	564	564	565	565
(3)	Print Synergy	(26)	(27)	(58)	(24)	(33)	(80)	(28)	(41)	(84)	(25)
4,219	TOTAL EXPENSES	2,998	3,107	3,189	3,370	3,508	3,572	3,803	3,903	3,989	4,061
28	NET OPERATING COST OF ACTIVITY	(493)	(380)	(229)	(110)	(67)	(104)	20	2	(37)	(101)
RATING REQUIREMENT											
(1,167)	Less Depreciation	(1,093)	(1,112)	(1,079)	(1,050)	(1,169)	(1,275)	(1,386)	(1,502)	(1,631)	(1,762)
1,279	Plus Net Capital Renewal (3 Year Average)	1,191	1,270	1,420	1,418	1,385	1,264	1,373	1,455	1,517	1,510
182	Plus Debt Repayment	530	297	160	136	145	155	165	101	108	115
323	RATES REQUIREMENT	135	75	272	394	294	40	172	56	(43)	(238)
CAPITAL EXPENDITURE											
1,490	Renewal	1,247	1,191	1,300	1,318	1,643	1,295	1,217	1,281	1,623	1,462
109	New	63	19	23	21	15	-	-	-	-	-
1,600	TOTAL CAPITAL EXPENDITURE	1,310	1,210	1,324	1,338	1,658	1,295	1,217	1,281	1,623	1,462
FUNDED BY											
295	Asset Sales	109	133	-	-	-	-	-	-	-	-
1,279	Rates	1,191	1,270	1,420	1,418	1,385	1,264	1,373	1,455	1,517	1,510
25	New Borrowing / (Repayment)	10	(193)	(97)	(81)	272	30	(158)	(175)	105	(50)
1,600	TOTAL	1,310	1,210	1,324	1,338	1,658	1,295	1,217	1,281	1,623	1,462

COMMERCIAL OR STRATEGIC INVESTMENTS - OPERATIONAL

ID-NAME	GROWTH	LOS	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
			\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
1261-Merge of Facilities at Totara Road with Albert Street Depot Facilities - Feasibility Review	0%	100%	35	-	-	-	-	-	-	-	-	-
TOTAL			35	-	-	-	-	-	-	-	-	-

COMMERCIAL OR STRATEGIC INVESTMENTS - CAPITAL RENEWAL

ID-NAME	GROWTH	LOS	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
			\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
63-Council's Plant and Vehicles - Replacements	0%	100%	750	762	1,020	1,050	1,082	901	929	959	992	1,028
80-Council's Plant and Equipment - Replacement	0%	100%	160	164	168	173	178	183	189	195	195	196
86-Council Wide - Furniture Replacements	0%	100%	24	25	26	26	27	28	29	30	30	30
221-Print Synergy - Replacement of Print Synergy Machinery	0%	100%	15	10	-	4	12	-	-	24	16	-
270-Holiday Park - Renewal of Facilities	0%	100%	60	61	63	65	66	68	70	73	75	78
311-Gordon Kear Forest Replant	0%	100%	72	66	24	-	-	-	-	-	-	-
784-Replacement of Council's Photocopiers/Printers	0%	100%	-	103	-	-	278	114	-	-	315	131
962-C/fwd - Gordon Kear Forest Replant	0%	100%	55	-	-	-	-	-	-	-	-	-
1220-C/fwd - Replacement of Council's Photocopiers/Printers	0%	100%	75	-	-	-	-	-	-	-	-	-
1237-C/fwd - Holiday Park - Renewal of Facilities	0%	100%	36	-	-	-	-	-	-	-	-	-
TOTAL			1,247	1,191	1,300	1,318	1,643	1,295	1,217	1,281	1,623	1,462
Funded by Council (Rates and Borrowing)			1,247	1,191	1,300	1,318	1,643	1,295	1,217	1,281	1,623	1,462

COMMERCIAL OR STRATEGIC INVESTMENTS - CAPITAL NEW

ID-NAME	GROWTH	LOS	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
			\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
245-Gordon Kear Forest - Development of Internal Rooding	0%	100%	26	19	23	21	15	-	-	-	-	-
950-C/fwd - Gordon Kear Forest - Development of Internal Rooding	0%	100%	37	-	-	-	-	-	-	-	-	-
TOTAL			63	19	23	21	15	-	-	-	-	-
Funded by Council (Rates and Borrowing)			63	19	23	21	15	-	-	-	-	-

Corporate Support

What the Council does

This Activity is about the Council's internal services that support the external services Council provides to residents. These are human resources, information management and financial services.

The cost of operating and maintaining that area of the Civic Administration Building occupied by Council employees is covered by this Activity.

These all help the other parts of Council provide the services that contribute to the Vision and Goals.

Because they are internal services there are no 10 Year Plan levels of service or performance measures.

There are some one-off discretionary projects that will improve the way the Council provides the external services to residents. These are listed on the following pages.

The direct cost of providing these services is spread over Council's external services as overheads.

Significant negative effects

There are no significant negative effects from this Activity.

CORPORATE SUPPORT - ACTIVITY FINANCIAL STATEMENTS

Budget 2014/15 \$'000s		10YP 2015/16 \$'000s	10YP 2016/17 \$'000s	10YP 2017/18 \$'000s	10YP 2018/19 \$'000s	10YP 2019/20 \$'000s	10YP 2020/21 \$'000s	10YP 2021/22 \$'000s	10YP 2022/23 \$'000s	10YP 2023/24 \$'000s	10YP 2024/25 \$'000s
	REVENUE										
326	Civic Administration Building	326	334	342	351	361	371	383	395	408	422
724	Financial Services	788	808	829	851	875	900	786	812	838	868
1,050	TOTAL REVENUE	1,114	1,142	1,171	1,202	1,236	1,272	1,169	1,206	1,246	1,290
	EXPENSES										
450	Civic Administration Building	398	577	755	737	723	708	692	671	649	626
517	Communication	612	400	408	474	476	691	458	473	540	841
328	Financial Services	323	330	403	477	487	497	508	519	532	546
-	Human Resources	-	-	-	-	-	-	-	-	-	-
-	Information Services	(70)	(55)	(59)	(58)	(57)	(56)	(55)	(54)	(55)	(31)
1,296	TOTAL EXPENSES	1,263	1,253	1,508	1,630	1,628	1,840	1,602	1,609	1,666	1,981
246	NET OPERATING COST OF ACTIVITY	149	111	337	429	392	568	433	403	420	691
	RATING REQUIREMENT										
(1,268)	Less Depreciation	(1,002)	(1,144)	(1,227)	(1,518)	(1,563)	(1,623)	(1,658)	(1,674)	(1,793)	(1,779)
(903)	Less Internal Rates Recovered	(909)	(928)	(951)	(976)	(1,004)	(1,033)	(1,065)	(1,099)	(1,136)	(1,175)
1,816	Plus Net Capital Renewal (3 Year Average)	1,234	1,214	1,233	1,689	1,981	2,068	1,776	1,440	1,345	1,305
168	Plus Debt Repayment	300	288	375	450	477	504	533	514	518	548
60	RATES REQUIREMENT	(227)	(460)	(233)	74	283	484	19	(416)	(646)	(410)
	CAPITAL EXPENDITURE										
1,884	Renewal	2,349	1,185	1,166	1,291	1,242	2,534	2,166	1,502	1,658	1,159
50	New	100	308	210	270	111	114	118	122	126	131
1,934	TOTAL CAPITAL EXPENDITURE	2,449	1,492	1,377	1,562	1,353	2,649	2,284	1,624	1,784	1,289
	FUNDED BY										
1,816	Rates	1,234	1,214	1,233	1,689	1,981	2,068	1,776	1,440	1,345	1,305
118	New Borrowing / (Repayment)	1,215	278	143	(128)	(628)	581	509	184	439	(15)
1,934	TOTAL	2,449	1,492	1,377	1,562	1,353	2,649	2,284	1,624	1,784	1,289

CORPORATE SUPPORT - OPERATING PROGRAMMES

ID-NAME	GROWTH	LOS	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
			\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
225-PNCC Website Upgrade	0%	100%	216	-	-	43	44	247	-	-	50	334
TOTAL			216	-	-	43	44	247	-	-	50	334

CORPORATE SUPPORT - CAPITAL RENEWAL

ID-NAME	GROWTH	LOS	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
			\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
53-Computer Replacement - Rolling Replacements	0%	100%	424	459	471	492	506	521	534	547	548	555
55-Application Software Upgrade	0%	100%	76	78	80	82	84	87	90	93	93	93
58-Network Additions and Upgrades	0%	100%	39	40	41	42	43	45	46	48	49	49
68-Aerial Photography	0%	100%	27	51	84	29	89	30	59	97	33	98
77-Core Financial and Regulatory System - Replacement or Upgrade	0%	100%	-	-	-	-	56	572	590	-	-	-
85-Council's Depot Buildings and Structures - Replacement of Components as Required	0%	100%	306	118	89	172	44	63	41	139	225	142
272-Staff Cafeteria - Replacement of Equipment	0%	100%	6	6	6	6	6	6	7	7	7	7
281-Civic Administration Building - Refurbishments	0%	100%	300	307	315	323	332	1,139	587	484	625	65
318-Telecommunications Replacement - Council Buildings	0%	100%	119	126	81	86	82	71	148	87	79	77
755-Replacement of Parking Enforcement Hand Helds and iPhones	0%	100%	55	-	-	59	-	-	65	-	-	72
953-C/fwd - Civic Administration Building - Refurbishments	0%	100%	840	-	-	-	-	-	-	-	-	-
1227-C/fwd - Council's Depot Buildings and Structures - Replacement of Components as Required	0%	100%	158	-	-	-	-	-	-	-	-	-
TOTAL			2,349	1,185	1,166	1,291	1,242	2,534	2,166	1,502	1,658	1,159
Funded by Council (Rates and Borrowing)			2,349	1,185	1,166	1,291	1,242	2,534	2,166	1,502	1,658	1,159

CORPORATE SUPPORT - CAPITAL NEW

ID-NAME	GROWTH	LOS	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
			\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
60-Information Management Strategic Plan Project - New Software Applications	0%	100%	100	103	105	108	111	114	118	122	126	131
1185-Non-Financial Reporting System	0%	100%	-	205	-	-	-	-	-	-	-	-
1187-PNCC Website Customisation	0%	100%	-	-	105	-	-	-	-	-	-	-
1188-Land Use Monitoring	0%	100%	-	-	-	162	-	-	-	-	-	-
TOTAL			100	308	210	270	111	114	118	122	126	131
Funded by Council (Rates and Borrowing)			100	308	210	270	111	114	118	122	126	131

Customer Services

What the Council does

The Council exists to provide services to people in main urban areas of the City, Ashhurst, Bunnythorpe and Longburn. Residents, visitors and organisations are the Council's customers and the Council aims to provide all of the services described in these Activity pages to customers at a high standard. To do this the Council regularly talks with customers to understand what services they expect the Council to provide and to understand the quality of services that they are willing to pay for (either through rates or fees). All staff aim to provide **high quality, timely** services to the people that use their services.

People can contact the Council and get information on Council services in multiple ways:

- Visit the Council's website www.pncc.govt.nz - this has a wide range of information on all of Council's services. People can also access many Council services online services, including an online chat feature
- Email us with your enquiry at info@pncc.govt.nz
- Call our 24 hours a day, seven days a week Call Centre (06 356 8199) - anyone can ring the Council to log a complaint or fault, make a compliment, or get information about Council services
- Drop by the Customer Services Centre on The Square - the Customer Services Centre is open from 8am to 5pm Monday to Friday.

Why the Council does this and how it contributes to the Council's Vision and Goals

The Council provides a vast number of services, and many of these happen without anyone taking much notice. By giving people information on all Council services, this Activity contributes indirectly to all five of the Council's major goals.

The Council provides a website because it is a very easy way for people to get information on Council services. As people become more technology-savvy, the demand for online services and information is increasing. It enables people to find information about the Council without having to come to the Customer Services Centre in person, and to find information at their convenience.

The Council provides a Contact Centre - another easy way to contact the Council. Most services are provided by taking a multi-channel approach. The after-hours service ensures that even residents who are not able to come into the Customer Services Centre during business hours have access to the Council.

People can also come into the Customer Services Centre on The Square for information and services.

Priorities and major projects in the next 10 years

The way in which people are contacting the Council is changing – people are making more online contact and fewer phone calls. The Council is reviewing the implications of this.

Significant negative effects

There are no significant negative effects from this Activity.

How people can judge the Council’s success

WHAT WE DO	HOW WE SHOW WE ARE DOING A GOOD JOB	OUR CURRENT RESULTS		OUR TARGETS		
(LEVELS OF SERVICE)	(PERFORMANCE MEASURES)	(2013/14)	2015/16	2016/17	2017/18	2018/19- 2024/25
The Council provides a Customer Service Centre from 8am to 5pm Monday to Friday.	At least 95% of phone calls to the Contact Centre are answered before the customer hangs up.	96%.	At least 95%.	At least 95%.	At least 95%.	At least 95%.
The Council provides a prompt 24 hours a day, seven days a week contact centre (telephone, email, fix-it app, and chat service).	At least 80% of phone calls to the Contact Centre are answered within 20 seconds.	78%.	At least 80%.	At least 80%.	At least 80%.	At least 80%.
	Percentage of info@pncc, fix-it app and web chat requests responded to within 30 minutes. ¹	New measure.	At least 80%.	At least 80%.	At least 80%.	At least 80%.
The Council provides friendly, professional and knowledgeable service to its customers. This includes providing the information they are seeking and giving feedback on the results of their requests and complaints.	Customers are satisfied with the friendliness, professionalism, and knowledge of the service they receive.	99% satisfaction for Front of House and 97% for Call Centre.	At least 90%.	At least 90%.	At least 90%.	At least 90%.
	Customers who lodge fault and service complaints have their complaints responded to a satisfactory standard.	91%.	At least 80%.	At least 80%.	At least 80%.	At least 80%.
The Council manages its Customer Services Activity in a financially sustainable way.	10 Year Plan levels of service and programmes are achieved within budget.	Services were provided within budget.	Services provided within budget.	Services provided within budget.	Services provided within budget.	Services provided within budget.

¹ Response time is the time for the initiator of the request to receive acknowledgement from a Customer Services Advisor that the request has been received and sent to the appropriate Unit in Council for action.

Section 3

Financial and Rating Information

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

[Revenue and Financing Policy](#)

[Significant Forecasting Assumptions](#)

[Rates Remission and Postponement Policies](#)

[Statement of Accounting Policies](#)

[Rating System, Rates and Funding Impact Statements](#)

The Council has also adopted a [Development Contributions Policy](#) and [Treasury Policy](#) (including Liability Management and Investment Policies). (These are on our website.)

Revenue and Financing Policy

INTRODUCTION

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

In 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 its Vision and Goals which represent its desired Community Outcomes:

Vision

Palmerston North is recognised as a **vibrant, caring, innovative, sustainable and prosperous city.**

City Goals

- Palmerston North is a **socially sustainable city** where people want to live because of its safe and easy lifestyle and its many social, cultural and recreational opportunities.
- Palmerston North is a leading city in the quest to become **environmentally sustainable.**
- Palmerston North is an **economically sustainable city** which attracts, fosters and retains businesses and jobs.

Organisational Goals:

- Palmerston North City Council is **financially responsible** and residents are satisfied that

The Act requires the Council to manage its finances prudently and in a manner which 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.

they get value for money from their rates.

- Palmerston North City Council understands the diverse views of the City's people, makes **prudent decisions**, and ensures that people know what it is doing and why.

The activities of the Council itself have been grouped into major groups of activities as follows:

- Leadership
- Community Support
- Work and City Promotion
- Leisure
- Regulatory
- Roading and Parking
- Rubbish and Recycling
- Stormwater
- Wastewater
- Water
- Support Services

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, 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:

- 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 time. 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 grants from organisations such as 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 though 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 which 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 on doing this.
- 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 in accordance with 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 prudential 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 on-going 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 also 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 ¹	POLICY FOR FUNDING CAPITAL EXPENDITURE ²
<p>General Rates</p> <p>General rates are currently set at rates of cents in the dollar of land value, calculated differentially based on the following classifications (and further sub-classifications) of property:</p> <ul style="list-style-type: none"> • Single Unit Residential • Multi-unit Residential • Non-residential • Miscellaneous • Rural/semi-serviced <p>Its incidence is modified by a uniform annual general charge (UAGC).</p>	<p>General rates will be primarily used to fund those activities, or parts of activities, that benefit the community in general and where no identifiable individuals or groups benefit in a significantly different way to 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 differentials are designed to achieve an apportionment of rates which more closely reflects the estimated value of services received by each classification of property, after modification by the use of the UAGC and uniform 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>	<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 into council ownership, physical assets. 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. It also includes debt repayment.

REVENUE SOURCE	POLICY FOR FUNDING OPERATING EXPENSES ¹	POLICY FOR FUNDING CAPITAL EXPENDITURE ²
Targeted Rates		
<p>Targeted rates, in the form of fixed charges 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 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 charge, 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>
Lump Sum Contributions		
<p>These are a mechanism for enabling ratepayers to elect to pay for capital projects by lump sums instead of by targeted rates.</p>	<p>Operating costs are not funded from lump sum contributions.</p>	<p>The Council may fund capital projects in whole or part through lump sum contributions.</p>
Fees and Charges		
<p>A wide range of fees and charges are made to cover either the whole or part of the cost of activities.</p>	<p>Fees and charges will generally be used for those 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 consent, licenses, 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 that which would be necessary to recover the costs of the activity.</p> <p>Fees and charges may be in the form of fines, penalties or similar and used where the Council wishes to modify the behaviours that impose cost, or inconvenience, on other members of the community.</p>	<p>User charges may be used to retire debt, where the debt arose from the purchase of assets used for the activity funded by the user charge.</p> <p>User charges may be used to purchase physical assets, where the Council determines that funding the assets from debt is not the preferred option, and the assets are to be used for the activity funded from the user charge.</p>

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 into council ownership, physical assets. 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. It also includes debt repayment.

REVENUE SOURCE	POLICY FOR FUNDING OPERATING EXPENSES ¹	POLICY FOR FUNDING CAPITAL EXPENDITURE ²
Interest & Dividends from Investments		
The Council receives interest and dividends from its investments and short-term cash management.	Ordinary budgeted interest and dividends, along with any other investment income, is treated as general revenue.	Investment income may be used to retire debt, when that income has not been budgeted for other purposes.
Borrowing		
Borrowing involves the taking on of debt and in normal circumstances is only appropriate to fund assets with long lives.	Unless there are exceptional circumstances the Council will not borrow to fund operating costs.	Borrowing is the preferred means of funding capital expenditure as it promotes intergenerational fairness. What is an appropriate level of borrowing is assessed against criteria in the Council's Financial Strategy. The Council may also borrow to fund insulation to homes under a Warm Palmerston North scheme in conjunction with the Energy Efficiency and 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.
Proceeds from Asset Sales		
These are the sums received when physical assets are sold.	Operating costs are not funded from asset sales.	Proceeds from asset sales are an appropriate source for purchasing assets or retiring debt as it has a neutral effect on Council's financial position (assets versus liabilities).
Development Contributions		
Development contributions are sums payable, or assets transferred to council, by developers or new service users for the costs imposed on infrastructure and facilities by growth in numbers of users.	Operating costs are not funded from development contributions.	Development contributions will be used to fund that proportion of new asset expenditure that is made necessary by increased demand as a result of growth in the number of users. Contributions will be calculated in accordance with the Council's Development Contributions Policy.
Financial Contributions under Resource Management Act		
Financial contributions are sums payable, or assets transferred to council, by developers or new service users to enable mitigation, avoidance or remedying of adverse effects arising from subdivision or development.	Operating costs are not funded from financial contributions.	Financial contributions may be used to fund that proportion of new asset expenditure that is made necessary by the effects of subdivision and development. The contribution may be required as a condition of consent, in accordance with any relevant rule in the District Plan.
Grants & Subsidies		
These are payments from external agencies and are usually for an agreed specified purpose. The main source of these is 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.

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 into council ownership, physical assets. 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. It also includes debt repayment.

LEADERSHIP

NATURE OF ACTIVITY	WHO BENEFITS	PERIOD OF BENEFIT	WHO CREATES NEED	FUNDING SOURCE (PROPORTION*)	FUNDING SOURCE RATIONALE
Council Leadership & Decision Making					
Elections Councillor meetings & administration Mayoral & Chief Executive's Offices	The entire community benefits from the ability to elect local representatives & influence Council decisions Council benefits from the clarity of community needs & wants	Benefits of a good working relationship between the Council and the community are on-going Benefits of the Council being well lead & operating as an effective, efficient organisation are ongoing	Need is created by entire community for knowledge of & involvement in Council decisions Need is created by Council for guidance from the public in decision making	General rates (high) Other charges (low)	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 Additional costs are incurred each third year to run the elections. Part of the cost is recovered from the Regional Council & Health Board
Direction Setting					
Environmental policy & district planning Strategy development & 10 year planning (LTP)	The entire community benefits from transparent Council goals & clear paths to meet them Council benefits from defined objectives & clear processes The entire community benefits from pleasant, functional, safe urban environment Businesses benefit from attraction of visitors & effectiveness & accessibility of infrastructure	Benefits of providing clear direction for city development are ongoing	Need is created by the entire community for a well-structured community infrastructure with adequate provision to cope with growth	General rates (high) Fees & charges (low)	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 Costs relating to processing private District Plan changes are recovered from applicants

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COMMUNITY SUPPORT

NATURE OF ACTIVITY	WHO BENEFITS	PERIOD OF BENEFIT	WHO CREATES NEED	FUNDING SOURCE (PROPORTION#)	FUNDING SOURCE RATIONALE
Cemeteries					
Cemeteries & crematorium	<p>Individual users particularly families of the deceased</p> <p>The entire community benefits from the comfort that there is adequate provision for interring the deceased in an appropriate manner & that cemeteries are maintained as a place of remembrance</p>	Benefits are on-going	<p>The entire community creates the need for cemeteries and related services</p> <p>Families & genealogists researching cemetery records</p>	<p>General rates (med/low)</p> <p>Fees and charges (med/high)</p>	<p>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</p> <p>As there are public benefits from the service a portion of the cost should be funded from general rates</p>
Civil Defence					
Civil defence & rural fire	The entire community benefits from having people who are trained and organised to help the community survive and cope with natural disasters and rural fires	Benefits in terms of peace of mind for residents are on-going, although direct benefits are short term in the event of a disaster	<p>Need is created by entire community for an action plan in the event of a disaster or emergency</p> <p>Need is created by Council to meet legal obligations</p>	<p>General rates (high)</p> <p>Charges to exacerbators for rural fire (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>Those who are responsible for rural fires should bear the cost</p>
Housing					
Community rental housing (social housing)	<p>Those on low incomes with the least wealth or additional needs</p> <p>Community as a whole benefits from City residents being appropriately housed</p>	Benefits accrue through the period of tenancy	Need is created by housing tenants	<p>Community Rental Housing:</p> <p>General rates (med/low)</p> <p>Fees & charges (med/high)</p> <p>Central Government grant agency funding (low)</p>	<p>As the main beneficiaries of the activity are those who use the service the cost should be borne by the users having regard for the Council's rental policies based on tenant's income</p>
Public Rental Housing	Tenants benefit from the provision of public rental housing			<p>Public Rental Housing:</p> <p>Fees and charges (High)</p> <p>The funding proportions will be reviewed once the Council determines its revised Social Housing Strategy</p>	<p>Central government funding assistance will be sought but from time to time it may be necessary to subsidise the activity from general rates</p>

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WORK AND CITY PROMOTION

NATURE OF ACTIVITY	WHO BENEFITS	PERIOD OF BENEFIT	WHO CREATES NEED	FUNDING SOURCE (PROPORTION #)	FUNDING SOURCE RATIONALE
Work and City Promotion					
Business support City marketing & branding Convention Centre	Individual businesses will benefit directly from specific initiatives Entire economy benefits from improved economic activity, choice, employment opportunities and incomes Individual users benefit from the provision of the Convention Centre	Short-term business support initiatives, but on-going benefits of infrastructure development and flow-on effects Ongoing benefits for entire economy	Entire economy displays need for economic development Businesses display specific need for support services and infrastructure	City marketing, branding & business support: General rates, but with business differential (high) Central Government funding (low) Other Territorial Local Authorities (low) Private sector (low) Fees & charges (low) Convention Centre: General rates (Med/Low) Fees & charges (Med/High)	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 Individual users of the Convention Centre should pay market rates for its use

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LEISURE

NATURE OF ACTIVITY	WHO BENEFITS	PERIOD OF BENEFIT	WHO CREATES NEED	FUNDING SOURCE (PROPORTION#)	FUNDING SOURCE RATIONALE
Arts and Culture					
Grants to arts & cultural groups Te Manawa (Museum, Art Gallery & Science Centre) Other cultural facilities such as: Regent on Broadway Theatre Globe Theatre Caccia Birch House Creative Sounds (The Stomach)	The entire community benefits from the educational opportunities & cultural awareness that the provision of activities and facilities brings Business community benefits from spending by visitors attending facilities & events Specific benefit to those who use facilities and attend activities	Ongoing benefits from an informed, creative & innovative population	Need is created by entire community for access to information regarding cultural heritage and creative media as well as for venues for the performing arts	General rates (high) Some entry charges (low) Sponsorship/grants (low) Central Government (low) Rental income (low) [Represents a consolidated view of funding sources i.e. including revenue received directly by the organisation running the facility]	Those who use the facilities should pay a reasonable charge but it is recognised that for some activities (e.g. Te Manawa) such a charge would be prohibitively high if set at a level to cover the entire cost Every effort will be made to obtain grant funding from external agencies As the entire City benefits from these activities any residual expenditure should be funded from general rates
City Library & Community Development					
Main library ('Living Room of the City') Library books & content Grants/community centres/branch libraries	The entire community benefits from choice of leisure & recreational activities, a healthy caring community, the educational opportunities the library offers & from being informed Specific benefits to borrowers of material The entire community benefits from the existence of a strong co-ordinated voluntary sector, community events which celebrate the richness of a diverse community & places to meet to foster community identity	Ongoing educational benefits from an informed, creative population Benefits are on-going as sharing of experiences and expertise leads to community enhancement	Need is created by entire community for library facilities and access to information sources The entire community creates the need as the more integrated members of society are, the more they contribute to the economic, social and cultural well-being of the City	General rates (high) Rentals on some materials (low) Penalty charges (low) Central Government grant agency funding (low)	Those who utilise some services (e.g. CDs, DVDs, internet etc) should pay a reasonable charge City residents take great pride in the facilities & 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 funded from general rates Council's contribution is directed to community groups rather than individuals and to events & facilities which benefit the entire community so should be funded from general rates Although funding support is sought from external agencies this contribution is usually small

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NATURE OF ACTIVITY	WHO BENEFITS	PERIOD OF BENEFIT	WHO CREATES NEED	FUNDING SOURCE (PROPORTION#)	FUNDING SOURCE RATIONALE
Parks, Sport and Recreation					
Arena Manawatu City-wide reserves Local reserves Sportsfields Swimming pools	<p>The entire community benefits from choice of recreational activities and a healthy active community</p> <p>Particular event organisers also benefit from commercial gains from activities</p> <p>Business community benefits from spending by visitors attending facilities & events</p> <p>Specific benefits to users of facilities and spectators of events</p>	<p>Benefits are ongoing as long as facilities are maintained or enhanced in some cases</p> <p>The benefit of events are both immediate & longer term, the latter being to the perception of vibrancy of the City</p>	<p>Need is created by entire community for recreational facilities, activities and choice</p> <p>Event organisers create a need for infrastructure in order to hold events</p>	<p>General rates (med/high)</p> <p>User charges (med/low)</p> <p>Lease and rental income (low)</p> <p>Corporate sponsorship (low)</p> <p>Grants from charitable trusts (low)</p> <p>Central government (low)</p> <p>[Represents a consolidated view of funding sources i.e. including revenue received directly by the organisation running the facility]</p>	<p>Those who use the facilities should pay a reasonable charge but it is recognised that for some activities (e.g. swimming pools, sportsfields & Arena Manawatu) such a charge would be prohibitively high if set at a level to cover the entire cost</p> <p>Also it is impractical to charge users of some facilities such as city-wide & local area reserves</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>

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REGULATORY

NATURE OF ACTIVITY	WHO BENEFITS	PERIOD OF BENEFIT	WHO CREATES NEED	FUNDING SOURCE (PROPORTION #)	FUNDING SOURCE RATIONALE
Animal Control					
Animal control	Animal control activity is principally related to the actions or inactions of dog owners - owners & the public at large (through reduced nuisance) benefit from this	Benefits of regulation in general are ongoing even though the specific regulations may change over time	<p>Need is created by entire community for structure, consistency and certainty</p> <p>Need is created by those who do not comply with the rules (i.e. exacerbators)</p> <p>Need is created by Council for rules to protect its position and manage its risk exposure</p>	<p>General rates (low)</p> <p>Fees and charges (high)</p>	<p>A significant portion of the costs should be borne by dog owners as the majority of the activity relates to their actions or inactions</p> <p>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</p>
Building Control					
Building control	<p>The entire community benefits from safe reliable infrastructure and resources and consistent, transparent Council procedures</p> <p>Developers & property owners benefit from the building control advice, information & certainty provided by the Council</p>	Benefits of regulation in general are ongoing even though the specific regulations may change over time	<p>Need is created by entire community for structure, consistency and certainty</p> <p>Need is created by those who do not comply with the rules (i.e. exacerbators)</p> <p>Need is created by property developers & building owners seeking building consents</p> <p>Need is created by Council for rules to protect its position and manage its risk exposure</p>	<p>General rates (med/low)</p> <p>Fees and charges (med/high)</p>	<p>As the main beneficiaries are property developers & 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 the residual cost should be allocated to the whole City as part of the general rate</p>
Land Administration					
Land administration	<p>The entire community benefits from safe reliable infrastructure and resources and consistent, transparent Council procedures</p> <p>Land administration includes a multitude of smaller activities each with a range of beneficiaries</p>	Benefits of regulation in general are ongoing even though the specific regulations may change over time	<p>Need is created by entire community for structure, consistency and certainty</p> <p>Need is created by those who do not comply with the rules (i.e. exacerbators)</p> <p>Need is created by Council for rules to protect its position and manage its risk exposure</p>	<p>General rates (low)</p> <p>Fees and charges (high)</p>	<p>Costs should be borne by users where practicable with the residual being allocated to the whole City as part of the general rate</p>

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NATURE OF ACTIVITY	WHO BENEFITS	PERIOD OF BENEFIT	WHO CREATES NEED	FUNDING SOURCE (PROPORTION #)	FUNDING SOURCE RATIONALE
Planning Services					
Planning services – public (includes planning advice, information, monitoring & enforcement)	The entire community benefits from safe reliable infrastructure and resources and consistent, transparent Council procedures	Benefits of regulation in general are ongoing even though the specific regulations may change over time	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)	General rates <ul style="list-style-type: none"> • Planning services – public (high) • Planning services – private (low) 	As the main beneficiaries of processing resource consents are property developers & building owners they should pay for the cost of the activity.
Planning services – private (resource consent processing)	The entire community benefits from advice relating to potential resource consents or resource management as well as from resource consent monitoring & enforcement activities Developers & property owners benefit from the resource consent advice, information & certainty provided by the Council	Benefits of providing free information to the public and monitoring resource consents are on-going	Need is created by developers & property owners seeking resource consents	Fees and charges <ul style="list-style-type: none"> • Planning services – public (low) • Planning services – private (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 rate
Public Health					
Public health	Licensed businesses gain economic advantage from the public health activity of the Council & the public benefit from a healthy, safe & clean City	Benefits of regulation in general are ongoing even though the specific regulations may change over time	Need is created by entire community for structure, consistency and certainty Need is created by those who do not comply with the rules (i.e. exacerbators) Need is created by Council for rules to protect its position and manage its risk exposure	General rates (med/high) Fees and charges (med/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

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ROADING AND PARKING

NATURE OF ACTIVITY	WHO BENEFITS	PERIOD OF BENEFIT	WHO CREATES NEED	FUNDING SOURCE (PROPORTION #)	FUNDING SOURCE RATIONALE
Roading and Parking					
Roads Parking Footpaths Street lighting Street facilities Traffic services	Entire community benefits from accessibility of City and ease of transportation throughout the City Specific benefit to road users including cyclists and pedestrians Businesses benefit from an effective roading infrastructure Specific benefit to parking facility users	Ongoing benefits as long as infrastructure is maintained	Entire community creates the need for an accessible urban environment where transport links are readily available for both business and public use	General rates with business differential <ul style="list-style-type: none"> • Roads (high) • Footpaths (high) • Street lighting (high) • Street facilities (high) • Traffic services (high) Fees and fines <ul style="list-style-type: none"> • Parking (high) New Zealand Transport Agency subsidy (med for qualifying expenditure)	Roading & related costs which meet the benefit/cost qualifying criteria should be funded from NZTA subsidies as a proxy for direct contributions from road users, many of whom are not City residents It is impractical to charge for road use by any direct mechanism such as tolls so the residual cost should be borne by whole City through the general or a targeted rate with a differential applied to business Parking users should pay at levels which are appropriate to manage demand & provide a net return which can be applied to reduce the net cost to ratepayers of roading & transportation

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RUBBISH AND RECYCLING

NATURE OF ACTIVITY	WHO BENEFITS	PERIOD OF BENEFIT	WHO CREATES NEED	FUNDING SOURCE (PROPORTION #)	FUNDING SOURCE RATIONALE
Rubbish and Recycling					
Landfill management Waste management Waste minimisation	Entire community benefits from safe and efficient disposal of solid waste Direct households benefit from refuse collection and recycling	Ongoing benefits as long as infrastructure is maintained	Entire community creates the need for a safe urban environment where solid waste is adequately dealt with Exacerbators and individual householders	Targeted rate with fixed annual property charge <ul style="list-style-type: none"> Recycling (high) Waste collection (low) Rubbish bag sales or similar <ul style="list-style-type: none"> Waste collection (high) Landfill charges (low) Sales of Recyclable materials	To minimise the volume of waste, collection costs should be funded by the users of the service – through rubbish bag sales or other mechanism having the same effect 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 or rates set on a fixed annual charge basis

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STORMWATER

NATURE OF ACTIVITY	WHO BENEFITS	PERIOD OF BENEFIT	WHO CREATES NEED	FUNDING SOURCE (PROPORTION #)	FUNDING SOURCE RATIONALE
Stormwater					
Stormwater collection & disposal	Entire community benefits from safe and efficient discharge of stormwater Specific benefit to owners of property more prone to effects of stormwater	Ongoing benefits as long as infrastructure is maintained	Entire community creates the need for a safe urban environment where stormwater discharges are adequately dealt with Property owners directly affected by stormwater create a need for infrastructure to maintain adequate protection	General rates with business differential (high)	As the whole community benefits from this activity the costs should be funded from the general rate with a business differential due to the nature & volume of run-off from properties used for business

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WASTEWATER

NATURE OF ACTIVITY	WHO BENEFITS	PERIOD OF BENEFIT	WHO CREATES NEED	FUNDING SOURCE (PROPORTION #)	FUNDING SOURCE RATIONALE
Wastewater					
Wastewater collection Wastewater treatment & disposal	<p>Entire community benefits from safe and efficient disposal of wastewater</p> <p>Commercial and industrial businesses benefit specifically from the provision of wastewater services</p> <p>Direct household benefit from the provision of wastewater services</p>	Ongoing benefits as long as infrastructure is maintained	<p>Entire community creates the need for a safe urban environment where wastewater is adequately dealt with</p> <p>Commercial and industrial enterprise create need for wastewater services applicable to their business</p> <p>Property owners</p>	<p>Targeted rate with fixed annual charge for households and small users (med/high)</p> <p>Targeted rate in form of pan charges for larger users (med/low)</p> <p>Trade waste charges for exacerbators (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 trade waste are capable of being measured so those who discharge trade waste should be charged based on the nature & volume of discharge</p> <p>Those capable of being connected to the wastewater system are identifiable so should bear the cost through a targeted rate</p> <p>The cost of servicing each household is similar so a fixed annual charge is appropriate</p> <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

NATURE OF ACTIVITY	WHO BENEFITS	PERIOD OF BENEFIT	WHO CREATES NEED	FUNDING SOURCE (PROPORTION #)	FUNDING SOURCE RATIONALE
Water					
Water collection Water treatment Water distribution	<p>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>Entire community benefits from provision of water services to 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>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 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</p> <p>Targeted rate through metering of non-residential users</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 those non-residential users with use over a cut-off level are metered</p> <p>Those capable of being connected to the water system are identifiable so should bear the cost through a targeted rate</p> <p>The cost of servicing each household is similar so a fixed annual charge is appropriate</p>

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SUPPORT SERVICES

NATURE OF ACTIVITY	WHO BENEFITS	PERIOD OF BENEFIT	WHO CREATES NEED	FUNDING SOURCE (PROPORTION #)	FUNDING SOURCE RATIONALE
Commercial or Strategic Investments					
Provision of services to external entities Investments (including Investment Fund) Investment property Investments in companies (including Airport)	The entire community benefits from the Council obtaining positive net financial returns on its investments The entire community benefits from the Council making sound strategic investments Lessees & users benefit from the provision of property	Benefits are ongoing or for the life of the particular contract	Need for strategic investments is created by community as a whole	General rates (high) Net cost or return from investments or provision of services to external entities	Commercial investments are expected to generate a net return which can benefit the City as a whole & lead to lower rates, fees & charges Strategic investments benefit the whole City and so it is appropriate to fund any net cost from general rates
Corporate Support					
Civic Administration Building Communication Financial services Human resources Information services Print Synergy	The entire community benefits from access to Council information, efficient dealings with Council, and basic channel through which to communicate with Council	Benefits are ongoing	All of the Council's activities require some corporate support	Costs are allocated to other activities based on appropriate drivers	Corporate support 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
Customer Services					
Customer Service Centre	The entire community benefits from access to Council information, efficient dealings with Council, and basic channel through which to communicate with Council Council benefits from clarity of community needs and wants, and efficient processing of public enquiries	Benefits are ongoing	Need is created by entire community for knowledge and an accessible Council Need is created by Council for efficient interface with public	Costs are allocated to other activities based on appropriate drivers	Customer service exists not for itself, but to enable the Council to provide its other activities. Customer service costs should therefore be reflected in the overall costs of other activities

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REVENUE AND FINANCING POLICY

Funding Source Proportions for Operating Costs

	GENERAL RATES	TARGETED RATES	USER FEES & CHARGES	OTHER
Leadership				
Council Leadership & Decision Making	High		Low	Low
Direction Setting	High		Low	Low
Community Support				
Cemeteries	Med/Low		Med/High	Low
Civil Defence	High		Low	Low
Community Rental Housing	Med/Low		Med/High	Low
Work & City Promotion				
City Marketing, Branding & Business Support	High		Low	Low
Convention Centre	Med/Low		Med/High	
Leisure & Culture				
Arts & Culture	High		Low	Low
City Library & Community Development	High		Low	Low
Parks & Recreation				
Arena Manawatu	Med/High		Med/Low	
City-Wide Reserves	High		Low	
Local Reserves	High		Low	
Sportsfields	High		Low	
Swimming Pools (see note 1)	Med		Med	
Regulatory				
Animal Control	Low		High	
Building Control	Med/Low		Med/High	
Land Administration	Low		High	
Planning Services – Private			High	
Planning Services – Public	High			
Public Health	Med/High		Med/Low	
Roading & Parking	Med/High		Low	Low

	GENERAL RATES	TARGETED RATES	USER FEES & CHARGES	OTHER
Rubbish & Recycling				
Landfill Management		Low	High	Low
Waste Management		Low	High	
Waste Minimisation		Med/High	Med/Low	Low
Stormwater	High		Low	
Wastewater		High	Low	
Water (see note 2)		High		
Support Services				
Commercial or Strategic Investments	High		High	
Corporate Support				High
Customer Services				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 ie 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 its 10 Year Plan the significant forecasting assumptions it has used to develop the 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
1. Population & Household Growth	Medium
2. Worldwide Economic Position	Low
3. Social Change	Low
4. Climate Change	Low
5. Energy Price Change	Medium
6. Natural Disasters & Adverse Weather Events	Medium
7. Services Provided by Council	Medium
8. Continuity of External Funding	Low
9. Sources of Funds for Future Replacement of Assets	Low
10. NZTA Subsidy	Low
11. Investments & Return on Investments	Low
12. Airport Dividend	Medium
13. Forestry	Low
14. Revaluation of Property, Plant & Equipment Assets	Low
15. Asset Lives	Low
16. Depreciation	Low
17. Inflation	Medium
18. Interest Rates for Borrowings	Medium
19. Resource Consents	High
20. Turitea Windfarm	Medium
21. Weathertight (Leaky) Homes Claims	Medium
22. Insurance	Low
23. Earthquake Prone Buildings	Medium
24. Additional Road Crossing of Manawatū River	Low
25. Legal Expenses	Low
26. Delivery of Services Reviews	Low

2015-25 10 YP ASSUMPTION	RISK	LEVEL OF UNCERTAINTY OF ASSUMPTION	REASONS & FINANCIAL EFFECT OF UNCERTAINTY
<p>1. Population and Household Growth</p> <p>Population growth of 0.8% pa for the first 10 years, 0.7% pa for the next 10 years then 0.5% pa thereafter. This is based on the Statistics New Zealand (October 2012) medium population growth projections for Palmerston North. These population projections assume the City will retain its status as being one of the lowest median ages (33.8 in 2013 compared with the national median age of 38) but as is projected for the rest of New Zealand, there will be a gradual aging of the population.</p> <p>Also taken into account is the projected growth in the number of households in the City of 0.9% per annum (which is slightly lower than the Statistics New Zealand medium household projections (2010) of 1.0% per annum) with average household size projected to decline as population growth slows over the period from 2016 to 2035.</p> <p>The difference between the population and household growth is because of the reduction in average household size.</p> <p>The types of residential development are assumed to remain constant based on a preference for greenfield development of 40%, infill development of 33%, rural residential development of 12% and minor dwellings and apartments of 15%.</p> <p>The Strategies and Plans assume that during years 1-10 greenfield residential growth will be centred on the Whakarongo area and in future years the City West area. New industrial growth will be focused on the extended north east area of the City and in Longburn.</p> <p>That 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>City growth is at significantly different rates than assumed.</p> <p>Privately initiated development is approved in areas other than those planned for by the Council or earlier than anticipated.</p>	<p>Medium</p> <p>Medium</p>	<p>If growth is less than predicted then some projects will be deferred and expenditure will be lower than forecast. If growth is higher than predicted, then some projects will go ahead earlier than forecast and expenditure will be higher than forecast. Higher or lower expenditure will impact on the total rates requirement.</p> <p>The Council's plans for longer term residential growth rely heavily on final assessments of the appropriateness of the land for affordable development (especially in the City West area).</p> <p>The results of final assessments on residential growth options may require increased infrastructure investment by Council.</p> <p>If such development is approved it may lead to the 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 prudential limits.</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>2. Worldwide Economic Position</p> <p>That there will be no long term significant economic or social threats such as increased unemployment, homelessness, lack of income or reduced personal well-being which adversely affects residents as a result of a worldwide economic crisis.</p>	<p>That a worldwide economic crisis will be a significant threat to people in Palmerston North</p>	<p>Low</p>	<p>The impact of a worldwide economic crisis is unknown. As a people focused Council the impact and affects on residents of any downturn will be monitored.</p> <p>If necessary the Council has the ability to modify its priorities through the Annual Plan process each year.</p>
<p>3. Social Change</p> <p>That there are no major changes in social structures, nor any large scale social disruption.</p>	<p>That there is a major change in social order that affects social stability in the City</p>	<p>Low</p>	<p>Any major changes to social structures would be a national phenomenon and therefore central government would be the key level of government involved.</p>

2015-25 10 YP ASSUMPTION	RISK	LEVEL OF UNCERTAINTY OF ASSUMPTION	REASONS & FINANCIAL EFFECT OF UNCERTAINTY
<p>4. Climate Change</p> <p>That any climate changes will not be significant during the 10 Year Plan period but that there will need to be revised design approaches especially for stormwater in the longer term.</p>	<p>That changes to climate will be more significant than assumed</p>	<p>Low</p>	<p>Climate change is a long term phenomenon but is an important part of Council's asset management planning and in particular AMPs which have a 30 year timeframe. The projected impacts of climate change are likely to become more noticeable toward the end of this period, particularly for water, stormwater and wastewater assets. The Ministry of the Environment predicts that Manawatū-Wanganui will become warmer and subject to more extreme events (such as heavy rainfall and droughts). Climate scientists estimate that by 2040 the average temperature in the region could be up to 0.90C warmer than in 1990 and 2% more rainfall with significant seasonal variability.</p> <p>Council monitors changing weather patterns and takes this into account in designing new and upgraded infrastructure.</p>
<p>5. Energy Price Change</p> <p>That there are no major social changes arising from increased energy prices. The cost to Council of energy price increases is built into the BERL forecasts of price level adjustors (Refer to assumption 17).</p>	<p>That major increases in energy prices, especially for transport, have marked effect on peoples living, work and recreation patterns</p>	<p>Medium</p>	<p>Changed living, work and recreation patterns could change the types and location of services residents expect from Council. The Council monitors these expectations and provides appropriate services through its strategies.</p>
<p>6. Natural Disasters & Adverse Weather Events</p> <p>That there will be no significant natural disasters such as storms, floods, earthquakes and volcanic eruptions which damage City infrastructure.</p> <p>That there will be no adverse weather events which 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>Medium</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 to damaged infrastructure. In certain circumstances Central Government may fund the remainder of the costs. However roads and bridges are not covered by this programme with the only relief available being from NZ Transport Agency who fund 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.</p> <p>If there is an adverse weather event the Council will need to re-prioritise its operating budgets to cope or in the short term utilise established lines of credit.</p>
<p>7. 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>Medium</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 (e.g. 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.</p>

2015-25 10 YP ASSUMPTION	RISK	LEVEL OF UNCERTAINTY OF ASSUMPTION	REASONS & FINANCIAL EFFECT OF UNCERTAINTY
<p>8. 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>That there is a material change to the way Council services are used or charged for which adversely impacts on revenue</p> <p>That qualifying criteria or subsidy rates will be changed and/ or that the Council's access to borrowing becomes restricted.</p>	<p>Low</p>	<p>Any changes to the way Council services are charged for will be planned having regard for the Revenue & Financing Policy and the impact on revenue. Use patterns are monitored and any change in use which 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 and there is no indication they are likely to be changed. In the event they are, the Council will reassess its commitment to undertake the projects concerned.</p> <p>The Council has strong relationships with the financial markets and also has 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 Standard & Poor's credit rating.</p>
<p>9. Sources of Funds for Future Replacement of Assets</p> <p>That 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>10. NZTA Subsidy</p> <p>New Zealand Transport Agency (NZTA) has confirmed a financial assistance rate of 51% will apply to all qualifying expenditure for the first three years of the 10 Year Plan. NZTA 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>Changes in subsidy rate and variation in criteria for inclusion in subsidised works programmes</p>	<p>Low</p>	<p>In the past the Government has demonstrated a long term commitment to funding roading infrastructure which meets the funding agency's benefit/cost ratios. However in recent times NZTA has focused more of its funding on 'roads of national significance' 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 \$19.4m of new capital programmes will attract NZTA funding of \$8.2m. In the event this funding is not secured the Council will review its priorities and may choose to delay projects until funding can be obtained.</p>
<p>11. Investments & Return on Investments</p> <p>In 2007 the Council resolved that the Long Term Investment Fund be progressively wound down and utilised to repay term debt or in substitution for new debt. The Plan assumes the remaining investments will mature during the first three years. During that time it is assumed the Fund will achieve a return of 4% per annum and that there will be no market movements in the value of the Fund. This interest rate is considered appropriate because it reflects the present returns and the majority of the Fund is invested in bonds which will mature within the next three years.</p>	<p>That market conditions will not enable an orderly winding down of the Fund within the planned timeframes and returns from the Fund will be less than assumed.</p>	<p>Low</p>	<p>Financial markets can be very volatile but as the Fund is assumed to have an opening balance of only \$10.6m as at 1 July 2015 any change in the investment income will have minimal impact on the Council's financial position. If withdrawals from the Fund are made sooner than planned then external debt will be lower than assumed. Interest income and expense will therefore be lower than assumed. The reverse will happen if withdrawals are made later than assumed.</p> <p>Due to market uncertainties, investment assets, including property and forestry, have not been revalued during the 10 years.</p>

2015-25 10 YP ASSUMPTION	RISK	LEVEL OF UNCERTAINTY OF ASSUMPTION	REASONS & FINANCIAL EFFECT OF UNCERTAINTY
<p>12. Airport Dividend</p> <p>A dividend of \$0.2 million per annum will be received from Palmerston North Airport Ltd.</p>	That the actual dividends may differ from that assumed.	Medium	Palmerston North Airport Ltd's ability to pay dividends is dependent on the Company's net surplus each year. To maintain and grow its position in the market could involve the Company in significant capital expenditure. Servicing the borrowings required could impact on the Company's operating surpluses in the short to medium term. The financial effect of the uncertainty is unknown but is not material for the Council.
<p>13. Forestry</p> <p>That the clearfelling and replanting of the Gordon Kear forest will be completed during the first three years of the Plan and a silviculture regime will begin in year 2. Proceeds from asset realisation will be utilised to cover harvest costs and contribute to repayment of Council's general term debt.</p>	That sale proceeds and costs and timing of harvest differ from those assumed.	Low	Most of the forest has been harvested so the net proceeds assumed for the remainder is \$238k. Changes in pricing or timing will not materially impact the Council's financial position.
<p>14. Revaluation of Property, Plant & Equipment Assets</p> <p>Property, Plant and Equipment assets will be revalued using the following cycle:</p> <p>Leisure assets – years 1, 4, 7 and 10 Roothing and Parking – years 2, 5 and 8 Water and Waste – years 2, 5 and 8 Property – years 1, 4, 7 and 10.</p> <p>The revaluations have been based on the Business and Economic Research Ltd (BERL) forecasts of price level change adjusters and revaluation movements will be shown in the Statement of Comprehensive Income.</p>	Actual revaluation results differ from those in the forecast.	Low	<p>Where the actual inflation rate is different from that forecast, the actual revaluation will be different from that forecast.</p> <p>This would lead to depreciation being higher or lower than forecast but as the Council does not 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 which is produced every three years.</p>
<p>15. 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 and stormwater assets.</p>	That assets wear out earlier than estimated	Low	<p>Asset life is based on estimates of engineers, valuers and asset managers.</p> <p>In the event assets need to be replaced in advance of the assumption, depreciation and interest costs may increase. The extent of the increase will depend on the nature and value of the asset. The renewal programme is reviewed annually and any changes to planned timing of renewals will be reflected in the Annual Plan with adjustments to funding arrangements if required.</p>

2015-25 10 YP ASSUMPTION	RISK	LEVEL OF UNCERTAINTY OF ASSUMPTION	REASONS & FINANCIAL EFFECT OF UNCERTAINTY																																																												
<p>16. 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"> existing depreciation rates will continue new assets' depreciation will be the result of their estimated lives and values; depreciation on new and renewal programmes will impact in the year following the capital programme 	<p>That more detailed analysis of planned capital works once complete may alter the depreciation expense.</p> <p>That asset lives may alter due to new technology improving asset lives.</p>	<p>Low</p>	<p>Council has asset management planning and upgrade programmes in place. Asset capacity and condition is monitored with replacement works being planned in accordance with standard asset management and professional practices. Actual depreciation is calculated in accordance with normal accounting and asset management practices which require depreciation to commence once an asset is commissioned. However the planning assumption is considered reasonable given the level of uncertainty as to the likely timing of the commissioning of each asset. Also from a funding perspective the Council bases its funding decisions on the forecast average levels of renewals so the forecast level of depreciation does not affect this.</p>																																																												
<p>17. Inflation</p> <p>2015/16 costs and revenues have been predicted. Beyond this, inflation has been included in the 10 Year Plan using the BERL forecasts of price level change adjustors, issued in September 2014, as follows:</p>	<p>That actual inflation differs from that predicted and that decisions are made based on predicted inflation levels.</p>	<p>Medium</p>	<p>Where the actual inflation rate is different from that forecast, the cost of projects and expenditure will be different from that 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.</p>																																																												
<table border="1"> <thead> <tr> <th data-bbox="179 702 302 758">YEAR ENDING</th> <th data-bbox="324 702 459 758">ROADING</th> <th data-bbox="470 702 593 758">PROPERTY</th> <th data-bbox="604 702 728 758">WATER</th> <th data-bbox="739 702 851 758">OTHER</th> </tr> </thead> <tbody> <tr><td>Jun 2016</td><td>1.2%</td><td>2.2%</td><td>5.2%</td><td>2.3%</td></tr> <tr><td>Jun 2017</td><td>1.4%</td><td>2.4%</td><td>3.8%</td><td>2.5%</td></tr> <tr><td>Jun 2018</td><td>2.2%</td><td>2.5%</td><td>3.0%</td><td>2.6%</td></tr> <tr><td>Jun 2019</td><td>2.4%</td><td>2.6%</td><td>3.2%</td><td>2.7%</td></tr> <tr><td>Jun 2020</td><td>2.5%</td><td>2.8%</td><td>3.3%</td><td>2.9%</td></tr> <tr><td>Jun 2021</td><td>2.7%</td><td>2.9%</td><td>3.5%</td><td>3.0%</td></tr> <tr><td>Jun 2022</td><td>2.8%</td><td>3.0%</td><td>3.7%</td><td>3.1%</td></tr> <tr><td>Jun 2023</td><td>3.0%</td><td>3.2%</td><td>3.8%</td><td>3.3%</td></tr> <tr><td>Jun 2024</td><td>3.1%</td><td>3.3%</td><td>4.0%</td><td>3.4%</td></tr> <tr><td>Jun 2025</td><td>3.3%</td><td>3.4%</td><td>4.2%</td><td>3.6%</td></tr> <tr><td>Remaining 20 years of Infrastructure Strategy</td><td>3.2%</td><td>2.9%</td><td>3.5%</td><td>3.0%</td></tr> </tbody> </table>	YEAR ENDING	ROADING	PROPERTY	WATER	OTHER	Jun 2016	1.2%	2.2%	5.2%	2.3%	Jun 2017	1.4%	2.4%	3.8%	2.5%	Jun 2018	2.2%	2.5%	3.0%	2.6%	Jun 2019	2.4%	2.6%	3.2%	2.7%	Jun 2020	2.5%	2.8%	3.3%	2.9%	Jun 2021	2.7%	2.9%	3.5%	3.0%	Jun 2022	2.8%	3.0%	3.7%	3.1%	Jun 2023	3.0%	3.2%	3.8%	3.3%	Jun 2024	3.1%	3.3%	4.0%	3.4%	Jun 2025	3.3%	3.4%	4.2%	3.6%	Remaining 20 years of Infrastructure Strategy	3.2%	2.9%	3.5%	3.0%			
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<p>18. Interest Rates for Borrowings</p> <p>The interest rate on Term Debt is calculated at 6.5%. To allow for anticipated timing of capital expenditure, interest expenditure is provided for on only 50% of forecast new loan amounts in the year of the capital expenditure but the full amount in each year thereafter.</p> <p>Interest on investments is based on the rates applying to the present bonds being held to maturity as part of the Long Term Investment Fund.</p>	<p>That the interest rate will differ from those used in the calculations</p>	<p>Medium</p>	<p>This will be managed through the Liability Management and Investment Policy. The Council has hedging strategies to protect against upward movement in interest rates. It currently has an AA Standard & Poor's 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 to 7% the rates requirement for 2015/16 would increase by \$0.62m.</p>																																																												

2015-25 10 YP ASSUMPTION	RISK	LEVEL OF UNCERTAINTY OF ASSUMPTION	REASONS & FINANCIAL EFFECT OF UNCERTAINTY
<p>19. Resource Consents Conditions of resource consents held by the Council will not be altered significantly.</p>	<p>That resource consent conditions are altered</p>	<p>High</p>	<p>Council's significant resource consents do not expire until beyond the 10 Year Plan period. The most significant of these is the consent for the discharge from the Council's main wastewater treatment plant to the Manawatū River which is due to expire in 2028. In 2012 Horizons found there were some greater than expected effects on the river downstream of the plant. This led to the conditions of the consent being reviewed and the matter was considered by Commissioners at a hearing in November 2014. Although an interim decision was released in February 2015 the hearing remains open for consideration for further responses from the Council and submitters. Council has recently submitted a proposal to undertake investigation of all options for its wastewater treatment and disposal that would result in new consents being applied for by June 2022. The outcome of the submission will not be known until the final decision of the Hearing Panel is released. The implications will then be considered by the Council.</p> <p>The Council has committed that, within 2 years of issue of the 2014 consent review decision, to implement an upgrade to the wastewater treatment process involving tertiary filtration in order to reduce particulate phosphorus discharged into the river at estimated capital cost of \$2.9m, but this may not proceed if Council's proposal for earlier new consent application is accepted.</p> <p>Because of the level of uncertainty about what might be required from this review, no specific financial provision, other than mentioned above, has been made in the 10 Year Plan. It has been assumed that approximately \$35m (\$23m in current dollars) will need to be spent to upgrade the plant leading up to the new consents in 2028, though depending on what option is finally chosen the cost could be much higher than this. The Council has limited its commitments to other projects within the Plan to ensure it has the financial capacity to fund work of this magnitude. However if an option is chosen which costs significantly more than this the Council may need to review its priorities in the later years of Plan in order to operate within its prudential borrowing limits.</p>

2015-25 10 YP ASSUMPTION	RISK	LEVEL OF UNCERTAINTY OF ASSUMPTION	REASONS & FINANCIAL EFFECT OF UNCERTAINTY
<p>20. Turitea Windfarm</p> <p>That any revenue received from Mighty River Power (MRP) pursuant to a contract relating to the lease of land in the Council's Turitea water reserve will be used for the purposes outlined in the Reserves Act 1977. Any expenditure proposals to utilise the revenue will be the subject of a specific resolution of the Council. The proposed lease enables MRP to operate a windfarm from the site provided they are successful in obtaining the necessary resource consents. No revenue has been included in the 10 Year Plan and no expenditure programmes utilising this revenue have been included.</p>	<p>That MRP will determine the constraints imposed on the consent make a windfarm unviable</p>	<p>Medium</p>	<p>In September 2011 MRP obtained a resource consent (subject to conditions). MRP has a 10 year lapse period to give effect to the consent. As there is a high level of uncertainty as to MRP's future plans the Council has taken a conservative approach and not included any lease income in the 10 Year Plan. Due to the restrictions on the use of any lease revenue, the revenue if received will have only minimal impact on the day to day operations of the Council. Proposals for utilising the revenue will be separately considered by the Council if the revenue source becomes more certain.</p>
<p>21. Weathertight (Leaky) Homes Claims</p> <p>That the Council will continue to receive claims in relation to leaky homes and that it will be required to pay contributions toward settlement.</p>	<p>That the number of claims and/or the level of settlement per claim varies significantly from the levels assumed</p>	<p>Medium</p>	<p>The Council's exposure to new claims is uninsured, though the Council has joined the Government's Leaky Homes Financial Assistance Programme (FAP) which means that in certain circumstances the costs of repairing affected homes is shared with the home owner (50%), the Government (25%) and Council (25%).</p> <p>Given the uncertainty around the nature and extent of future claims the Council has included a Regulatory activity operating programme of \$0.32 million pa in the 10 Year Plan to fund claims and associated costs from rates. If the Council is faced with paying more than budgeted 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>22. Insurance</p> <p>That the Council will continue to be able to obtain adequate insurance cover for its infrastructure and property assets at terms and cost which are affordable.</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>As a consequence of the Canterbury earthquakes, obtaining affordable insurance cover became much more difficult.</p> <p>To date the Council has retained its membership of the Local Authority Protection Programme but each year assesses other market options for underground infrastructure insurance</p> <p>Premiums for material damage cover for Council properties increased significantly in 2011/12 and deductibles relating to earthquake cover also increased significantly. Since then terms have stabilised and no further material increases in premiums are expected or provided for.</p>

2015-25 10 YP ASSUMPTION	RISK	LEVEL OF UNCERTAINTY OF ASSUMPTION	REASONS & FINANCIAL EFFECT OF UNCERTAINTY
<p>23. Earthquake Prone Buildings</p> <p>That the Council will be faced with the need to incur significant expenditure to address any shortcomings in the standard of its buildings in relation to earthquakes.</p> <p>That the Council will upgrade each of its buildings to a minimum of 34% of the New Build Standard (NBS) and this will be done progressively over a 10 year period.</p>	<p>That when the upgrade work commences the actual cost will be significantly more than is currently contemplated.</p> <p>That new more stringent requirements will be issued for building owners and some of the Council's buildings may be required to be upgraded to meet the enhanced standard</p>	<p>Medium</p>	<p>Council's properties have been assessed beginning with those which are the most significant (in terms of size and public exposure) and those which are 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> <p>Given what is known about the buildings at this stage a proposed programme of works has been prepared to progressively upgrade the buildings over a 10 year period. As more information becomes available the Council will reassess budget priorities.</p> <p>At all times the Council will have regard for the safety of occupiers and public users of the properties.</p>
<p>24. An Additional Road Crossing of the Manawatū River</p> <p>That traffic volumes will be insufficient to justify investment in the construction of an additional road bridge over the Manawatū River during the period of this Plan.</p>	<p>That the Council will incur costs for other traffic management controls and/or physical roading improvements to reduce congestion on the roading network if a road bridge is not constructed.</p>	<p>Low</p>	<p>In 2011 the Council undertook studies in conjunction with the MDC, NZTA & Horizons to develop a strategic roading network linking the City to the surrounding region. This resulted in Horizons adopting a Regional Land Transport Strategy confirming that an upstream bridge (between Te Matai and Staces Road) and a rural ring road should be part of the region's long term roading plans.</p> <p>A number of changes to likely traffic generators mean there is a need to reassess the demand for and location of a prospective further river crossing. Horizon's most recent Land Transport Plan does not prioritise a river crossing.</p> <p>Council's Infrastructure Strategy assumes a further river crossing will not be necessary until 2042/44.</p>
<p>25. Legal Expenses</p> <p>That 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 the legal expenses are often incurred to develop and /or defend Council's position. In a period when there are significant changes being proposed through the review of the Council's District Plan it is difficult to predict the level of legal expense which will be incurred. The actual position will be monitored and if necessary changes made to operating budgets to cope.</p>
<p>26. Delivery of Services Reviews</p> <p>That the service reviews required under section 17A LGA 2002 will not lead to major changes to the governance, funding, delivery of Council's infrastructure or services</p>	<p>That following the reviews the Council may decide in any particular instance to change current service delivery arrangements</p>	<p>Low</p>	<p>If a change is proposed the Council will be able to decide what transitional arrangements need to be made. The nature and extent of any public consultation undertaken will be assessed against the Council's Significance and Engagement Policy.</p>

Rates Remission and Postponement Policies

[1] Introduction

The Local Government (Rating) Act 2002 requires that if the Council wishes to remit or postpone rates it must do so in accordance with a policy prepared and adopted in a manner which gives effect to the requirements of the Local Government Act 2002. This latter Act also requires the Council to adopt a policy on the remission and postponement of rates on Maori freehold land.

This policy embraces all situations in which the Council would wish to remit or postpone rates.

[2] Remissions for Community, Sporting and Other Non Profit Organisations

[2.1] Objective

To facilitate the ongoing provision of non-commercial community services and non-commercial recreational opportunities for the residents of Palmerston North City.

The purpose of granting rates remission to an organisation is to:

- assist the organisation's survival
- make membership of the organisation more accessible to the general public, particularly disadvantaged groups. These include children, youth, young families, aged people, and economically disadvantaged people.

[2.2] Conditions and Criteria

This part of the policy will apply to land used by a charitable, sports or recreation organisation, which is used exclusively or

principally for sporting, recreation, or community purposes.

In some instances a rating division may be required where only part of the land is used for sporting, recreation or community purposes. The policy will not apply to organisations operated for private pecuniary profit or which charge commercial tuition fees.

The policy will also not usually apply to groups or organisations whose primary purpose is to address the needs of adult members (over 18 years) for entertainment or social interaction, or who engage in recreational, sporting, or community services as a secondary purpose only.

For the avoidance of doubt this policy specifically excludes chartered clubs and clubs holding permanent charters. Applications for remission must be made in the form prescribed by the Council.

As far as practicable, applications for rates remission are to be made to the Council prior to the commencement of the rating year. The Council reserves the right to consider any applications received during a rating year to be applicable from the commencement of the following rating year. In the

normal course, applications will not be backdated.

Organisations making application should include the following documents in support of their application:

- statement of objectives; and
- constitution or rules or equivalent; and
- latest financial statements; and
- information on activities and programmes; and
- details of membership or clients.

The policy shall apply to such organisations as approved by the Council as meeting the relevant criteria. The Council may delegate the authority to make such approvals to particular Council officers as specified by a resolution of the Council and those officers will utilise the services of a panel to advise them.

The extent of any remission to any qualifying organisation shall be as determined by the Council or by the officers to whom the authority is delegated. In the normal course, no remission will be granted on targeted rates for water supply, wastewater disposal, waste collection or recycling.

Each year a schedule of remissions granted will be published in accordance with the requirements of the Council's Community Funding Policy.

[3] Remissions of Penalties

[3.1] Objective

To enable the Council to act fairly and reasonably in its consideration of rates which have not been received by the Council by the penalty date due to circumstances outside of the ratepayer's control.

To encourage ratepayers who are in arrears due to financial difficulty or other genuine unusual circumstances to make arrangements to clear arrears and keep their payments up to date.

[3.2] Conditions and Criteria

Automatic remission of the penalties incurred on instalment one will be made where the ratepayer pays the total amount due for the year on or before the penalty date of the second instalment.

Remission of one penalty will be considered in any one rating year where payment has been late due to significant family disruption.

Remission will be considered in the case of death, illness, or accident of a family member, as at due date.

Remission of the penalty will be granted if the ratepayer is able to provide evidence that their payment has gone astray in the post or the late payment has otherwise resulted from matters outside their control.

Remission of the penalty will be considered where payment is made by regular bank transaction and where minor penalties occur due to timing differences.

Remission of penalties may be considered where there is an offer for immediate settlement of all rates outstanding which can be facilitated by the remission of penalties. This would apply where there are substantial arrears.

Each application will be considered on its merits and remission will be granted where it is considered just and equitable to do so. Remission will not be granted in cases

of deliberate non-payment or where there is repetitive omission.

Decisions on remission of penalties will be delegated to officers as set out in the Council's delegation resolution.

[4] Remission of Uniform Annual General Charges on Non-Contiguous Rating Units Owned by the Same Owner

[4.1] Objective

To provide for relief from uniform annual general charges (UAGC) for land which is non-contiguous, farmed as a single entity and owned by the same ratepayer.

[4.2] Conditions and Criteria

Rating units that meet the criteria under this policy may qualify for a remission of UAGCs on non-contiguous rating units. The ratepayer will remain liable for at least one UAGC.

The rating units on which remission is given must be owned by the same ratepayer and must each be classified in group code FL or FM for differential purposes.

Only one of the rating units may have any residential dwelling situated on it.

Applications for remission must be made in the form prescribed by the Council.

Council will delegate authority to consider and approve applications to Council officers.

[5] Remission for Residential Land in Commercial or Industrial Areas

[5.1] Objective

To ensure the owners of rating units situated in commercial or industrial areas are not unduly penalised by the zoning decisions of this Council and previous local authorities.

[5.2] Conditions and Criteria

To qualify for remission under this part of the policy the rating unit must:

- be situated within an area of land that has been zoned for commercial or industrial use. Ratepayers can determine where their property has been zoned by inspecting the Palmerston North City Council District Plan, copies of which are available for inspection at the Council's office
- be listed as a "residential" property for differential rating purposes. Ratepayers wishing to ascertain whether their property is treated as a residential property may inspect the Council's rating information database at the Council's office.

Applications for remission must be in the form prescribed by the Council.

As far as practicable, applications for rates remission are to be made to the Council prior to the commencement of the rating year. The Council reserves the right to consider any applications received during a rating year to be applicable from the commencement of the following rating year. In the normal course applications will not be backdated.

Applications for remission under this part of the policy will be determined by Council officers acting under delegated authority from the Council as specified in the delegations resolution.

If an application is approved, the Council will direct its valuation service provider to inspect the rating unit and prepare a valuation that will treat the rating unit as if it were a comparable rating unit elsewhere in the City. The ratepayer may be asked to contribute to the cost of this valuation. Ratepayers should note that the valuation service provider's decision is final as there are no statutory rights of objection or appeal for values done in this way.

[6] Remission of Rates on Land Protected for Natural or Cultural Heritage Purposes

[6.1] Objective

To contribute to sustainable management of the City's built and natural environment through providing relief to property owners who have voluntarily protected land or buildings of natural or cultural heritage value.

[6.2] Conditions and Criteria

Ratepayers who own rating units which have some feature of natural or cultural heritage which is protected through such arrangements as a covenant or caveat may qualify for remission of rates under this part of the policy.

Land that is non-rateable under section 8 of the Local Government (Rating) Act 2002 and is liable only for rates for water supply, wastewater disposal, waste collection or recycling will not qualify for remission under this part of the policy.

Applications must be in writing supported by documentary evidence of the protected status of the rating unit, e.g. a copy of the covenant.

In considering any application for remission of rates under this part of the policy the Council will consider the following criteria:

- the extent to which the preservation of natural or cultural heritage will be promoted by granting remission of rates on the rating unit
- the nature and extent of the natural or cultural heritage features present on the land
- the extent to which preservation of features of natural or cultural heritage might be prejudicially affected if relief is not granted.

The Council will decide what amount of rates will be remitted on a case by case basis subject to a maximum amount of 33 percent of rates assessed for that rating unit per year. The Council may agree to an on-going remission in perpetuity provided the terms and conditions of the voluntary legal

mechanism applying to the feature are not altered.

In granting remissions under this part of the policy the Council may specify certain conditions before remission will be granted. Applicants will be required to agree in writing to these conditions and to pay any remitted rates if the conditions are violated.

Applications for the remission for protection of heritage will be considered by officers of the Council acting under delegated authority from the Council.

[7] Rates Remission – Wastewater Charges for Educational Establishments

[7.1] Objective

To provide relief and assistance to educational establishments as defined in the Rating Powers (Special Provision for Certain Rates for Educational Establishments Amendment Act) 2001 in paying wastewater charges.

[7.2] Conditions and Criteria

1. This policy will apply to the following educational establishments:
 - established as a special school under section 98(1) of the Education Act 1964; or defined as
 - a state school under section 2(1) of the Education Act 1989; or
 - an integrated school under section 2(1) of the Private Schools Conditional Integration Act 1975; or
 - a special institution under section 92(1) of the Education Act 1989; or
 - an early childhood centre under section 308(1) of the Education Act 1989, but excluding any early childhood centre operated for profit.
2. The policy does not apply to school houses occupied by a caretaker, principal or staff.
3. The wastewater rates assessed in any year may not exceed the amount calculated as shown below.

4. The wastewater rate is the rate that:

- 4.1 Would be assessed using the same rating mechanisms as are applied to other separate rating units within the City divided by the number of toilets as determined in accordance with condition 5 below (the full charge); and
- 4.2 Reduced in accordance with the following graduated formula:
 - the full charge for the first 4 toilets or part thereof
 - 75% of the full charge for each of the next 6 toilets or part thereof
 - 50% of the full charge for each toilet after the first 10 toilets.

5. For the purposes of condition 4.1 above the number of toilets for separately rateable units occupied for the purpose of an educational establishment is one toilet for every 20 students and staff or part thereof.

6. The number of students in an educational establishment is the number of students on the roll on 1 March in the year immediately before the year in which the charge relates.

7. The number of staff in an educational establishment is the number of teaching and administration staff employed by that establishment on 1 March in the year immediately before the year in which the charge relates.

8. Officers of the Council will be delegated authority to approve remission of the wastewater charges in excess of the charges payable according to the policy.

[8] Rates Remission – Wastewater Charges – Non-Residential Properties

[8.1] Objective

To ensure that the wastewater charging regime is applied in a fair and equitable manner.

[8.2] Conditions and Criteria

The Council has introduced a system of charging for

wastewater which is a combination of a targeted fixed charge and a charge based on the number of pans (or pan equivalents) in non-residential properties. It is recognised that in some exceptional circumstances the number of pans may not be a fair reflection of the use made of the Council's wastewater system. This may be because of the infrequency of use or the nature of use.

This policy enables Council officers, acting under delegated authority, to determine circumstances in which it would be fair and equitable to remit a portion of the wastewater charges.

[9] Rates Remission – Targeted Rates for Serviceable Properties for Water and Wastewater

[9.1] Objective

To provide for the remission of targeted rates for water and wastewater for rating units that are not connected to the Council's system but use an on-site water supply system and/or wastewater disposal system which existed prior to Council's system becoming available to the rating unit.

[9.2] Conditions and Criteria

Sometimes ratepayers have invested significant sums to provide on-site water and wastewater systems so do not wish to immediately connect to the Council's reticulation systems when they become available.

This policy enables Council officers, acting under delegated authority, to determine remissions in such circumstances until such time as the ratepayer connects to the Council's system.

[10] Rates Remission – Property affected by Natural Disaster

[10.1] Objective

To provide rate relief for any ratepayer where the use that may be made of any rating unit has been detrimentally affected by erosion, subsidence, submersion, or other natural disaster.

[10.2] Conditions and Criteria

In the event of a significant natural disaster the Council will determine whether or not remissions will be contemplated under this policy and if so the criteria to be used. It is likely that the criteria will include the following elements:

- the severity of the damage to the rating unit, as well as the individual circumstances of the ratepayer and the financial circumstances of the Council
- the period during which the buildings are uninhabitable and/or the rating unit is unable to be utilised to the extent it was prior to the occurrence of the natural disaster.

Officers of the Council will be delegated authority to approve remissions in accordance with the criteria.

[11] Rates Remission – Miscellaneous Circumstances

[11.1] Objective

To provide the flexibility to enable the Council to remit rates in circumstances where it considers it fair and equitable to do so but where authority is not provided in the more specific remission policies.

[11.2] Conditions and Criteria

There are occasionally situations arise which have not been contemplated in the specific remission policies but where the Council considers that providing a remission of some or all of the rates on a rating unit would be fair and equitable. The situations would most likely arise as an unintended consequence of the application of the Council's rating policies. Applications would normally be expected to be in writing and ratepayers' financial records may be required.

Officers of the Council will be delegated authority to approve remissions under this policy.

[12] Rates Postponement Policy for Cases of Extreme Financial Circumstances

[12.1] Objective

To assist ratepayers experiencing extreme financial circumstances which affect their ability to pay rates.

[12.2] Conditions and Criteria

Only rating units used solely for residential purposes (as defined by the Council) will be eligible for consideration for rates postponement for extreme financial circumstances.

Only the person entered as the ratepayer, or their authorised agent, may make application for rates postponement for extreme financial circumstances. The ratepayer must be the current owner of, and have owned for not less than three years, the rating unit which is the subject of the application or another rating unit within Palmerston North City. The person entered on the Council's rating information database as the "ratepayer" must not own any other rating units or investment properties (whether in the City or in another district).

The ratepayer (or authorised agent) must make an application in the form prescribed by the Council.

The Council will consider, on a case by case basis, all applications received that meet the criteria described in the first two paragraphs under this section.

When considering whether extreme financial circumstances exist, all of the ratepayer's personal circumstances will be relevant including the following factors: age, physical or mental disability, injury, illness and family circumstances.

Before approving an application the Council must be satisfied that the ratepayer is unlikely to have sufficient funds left over, after the payment of rates, for normal health care, proper provision for maintenance of his/her home and chattels at an adequate standard as well as making provision for normal day to day living expenses.

Before approving an application the Council must be satisfied that the ratepayer has taken all steps necessary to claim any central government benefits or allowances the ratepayer is

properly entitled to receive to assist with the payment of rates.

Where the Council decides to postpone rates the ratepayer must first make acceptable arrangements for payment of future rates, for example, by setting up a system of regular payments.

Any postponed rates will be postponed until:

- the death of the ratepayer(s); or
- the ratepayer(s) ceases to be the owner of the rating unit; or
- the ratepayer ceases to use the property as his/her residence; or
- a date specified by the Council.

The Council will charge an annual fee on postponed rates for the period between the due date and the date they are paid. This fee is designed to cover the Council's administrative and financial costs and may vary from year to year. Even if the rates are postponed, as a general rule the ratepayer will be required to pay the first \$500 of the rate account.

The policy will apply from the beginning of the rating year in which the application is made although the Council may consider backdating past the rating year in which the application is made depending on the circumstances.

The postponed rates or any part thereof may be paid at any time. The applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have pursuant to this policy.

Postponed rates will be registered as a statutory land charge on the rating unit title. This means that the Council will have first call on the proceeds of any revenue from the sale or lease of the rating unit.

The Council will delegate authority to approve applications for rates postponements to particular officers.

[13] Rates Remission and Postponement Policy for Maori Freehold Land

Maori freehold land is defined in the Local Government (Rating) Act 2002 as land whose beneficial ownership has been determined by the Maori Land Court by freehold order. Only land that is the subject of such an order may qualify for remission or postponement under this policy. Section 91 of the Local Government (Rating) Act 2002 prescribes that in the normal course Maori freehold land is liable for rates in the same manner as if it were general land. Section 108 of the Local Government Act 2002 outlines that this policy is not required to provide for the remission of, or postponement of, the requirement to pay rates on Maori freehold land. If the policy were to provide for remissions or postponements then it is required to outline the objectives sought to be achieved by so doing and the conditions and criteria which would need to be met in order to qualify.

The Council will not provide for any remissions or postponements under this policy except for one rating unit which is normally a small island surrounded by the Manawatū River. In this instance 100% of the rates will be remitted.

Statement of Accounting Policies

REPORTING ENTITY

Palmerston North City Council (the Council) is a territorial local authority governed by the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002.

The prospective financial statements in the 10 Year Plan are those of the Council as a separate legal entity and not of the Council group.

The primary objective of the Council is to provide local infrastructure, regulatory services and local public services to the community. The Council 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 Council are for the years ended 30 June 2016 to 30 June 2025. They were authorised for issue by the Council on 24 June 2015.

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 (NZ GAAP).

These financial statements have been prepared in accordance with NZ GAAP. They comply with NZ Public Benefit Entity International Public Sector Accounting Standards, and are prepared in accordance with Tier 1 PBE Standards.

Measurement base

The financial statements have been prepared on an historical cost basis, modified by the revaluation of land and buildings, infrastructural assets, investment property, biological assets and certain financial instruments (including derivative instruments).

Presentation currency and rounding

The financial statements are presented in the functional currency of the Council, New Zealand dollars, and all values are rounded to the nearest thousand dollars (\$'000).

Changes in accounting policies

There have been no changes in accounting policies from those previously applied within policies set out below applied consistently to all periods presented in these financial statements.

Standards, amendments and interpretations issued that are not yet effective and have not been early adopted

In October 2014, the PBE suite of accounting standards was updated to incorporate requirements and guidance for the notforprofit sector. These updated standards apply to PBEs with reporting periods beginning on or after 1 April 2015. The Council will apply these updated standards in preparing its 30 June 2016 financial statements. The Council expects there will be minimal or no change in applying these updated accounting standards.

SIGNIFICANT ACCOUNTING POLICIES

Joint ventures

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control.

For jointly controlled assets, the Council recognises in its financial statements its share of jointly controlled assets, the liabilities and expenses it incurs, its share of liabilities and expenses incurred jointly, and revenue from the sale or use of its share of the output of the joint venture.

Revenue

Revenue is measured at the fair value of consideration received or receivable when it is probable that the economic benefit will flow to the Council.

Rates revenue

The following policies for rates have been applied:

- General rates, targeted rates (excluding water-by-meter), 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 water by meter rates is recognised on an

accrual basis based on usage. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.

- Rate remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.

Agency revenue

Where revenue is derived by acting as an agent for another party, the revenue that is recognised is the commission or fee on that transaction.

Provision of services

Revenue from the rendering of services is recognised on a percentage completion basis with reference to the recoverable costs incurred at balance date.

Sale of goods

Sales of goods are recognised when a product is sold to the customer. Sales are usually in cash or by credit card. The recorded revenue is the gross amount of the sale, including credit card fees payable for the transaction. Such fees are included in other expenses.

Government subsidies and other grants

The Council receives government subsidies from the New Zealand Transport Agency, which subsidises part of the Council's costs of maintenance and capital expenditure of the local roading infrastructure. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

Traffic and parking infringements

Traffic and parking infringements are recognised when the infringement notices are issued, less assessed impairment losses.

Vested assets

Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue. Assets vested in the Council are recognised as capital revenue when control over the asset is obtained.

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 that 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 revenue is recognised using the effective interest method.

Dividends are recognised when the right to receive payment has been established.

Borrowing costs

The Council has elected in accordance with PBE IPSAS 5 Borrowing Costs that all borrowing costs are recognised as an expense in the period in which they are incurred.

Grant expenditure

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.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the group expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable surpluses will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting surplus nor taxable surplus.

Current tax and deferred tax are recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive revenue and expense or directly in equity.

Leases

Finance leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, the Council recognises finance leases as assets and liabilities in the statement of financial position at the lower of the fair value

of the leased item or the present value of the minimum lease payments.

The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether the Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

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 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, and
- fair value through other comprehensive revenue.

The classification depends on the purpose for which the financial asset 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 twelve 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 their 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 NZLGFAs borrower notes. Until 2009 it also included the directly held NZ bonds as part of the Long Term Investment Fund however since 2010 all bonds have been categorised at fair value through surplus or deficit.

Financial assets at fair value through other comprehensive revenue and expense

Financial assets at fair value through other comprehensive revenue are those that are designated at initial recognition or are 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 that the Council intends to hold long-term but which may be realised before maturity (i.e. unlisted shares held in Civic Assurance), and
- shareholdings that 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 6 Consolidated and Separate Financial Statements and PBE IPSAS 7 Investments in Associates) 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, 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 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 that are 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 - These include land, buildings, recreation and community facilities, landfill post-closure, library books, heritage and art collections, plant and equipment, and motor vehicles.

Restricted assets - Restricted assets are parks and reserves owned by the Council which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

Infrastructure assets - Infrastructure assets are the fixed utility systems owned by the Council. The infrastructure networks owned by the Council include roading and parking, water, wastewater and stormwater networks, waste management and airport utility assets (PNAL). Each asset class includes all items that are required for the network to function, for example, wastewater reticulation includes reticulation piping and sewer pump stations.

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

Revaluation

The following plant, property and equipment asset groups are revalued at least every three years to ensure their carrying amount does not differ materially from fair value:

- roading (except land under roads) and parking network,
- water, wastewater and stormwater networks, and
- parks, building property, recreation, sportsfields and community facilities.

All other asset classes are carried at depreciated historical cost.

The Council assesses the carrying values of its revalued assets annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

The Council accounts for revaluations of property, plant and equipment on a class of asset basis.

Land under roads are 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, and then included in other comprehensive revenue and expense and credited to the revaluation reserve for that class of asset.

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.

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.

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.

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 and biological assets are not depreciated.

The useful lives used to determine associated depreciation rates of major classes of assets have been estimated as follows:

OPERATING ASSETS

	Years
Buildings	50-100
Building fit-out	10-50
Plant and equipment	4-25
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**

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

Carparks

Carpark 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.

Carpark leases

Acquired carpark leases are capitalised on the basis of the costs incurred to acquire and bring to use the specific carparks.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit.

The useful lives 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 whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

Value in use for non-cash-generating assets

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Value in use for cash-generating assets

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return.

The value in use for cash-generating assets and cash-generating units is the present value of expected future cash flows.

Forestry assets

Standing investment forestry assets are independently revalued annually at fair value less estimated costs to sell for one growth cycle. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined rate. This calculation is based on existing sustainable felling plans and assessments regarding growth, timber prices, felling costs and silvicultural costs and takes into consideration environmental, operational and market restrictions.

Gains or losses arising on initial recognition of biological assets at fair value less estimated costs to sell and from a change in fair value less estimated costs to sell are recognised in the surplus or deficit.

The costs to maintain the forestry assets are included in the surplus or deficit when incurred.

Compensating emission units relating to pre-1990 forest land are recorded at a nil cost. Possible deforestation penalties relating to pre-1990 forest land are not recognised.

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 retiring leave, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information, and
- the present value of the estimated future cash flows discounted at a current market determined rate.

Superannuation schemes

Defined contribution schemes - Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the surplus or deficit as incurred.

Defined benefit schemes - the Council belongs to the Defined Benefit Plan Contributors Scheme (the scheme), which is managed by the Board of Trustees of the National Provident Fund. The scheme is a multi-employer defined benefit scheme.

Insufficient information is available to use defined benefit accounting, as it is not possible to determine from the terms of the scheme the extent to which the scheme's

surplus/deficit will affect future contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a defined contribution scheme.

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 is a contract that 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, however 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 plus 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 is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- retained earnings,
- special funds reserves,
- asset revaluation reserves,
- investment revaluation reserve, and
- fair value through other comprehensive revenue and expense.

Special funds reserves

Special funds reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Special funds reserves may be legally restricted or created by the Council.

Special funds reserves 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 funds reserves 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 relates to the revaluation of property, plant and equipment to fair value.

Investment revaluation reserve

Investment revaluation reserve relates to the cumulative net change of fair value of financial assets at fair value 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 activity of the Council 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 on pages 185 to 193 Under "Significant Forecasting Assumptions"

Critical judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies.

Classification of property

The Council owns a number of residential rental properties (community housing), which are maintained primarily to provide housing to pensioners and people with special needs. The receipt of market-based rental from these properties is not the prime reason for holding these properties. The properties are held for service delivery objectives as part of the Council's social housing policy. The properties are therefore accounted for as property, plant and equipment and not investment property.

Reporting format

These financial statements incorporate applicable amendments to legislation governing financial reporting requirements, including adoption of PBE accounting standards. The effect of these is that any required additional or amended disclosure has also required restatement of 2015 comparative information from that 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 included 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

For many years the Council has embraced the following as being its 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 which is fair and equitable as between various ratepayers and classes of ratepayer and which is consistent with Council's planning objectives
- to ensure that all citizens contribute to the cost of providing City services by charging for use 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 charges (as proxy user charges) are made to cover the costs of those services which are identifiable by property (water supply, wastewater disposal, and rubbish and recycling). In addition significant non-residential users of water are metered and some non-residential wastewater users are charged on the basis of the number of pans.

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.

Differential surcharges (i.e. a higher rate in the \$) are applied to multi-unit residential and non-residential properties whilst lower rates are applied to single unit residential and rural/semi-serviced properties.

4. Examples of proposed rates for 2015/16

Examples of proposed rates for 2015/16 are shown in the following table:

	LAND VALUE	RATES 2014/15	RATES 2015/16
Single unit residential			
Average	136,000	2,140	2,207
Median	112,000	1,978	2,043
Quartile 1	90,000	1,829	1,893
Quartile 3	155,000	2,269	2,337
Two unit residential			
Average	147,000	3,453	3,615
Median	126,000	3,221	3,380
Quartile 1	104,000	2,978	3,133
Quartile 3	175,000	3,762	3,929
Non-residential			
Average	584,000	14,296	14,535
Median	320,000	8,223	8,364
Quartile 1	175,000	4,887	4,975
Quartile 3	630,000	15,354	15,610
Rural & semi-serviced (5ha or more)			
Average	831,000	1,832	1,823
Median	440,000	1,292	1,275
Quartile 1	255,000	1,037	1,016
Quartile 3	1,035,000	2,113	2,109
Rural & semi-serviced (between 0.2 and 5ha)			
Average	229,000	1,423	1,429
Median	220,000	1,394	1,399
Quartile 1	175,000	1,249	1,247
Quartile 3	255,000	1,506	1,516
Miscellaneous			
Average	347,000	3,878	3,902
Median	205,000	2,571	2,575
Quartile 1	100,000	1,605	1,593
Quartile 3	380,000	4,182	4,211

The three-yearly revaluation of the City for rating purposes was undertaken in 2012 and those valuations are the base for general rates set in 2015/16.

The examples should be read having regard for the following assumptions:

- the Council's total rates revenue will increase by 3.8%
- the Uniform Annual General Charge will be \$590 per rating unit (\$610 in 2014/15)
- targeted rates in the form of fixed annual charges will be applied for water supply (\$264); wastewater disposal (\$227); kerbside recycling (\$129); rubbish and public recycling (\$68) (\$235, \$176, \$124 and \$75 respectively in 2014/15)
- a targeted rate for wastewater disposal will be set on non-residential properties on the basis of the number of pans on the rating unit. The charge per pan will be \$227 compared with \$176 per pan in 2014/15
- 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 as these vary from property to property but they do include the rubbish and public recycling rate.

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 below), 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. 73)	0.6832
R2	Two unit residential	120	1.1219
R3	Three unit residential	130	1.2154
R4	Four unit residential	140	1.3089
R5	Five unit residential	150	1.4024
R6	Six unit residential	160	1.4958
R7	Seven unit residential	170	1.5893
R8	Eight or more unit residential	180	1.6828
MS	Miscellaneous	100	0.9349
CI *	Non-residential (Commercial/ Industrial)	250	2.3373
CR	Commercial Research	250	2.3373
CA	Commercial accommodation	250	2.3373
FL	Rural/Semi-serviced (5 hectares or more)	15	0.1402
FS	Rural/Semi-serviced (0.2 hectares or less)	51	0.4768
FM	Rural/Semi-serviced (between 0.2 & 5 hectares)	36	0.3366

*In respect of multi-storey buildings in group code CI an additional surcharge shall be applied equivalent to 5% on the basic general rate. (i.e. group code MS - miscellaneous) for each storey four and over to a maximum of 25.

5.2. Uniform Annual General Charge

The Council proposes to set a uniform annual general charge of \$590 (\$610 for 2014/15) on each rating unit.

5.3. Targeted Rates

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. At a minimum, the land or premises intended to form the separately used or inhabited part of the rating unit must be capable of actual habitation, or actual separate use. For a residential property a SUIP will have a separate entrance, kitchen 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
- A farm with more than one dwelling
- Individually surveyed lots of vacant land on one certificate of title offered for sale separately or in groups."

5.3.1. Water Supply

The Council proposes to set a targeted rate for water supply on the basis of a fixed amount per separately used or inhabited part of a rating unit which is either connected to the scheme or for which connection is available. 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 whilst serviceable means the rating unit is not connected to a Council operated waterworks but is within 100 metres of such waterworks.

Rating units which are not connected to the scheme, and

which are not serviceable will not be liable for this rate. The estimated rates for the 2015/16 year are:

Connected:	\$264	per part
Serviceable:	\$132	per part

Instead of the above the Council proposes to set a metered water targeted rate for water supply that is based on the volume of water supplied to all rating units where the volume supplied is considered to be 'extraordinary' as defined in the City's water supply bylaw. All water consumed will be charged at an estimated rate of \$1.10 per cubic metre with additional charges based on the size of the meter connection as follows:

METER SIZE	ANNUAL CHARGE \$
Up to 15mm	40.25
19 to 20mm	41.40
25mm	51.75
32mm	74.75
40mm	138.00
50mm	138.00
75 to 80mm	270.25
100mm	345.00
150mm	483.00
200mm	575.00

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 whilst serviceable means the rating unit is not connected to a public wastewater drain but is within 30 metres of such a drain.

Rating units which are not connected to the scheme, and which are not serviceable will not be liable for this rate.

The estimated rates for the 2015/16 year are:

Connected:	\$227	per part
Serviceable:	\$113.50	per part

In addition for the 2015/16 year the Council proposes to set a targeted rate for non-residential rating units of \$227 per pan 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 which the Council is prepared to provide the collection service. Where ratepayers elect, and the Council agrees, additional levels of service may be provided. Each additional level of service will be charged at a rate of \$129. 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 2015/16 year are:

Kerbside Recycling	\$129	per part
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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 which are vacant land will not be liable for these rates.

The estimated rates for the 2015/16 year are:

Rubbish and public recycling	\$68	per part for residential rating units and
	\$68	per rating unit for others.

5.3.4. Warm Palmerston North

The Council proposes to set a voluntary targeted rate on properties that have benefited from the installation of insulation through the [Warm Up 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 the costs of servicing the service amount are recovered. For 2015/16 the rate is proposed to be 16%.

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 and so 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 which would apply were there no differential rating in place i.e. the group described as Miscellaneous (MS). Each year the Council reviews the differential factors applied to each land use category. The factors proposed for 2015/16 are outlined in 5.1 and remain unchanged from 2014/15. 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 than 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 so should bear a greater share of the cost
- for large rural rating units a pure land value system would produce rates charges, which were 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
- rating units containing multi-storey buildings gain more

benefit from the provision of Council activities than is reflected by the application of a uniform rate in the dollar of land value.

5.4.2. Differentials based on Land Use

The Council proposes to differentiate the General Rate on the basis of land use. Properties which have more than one use (or where there is doubt as to the relevant primary use) will be placed in a category with the highest differential factor or if, in the Council's opinion it is fair and reasonable to do so, then the Council may allocate each part to the most appropriate category. 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. The following differential categories will be used:

Single Unit Residential (R1)

Every rating unit not otherwise classified:

- Two hectare or less in area having a predominant or exclusive residential use and on which is erected one residential unit; or
- Two hectare or less in area and having no predominant use, on which no building is erected but upon which the erection of residential units is a permitted activity under the City's District Plan.

Multi-unit residential (R2 - R8)

Every rating unit not otherwise classified on which is erected:

- two residential units (R2)
- three residential units (R3)
- four residential units (R4)
- five residential units (R5)
- six residential units (R6)
- seven residential units (R7)
- eight or more residential units (R8)

Miscellaneous (MS)

Every rating unit (or division thereof)

of the following types:

- non-rateable property as defined in the Local Government (Rating) Act 2002
- property that is used for parking that is available for public use in accordance with criteria determined by the Council
- where the ratepayer conducts or permits to be conducted a business, being a Home Occupation as defined in the City's District Plan, and which would otherwise qualify for inclusion in group code R1
- serviced property that is more than two hectare in area, having a predominant or exclusive residential use and on which is erected one residential unit
- vacant, serviced property not classified in group codes R1 or FL or elsewhere as follows:
 - property where non-residential use is a permitted activity under the City's District Plan
 - property over two hectare in area where residential use is a permitted activity under the City's District Plan
 - property which, due to its location, would otherwise qualify for inclusion in group code FL, FS or FM but which is not used for predominantly residential, farming, military or not-for-profit community purposes. The Council may determine that only a portion of the property shall be classified as MS and that the remainder is classified as FL, FS or FM, as appropriate.

Non-Residential (CI, CR & CA)

CI – Every rating unit not otherwise classified which has not a predominant or exclusive residential use (except property used for parking and/or vacant serviced property as defined in group code MS). Multi-storey properties, four storeys and over will be levied an additional differential surcharge.

CR – Every rating unit not otherwise classified which is predominantly used for research purposes in accordance with criteria determined by the Council.

CA – Every rating unit on which is erected a licensed hotel or an apartment building or residential institution and including

a guest house, rooming house, boarding house, private hotel, motel, residential club or hostel. (Taverns which have no residential accommodation shall be included in group code CI).

Rural & Semi-serviced (FL, FS & FM)

FL – Every rating unit not otherwise classified which does not have access to the City’s sewage disposal system and has either (a) an area of five hectares or more or (b) an area less than five hectares but on which there is no residential dwelling unit or non-residential improvements.

In determining whether for rating purposes access is deemed to be available the Council will have regard to the following:

- whether the Council will allow the rating unit to be connected to the sewage disposal system
- whether the rating unit is capable of subdivision and if so, the ratepayer’s intentions regarding subdivision
- the scope of any sub-divisional plan deposited with the District Land Registrar
- the portion of the property with access to services, which in the opinion of the Council, would form a reasonable first stage of subdivision
- the prevailing economic climate as it affects subdivision and the supply of serviced land within the City.

Based on its assessment of the matters outlined above the Council will determine one of the following rating approaches:

- reclassify the full property to the higher rated group in the year immediately succeeding access to the system becoming available
- reclassify only a portion of the property to the higher rated group code with the circumstances being reviewed annually
- retain the present classification and review it annually.

FS – Every rating unit which would otherwise qualify for inclusion in group code FL but which has an area of 0.2 hectares or less and on which there is either a residential dwelling or non-residential improvements.

FM – Every rating unit which would otherwise qualify for inclusion in group code FS but which has an area greater than 0.2 hectares and less than five hectares. The Council may consider reclassifying only a portion of the property into a higher rated group code once access is available to the City’s sewage disposal system. In that event the same criteria as for group code FL will apply.

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

The Council provides for rates to be paid in four equal instalments but it reserves the right to issue the first instalment as an interim one based on 25% of the rates payable in the previous rating year. For the 2015/16 year the due dates (i.e. final dates for payment without incurring penalty charges) will be:

Instalment One:	28 August 2015
Instalment Two:	27 November 2015
Instalment Three:	26 February 2016
Instalment Four:	27 May 2016

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 Two without incurring penalty charges on Instalment One.

Rates may be paid using any one of a number of payment methods acceptable to the Council including direct debits, cheques by mail, cheques or cash or Eftpos at Council’s main office or service centre in Ashhurst, direct credits and other bank transfer methods. Payment by credit card can be made using the internet, subject to the payment of a convenience fee. The due date for metered water targeted rates will be the 20th of the month following invoice date.

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 per cent will be added to any portion of an instalment remaining unpaid after the due date for payment.

A second ten percent penalty will be added to all rates (including penalties) remaining unpaid as at 1 July 2016 with further additional charges of up to 10 percent to be added at six monthly intervals thereafter to all such rates which continue to remain unpaid.

Penalties will not be applied to the metered water targeted rate.

9. Projected number of rating units

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 ¹	NO. OF RATING UNITS	YEAR	NO. OF RATING UNITS
2015/16	32,736	2020/21	33,736
2016/17	32,936	2021/22	33,936
2017/18	33,136	2022/23	34,136
2018/19	33,336	2023/24	34,336
2019/20	33,536	2024/25	34,536

¹ As at 30 June of the preceding year, e.g. 2015/16 = as at 30 June 2015.

10. Rates Summary

Basis of rates		2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000
GENERAL RATES											
General Rates	rate in \$ of LV (differentiated by use)	46,122	46,820	49,425	51,692	54,582	56,119	58,134	60,115	63,025	64,630
UAGC	fixed charge p rating unit	16,188	16,925	17,782	18,648	19,608	20,465	21,218	22,006	22,947	23,897
TARGETED RATES											
Water											
- connected/serviceable	fixed charge p SUIP	6,768	7,467	8,143	8,657	8,589	8,935	8,836	9,308	9,815	9,836
- metered	\$ p m3 plus fixed charge	1,700	1,840	1,950	2,060	2,060	2,120	2,120	2,220	2,320	2,350
Wastewater											
- connected/serviceable	fixed charge p SUIP (residential) or p rating unit (non-residential)	6,146	7,212	6,813	6,741	6,738	7,246	7,374	7,427	7,735	8,628
- pans	fixed charge p pan	1,737	2,030	1,910	1,873	1,868	1,993	2,019	2,021	2,093	2,319
Rubbish & Recycling											
- kerbside recycling	fixed charge p SUIP	3,400	3,650	4,000	4,250	4,650	4,950	5,100	5,100	4,200	4,300
- rubbish & public recycling	fixed charge p SUIP	1,916	1,332	1,147	1,161	1,191	1,189	1,239	1,165	1,170	1,216
TOTAL RATES REVENUE (GST EXCLUSIVE)		83,977	87,276	91,170	95,082	99,286	103,018	106,039	109,362	113,305	117,176

Note - SUIP = Separately Used or Inhabited Part of a 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 new 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 as the amounts balance each other out.

Capital Expenditure is grouped into three broad categories based on which one the programme most relates to. The three categories are:

- to meet additional demand
- to improve the level of service
- to replace existing assets.

The three categories do not clearly represent the fact that some programmes will contribute to more than one purpose.

In addition to the statements mentioned the Council is also providing [Activity Financial Statements](#) which shows the revenue and expenses for the services provided, as well as how the rates are calculated (see section 1).

Please Note:

1. In the statements, the term "Other Operating Funding" is an abbreviation of "Local Authority fuel tax, fines, infringement fees and other receipts".

2. The totals appear different between the two statements due to the different way the figures have been categorised. The Funding Impact Statements include rates revenue, whereas the Activity Financial Statements separate rates out to clearly show how they've been calculated. In addition, the Activity Financial Statements include depreciation in the expenses to show the full cost of the activity, while this is not included in the Funding Impact Statements.

FUNDING IMPACT STATEMENTS

WHOLE OF COUNCIL - FUNDING IMPACT STATEMENTS

Budget 2014/15 \$'000s		10YP 2015/16 \$'000s	10YP 2016/17 \$'000s	10YP 2017/18 \$'000s	10YP 2018/19 \$'000s	10YP 2019/20 \$'000s	10YP 2020/21 \$'000s	10YP 2021/22 \$'000s	10YP 2022/23 \$'000s	10YP 2023/24 \$'000s	10YP 2024/25 \$'000s
SOURCES OF OPERATING FUNDING											
62,138	General Rates, UAGC & Rates Penalties	62,311	63,746	67,207	70,340	74,189	76,586	79,351	82,119	85,971	88,528
18,799	Targeted Rates	21,666	23,530	23,962	24,742	25,097	26,432	26,688	27,243	27,334	28,647
2,572	Subsidies & Grants for Operating Purposes	2,661	2,599	2,649	2,728	2,811	2,904	3,015	3,109	3,223	3,348
4,123	Fees and Charges	4,338	4,490	4,656	4,710	4,884	5,085	5,166	5,377	5,620	5,738
506	Interest and Dividends from investments	448	375	240	217	217	217	217	217	217	217
19,232	Other Operating Funding *	18,315	18,980	19,313	19,832	20,468	20,917	21,429	22,300	22,893	23,700
107,369	TOTAL OPERATING FUNDING	109,740	113,720	118,029	122,568	127,666	132,141	135,865	140,365	145,259	150,178
APPLICATIONS OF OPERATING FUNDING											
78,494	Payments to Staff and Suppliers	79,345	81,169	83,349	85,141	88,372	91,264	93,904	97,359	101,208	104,991
9,634	Finance Costs	8,209	8,917	9,485	10,731	11,810	12,454	12,957	13,171	13,201	13,444
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
88,129	TOTAL APPLICATIONS OF OPERATING FUNDING	87,554	90,087	92,834	95,872	100,182	103,718	106,861	110,530	114,408	118,436
19,241	Surplus/(Deficit) of Operating Funding	22,186	23,633	25,195	26,696	27,484	28,423	29,004	29,835	30,851	31,742
SOURCES OF CAPITAL FUNDING											
3,449	Subsidies and Grants for Capital Expenditure	9,537	8,978	6,981	3,349	2,827	6,531	6,242	2,799	2,905	3,087
1,251	Development & Financial Contributions	1,203	1,347	1,731	2,010	2,181	2,397	2,538	2,773	2,878	3,187
17,537	Increase/(Decrease) in Debt	18,241	4,081	13,793	25,066	8,645	11,543	4,344	2,504	(1,277)	9,134
295	Gross proceeds from sale of assets	109	133	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
22,531	TOTAL SOURCES OF CAPITAL FUNDING	29,090	14,538	22,505	30,425	13,654	20,471	13,124	8,076	4,506	15,408
APPLICATIONS OF CAPITAL FUNDING											
Capital Expenditure:-											
674	- to meet additional demand	4,979	2,309	9,029	5,342	4,360	5,751	3,783	5,649	2,400	6,279
13,856	- to improve the level of service	22,390	17,652	17,726	21,514	9,598	15,845	13,292	7,312	9,124	16,171
27,242	- to replace existing assets	24,908	21,211	25,588	30,265	27,179	27,298	25,052	24,950	23,832	24,700
-	Increase/(Decrease) in Reserves	-	-	-	-	-	-	-	-	-	-
-	Increase/(Decrease) of Investments	(1,000)	(3,000)	(4,643)	-	-	-	-	-	-	-
41,772	TOTAL APPLICATIONS OF CAPITAL FUNDING	51,276	38,171	47,700	57,121	41,138	48,894	42,128	37,911	35,357	47,151
(19,241)	Surplus/(Deficit) of Capital Funding	(22,186)	(23,633)	(25,195)	(26,696)	(27,484)	(28,423)	(29,004)	(29,835)	(30,851)	(31,742)
-	TOTAL FUNDING SURPLUS/(DEFICIT)	-	-	-	-	-	-	-	-	-	-

LEADERSHIP - GROUP OF ACTIVITIES - FUNDING IMPACT STATEMENTS

Budget 2014/15 \$'000s		10YP 2015/16 \$'000s	10YP 2016/17 \$'000s	10YP 2017/18 \$'000s	10YP 2018/19 \$'000s	10YP 2019/20 \$'000s	10YP 2020/21 \$'000s	10YP 2021/22 \$'000s	10YP 2022/23 \$'000s	10YP 2023/24 \$'000s	10YP 2024/25 \$'000s
SOURCES OF OPERATING FUNDING											
8,318	General Rates, UAGC & Rates Penalties	8,531	8,749	8,868	8,845	9,396	9,594	9,716	9,892	10,039	10,094
-	Targeted Rates	-	-	-	-	-	-	-	-	-	-
-	Subsidies & Grants for Operating Purposes	-	-	-	-	-	-	-	-	-	-
174	Fees and Charges	151	156	160	164	169	174	180	186	192	199
33	Internal Charges & Overheads Recovered	35	36	37	38	39	40	41	43	44	46
16	Other Operating Funding *	19	149	21	22	161	23	24	177	25	26
8,542	TOTAL OPERATING FUNDING	8,736	9,090	9,086	9,069	9,765	9,831	9,961	10,298	10,301	10,365
APPLICATIONS OF OPERATING FUNDING											
6,646	Payments to Staff and Suppliers	6,848	7,023	6,888	6,777	7,383	7,332	7,446	7,698	7,534	7,590
0	Finance Costs	-	-	-	-	-	-	-	-	-	-
1,893	Internal Charges & Overheads Applied	1,971	2,065	2,195	2,290	2,379	2,496	2,511	2,595	2,762	2,771
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
8,540	TOTAL APPLICATIONS OF OPERATING FUNDING	8,819	9,088	9,083	9,066	9,762	9,828	9,957	10,294	10,297	10,361
2	Surplus/(Deficit) of Operating Funding	(83)	3	3	3	3	3	4	4	4	4
SOURCES OF CAPITAL FUNDING											
-	Subsidies and Grants for Capital Expenditure	-	-	-	-	-	-	-	-	-	-
-	Development & Financial Contributions	-	-	-	-	-	-	-	-	-	-
6	Increase/(Decrease) in Debt	83	(3)	(3)	(3)	(3)	(3)	(4)	(4)	(4)	(4)
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
6	TOTAL SOURCES OF CAPITAL FUNDING	83	(3)	(3)	(3)	(3)	(3)	(4)	(4)	(4)	(4)
APPLICATIONS OF CAPITAL FUNDING											
Capital Expenditure:-											
-	- to meet additional demand	-	-	-	-	-	-	-	-	-	-
8	- to improve the level of service	-	-	-	-	-	-	-	-	-	-
-	- to replace existing assets	-	-	-	-	-	-	-	-	-	-
-	Increase/(Decrease) in Reserves	-	-	-	-	-	-	-	-	-	-
-	Increase/(Decrease) of Investments	-	-	-	-	-	-	-	-	-	-
8	TOTAL APPLICATIONS OF CAPITAL FUNDING	-	-	-	-	-	-	-	-	-	-
(2)	Surplus/(Deficit) of Capital Funding	83	(3)	(3)	(3)	(3)	(3)	(4)	(4)	(4)	(4)
-	TOTAL FUNDING SURPLUS/(DEFICIT)	-	-	-	-	-	-	-	-	-	-

COMMUNITY SUPPORT - GROUP OF ACTIVITIES - FUNDING IMPACT STATEMENTS

Budget 2014/15 \$'000s		10YP 2015/16 \$'000s	10YP 2016/17 \$'000s	10YP 2017/18 \$'000s	10YP 2018/19 \$'000s	10YP 2019/20 \$'000s	10YP 2020/21 \$'000s	10YP 2021/22 \$'000s	10YP 2022/23 \$'000s	10YP 2023/24 \$'000s	10YP 2024/25 \$'000s
	SOURCES OF OPERATING FUNDING										
1,288	General Rates, UAGC & Rates Penalties	1,166	1,290	1,435	1,581	2,077	2,456	2,664	2,675	2,832	2,798
-	Targeted Rates	-	-	-	-	-	-	-	-	-	-
6	Subsidies & Grants for Operating Purposes	6	6	6	6	6	7	7	7	7	7
-	Fees and Charges	-	-	-	-	-	-	-	-	-	-
-	Internal Charges & Overheads Recovered	-	-	-	-	-	-	-	-	-	-
2,956	Other Operating Funding *	3,016	3,092	3,169	3,251	3,273	3,367	3,469	3,601	3,720	3,847
4,250	TOTAL OPERATING FUNDING	4,188	4,387	4,610	4,839	5,356	5,830	6,139	6,283	6,559	6,652
	APPLICATIONS OF OPERATING FUNDING										
1,501	Payments to Staff and Suppliers	1,537	1,602	1,642	1,688	1,735	1,786	1,840	1,900	1,963	2,031
219	Finance Costs	157	212	303	410	467	464	460	454	448	441
1,695	Internal Charges & Overheads Applied	1,667	1,709	1,753	1,799	1,851	1,905	1,965	2,028	2,095	2,166
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
3,415	TOTAL APPLICATIONS OF OPERATING FUNDING	3,361	3,523	3,698	3,897	4,053	4,155	4,265	4,382	4,506	4,638
835	Surplus/(Deficit) of Operating Funding	828	864	912	941	1,303	1,675	1,874	1,901	2,053	2,014
	SOURCES OF CAPITAL FUNDING										
-	Subsidies and Grants for Capital Expenditure	-	-	-	-	-	-	-	-	-	-
-	Development & Financial Contributions	-	-	-	-	-	-	-	-	-	-
4,321	Increase/(Decrease) in Debt	336	1,411	1,772	1,879	(413)	(535)	33	154	(425)	41
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
4,321	TOTAL SOURCES OF CAPITAL FUNDING	336	1,411	1,772	1,879	(413)	(535)	33	154	(425)	41
	APPLICATIONS OF CAPITAL FUNDING										
	Capital Expenditure:-										
-	- to meet additional demand	-	-	-	-	-	-	-	-	-	-
79	- to improve the level of service	77	51	16	-	-	6	371	-	-	-
5,077	- to replace existing assets	1,086	2,224	2,668	2,820	890	1,134	1,537	2,055	1,628	2,055
-	Increase/(Decrease) in Reserves	-	-	-	-	-	-	-	-	-	-
-	Increase/(Decrease) of Investments	-	-	-	-	-	-	-	-	-	-
5,156	TOTAL APPLICATIONS OF CAPITAL FUNDING	1,163	2,276	2,684	2,820	890	1,140	1,907	2,055	1,628	2,055
(835)	Surplus/(Deficit) of Capital Funding	(828)	(864)	(912)	(941)	(1,303)	(1,675)	(1,874)	(1,901)	(2,053)	(2,014)
-	TOTAL FUNDING SURPLUS/(DEFICIT)	-	-	-	-	-	-	-	-	-	-

WORK AND CITY PROMOTION - GROUP OF ACTIVITIES - FUNDING IMPACT STATEMENTS

Budget 2014/15 \$'000s		10YP 2015/16 \$'000s	10YP 2016/17 \$'000s	10YP 2017/18 \$'000s	10YP 2018/19 \$'000s	10YP 2019/20 \$'000s	10YP 2020/21 \$'000s	10YP 2021/22 \$'000s	10YP 2022/23 \$'000s	10YP 2023/24 \$'000s	10YP 2024/25 \$'000s
SOURCES OF OPERATING FUNDING											
3,036	General Rates, UAGC & Rates Penalties	3,189	3,299	3,243	3,281	3,337	3,476	3,598	3,757	3,847	4,099
-	Targeted Rates	-	-	-	-	-	-	-	-	-	-
-	Subsidies & Grants for Operating Purposes	-	-	-	-	-	-	-	-	-	-
-	Fees and Charges	-	-	-	-	-	-	-	-	-	-
31	Internal Charges & Overheads Recovered	27	28	28	29	30	31	32	33	34	35
1,004	Other Operating Funding *	1,033	1,063	1,090	1,118	1,150	1,183	1,219	1,258	1,299	1,344
4,071	TOTAL OPERATING FUNDING	4,249	4,390	4,361	4,428	4,517	4,690	4,849	5,048	5,180	5,478
APPLICATIONS OF OPERATING FUNDING											
3,708	Payments to Staff and Suppliers	3,865	3,946	4,047	4,118	4,236	4,362	4,496	4,643	4,799	4,969
-	Finance Costs	-	-	-	-	-	-	-	-	-	-
174	Internal Charges & Overheads Applied	186	190	195	200	206	212	219	226	233	241
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
3,882	TOTAL APPLICATIONS OF OPERATING FUNDING	4,051	4,136	4,242	4,319	4,442	4,574	4,714	4,868	5,032	5,210
189	Surplus/(Deficit) of Operating Funding	198	254	119	110	75	116	134	180	148	268
SOURCES OF CAPITAL FUNDING											
-	Subsidies and Grants for Capital Expenditure	-	-	-	-	-	-	-	-	-	-
-	Development & Financial Contributions	-	-	-	-	-	-	-	-	-	-
(50)	Increase/(Decrease) in Debt	(165)	196	(36)	89	(32)	(63)	(42)	(17)	(43)	(42)
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
(50)	TOTAL SOURCES OF CAPITAL FUNDING	(165)	196	(36)	89	(32)	(63)	(42)	(17)	(43)	(42)
APPLICATIONS OF CAPITAL FUNDING											
Capital Expenditure:-											
-	- to meet additional demand	-	-	-	-	-	-	-	-	-	-
-	- to improve the level of service	-	-	-	-	-	-	-	-	-	-
139	- to replace existing assets	34	449	83	198	43	52	93	163	105	226
-	Increase/(Decrease) in Reserves	-	-	-	-	-	-	-	-	-	-
-	Increase/(Decrease) of Investments	-	-	-	-	-	-	-	-	-	-
139	TOTAL APPLICATIONS OF CAPITAL FUNDING	34	449	83	198	43	52	93	163	105	226
(189)	Surplus/(Deficit) of Capital Funding	(198)	(254)	(119)	(110)	(75)	(116)	(134)	(180)	(148)	(268)
-	TOTAL FUNDING SURPLUS/(DEFICIT)	-	-	-	-	-	-	-	-	-	-

LEISURE - GROUP OF ACTIVITIES - FUNDING IMPACT STATEMENTS

Budget 2014/15 \$'000s		10YP 2015/16 \$'000s	10YP 2016/17 \$'000s	10YP 2017/18 \$'000s	10YP 2018/19 \$'000s	10YP 2019/20 \$'000s	10YP 2020/21 \$'000s	10YP 2021/22 \$'000s	10YP 2022/23 \$'000s	10YP 2023/24 \$'000s	10YP 2024/25 \$'000s
SOURCES OF OPERATING FUNDING											
29,681	General Rates, UAGC & Rates Penalties	31,090	31,730	33,706	34,671	36,228	36,714	38,274	40,082	42,271	43,519
-	Targeted Rates	-	-	-	-	-	-	-	-	-	-
116	Subsidies & Grants for Operating Purposes	113	117	120	123	127	130	134	138	143	148
-	Fees and Charges	-	-	-	-	-	-	-	-	-	-
84	Internal Charges & Overheads Recovered	146	149	153	157	162	167	172	178	184	190
2,528	Other Operating Funding *	2,487	2,550	2,614	2,683	2,758	2,839	2,924	3,018	3,118	3,225
32,409	TOTAL OPERATING FUNDING	33,836	34,546	36,593	37,633	39,275	39,849	41,504	43,416	45,716	47,082
APPLICATIONS OF OPERATING FUNDING											
16,654	Payments to Staff and Suppliers	17,564	17,754	18,526	18,530	19,387	19,465	20,126	20,787	21,430	22,341
1,695	Finance Costs	1,568	1,621	1,740	2,032	2,310	2,616	2,870	2,997	3,049	3,038
8,977	Internal Charges & Overheads Applied	9,365	9,709	10,084	10,624	10,998	11,381	11,817	12,248	12,707	13,150
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
27,326	TOTAL APPLICATIONS OF OPERATING FUNDING	28,496	29,084	30,350	31,186	32,696	33,463	34,813	36,032	37,185	38,529
5,083	Surplus/(Deficit) of Operating Funding	5,339	5,462	6,243	6,447	6,579	6,387	6,691	7,385	8,530	8,552
SOURCES OF CAPITAL FUNDING											
568	Subsidies and Grants for Capital Expenditure	3,474	2,636	1,482	92	275	914	-	-	-	-
225	Development & Financial Contributions	115	128	165	191	208	228	242	264	274	303
3,478	Increase/(Decrease) in Debt	1,736	90	5,668	4,423	4,051	6,301	1,304	1,115	(1,268)	(360)
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
4,271	TOTAL SOURCES OF CAPITAL FUNDING	5,325	2,854	7,314	4,705	4,533	7,444	1,546	1,379	(994)	(57)
APPLICATIONS OF CAPITAL FUNDING											
Capital Expenditure:-											
-	- to meet additional demand	-	-	1,885	368	74	506	-	727	-	695
1,846	- to improve the level of service	4,959	4,468	5,133	3,784	3,070	5,015	2,078	1,933	2,139	1,998
7,508	- to replace existing assets	5,706	3,848	6,539	7,001	7,969	8,309	6,159	6,104	5,398	5,802
-	Increase/(Decrease) in Reserves	-	-	-	-	-	-	-	-	-	-
-	Increase/(Decrease) of Investments	-	-	-	-	-	-	-	-	-	-
9,354	TOTAL APPLICATIONS OF CAPITAL FUNDING	10,665	8,316	13,557	11,153	11,112	13,830	8,237	8,764	7,537	8,496
(5,083)	Surplus/(Deficit) of Capital Funding	(5,339)	(5,462)	(6,243)	(6,447)	(6,579)	(6,387)	(6,691)	(7,385)	(8,530)	(8,552)
-	TOTAL FUNDING SURPLUS/(DEFICIT)	-	-	-	-	-	-	-	-	-	-

REGULATORY - GROUP OF ACTIVITIES - FUNDING IMPACT STATEMENTS

Budget 2014/15 \$'000s		10YP 2015/16 \$'000s	10YP 2016/17 \$'000s	10YP 2017/18 \$'000s	10YP 2018/19 \$'000s	10YP 2019/20 \$'000s	10YP 2020/21 \$'000s	10YP 2021/22 \$'000s	10YP 2022/23 \$'000s	10YP 2023/24 \$'000s	10YP 2024/25 \$'000s
SOURCES OF OPERATING FUNDING											
3,301	General Rates, UAGC & Rates Penalties	3,152	3,217	3,250	3,377	3,409	3,535	3,664	3,793	3,886	4,129
-	Targeted Rates	-	-	-	-	-	-	-	-	-	-
-	Subsidies & Grants for Operating Purposes	-	-	-	-	-	-	-	-	-	-
3,948	Fees and Charges	4,187	4,334	4,496	4,546	4,715	4,911	4,986	5,192	5,429	5,539
996	Internal Charges & Overheads Recovered	1,190	1,191	1,205	1,237	1,273	1,311	1,352	1,396	1,443	1,495
32	Other Operating Funding *	43	44	45	46	47	49	50	52	54	56
8,277	TOTAL OPERATING FUNDING	8,572	8,786	8,996	9,206	9,444	9,806	10,052	10,433	10,811	11,219
APPLICATIONS OF OPERATING FUNDING											
5,163	Payments to Staff and Suppliers	5,257	5,368	5,450	5,492	5,618	5,860	5,983	6,235	6,437	6,702
-	Finance Costs	-	-	-	-	-	-	-	-	-	-
3,100	Internal Charges & Overheads Applied	3,301	3,403	3,530	3,698	3,810	3,928	4,052	4,181	4,355	4,498
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
8,262	TOTAL APPLICATIONS OF OPERATING FUNDING	8,558	8,772	8,980	9,190	9,428	9,788	10,035	10,416	10,792	11,200
15	Surplus/(Deficit) of Operating Funding	15	15	16	16	16	17	17	17	19	19
SOURCES OF CAPITAL FUNDING											
-	Subsidies and Grants for Capital Expenditure	-	-	-	-	-	-	-	-	-	-
-	Development & Financial Contributions	-	-	-	-	-	-	-	-	-	-
(15)	Increase/(Decrease) in Debt	(15)	29	(16)	(16)	31	(17)	(17)	35	(19)	(19)
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
(15)	TOTAL SOURCES OF CAPITAL FUNDING	(15)	29	(16)	(16)	31	(17)	(17)	35	(19)	(19)
APPLICATIONS OF CAPITAL FUNDING											
Capital Expenditure:-											
-	- to meet additional demand	-	-	-	-	-	-	-	-	-	-
-	- to improve the level of service	-	-	-	-	-	-	-	-	-	-
-	- to replace existing assets	-	44	-	-	47	-	-	52	-	-
-	Increase/(Decrease) in Reserves	-	-	-	-	-	-	-	-	-	-
-	Increase/(Decrease) of Investments	-	-	-	-	-	-	-	-	-	-
-	TOTAL APPLICATIONS OF CAPITAL FUNDING	-	44	-	-	47	-	-	52	-	-
(15)	Surplus/(Deficit) of Capital Funding	(15)	(15)	(16)	(16)	(16)	(17)	(17)	(17)	(19)	(19)
-	TOTAL FUNDING SURPLUS/(DEFICIT)	-	-	-	-	-	-	-	-	-	-

ROADING AND PARKING - GROUP OF ACTIVITIES - FUNDING IMPACT STATEMENTS

Budget 2014/15 \$'000s		10YP 2015/16 \$'000s	10YP 2016/17 \$'000s	10YP 2017/18 \$'000s	10YP 2018/19 \$'000s	10YP 2019/20 \$'000s	10YP 2020/21 \$'000s	10YP 2021/22 \$'000s	10YP 2022/23 \$'000s	10YP 2023/24 \$'000s	10YP 2024/25 \$'000s
SOURCES OF OPERATING FUNDING											
13,216	General Rates, UAGC & Rates Penalties	12,657	13,131	13,889	15,130	16,111	17,137	18,100	18,913	20,317	21,039
-	Targeted Rates	-	-	-	-	-	-	-	-	-	-
2,212	Subsidies & Grants for Operating Purposes	2,303	2,230	2,271	2,339	2,411	2,492	2,590	2,671	2,771	2,879
-	Fees and Charges	-	-	-	-	-	-	-	-	-	-
-	Internal Charges & Overheads Recovered	-	-	-	-	-	-	-	-	-	-
3,940	Other Operating Funding *	3,937	3,996	4,084	4,182	4,287	4,403	4,526	4,662	4,807	4,965
19,368	TOTAL OPERATING FUNDING	18,897	19,358	20,244	21,652	22,809	24,031	25,216	26,246	27,894	28,883
APPLICATIONS OF OPERATING FUNDING											
9,004	Payments to Staff and Suppliers	8,759	8,609	8,920	9,330	9,663	10,054	10,464	10,871	11,982	12,506
2,414	Finance Costs	2,102	2,340	2,578	3,106	3,558	3,859	4,189	4,406	4,416	4,344
3,808	Internal Charges & Overheads Applied	3,765	3,860	3,948	4,092	4,221	4,471	4,606	4,747	4,909	5,063
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
15,225	TOTAL APPLICATIONS OF OPERATING FUNDING	14,625	14,809	15,446	16,528	17,443	18,384	19,259	20,024	21,307	21,913
4,143	Surplus/(Deficit) of Operating Funding	4,272	4,549	4,798	5,125	5,365	5,648	5,957	6,222	6,587	6,970
SOURCES OF CAPITAL FUNDING											
2,881	Subsidies and Grants for Capital Expenditure	6,063	6,342	5,500	3,258	2,553	5,617	6,242	2,799	2,905	3,087
600	Development & Financial Contributions	481	539	692	804	872	959	1,015	1,109	1,151	1,275
2,357	Increase/(Decrease) in Debt	6,636	3,143	7,882	11,125	4,083	5,874	5,068	2,733	(1,444)	94
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
5,837	TOTAL SOURCES OF CAPITAL FUNDING	13,179	10,023	14,073	15,187	7,507	12,450	12,325	6,641	2,612	4,456
APPLICATIONS OF CAPITAL FUNDING											
Capital Expenditure:-											
220	- to meet additional demand	2,407	889	2,255	2,198	1,479	3,418	2,563	4,202	1,201	867
3,424	- to improve the level of service	8,922	8,357	11,280	11,317	5,764	8,858	9,184	2,590	1,689	3,839
6,337	- to replace existing assets	6,122	5,326	5,337	6,797	5,630	5,821	6,536	6,071	6,309	6,719
-	Increase/(Decrease) in Reserves	-	-	-	-	-	-	-	-	-	-
-	Increase/(Decrease) of Investments	-	-	-	-	-	-	-	-	-	-
9,980	TOTAL APPLICATIONS OF CAPITAL FUNDING	17,451	14,573	18,871	20,311	12,873	18,097	18,283	12,863	9,200	11,426
(4,143)	Surplus/(Deficit) of Capital Funding	(4,272)	(4,549)	(4,798)	(5,125)	(5,365)	(5,648)	(5,957)	(6,222)	(6,587)	(6,970)
-	TOTAL FUNDING SURPLUS/(DEFICIT)	-	-	-	-	-	-	-	-	-	-

RUBBISH AND RECYCLING - GROUP OF ACTIVITIES - FUNDING IMPACT STATEMENTS

Budget 2014/15 \$'000s		10YP 2015/16 \$'000s	10YP 2016/17 \$'000s	10YP 2017/18 \$'000s	10YP 2018/19 \$'000s	10YP 2019/20 \$'000s	10YP 2020/21 \$'000s	10YP 2021/22 \$'000s	10YP 2022/23 \$'000s	10YP 2023/24 \$'000s	10YP 2024/25 \$'000s
SOURCES OF OPERATING FUNDING											
-	General Rates, UAGC & Rates Penalties	-	-	-	-	-	-	-	-	-	-
5,330	Targeted Rates	5,316	4,982	5,147	5,412	5,841	6,139	6,339	6,265	5,370	5,515
238	Subsidies & Grants for Operating Purposes	240	246	252	259	267	275	283	293	303	313
-	Fees and Charges	-	-	-	-	-	-	-	-	-	-
604	Internal Charges & Overheads Recovered	590	605	621	637	656	675	696	719	744	770
3,131	Other Operating Funding *	2,710	2,794	2,872	2,955	3,046	3,143	3,247	3,360	3,480	3,612
9,303	TOTAL OPERATING FUNDING	8,856	8,627	8,892	9,263	9,810	10,232	10,566	10,637	9,896	10,211
APPLICATIONS OF OPERATING FUNDING											
(373)	Payments to Staff and Suppliers	(443)	(512)	(517)	(605)	(598)	(628)	(612)	(656)	(672)	(670)
1,085	Finance Costs	667	670	625	593	565	536	507	473	435	397
7,698	Internal Charges & Overheads Applied	7,229	6,989	7,161	7,405	7,656	7,921	8,201	8,505	8,831	9,179
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
8,410	TOTAL APPLICATIONS OF OPERATING FUNDING	7,452	7,147	7,270	7,393	7,622	7,829	8,097	8,322	8,594	8,906
893	Surplus/(Deficit) of Operating Funding	1,404	1,480	1,622	1,871	2,187	2,403	2,469	2,314	1,303	1,305
SOURCES OF CAPITAL FUNDING											
-	Subsidies and Grants for Capital Expenditure	-	-	-	-	-	-	-	-	-	-
-	Development & Financial Contributions	-	-	-	-	-	-	-	-	-	-
(353)	Increase/(Decrease) in Debt	140	(1,023)	(798)	(1,327)	(1,593)	(1,536)	(1,236)	(1,349)	(532)	(849)
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
(353)	TOTAL SOURCES OF CAPITAL FUNDING	140	(1,023)	(798)	(1,327)	(1,593)	(1,536)	(1,236)	(1,349)	(532)	(849)
APPLICATIONS OF CAPITAL FUNDING											
Capital Expenditure:-											
-	- to meet additional demand	-	-	-	-	-	-	-	-	-	-
245	- to improve the level of service	945	-	-	-	-	-	-	-	-	-
294	- to replace existing assets	599	457	823	543	595	867	1,233	966	770	456
-	Increase/(Decrease) in Reserves	-	-	-	-	-	-	-	-	-	-
-	Increase/(Decrease) of Investments	-	-	-	-	-	-	-	-	-	-
539	TOTAL APPLICATIONS OF CAPITAL FUNDING	1,544	457	823	543	595	867	1,233	966	770	456
(893)	Surplus/(Deficit) of Capital Funding	(1,404)	(1,480)	(1,622)	(1,871)	(2,187)	(2,403)	(2,469)	(2,314)	(1,303)	(1,305)
-	TOTAL FUNDING SURPLUS/(DEFICIT)	-	-	-	-	-	-	-	-	-	-

STORMWATER - GROUP OF ACTIVITIES - FUNDING IMPACT STATEMENTS

Budget 2014/15 \$'000s		10YP 2015/16 \$'000s	10YP 2016/17 \$'000s	10YP 2017/18 \$'000s	10YP 2018/19 \$'000s	10YP 2019/20 \$'000s	10YP 2020/21 \$'000s	10YP 2021/22 \$'000s	10YP 2022/23 \$'000s	10YP 2023/24 \$'000s	10YP 2024/25 \$'000s
	SOURCES OF OPERATING FUNDING										
2,915	General Rates, UAGC & Rates Penalties	2,617	2,714	2,779	2,988	3,055	3,151	3,145	3,365	3,469	3,497
-	Targeted Rates	-	-	-	-	-	-	-	-	-	-
-	Subsidies & Grants for Operating Purposes	-	-	-	-	-	-	-	-	-	-
-	Fees and Charges	-	-	-	-	-	-	-	-	-	-
-	Internal Charges & Overheads Recovered	-	-	-	-	-	-	-	-	-	-
2	Other Operating Funding *	2	2	2	2	2	2	2	3	3	3
2,917	TOTAL OPERATING FUNDING	2,619	2,716	2,781	2,990	3,057	3,153	3,147	3,368	3,472	3,500
	APPLICATIONS OF OPERATING FUNDING										
740	Payments to Staff and Suppliers	917	943	921	947	919	950	920	1,079	1,121	1,025
550	Finance Costs	527	558	568	613	672	700	693	679	662	702
606	Internal Charges & Overheads Applied	612	625	643	663	684	707	733	760	789	822
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
1,896	TOTAL APPLICATIONS OF OPERATING FUNDING	2,056	2,126	2,132	2,222	2,275	2,357	2,345	2,518	2,572	2,548
1,021	Surplus/(Deficit) of Operating Funding	564	590	648	767	782	796	802	850	900	952
	SOURCES OF CAPITAL FUNDING										
-	Subsidies and Grants for Capital Expenditure	-	-	-	-	-	-	-	-	-	-
13	Development & Financial Contributions	122	137	176	204	221	243	257	281	292	323
1,125	Increase/(Decrease) in Debt	1,441	466	913	1,078	1,146	152	(7)	(39)	(56)	1,663
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
1,138	TOTAL SOURCES OF CAPITAL FUNDING	1,563	603	1,089	1,282	1,367	395	250	242	236	1,986
	APPLICATIONS OF CAPITAL FUNDING										
	Capital Expenditure:-										
108	- to meet additional demand	910	104	818	943	1,054	118	122	127	132	1,892
1,388	- to improve the level of service	630	675	641	607	570	531	489	508	528	550
663	- to replace existing assets	587	415	278	499	524	543	440	457	475	495
-	Increase/(Decrease) in Reserves	-	-	-	-	-	-	-	-	-	-
-	Increase/(Decrease) of Investments	-	-	-	-	-	-	-	-	-	-
2,159	TOTAL APPLICATIONS OF CAPITAL FUNDING	2,127	1,194	1,737	2,049	2,148	1,191	1,052	1,092	1,136	2,938
(1,021)	Surplus/(Deficit) of Capital Funding	(564)	(590)	(648)	(767)	(782)	(796)	(802)	(850)	(900)	(952)
-	TOTAL FUNDING SURPLUS/(DEFICIT)	-	-	-	-	-	-	-	-	-	-

WASTEWATER - GROUP OF ACTIVITIES - FUNDING IMPACT STATEMENTS

Budget 2014/15 \$'000s		10YP 2015/16 \$'000s	10YP 2016/17 \$'000s	10YP 2017/18 \$'000s	10YP 2018/19 \$'000s	10YP 2019/20 \$'000s	10YP 2020/21 \$'000s	10YP 2021/22 \$'000s	10YP 2022/23 \$'000s	10YP 2023/24 \$'000s	10YP 2024/25 \$'000s
SOURCES OF OPERATING FUNDING											
-	General Rates, UAGC & Rates Penalties	-	-	-	-	-	-	-	-	-	-
6,009	Targeted Rates	7,883	9,241	8,723	8,613	8,607	9,238	9,394	9,449	9,828	10,946
-	Subsidies & Grants for Operating Purposes	-	-	-	-	-	-	-	-	-	-
-	Fees and Charges	-	-	-	-	-	-	-	-	-	-
-	Internal Charges & Overheads Recovered	18	18	19	19	20	21	21	22	23	24
864	Other Operating Funding *	888	1,012	1,042	1,081	1,123	1,150	1,205	1,251	1,301	1,355
6,873	TOTAL OPERATING FUNDING	8,789	10,272	9,784	9,714	9,749	10,409	10,620	10,722	11,152	12,325
APPLICATIONS OF OPERATING FUNDING											
2,605	Payments to Staff and Suppliers	2,027	2,493	2,220	2,215	2,282	2,404	2,425	2,499	2,592	2,763
948	Finance Costs	1,177	1,248	1,275	1,495	1,601	1,506	1,424	1,364	1,397	1,658
2,193	Internal Charges & Overheads Applied	2,503	2,807	2,840	2,969	3,072	3,515	3,601	3,737	3,886	4,441
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
5,746	TOTAL APPLICATIONS OF OPERATING FUNDING	5,707	6,548	6,336	6,678	6,955	7,425	7,451	7,601	7,875	8,861
1,127	Surplus/(Deficit) of Operating Funding	3,082	3,723	3,448	3,036	2,794	2,983	3,169	3,121	3,276	3,464
SOURCES OF CAPITAL FUNDING											
-	Subsidies and Grants for Capital Expenditure	-	-	-	-	-	-	-	-	-	-
225	Development & Financial Contributions	266	298	383	445	483	531	562	614	637	706
3,785	Increase/(Decrease) in Debt	3,028	(476)	3,786	6,451	(1,345)	(1,468)	(422)	(256)	2,135	6,742
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
4,010	TOTAL SOURCES OF CAPITAL FUNDING	3,294	(178)	4,169	6,896	(862)	(937)	140	358	2,772	7,448
APPLICATIONS OF CAPITAL FUNDING											
Capital Expenditure:-											
138	- to meet additional demand	130	446	3,357	496	114	118	550	330	792	475
3,735	- to improve the level of service	3,388	36	315	5,517	-	-	-	635	2,641	7,706
1,264	- to replace existing assets	2,858	3,062	3,944	3,919	1,818	1,929	2,758	2,514	2,615	2,731
-	Increase/(Decrease) in Reserves	-	-	-	-	-	-	-	-	-	-
-	Increase/(Decrease) of Investments	-	-	-	-	-	-	-	-	-	-
5,137	TOTAL APPLICATIONS OF CAPITAL FUNDING	6,376	3,545	7,617	9,932	1,932	2,047	3,309	3,479	6,048	10,912
(1,127)	Surplus/(Deficit) of Capital Funding	(3,082)	(3,723)	(3,448)	(3,036)	(2,794)	(2,983)	(3,169)	(3,121)	(3,276)	(3,464)
-	TOTAL FUNDING SURPLUS/(DEFICIT)	-	-	-	-	-	-	-	-	-	-

WATER - GROUP OF ACTIVITIES - FUNDING IMPACT STATEMENTS

Budget 2014/15 \$'000s		10YP 2015/16 \$'000s	10YP 2016/17 \$'000s	10YP 2017/18 \$'000s	10YP 2018/19 \$'000s	10YP 2019/20 \$'000s	10YP 2020/21 \$'000s	10YP 2021/22 \$'000s	10YP 2022/23 \$'000s	10YP 2023/24 \$'000s	10YP 2024/25 \$'000s
SOURCES OF OPERATING FUNDING											
-	General Rates, UAGC & Rates Penalties	-	-	-	-	-	-	-	-	-	-
7,460	Targeted Rates	8,467	9,307	10,093	10,717	10,650	11,055	10,955	11,529	12,136	12,185
-	Subsidies & Grants for Operating Purposes	-	-	-	-	-	-	-	-	-	-
-	Fees and Charges	-	-	-	-	-	-	-	-	-	-
240	Internal Charges & Overheads Recovered	211	219	222	229	238	243	250	260	268	278
23	Other Operating Funding *	23	24	25	26	27	27	28	30	31	32
7,724	TOTAL OPERATING FUNDING	8,701	9,550	10,341	10,971	10,914	11,325	11,234	11,818	12,434	12,495
APPLICATIONS OF OPERATING FUNDING											
1,532	Payments to Staff and Suppliers	1,681	1,826	1,779	1,787	1,756	1,828	1,917	2,074	2,162	2,290
1,051	Finance Costs	1,033	1,297	1,379	1,417	1,584	1,742	1,802	1,806	1,822	1,914
2,654	Internal Charges & Overheads Applied	2,674	2,803	2,985	3,080	3,182	3,351	3,474	3,606	3,908	3,576
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
5,236	TOTAL APPLICATIONS OF OPERATING FUNDING	5,388	5,925	6,143	6,284	6,521	6,921	7,194	7,486	7,892	7,780
2,488	Surplus/(Deficit) of Operating Funding	3,313	3,624	4,198	4,687	4,393	4,404	4,040	4,332	4,542	4,715
SOURCES OF CAPITAL FUNDING											
-	Subsidies and Grants for Capital Expenditure	-	-	-	-	-	-	-	-	-	-
188	Development & Financial Contributions	219	245	315	366	397	436	462	505	524	580
3,090	Increase/(Decrease) in Debt	5,626	3,747	(242)	2,161	3,697	2,886	12	737	460	2,596
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
3,278	TOTAL SOURCES OF CAPITAL FUNDING	5,845	3,992	73	2,527	4,094	3,322	474	1,242	984	3,176
APPLICATIONS OF CAPITAL FUNDING											
Capital Expenditure:-											
208	- to meet additional demand	1,532	870	714	1,336	1,639	1,590	548	264	274	2,350
2,973	- to improve the level of service	3,305	3,738	107	-	68	1,321	1,052	1,524	2,001	1,947
2,585	- to replace existing assets	4,321	3,009	3,450	5,878	6,780	4,815	2,914	3,786	3,251	3,594
-	Increase/(Decrease) in Reserves	-	-	-	-	-	-	-	-	-	-
-	Increase/(Decrease) of Investments	-	-	-	-	-	-	-	-	-	-
5,765	TOTAL APPLICATIONS OF CAPITAL FUNDING	9,158	7,617	4,271	7,214	8,487	7,726	4,513	5,574	5,526	7,891
(2,488)	Surplus/(Deficit) of Capital Funding	(3,313)	(3,624)	(4,198)	(4,687)	(4,393)	(4,404)	(4,040)	(4,332)	(4,542)	(4,715)
-	TOTAL FUNDING SURPLUS/(DEFICIT)	-	-	-	-	-	-	-	-	-	-

SUPPORT SERVICES - GROUP OF ACTIVITIES - FUNDING IMPACT STATEMENTS

Budget 2014/15 \$'000s		10YP 2015/16 \$'000s	10YP 2016/17 \$'000s	10YP 2017/18 \$'000s	10YP 2018/19 \$'000s	10YP 2019/20 \$'000s	10YP 2020/21 \$'000s	10YP 2021/22 \$'000s	10YP 2022/23 \$'000s	10YP 2023/24 \$'000s	10YP 2024/25 \$'000s
SOURCES OF OPERATING FUNDING											
383	General Rates, UAGC & Rates Penalties	(92)	(384)	39	467	576	524	191	(360)	(689)	(648)
-	Targeted Rates	-	-	-	-	-	-	-	-	-	-
-	Subsidies & Grants for Operating Purposes	-	-	-	-	-	-	-	-	-	-
-	Fees and Charges	-	-	-	-	-	-	-	-	-	-
43,504	Internal Charges & Overheads Recovered	42,539	43,698	45,149	46,961	48,506	50,651	52,282	54,094	56,336	58,167
5,241	Other Operating Funding *	4,605	4,629	4,589	4,683	4,811	4,948	4,952	5,107	5,272	5,452
49,128	TOTAL OPERATING FUNDING	47,052	47,942	49,777	52,111	53,893	56,123	57,424	58,841	60,919	62,972
APPLICATIONS OF OPERATING FUNDING											
32,219	Payments to Staff and Suppliers	32,243	33,045	34,422	35,838	36,991	38,882	39,959	41,324	42,991	44,615
1,671	Finance Costs	979	972	1,018	1,066	1,053	1,032	1,012	991	971	950
11,792	Internal Charges & Overheads Applied	10,575	10,856	11,148	11,513	11,862	12,219	12,607	13,016	13,469	13,930
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
45,682	TOTAL APPLICATIONS OF OPERATING FUNDING	43,797	44,873	46,588	48,417	49,906	52,133	53,578	55,331	57,431	59,494
3,446	Surplus/(Deficit) of Operating Funding	3,255	3,069	3,189	3,694	3,987	3,990	3,847	3,510	3,487	3,478
SOURCES OF CAPITAL FUNDING											
-	Subsidies and Grants for Capital Expenditure	-	-	-	-	-	-	-	-	-	-
-	Development & Financial Contributions	-	-	-	-	-	-	-	-	-	-
(207)	Increase/(Decrease) in Debt	(605)	(3,500)	(5,131)	(794)	(976)	(47)	(346)	(605)	(80)	(727)
295	Gross proceeds from sale of assets	109	133	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
88	TOTAL SOURCES OF CAPITAL FUNDING	(496)	(3,367)	(5,131)	(794)	(976)	(47)	(346)	(605)	(80)	(727)
APPLICATIONS OF CAPITAL FUNDING											
Capital Expenditure:-											
-	- to meet additional demand	-	-	-	-	-	-	-	-	-	-
159	- to improve the level of service	163	326	234	291	126	114	118	122	126	131
3,374	- to replace existing assets	3,596	2,376	2,467	2,609	2,885	3,829	3,383	2,783	3,281	2,620
-	Increase/(Decrease) in Reserves	-	-	-	-	-	-	-	-	-	-
-	Increase/(Decrease) of Investments	(1,000)	(3,000)	(4,643)	-	-	-	-	-	-	-
3,534	TOTAL APPLICATIONS OF CAPITAL FUNDING	2,759	(298)	(1,943)	2,900	3,011	3,943	3,501	2,905	3,407	2,751
(3,446)	Surplus/(Deficit) of Capital Funding	(3,255)	(3,069)	(3,189)	(3,694)	(3,987)	(3,990)	(3,847)	(3,510)	(3,487)	(3,478)
-	TOTAL FUNDING SURPLUS/(DEFICIT)	-	-	-	-	-	-	-	-	-	-

Section 4

Additional Information

[Summary of Policy on Significance and Engagement](#)

[Māori Participation in Council Decision Making](#)

[Council Controlled Organisations](#)

[Support to External Organisations](#)

[The Role and Structure of the Council](#)

[How to Contact the Council](#)

[Glossary](#)

Summary of the Council's Significance and Engagement Policy

This is a summary of the Council's Significance and Engagement policy

It shows how the Council will meet its 10 Year Plan goal of understanding the diverse views of the City's people, making prudent decisions, and ensuring that people know what it is doing and why.

For a copy of the full Policy go to pncc.govt.nz and search "Significance and Engagement".

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 community engagement, people's 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.

Council's General Approach to Community Engagement

The Council wishes to engage in a way that meets peoples' expectations. This means using a wide range of techniques. However, it does not mean widely engaging in detail over every decision.

Previous research and engagement shows that people have different expectations of how much engagement the Council should do. Most people want Council to consult on major issues only. Other people expect the Council to engage with them in detail on most issues, while others expect Council just to make decisions and keep them informed. The number of people in these different groups will vary according to the specific issue.

The Council has to balance these different levels of desired community engagement.

The Council uses a model based on the IAP2 continuum to guide its engagement:

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.

INCREASING LEVEL OF PUBLIC IMPACT					
	INFORM	CONSULT	INVOLVE	COLLABORATE	EMPOWER
PUBLIC PARTICIPATION GOAL	To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions.	To obtain public feedback on analysis, alternatives and/or decisions.	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.	To place final decision making in the hands of the public.
PROMISE TO THE PUBLIC	We will keep you informed.	We will keep you informed, listen to and acknowledge concerns and aspirations, and provide feedback on how public input influenced the decision. We will seek your feedback on drafts and proposals.	We will work with you to ensure that your concerns and aspirations are directly reflected in the alternatives developed and provide feedback on how public input influenced the decision.	We will work together with you to formulate solutions and incorporate your advice and recommendations into the decisions to the maximum extent possible.	We will implement what you decide.
EXAMPLE TOOLS	<ul style="list-style-type: none"> • Fact sheets • Websites • Open houses 	<ul style="list-style-type: none"> • Public comment • Focus groups • Surveys • Public meetings 	<ul style="list-style-type: none"> • Workshops • Deliberate polling 	<ul style="list-style-type: none"> • Citizen Advisory committees • Consensus building • Participatory decision-making 	<ul style="list-style-type: none"> • Citizen juries • Ballots • Delegated decisions

The IAP2 model is at <http://www.iap2.org.au/documents/item/84>

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.

It is the Council that decides what level or levels of engagement are appropriate for each issue. When it makes these decisions it will consider peoples' preferences.

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, and the wider decision making and consultation requirements in sections 76-90 of the Act.

The Council's Community Engagement Principles say that when it engages with local residents and organisations it will:

- Engage in a way that shows people that their contribution is valued and will be fully considered
- Be clear about the process being used and the level of influence that people have
- Encourage as many people as reasonably possible to take part from the start to the finish of the process, especially affected and interested people
- Make it easy for people to give their views to the Council
- Engage in the community by going to where people are and not always expecting them to come to the Council
- Give people time to think about the issues and respond to them
- Use honest and easy to understand information
- Listen to everybody who engages with the Council and gather other information so that it understands a reasonably wide range of peoples' views
- Tell people what it decides and why
- Use relevant information from previous engagement processes
- Take a common sense, cost effective approach.

The Council will use these principles when it designs its engagement processes. Council's approach is to select appropriate techniques based on the issue it is engaging on and the communities it is engaging with, within appropriate levels of resource.

These techniques could include things like social media, email, on line surveys, meetings, deliberative polling, fact sheets, citizens juries, polls, and advisory groups. More information on the range of techniques the Council could use in its engagement is set out in the Council's Community Engagement Guidelines for Staff.

In some instances the Council has to use the Special Consultative Procedure (public notice, draft document, submissions, hearings, decision). Under the LG Act this is when the Council adopts or amends the 10 Year Plan or a significant bylaw. Other legislation also requires use of the Special Consultative Procedure in some cases. These are listed in the Council's Community Engagement Guidelines for Staff.

Other legislation, such as the Resource Management Act 1991, also has prescribed forms of consultation.

The aim of community engagement is to make better decisions. However, community engagement on any particular issue can become an end in itself and turn into an open-ended process. As the principles indicate the Council will take a common sense, cost effective approach that involves as many people as reasonably possible. What is "reasonably possible" is a judgement call that the Council will make. When it makes this judgement it will take into account the views and preferences of affected and interested people, the extent to which their views are already known, the significance of the issue (including its likely impact from the perspective of interested and affected people), and the costs and benefits of any engagement process or procedure. (These criteria are a summary of the decision making criteria and consultation principles from s78 and s82 of the LG Act.)

The Council also has a Māori Community Strategy. This Strategy has two overarching aims. Firstly, it is about increasing Māori participation in local government to fulfil the Crown's statutory requirements and to realise the Crown's Treaty obligations to Māori. Secondly the Strategy is about

promoting and facilitating Māori participation in all aspects of our City, including how the Council will engage Maori in its decision-making.

The Treaty of Waitangi is New Zealand's founding document and reflects an ongoing commitment to recognise, protect and promote mana whenua (local iwi or tribal communities) as kaitiaki (customary guardians). By implication the Treaty also acknowledges the ethos embodied in tikanga or Māori philosophy and practices. Local government and other bodies are required by legislation to take these into account to give effect to the Crown's intent to protect Māori Treaty rights. As well as acknowledging and working closely with local iwi, local government has a key role in shaping the communities all Māori people live in, and therefore the experience they have in those communities.

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 General 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. 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.

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

A strategic asset 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" (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) (has been renamed)
- 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
- The Square and Te Marae o Hine 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
- Arena Manawatu as a whole
- walkways as a whole
- Ashhurst Domain as a whole
- Memorial Park as a whole
- Te Manawa
- the Regent Theatre
- Caccia Birch
- City Library (including community libraries and mobile library) as a whole
- archives as a whole
- community centres as a whole
- cemeteries and crematorium as a whole
- that portion of the Civic Administration Building sited on The Square.

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.

Monitoring and Review

Every year the Council will prepare an Annual Report on the Policy and the Policy will be reviewed every three years through the 10 Year Plan.

Māori Participation in Council Decision Making

The Council is working with Rangitāne and the wider Māori community to identify further ways for Māori to be more effectively involved in Council's decision making. The following sections outline some of the ongoing commitments to iwi and wider Māori participation in the Council's decision making.

Rangitāne Participation

The Council acknowledges Rangitāne as tangata whenua.

The Council continues to be committed to identifying and progressing formal relationships with Rangitāne. The Council will work in good faith with Rangitāne and the Crown to assist in implementing Treaty claim settlements in the region, including recognition of Rangitāne relationships with their historical and cultural sites.

The Council will also meet its obligations for wider Māori involvement in decision making in conjunction with Rangitāne.

Specific steps that the Council undertakes to provide opportunities for and to encourage Rangitāne to participate in its decision making include:

- developing guidelines on how staff should consult with Rangitāne O Manawatū. These guidelines are also relevant for consultation with the wider Māori community
- employment of a Principal Māori Advisor. The purpose of this position is to advise the Council on all key matters to do with its responsibilities and relationships in relation to Rangitāne, and also to contribute to wider Māori development
- provision of funding for iwi engagement, especially in resource management issues
- continue to maintain and develop the archaeological assessment programme to ensure that major City Council projects do not damage or destroy cultural sites or resources, and to work with Rangitāne to identify collaborative projects that may be of value to the protection, enhancement and development of historical and cultural sites
- Rangitāne participation is sought on major projects, for example the Manawatū shared pathway.

Māori Community Strategy

In 2012 the Council adopted a Māori Community Strategy. This shows what the Council is doing to increase the participation and influence of Māori in shaping the City. It includes actions to increase Māori involvement in decision making and the community. Relevant excerpts from the Strategy are set out below. The full strategy, which also includes actions for community development, Te Reo Māori, arts and culture, and the environment, is at <http://www.pncc.govt.nz/plans-policies-and-public-documents/strategies/Māori-community-strategy/>

Governance, Democracy and Leadership

Engage effectively and participate: Decision-making arrangements and processes must ensure that Māori are able to engage effectively and participate in local government decision-making processes. Māori also require access to high quality information, delivered in a timely manner, to enable proactive responses that can genuinely be considered and integrated into the City's plans for its future. Further, Māori have their own goals and aspirations, so quality and relevant information will support aspects of Māori development that are uniquely specific to Māori.

Māori to represent themselves: Māori clearly articulate their desire to represent themselves, and not just to be consulted by others who then evaluate the input from their own perspectives and priorities. From Māori experience this results in Māori views being given inadequate consideration and effectively marginalised. Consultation can sometimes just focus on the smaller scale, excluding Māori from having input at a more strategic level and having a voice in the debates about the important issues facing the City. Additionally there may be limited opportunity to give feedback that enables improvements in the way Council engages and improves the process for the next topic of consultation.

Māori voting, standing for office: Participation in democracy is about having the opportunity to participate in an equitable way, and then having the tools and motivation to act meaningfully on that opportunity. Participation in democracy includes Māori people voting, but also standing for office to ensure Māori perspectives are incorporated into decisions that affect Māori. This could be at their local school, for their marae, a community organisation, or for local or central government.

Independence, interdependence and effective interaction: Māori seek shared decision-making and accountability arrangements and a systems-based approach that promotes relationships that at times may reflect independence, interdependence or just be about effective interaction.

CHANGE BEING SOUGHT	ACTIONS	WHAT SUCCESS WILL LOOK LIKE
Improve levels of Māori voting and candidacy for local body elections in Palmerston North.	<p>Identify specific strategies for improving promotion of the importance of local body elections to the Māori community.</p> <p>Promotional material that targets Māori whanau specifically will be disseminated through key Māori networks.</p>	<p>Larger percentage of Māori citizens choose to exercise their vote.</p> <p>Increased numbers of Māori people standing as candidates in the City.</p> <p>Increased number of issues generated by the Māori community being raised as part of the general debate around elections.</p>
Growing diversity across the membership of Council Controlled Organisations boards also includes.	<p>Monitor Boards succession plans</p> <p>Across the range of governance representatives for CCO's there is consideration for Māori representation as being an important consideration for the success of these organisations and the City as a whole.</p>	<p>There is a significant and effective representation of Māori on Council Controlled Organisation Boards.</p>
Initiatives to grow skills and leadership are supported by the Council and wider community sector.	<p>Council works with other stakeholders and Māori around how the work of the Council, or the work of others that the Council may appropriately support, can contribute to this change.</p>	<p>The Council is seen as an organisation that supports effective Māori leadership initiatives and programmes alongside other agencies and community partners.</p>

Active Engagement and Communication

Local Government Act 2002: Māori participation in local decision-making is a key element of the Local Government Act 2002. The Council has a set of protocols around engagement with Rangitāne o Manawatū and these are to be reviewed, strengthened and formalised in negotiations with the final post-Treaty settlement governance body.

Promoting and encouraging participation: In terms of engagement with the wider Māori community the protocols around this are contained within the Council's Community Engagement Policy which reinforces the requirements around consultation with Māori. Key stakeholders are

identified as iwi, in particular Rangitāne, as well as Māori social service providers. The Community Engagement Strategy is due for review and this section of the Māori Community Strategy is intended to guide the implementation of this Policy, and further, direct staff to identify with Māori ways of engagement that effectively promote and encourage their participation.

Promoting Māori development: The Council contributes significantly to Māori development in its work. As well as the broad range of services that receive as members of the wider community, there are many specific services and initiatives; including collaborative projects that may be led by other organisations but in which the Council has a key role. The issue of ensuring our communications strategies effectively promote positive initiatives and experiences is important.

The range of communications can be from media releases to specific stories in regular publications from the Council including the Square Circular and the Pathways publication from the library, to specifically targeting local and regional Māori networks and media.

CHANGE BEING SOUGHT	ACTIONS	WHAT SUCCESS WILL LOOK LIKE
More effective processes for quality engagement.	<p>Improve Māori engagement processes including reflecting the imperatives of the Māori Community Strategy in the Council's Community Engagement Strategy.</p> <p>Identify measures that may assist in assessing engagement levels and satisfaction of.</p> <p>Targeted initiatives are developed for the promotion of increased active citizenship by the Māori community.</p> <p>Improved feedback to the Māori community on decisions that they have identified as priorities for them.</p>	<p>Māori advocacy for issues of priority to is increased and it is recognised that Council has an important role in supporting initiatives.</p> <p>There is a measurable increase in responsiveness by Māori to Council initiated consultation and participation processes.</p> <p>Relationships become characterised as more 'long-term' rather than 'one-off' engagement with key Māori stakeholders.</p>
Ensure the profile of Māori community activity and in particular the work of Māori with the Council is strengthened.	Identify and implement communication strategies that build awareness of Council activities in the Māori community.	Council recognised as a partner and stakeholder in supporting Māori success in the City.

Council Controlled Organisations

The Council does some of its work through Council controlled organisations (CCOs).

A CCO is any organisation in which the Council 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. CCOs are mostly set up to independently manage Council facilities, or deliver specific services and developments on behalf of local residents.

The Council has four CCOs:

- Caccia Birch Trust Board
- Globe Theatre Trust Board
- Regent Theatre Trust Board
- Te Manawa Museums Trust Board.

The Council, along with Manawatu District Council, resolved that a single Council Controlled Organisation be formed to deliver economic development and tourism activities.

The Council has one CCTO:

- Palmerston North Airport Limited.

CCOs and CCTOs operate at arms length from the Council. They are run by their Boards, not by the Council. Each year the Council and the Board agree on what services the Board will provide. This agreement is called the Statement of Intent. The Council then provides funding so that the Board can implement the Statement of Intent. We do not envisage this will lead to major changes to what CCOs are currently doing.

The Council works through CCOs and CCTOs because they bring business and community expertise that the Council may not be able to easily access otherwise.

They can also attract funding from sources other than ratepayers.

All the CCOs (other than the Airport) contribute to the Council's goal of making Palmerston North a socially sustainable city where people want to live because of its safe and easy lifestyle and its many social, cultural and recreational opportunities. They do this by providing a range of recreational opportunities for both performers and audiences. They also do this by making the City more attractive by preserving and promoting its heritage. By attracting visitors to Palmerston North they also contribute to economic activity in the City. Te Manawa, also adds to the City's science, education and research base.

They contribute particularly to the fulfilment of the Arts Strategy by:

- strengthening leadership and bringing people together
- increasing participation and involvement in the arts
- celebrating diversity of culture and creativity
- improving access to the arts.

They also contribute to:

- building a sense of place and attracting visitors
- supporting a strong community sector
- optimising use of event resources.

Palmerston North Airport Limited contributes to the Council's goal of being an economically sustainable city which attracts, fosters and retains businesses and jobs. It also contributes to the Council's Economic Well-Being Strategy, in particular by:

- maximising connectivity
- stimulating investment
- supporting priority sectors.

The Council can exempt small CCOs from the planning and reporting requirements of the Local Government Act. These are called exempted organisations and the Council has three of them: FreightGate Ltd (associated with the airport) the Palmerston North Performing Arts Trust Fund, and the Manawatū-Wanganui Regional Disaster Relief Fund Trust.

Every year the Council negotiates a Statement of Intent with the CCOs. We do not envisage this will lead to major changes to what CCOs are currently doing.

Caccia Birch Trust Board

Actions

The Board will maintain the cycle of internal and external improvements and refurbishment and the programme of asset management as outlined in the Council's asset management plan.

The Trust Board will:

- continue to develop the conference and function venue
- develop community use to maximise the heritage value of the facility and community access.

WHAT THE TRUST DOES	HOW WE SHOW WE ARE DOING A GOOD JOB
Preserves and enhances the historic nature of Caccia Birch.	Ensuring and maintaining a heritage preservation focus in the Trust's activities.
Operates and maintains a successful business to provide continued community use and access.	Ensuring the business operation underpins the historic and heritage aspects of the property.
Promotes the awareness of Caccia Birch in the community.	Implement the Marketing and Promotion Strategy, and hold 10 open afternoons.
Seeks and develops other funding sources.	Seek and develop other funding sources to assist with preservation and development.

Globe Theatre Trust Board

Actions

The Board will develop the customer base:

- To maintain and develop current usage.
- By further examining the promotional and marketing plan along with technological developments to assist users to maximise the hireage experience.

The Board will seek further organisational and business development by:

- Continuing to examine ways to enhance the existing performance and customer facilities, thereby improving the theatre-going experience at the Globe, e.g. foyer, café/bar, auditorium facilities and website, ticketing facilities.
- Contributing to the Theatre redevelopment, ensuring that the Theatre remains a first class theatre for hire meeting the needs of users and patrons.
- Continuing to review and monitor current technical inventory to prioritise further development.
- Preparing a Business Plan.

WHAT THE TRUST DOES	HOW WE SHOW WE ARE DOING A GOOD JOB
Achieves growth in facility usage through ongoing promotion.	150 performance nights and 230 usage nights.
Fosters a sense of community by encouraging youth, assisting amateurs and promoting participation, while delivering outstanding customer service.	At least 60% community usage.
Delivers all services to the agreed budget.	Services delivered within +10% variance.

The Regent Theatre Trust

Actions

To promote and operate the Regent the Trust will:

- Liaise with marketing and key entrepreneurial personnel to identify and source product for the Regent.
- Maintain and operate an entrepreneurial fund to enable financial assistance to be provided where considered appropriate to secure shows and performances for the Regent.
- Operate a street-front event ticketing facility for events at the Regent and elsewhere.
- Encourage continuing appreciation of the heritage aspects of the Regent and oversee the maintenance and preservation of such aspects to prevent degradation.
- Maintain and grow the subscriber database.
- Improve the patron visitation experience by increasing and improving the theatre's hospitality spaces.

WHAT THE TRUST DOES	HOW WE SHOW WE ARE DOING A GOOD JOB
To communicate and liaise on a regular basis, with all national/international, commercial/professional event providers who have the potential to bring events to the Regent Theatre.	Not less than 55% annual auditorium hireage revenue is generated from commercial (non-community) use. At least 40 live nights for the year in respect of the theatre's main auditorium at the theatre's full commercial hireage rate.
Invests in skilled staff and quality resources so as to operate an efficient, well managed functions and performing arts venue as evidenced by customer satisfaction.	Communitrak Survey will confirm community satisfaction ratings over 90%.
Liaise with marketing and key entrepreneurial personnel to identify and source product for the Regent.	Total attendance numbers for events are at least 100,000 for the year. At least 160 live nights for the year in respect of the theatre's main auditorium.
Regularly communicates to all local/regional education providers, performing arts groups the benefits of hosting their ceremonies and concerts at the Regent to achieve required usage.	At least 10 days use of the theatre's auditorium per year for tertiary graduation ceremonies. At least eight days use of the theatre's auditorium per year for school prize-givings.
Invest in promotional campaigns as required to promote the value of the Regent as a functions venue and to support the City's reputation as a conferencing destination.	At least 35 functions per year held in the Regency Room and/or Mezzanine area. At least 100 days of use for the year in respect of the rehearsal room.

Te Manawa Museums Trust

Actions

To enable and improve the ongoing visitor experience the Trust will:

- Enhance Te Manawa's engagement and participation with the community and visitors.
- Ensure that collections in the care of Te Manawa are professionally managed and contribute to the community's understanding of Manawatū history, art, creativity and scientific endeavour.
- Maintain, grow and diversity the revenue sources.
- Consolidate and build the separate and collective capability of the organisation.

WHAT THE TRUST DOES	HOW WE SHOW WE ARE DOING A GOOD JOB
Understands the communities by maximising the demonstrable value of the new Te Manawa model for individuals and groups on the community with a range of experience products.	Te Manawa visitor surveys target 96% satisfaction. A minimum of 19,500 visitors participate in onsite activities and participate in two events attracting at least 3,000 visitors. Visits to Te Manawa 168,000, exhibitions at other venues 100,000, and unique visits to online engagement 156,000.
Ensures appropriate collection management standards are maintained.	Quality of care and preservation of collections is demonstrated by no irreparable losses or damages caused as a result of handling by staff.
Increases access to the collections both physically and virtually.	A minimum of two temporary exhibitions from the Te Manawa collection are held to reflect the distinctive characteristics of our community and its collections.
Maintains, grows and diversifies revenue sources and sponsorship for exhibitions, events, public programmes to fund Te Manawa exhibitions and related activities.	Grow and diversify revenue sources with target for third party revenue to exceed \$655,000.

Palmerston North Airport Ltd

Actions

The Airport Company will operate the Airport for both commercial and non-commercial aviation users. It is responsible for all operational and commercial aspects of the Airport.

The company will meet Civil Aviation and other statutory runway and safety requirements by providing physical facilities that preserve or achieve current and planned requirements.

A programme of development will be continued to pursue opportunities to increase the value of aeronautical and other commercial business revenue and other growth consistent with the Company's objectives.

WHAT THE COMPANY DOES	HOW WE SHOW WE ARE DOING A GOOD JOB
Achieves suitable operating returns on assets utilised.	A ratio of net surplus before interest/tax/revaluations to total assets of 2.5% per year.
	A ratio of net surplus after tax to consolidated shareholders' funds inclusive of revaluation reserve of 1.5%.
Maintains a level of debt capable of being serviced by the Company.	To maintain an interest coverage ratio of net surplus before interest, tax and depreciation to interest at or above 2.5.
Maintains and increases the value of the Company.	To maintain a tangible net worth (total tangible assets after revaluations less total liabilities) above \$35 million.
Invests in skilled staff and quality resources so as to operate an efficient, well managed airport as evidenced by customer satisfaction.	To maintain a level of satisfaction of 90% and bi-annually measure this by customer survey.
Increases the usage of the airport as measured by passenger numbers.	Total passenger throughput of 471,000 during the 2015/16 year.

Support to External Organisations

Palmerston North City Council recognises the expertise, commitment and relationships that exist in the community.

The Council seeks to build on those existing and potential areas of excellence in Palmerston North that make it a more sustainable city. Supporting external organisations is one way to make this happen.

The Council funds organisations to help deliver some of the actions and communications identified in its strategies and plans.

The relationships with the external organisations vary:

- some of them (Te Manawa, Regent, Globe Theatre and Caccia Birch) are Council Controlled Organisations and in these cases the Council owns the land and buildings. There are lease agreements which determine who is responsible for operations, maintenance and renewals. Each year the organisations prepare formal Statements of Intent which provide information about their activities and financial position. These are made publicly available. The total cost to the Council for these activities (including any sums paid to them as operating grants) is included in the Arts and Culture activity.
- some have a contractual arrangement either to contribute to particular Council outcomes or to provide a coordination role for the arts (Palmerston North Community Arts Council), sports (Sport Manawatu), social (Palmerston North Community Services Council) and environmental (Environment Network Manawatu) sectors.
- some are supported through rates and rental assistance.

The Council adopted a new Community Funding Policy in June 2012. This policy guides the way the Council funds external organisations in the arts, sports, social and environmental sectors. The total amount of funding available for these sectors is established through the 10 Year Plan process.

The Council has contractual relationships (with defined outcomes) with a number of organisations with a focus on the economic sector. Key amongst these organisations are Vision Manawatu, Destination Manawatu and BCC.

The Role and Structure of the Council

Palmerston North City Council recognises the expertise, commitment and relationships that exist in the community.

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 composed 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 in accordance with Section 42 and clauses 33 and 34 of Schedule 7 of the Local Government Act 2002. The Chief Executive implements and manages Council's policies and objectives within the budgetary constraints established by Council.

Elections

Triennial Council elections take place every three years, with the most recent one being held in October 2013. We also held a Mayoral by-election in February 2015, and a Councillor by-election in May 2015. The current Council comprises 15 Councillors, elected on a City-wide basis, and the Mayor. There are no Community Boards.

Council and Committee Structure

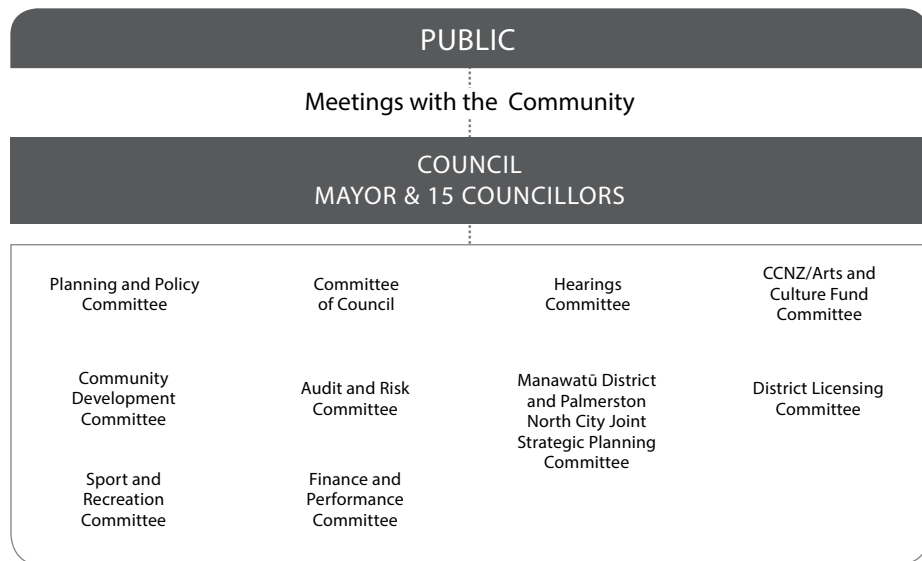
The Council reviews its committee structure after each election. The committee structure for the 2013-2016 term of Council changed from that of the previous term of office, namely with the addition of the Sport and Recreation Committee. The three primary standing committees, being the Community Development, Finance and Performance, and Planning and Policy Committees, remained the same. These committees meet monthly, with the full Council meeting on the last Monday of each month. The Audit and Risk Committee has four scheduled meetings with other committees meeting on an as-required basis.

The purpose of the meetings is to ensure that Council affairs are being conducted in accordance with Council objectives and legislative requirements. The Council also has a monitoring role in relation to the performance of Council Controlled Organisations.

The Mayor and Councillors



Back Row: Adrian Broad, Vaughan Dennison, Chris Teo-Sherrell, Jim Jefferies, Tangi Utikere JP
 Middle Row: Billy Meehan, Aleisha Rutherford, Bruno Petrenas, Leonie Hapeta, Ross Linklater, Rachel Bowen
 Front Row: Annette Nixon JP, Lew Findlay, Grant Smith (Mayor), Duncan McCann (Deputy Mayor), Susan Baty



Governance Documents

The Council has adopted a Local Governance Statement, as required by the Local Government Act 2002, setting the governance role of the Council. The statement ensures that the community has information on the processes the Council follows when making decisions and taking action and how the community can influence these processes. This includes requirements for Conflicts of Interest.

Other governance documents include 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, which is available on the Council’s website, www.pncc.govt.nz. However, the overall responsibility for maintaining effective systems of internal control ultimately rests with the Council. Internal controls include the policies, systems and procedures established to provide measurable assurance that specific objectives will be achieved.

The full list of delegations can be viewed in the Council’s Delegations Manual
 W pncc.govt.nz



Council Direction

The Council’s focus is on making:

- Palmerston North is a **socially sustainable city** where people want to live because of its safe and easy lifestyle and its many social, cultural and recreational opportunities.
- Palmerston North is a leading city in the quest to become **environmentally sustainable**.
- Palmerston North is an **economically sustainable city** which attracts, fosters and retains businesses and jobs.

In doing this the Council will ensure that:

- Palmerston North City Council is **financially responsible** and residents are satisfied that they get value for money from their rates.
- Palmerston North City Council understands the diverse views of the City’s people, makes **prudent decisions**, and ensures that people know what it is doing and why.

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 assist the Council to comply with applicable legislation.

Role of Management and Employees

The Council organisation is divided into six units, the managers of which report to the Chief Executive. The Chief Executive is responsible for day-to-day operation of the Council’s activities acting within statutory authority and delegated authority from the Council, as detailed in the Council’s Delegation Manual.

The Chief Executive is employed by the Council with all other employees employed by the Chief Executive. When employing any individual equal employment opportunity protocols are followed.

The Council is committed to ensuring that all staff have the capability to deliver the annual plan, and Long Term Plan as agreed with the community. This involves training staff and also providing an environment in which staff can work to their full potential. Across the organisation there are training frameworks that are linked to New Zealand Qualifications to enable career development for staff.

Palmerston North City Council Organisational Chart



The Council organisation is divided into six units, the managers of which report to the Chief Executive.

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 to Friday 8am-5pm

The Customer Services Centre has been developed to be the first point of contact within the Council for all of our business and is user friendly.

Our friendly customer-focused team will assist you in person at the Customer Services Centre.

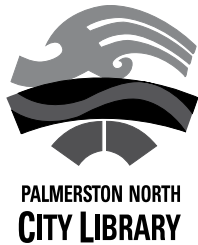
The Council also operates a 24 hour, seven day a week, 365 days a year Customer Services Call Centre which acts as a gateway and hub for the Council.

The Customer Services staff are always there to talk to you about any issues you may be having within the City. It also provides a translation service for those who need it.

For all enquiries, service requests, or to contact anyone who works for the Palmerston North City Council

W pncc.govt.nz | E info@pncc.govt.nz | P 356 8199 | F 06 351 4471





City Library

Central Library

4 The Square, PO Box 1948, Palmerston North

Website citylibrary.pncc.govt.nz
Email: webmanager@library.pncc.govt.nz
Phone: 06 351 4100
Fax: 06 351 4102
Renewals: Phone 06 351 4101

Open Hours

Monday, Tuesday & Friday	9.30am-6.00pm
Wednesday	10.0am-6.00pm
Thursday	9.30am-8.00pm
Saturday	10.00am – 4.00pm
Sunday	1.00pm – 4.00pm

Closed on public holidays.

Ashhurst Community Library

Cnr Cambridge and Bamfield Streets, Ashhurst

Phone/Fax: 06 326 8646

Awapuni Community Library

Cnr College Street and Pitama Road

Phone/Fax: 06 356 7634

Te Pātikitiki (Highbury) Community Library

157 Highbury Avenue

Phone: 06 357 2108

Roslyn Community Library

8 Kipling Street

Phone/Fax: 06 357 9287

Mobile Library

Has regular stops throughout the City.

Service Centre

Ashhurst Services Delivery Centre

C/o Ashhurst Four Square Discounter

122 Cambridge Avenue, Ashhurst

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 on meeting agendas and dates, ring Customer Services on 06 356 8199, or look in the public notices section of the Manawatu Standard, The Tribune or The Guardian newspapers; or look at our website pncc.govt.nz

For information on meeting agendas and dates W pncc.govt.nz | P 356 8199

or look in the public notices section of the Manawatu Standard, The Tribune or The Guardian newspapers



Glossary

This section explains the key terms in the 10 Year Plan.

10 Year Plan (LTP or Long Term Plan)

A 10 Year Plan developed by the Council and describing what the Council plans to do to contribute to the community outcomes. It shows why the Council does these things, how much they are expected to cost and how success will be judged. A 10 Year Plan is prepared every three years.

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 Plan

This is a budget document that shows how the Council will fund a particular year of the 10 Year Plan. This is to give more consistency of direction to what the Council does for the community. It is produced in years two and three of the 10 Year Plan.

Asset Management Plans (AMPs)

These ensure that the Council's major infrastructural assets are maintained to ensure high environmental standards and can meet the future needs of the City, at the lowest possible cost over the long term. The Council has AMPs for roading and parking, stormwater, waste management, wastewater, water, and property and recreation facilities.

Capital New

That 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

Asset renewals or replacements e.g. renewing a footpath, or replacing library books.

Community Outcomes

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. They are the Council's Vision and Goals.

Consultation Document

This replaces the previous draft 10 Year Plan and Summary as the document that Council consults on.

Council Controlled Organisation (CCO)

An organisation which the Council owns or controls at least 50% of the voting rights or has the right to appoint at least 50% 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 above for CCO but trading with the main purpose/intention being to make a profit.

Depreciation

Spreading the costs of assets over their useful life.

Development Contributions

Development Contributions provide Council with a method to obtain 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.

Draft Annual Plan (DAP)

A draft of the Annual Plan issued for public consultation, under the Local Government Act.

Financial Year

The Council's financial year runs from 1 July to 30 June. The 2015/16 financial year therefore covers the period 1 July 2015 to 30 June 2016.

Funding Impact Statement

A summary of the financial information within a Group of Activities and the whole of Council, under the Local Government Act.

Group of Activities

Groups of Activities show how the Council will work towards the 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.

Inflation

A rise in the general level of prices of goods and services over a period of time.

Level of service

A measurable description of what the Council does (or is planning to do) for residents.

LTP (Long Term Plan or 10 Year Plan)

A 10 Year Plan developed by the Council and describing what the Council plans to do to contribute to the community outcomes. It shows why the Council does these things, how much they are expected to cost and how success will be judged. A 10 Year Plan is prepared every three years.

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 the 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 like Asset Management Plans.

Programmes

Programmes are the detailed financial actions which include capital and non-capital works within a particular financial year to achieve particular outcomes of the Council.

Public Benefit Standards (PBE)

Public Benefit Standards as adopted by the External Reporting Board.

Sub-Activity

The services provided within the Activity, e.g. the Work and City Promotion Activity contains the Sub-Activities of Business and Job Promotion, City Marketing and Branding, and Convention Centre.

Supporting Information

This is the material that previously would have been in a draft LTP. Under the new Local Government Act councils have to make this information publicly available, but are not to publish it as a separate draft LTP document.

Uniform Annual General Charge (UAGC)

A component of the general rate that is levied as a uniform amount on every property.



Palmerston North City Council

W pncc.govt.nz | E info@pncc.govt.nz | P 356 8199 | Private Bag 11034, The Square, Palmerston North, 4442