



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

**PŪRONGO Ā-TAU  
WHAKARĀPOPOTO  
ANNUAL REPORT SUMMARY  
2022/23**



Matawhānui Papaioea  
Palmerston North Vision

**He iti rā,  
he iti pounamu**

**Small city benefits,  
big city ambitions**

---

**Whāinga 1:** He tāone auaha, he tāone tiputipu

**Goal 1:** An innovative growing city

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

**Goal 2:** A creative and exciting city

**Whāinga 3:** He hapori tūhonohono, he hapori haumaruru

**Goal 3:** A connected and safe community

**Whāinga 4:** He tāone tautaiāo

**Goal 4:** An eco city

**Whāinga 5:** He Kaunihera ahunui, whakamana i te iwi

**Goal 5:** A driven and enabling Council

# He Mihi

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

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

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

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

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

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

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

## Year in review

# Kia ora tatou,

Like the rest of the country, Palmerston North has been feeling the effects of the current global recession and cost of living increases. Riding out a couple of tough financial years has again seen Council looking at every service, programme and project on our books to find areas where spending can be reduced, or we can defer non-essential work to minimise the financial impact on our ratepayers.

Just like our residents and businesses, we too have been impacted by higher interest rates, inflation and price rises for everyday products. These pressures were a major factor in the rise of 7.7 per cent in total rates for this coming 23/24 financial year – while higher than what we consulted with our community with, it does still come under the 8.3% we'd indicated in our Long-Term Plan.

Despite some challenging circumstances, it's been a busy year. We've been making upgrades to Ferguson Street to make safety improvements and widening a portion of the street to help traffic flow more smoothly. We also began work seismically strengthening our Crematorium and build a new animal shelter.

Construction at our Tamakuku Terrace development was completed, with landowners now starting to build and move into their dream homes.

We've made strides in the sustainability space too by trialling a food waste collection, and introducing the recycling of liquid fibreboard (the cartons that alternative milks and stock come in). That initiative alone has seen our city recycle the equivalent of 60,000 1Litre cartons in just a year!

We've also confirmed more than \$10 million dollars in funding from Waka Kotahi New Zealand Transport Agency to extend, improve or create new protected cycleways on Featherston St and Summerhill Drive, as well as making pedestrian improvements. We've also received funding from the agency for upgrades to our bus stops and shelters ahead of Horizons Regional Council introducing new routes around the city in February.

Like all cities around the country, we're in the midst of some challenges resulting from inflation including increased power and insurance bills to name just a few. The Reserve Bank's efforts to bring inflation under control has shown positive signs but we expect for some time that households and businesses like us will continue to be paying much higher costs across the board this coming year.

The positive though is our city continues to perform well. Our local economy has experienced strong growth over the last five years, with GDP increasing by 20.5%, compared with national growth of 14.4%.



Over the past year job growth has been strong over sectors including construction, healthcare, accommodation and food services, professional, scientific and technical jobs.

While we're undoubtedly in midst of some turbulence right now, high levels of investment and public sector spending look set to support the city's economy throughout the challenges over the coming years.

We know the year ahead is going to be a challenging one for our community and we will continue to do our best for them. We'll be continuing to deliver the services they rely on, partnering with organisations looking after those in need and moving forward with projects that are important to our city, our people and our economy.

Ngā mihi nui,

**Grant Smith JP**  
Mayor

25 October 2023

**Waid Crockett**  
Chief Executive

25 October 2023



# We have 5 goals for our city

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

The 10-Year Plan and Annual Budgets (Plans) provide more detail on these services and how our performance can be measured. The council develops a vision and goals in consultation with the community. These are called community outcomes. Many of the community outcomes also require collaboration and involvement from other organisations in the community to achieve them.

Council's goals as set in the 10-Year Plan for 2021/31 were:



## Whāinga 1 He tāone auaha, he tāone tiputipu

### Goal 1 Innovative and Growing City

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

- City Growth
- Economic Development
- Active and Public Transport
- Strategic Transport (Roading)



## Whāinga 2 He tāone whakaihihi, tapatapahi ana

### Goal 2 CREATIVE AND EXCITING City

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

- Active Communities
- Arts and Heritage
- City Shaping





### Whāinga 3 **He hapori tūhonohono, he hapori haumarū**

#### Goal 3 **Connected and Safe Community**

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

- Connected Communities
- Safe Communities



### Whāinga 4 **He tāone tautaiāo**

#### Goal 4 **ECO-CITY**

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

- Climate Change
- Environmental Sustainability
- Manawātū River
- Resource Recovery
- Stormwater Activity
- Wastewater Activity
- Water Supply Activity



### Whāinga 5 **He Kaunihera ahunui, whakamana i te iwi**

#### Goal 5 **Driven and Enabling Council**

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

- Good Governance and Active Citizenship
- Organisational Performance
- Strategic Investments





# Whāinga 1: He tāone auaha, he tāone tiputipu

## Goal 1: An innovative growing city

### THIS GOAL INCLUDES

- City Growth  
*(Includes Housing and Future Development and Urban Design)*
- Economic Development  
*(Includes Economic Development and International Relations)*
- Active and Public Transport
- Strategic Transport (Roothing)

Palmerston North is a growing city, and we need to plan for this growth. We aim to encourage and support innovation, entrepreneurship and new industries, while making changes that fuel sustainable growth, prosperity and wellbeing.

### KEY ACHIEVEMENTS

- Retail growth in the city has been solid over the last 12 months with the city's role as a regional shopping hub strengthening
- Over the past 12 months, 7,272m<sup>2</sup> of footpaths have been repaired or upgraded and 1,280m<sup>2</sup> of new footpaths have been constructed.
- Waka Kotahi funding will see improvements to Featherston St, Summerhill Drive and the city's bus shelters.
- Repaired 2,593 potholes. A very wet winter meant many potholes appeared on the Road network that Fulton Hogan responded to.



## BUILDING SERVICES

Our Building Services team had a relatively busy year. Building consent applications peaked as new energy efficiency building code requirements came into effect in November 2022 and May 2023 and the industry rushed to beat having to meet the higher standards.

However, the longer term effects of the industry supply chain issues and the current economic outlook have slowed construction activity overall to an extent. Our Building Services team continues to be better placed to meet current and future demands as a result of recruitment and retention measures adopted in previous years. The number of building consent applications dropped by 14% over the previous year, 93% of these processed within the statutory timeframes. This shortfall was largely due to the peaks of building consent applications in the industry rush to beat energy efficiency implementation dates.

The region's growth in major construction projects has also slowed a little due to supply chain and economic drivers. However, there remains a large forward projected workload in this area, particularly in Defence Force projects at Linton Camp and Ohakea Base.

Our team has continued to build strong relationships with key industry professionals, owners, designers, builders, and developers through the Build Palmy initiative. A key focus of the Building Services division this year has been the more efficient use of inspection resources through scheduling improvements. Notifications and consultation with owners of earthquake prone buildings (EPB) has continued, with all potential EPBs now identified and notified.

## BUSINESS

The city's land use strategies for business and industrial development are now well embedded. Our strategy to prioritise pedestrian based retail in the city centre and destination vehicle orientated retail in the outer business areas is working well. Retail growth has been solid over the last 12 months, with the city's role as a regional shopping hub strengthening. Further development of large format retail activity in the Outer and Fringe Business Zones picked up over the last 12 months following a period of low investment in the past.

The Notice of Requirement process for the 177 hectare KiwiRail freight hub was completed in late 2022. As a result of this and ongoing investigations by Waka Kotahi regarding the Regional Freight Ring Road, we are working with CEDA to focus on the development of a nationally significant, integrated multi-modal freight and distribution hub.

The Te Utanganui Master Plan (Central New Zealand Distribution Hub) project was initiated in late 2021 in partnership with Rangitāne and key stakeholders. The purpose is to develop a planning framework to support the region's growing freight and distribution activities and give a wide range of stakeholders the confidence to invest in the city.

## HOUSING

A series of District Plan changes are underway or will soon be, to deliver on our City Growth Plan, there commendations of the Housing and Business Needs Assessment, and new National Planning Standards. Significant District Plan work was progressed throughout the year focusing on additional land for housing at:

- Kākātangiata
- Aokautere
- Roxburgh Crescent
- Ashhurst
- Mātangi (formerly Whiskey Creek)

Plan changes for Aokautere, Ashhurst, Roxburgh Crescent, Medium Density intensification and Kākātangiata are well underway. Aokautere was notified in August 2022 and is progressing toward a hearing in late 2023. Mātangi (formerly Whiskey Creek) was made operative in March 2023. Medium Density planning and Roxburgh Crescent are well advanced and expected to be notified in early 2024. Master planning for Kākātangiata is at an advanced stage and is informing the development of a proposed plan change, which is expected to be notified in mid-2024. Ashhurst growth planning has been delayed due to flood assessment work. Flooding evidence is expected in late 2023 and will determine what areas can be promoted for rezoning in Ashhurst.

## PLANNING SERVICES

The Planning Services Team has experienced another busy year. Changing market conditions have resulted in a drop in consent volumes allowing us to focus on process improvements to improve customer experience. We granted 459 consents during the 2022/23 year, which is the same number that were granted in 2021/22.

The steady volume led to less reliance on external contractors to process consents and more time to reduce the backlog of consents that had built up during the 2 year 'boom' period.

Some key consents in process and processed during the financial year included:

- A Summerset Retirement Village at James Line
- Large multi-unit Kainga Ora social housing projects at Crewe Crescent, Rugby, and Church Streets
- A large extension to the Kendalls Line and Back Road Quarries
- A land-based solar farm at Massey University
- A large rural - residential subdivision at Kelvin Grove Road
- Also, of note was the commissioning of the Turitea Windfarm (originally consented in 2011) and the re-powering and extension of the Te Rere Hau Windfarm, which both involved the time and expertise of our staff members.

Staffing levels in the team remained stable throughout the year, with changes in the Planning Services Manager and Senior Planner roles via internal transfers. This added further leadership and general experience to the team which was a welcome addition given the complexity of resource management decision making.

Public enquiries on land development opportunities also remain high, with the team responding to an average of 146 enquiries per month. On the outreach side, the Build Palmy initiative continues to build momentum. This is focused on sharing information and knowledge in the development industry. The team contributed to a monthly e-newsletter and hosted well attended in-person and virtual forums in November 2022 and May 2023.

## URBAN DESIGN

The city continues to experience many of the same global issues facing other cities that are impacting people's overall wellbeing. These include; recovering from Covid-19, effects of climate change, congestion, increased housing and living costs, inequality and safety. We continue to promote, advocate and collaborate to ensure good urban design principles, with a range of practices applied across different projects at varying scales to address such challenges.

There is an increasing need to work more collaboratively and creatively at all levels to find local solutions to our urban issues and challenges. There is an increasing presence of higher density, multi-unit housing developments being constructed across the city which will provide a much needed boost to new housing choice and supply to the market. Many proposals previously consented are now in construction, though increases in construction costs and interest rates have impacted speed and confidence by some to deliver.

There is still a high interest in achieving greater density on many residential zoned sites with 2–3 storey duplexes, terraced housing, and walkup apartments proposals becoming more commonplace during pre-application meetings. The Former Post Office is the most prominent City Centre project currently in train. As a strategic development site and a key catalyst for change in the City Centre we're providing a lot of urban design support to this project through Delivering Change.

## STRATEGIC TRANSPORT

We've now established a Palmerston North Integrated Transport Initiative working group with Horizons, Waka Kotahi, and Manawatu District Council. The purpose of this group is to ensure the various stages and packages of the initiative covering regional freight, walking and cycling, public transport and land use, all continue to be delivered by us and our partners. The key to achieving the safety, economic, and live ability outcomes of the initiative is to optimise the use of our roads and key transport routes to make sure they're functioning as intended.

Over the past year, we've been working to define all our roads according to a movement or place hierarchy which will lead to greater clarity around how we safely, efficiently, and deliberately prioritise certain types of travel across our network. We have developed a strategic networks document and set of priority routes to help deliver on the objectives of PNITI.

We're also currently developing a citywide strategic parking framework to guide future decision making on Council controlled parking spaces for on-street and off-street parking. The framework will set out our aspirations and objectives for parking across the city, define priorities of use in different areas, guide our strategies for managing supply and demand, and outline our approach to setting parking fees and other restrictions. Following preliminary studies and engagement with key partners we're aiming to implement the framework in early 2024.

## ONGOING CONSIDERATIONS

As Palmerston North grows, congestion on key roads in the city will become more common. Resolving these issues along with increased safety risks and generation of emissions will require major infrastructure and behaviour change programmes aimed at making alternative modes such as walking, cycling, and public transport more viable for more people. Council will continue to prioritise the development of infrastructure to support safer cycling routes, pedestrian-friendly spaces and improved and accessible bus services.

## MAINTENANCE AND RENEWAL

In 2021/22 Fulton Hogan became our new road maintenance contractor. The general expectation is that the first year for a new contractor involves a fair bit of settling in, gearing up, and learning about our city. Having just completed the second full year of the contract this seems to have been successful. This year we've:

- Received under half the number of customer complaints relating to heavy leaf fall compared to the same time in the first year.
- Resealed more than 11 km of roading. This includes work on some of the asphalt roads in our residential areas, while the remainder went on chip sealing some rural or urban roads.
- Repaired 2,593 potholes. A very wet winter meant a large number of potholes appeared which Fulton Hogan responded to.
- Undertook \$1.7 million worth of road surface renewals and \$1.6m sealed road maintenance repairs
- Vegetation management, street sweeping, sump cleaning, and asset inspection were generally undertaken in line with the contract requirements.

## ONGOING CONSIDERATIONS

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

## NETWORK IMPROVEMENTS

In line with the government's 'Road to Zero' vision, Council has collaborated with Waka Kotahi to identify safety priorities across the city to be included in a safety network programme of work. The key focus of our delivery during 22/23 has been on road safety improvements which have targeted safety infrastructure around schools, traffic calming of local roads, and pedestrian safety crossings.

Additionally, 28 streets within our district have had work done to improve lighting coverage as part of the Street Light Infill programme. Major construction is underway on several improvements which will carry over into the first quarter of 23/24. These projects include

- Ferguson Street / Pitt Street
- James Line – Upgrade to an urban standard
- Richardsons Line – Upgrade to industrial standard

An ongoing issue we're also working on is an increase in street racing, especially in our industrial areas. We've recently added some physical deterrents like speed humps on Works Road, Valor Drive, and Bennett Street to make these areas less appealing for this behaviour.





## Whāinga 2: He tāone whakaihihi, tapatapahi ana

### Goal 2: A creative and exciting city

#### THIS GOAL INCLUDES

- Active Communities
- Arts and Heritage
- City Shaping

Our goal is for Palmerston North to be a creative and exciting place to live. We aim to support the arts to flourish and our cultural institutions to thrive. We want to offer a great lifestyle in a city that reflects the diversity of our communities and provides opportunities for everyone to be active.

#### KEY ACHIEVEMENTS

- Some key sporting events returned to our sports fields this year including the Touch Nationals, Super Smash Cricket, and the Weetbix Triathlon
- A grant from the Lottery Environment and Heritage Fund enabled the restoration of the Bunnythorpe War Memorial.
- Detailed design and engagement for our City Centre Transformation Streets programme are ongoing with capital works expected to be delivered in the future.
- Strengthening Pasifika led arts in the city through CNZ funded programmes and our support for MYTH Moana production.
- Continuing increase to numbers of families accessing free swimming for under 5s.
- CET Arena hosted more than 468,000 people over the year.



## ACTIVE COMMUNITIES

### PLAY AND ACTIVE RECREATION

Routine maintenance and project delivery were very challenging this year due to the changeable weather. Cyclone Gabrielle resulted in extensive flooding in the Manawātū River Park which required reallocating resources for the clean-up. The wet spring delayed sport field renovations and the wet autumn resulted in mid-week sports ground closures. Despite all this disruption we continue to receive positive feedback about our parks through the annual Park Check Survey. Vandalism within our parks and public spaces has escalated this year and we've received an increase in complaints about motorbikes in parks. It has been challenging to balance accessibility for active transport and parks users, whilst also maintaining safety and security in our parks.

Some key sporting events returned to our sports fields this year including the Touch Nationals, Super Smash Cricket, and Weetbix Triathlon. Annual visitor numbers to the Ashhurst Camping Ground continue to increase year on year. There has been a continued focus in 2022/23 on closing identified level of service gaps, especially in suburb reserves, with improvements completed at Cloverlea and Kelvin Grove Parks. Several projects have been completed during the year, and others are underway. These include:

#### Memorial Park

- A major upgrade and reconfiguration of the toilets and changing rooms was completed. These facilities have been well received by the public. They are more accessible and better support the increased water activity at the park.
- A long section of wooden boundary fence was replaced with pool fencing. This has improved the aesthetics of the site and visibility into the park below. A major upgrade of the park commenced in the 2020/21 year and continued into 2021/22.
- The heroes' walk design was completed. The project is now entering the cost estimation phase.

#### Te Marae o Hine/The Square

- The lime surface surrounding the clock tower was replaced with concrete to improve accessibility and to better provide for 'pop-up' events. The new concrete surface includes drainage and artwork in the form of a traditional clock pattern.
- Minor improvements in the wider area include the replacement of the light fittings within the tree surrounds, concreting paths, temporary bus facilities, the restrooms, pruning of the large trees, and ongoing refreshment of garden displays.

#### Victoria Esplanade

- The Manawaroa Street pedestrian entrance to the Esplanade was upgraded. It provides better visibility and should encourage more use of this car park, helping to relieve pressure on other car parks.
- The rollout of the new wayfinding signs and furniture has begun, with new directional signs at the main entrances and intersections of roads and the replacement of seats beside the paddling pool.
- The gas boiler used for heating the conservatory was replaced with a wood pellet boiler. Unlike gas, wood pellets are a renewable energy source.
- Other improvements in the Esplanade this year include the replacement of the mulch bins.

#### Ashhurst Domain

- The stone wall at the cemetery was extended and new gates installed. Barrier railing was constructed between the Cemetery and the Campground to prevent camping activity from overflowing into the cemetery.
- Signs throughout the Domain have been upgraded and barrier fencing replaced alongside roads and carparks.
- Plans were developed for a new camper dump station located in the car park in Cambridge Avenue car park. Relocating the dump station will make it more accessible to passing tourists. We're seeking external funding to complete the project in 2023/24.
- A review of the Ashhurst Domain Reserve Management plan has begun with initial stakeholder engagement underway.

### Cloverlea Park

- The playground was upgraded, with a natural-themed playground at Cloverlea Park being built after the community told us they wanted to see more wooden play equipment. The playground has a flying fox, wooden climbing forts and an accessible spinner re-purposed from Memorial Park.
- There is a new shared pathway across the park to make it easy to access by walking, cycling, or scootering.
- There are picnic tables, rubbish bins, a drinking fountain, and a shelter to complement the existing natural shade.

### Valcluse Heights

- Access between Te Motu o Poutoa/ANZAC Park and Te Arapiki a Tāne steps has been improved with a new shared pathway.
- Other developments include new fencing and a drinking fountain.

### Ruahine Reserve

- Work began on establishing a new public reserve within the Centennial Park development. Named Ruahine Reserve, the reserve has been designed in partnership with Rangitāne and Wallace Developments. The area already has substantial native plantings, established by Massey University College which occupied the site. It sits at the base of the river stopbank, adjacent to the Hokowhitu Golf Course.
- Initial developments include levelling the open reserve area and installing paths, planters and seats. When completed the reserve will have extensive native plantings and a traditional pātaka kai (food storehouse).

### Water Recreation

- Overall, there has been an increase in visitors to the three Council pools, and CLM reports that visits are back to pre Covid-19 levels.
- More families accessed the free swimming for supervised under 5 year olds than in previous years.
- Further delays in architectural services have delayed the upgrade of the Lido changing rooms until the 2023/24 financial year.

### Sport

It's been a difficult year for sports field maintenance. There have been extended dry periods, intense wet periods, a cyclone, and warm autumn weather to contend with. Despite this, there was no noticeable disruption to sports tournaments and games. Winter training was however disrupted in May and early June by a period of wet weather, causing the closure of training grounds mid-week.

- The Big Bash Netball/Tennis courts at Vautier Park were resurfaced.
- The neighbourhood basketball court in Ashhurst was upgraded
- The Colquhoun Carpark was sealed.
- Gravel banding was completed at Lincoln Park to improve drainage.

### CENTRAL ENERGY TRUST ARENA

Central Energy Trust Arena returned to business as usual during the 2022/23 financial year after all Covid-19 restrictions were lifted in April 2022. This saw events that had been postponed finally able to take place along with a large variety of regular events on the calendar. The calendar of activity included large scale festivals, national sporting tournaments, international sports fixtures, concerts, exhibitions, and commercial events. This was all on top of the regular community sport and non-sport activity that makes up 95% of the use of the facilities. Central Energy Trust Arena hosted many major events during the year which brought significant economic benefits to the city.

Central Energy Trust Arena hosted 3,057 individual bookings in 2022/2023 with more than 468,000 in attendance.

### CREATIVE NEW ZEALAND

Creative New Zealand provided two grants to support initiatives towards the achievement of their Pasifika Arts Strategy, totalling \$45,000. As a result we have facilitated a Pacific Arts Regional Fono and a Pacific Artist Residency in 2023, to nurture and strengthen Pasifika-led arts in the city. The annual Creative Communities Scheme, which is partly funded by Creative New Zealand, was allocated over two funding rounds, with \$108,186 allocated, and just over \$6,000 unspent and to be carried forward to 23/24.



## Art Event Fund

The Art Event Fund, which offers community groups support to host art events that have regional or national significance and that bring economic benefits to the city, was mostly allocated. Manawātū Youth Theatre's Moana Jr, performed at the Regent Theatre, was a recipient. Moana Jr showcased local youth talent and was produced in collaboration with the Pasifika community.

## Care and Maintenance of public art and sculptures

The regular maintenance programme for public art continued this year, with some delays to work related to the availability of specialist support. A grant from the Lottery Environment and Heritage Fund enabled the restoration of the Bunnythorpe War Memorial in time for Anzac Day 2023. Repairing vandalism to the monuments and memorials in Te Marae o Hine The Square significantly impacted the maintenance budget and resulted in the postponement of some planned work.

## Cultural CCOs

### ➤ The Regent Theatre

The Regent had a successful year of recovery after Covid-19 lockdowns in previous years. 113,561 people attended the theatre throughout the year, which has made this the busiest year during the past 18 years. The Regent celebrated 25 years with the premiere of locally produced Legend of Okatia.

### ➤ The Globe Theatre

The Globe also saw a successful year of recovery after Covid-19 lockdowns in previous years, with a large number of shows offered. The Globe saw 23,190 attendees for the year. The Globe attracted 35 national/international touring groups to Palmerston North, which increases the variety of acts performed in the city.

### ➤ Te Manawa

Te Manawa's visitor satisfaction remains high but visitor numbers have yet to return to pre-covid levels. Te Manawa is currently going through a transition, with the new Chief Executive setting new priorities and direction. Te Manawa has digitalised 10% of its collection online – which is several thousand objects and, 100% of the Art Collection is online.

## HERITAGE

Caccia Birch House has undergone a positive transformation since being placed under Council management. The shift in focus has been towards enhancing community access to this historical landmark. With an emphasis on community public events, the house has increased its position as a unique location for community gatherings and celebrations.

Working with owners of earthquake-prone heritage buildings was a key focus of heritage management. This meant we concentrated on helping owners understand the process, options, and costs of addressing the earthquake-prone status of their buildings.

## CITY SHAPING

### CITY MAKING

Cities around the world are trying to turn around decades of disjointed city planning to provide better outcomes for communities. We are well positioned to connect local groups and sectors to maximise the collective impact of both public and private projects.

### CITY CENTRE

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

# Whāinga 3: He hāpori tūhonohono, he hāpori haumaru

## Goal 3: A connected and safe community



### THIS GOAL INCLUDES

- Connected Communities
- Safe Communities

Our goal is for Palmerston North to be a place where everyone feels connected and included. We aim to be a safe city, where people have access to appropriate social support and opportunities to connect with others. We know we will achieve better outcomes by working together with our communities to achieve these goals.

### KEY ACHIEVEMENTS

- Completion of stage 3 Papaioea Place adding 7 additional units, with community lounge construction underway.
- Funding of 43 community groups providing services to the community.
- New Animal Shelter build underway.
- Refurbishment of 3 community centres, and delivery of revitalised Highbury Shopping precinct in partnership with Ora Kōnnect
- Diverse community cultural events delivered, including Festival of Cultures, Diwali and Waitangi Day
- Mangai Atawhai City Ambassadors programme run for the 6th time in the CBD

## COMMUNITY CENTRES

Palmerston North Community Leisure Centre, Rangiora Community Centre and Kelvin Grove Community Centre received considerable refurbishment, including a new car park and access ramp for Kelvin Grove. The kitchen in the Pasifika Centre was also replaced. Regular meetings were held with Management Committees of each Community Centre throughout the year. Two hui were facilitated to encourage the sharing of ideas and best practice. Bookings from regular and casual users have returned to pre Covid-19 levels across all centres. Community Places - a stocktake and needs assessment of all community facilities was completed, and presented to Council. Recommendations from the needs assessment will be incorporated into work plans for next year and the development of our next Long Term Plan.

## CITY LIBRARY

Ongoing resourcing issues continued to affect overall service delivery resulting in our libraries not returning to full opening hours or programming this year. However, all our libraries continued to be valued by the community. The City Library had 495,355 physical visits this year (noting that not all library locations were open for the full twelve months). The City Library website had 166,289 sessions Manawatū Heritage had 279,273 page views and 80,975 sessions. The library continued to be innovative and responsive in the way it responded to community needs by providing a range of physical and digital content, services, programmes, connections, and experiences. The digital library continued to expand, and the breadth of digital content allowed people to stream 21,409 films, read 6645 titles through Press Reader, and use Ancestry 23,861 times. The Library App saw significant growth in uptake with 107,505 sessions this year versus 85,511 last year.

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

## COMMUNITY LIBRARIES

Unfortunately, two of our community libraries that we lease at Awapuni and Roslyn had to be temporarily closed while we worked with the respective landlords on water tightness issues. This caused a disruption to services in these communities, we worked hard to limit the time these facilities needed to close.

## HERITAGE

This year, the Heritage team commenced a significant piece of work to improve the records and data structure for physical Council records. These records will be moved from an external database into Manawatū Heritage. This will create visible connections through time between the official running of the city (Council Archives) with the lives of its people (Community Archives) and will be an invaluable resource for researchers in the future. Development work to increase the capacity of Manawatū Heritage for our collections will enable Manawatū Heritage to be a 'one stop shop' for our archival and heritage collections and will provide the ability to search Council and Community Archives at the same time.

## FUNDING

Our grant funding has been very well subscribed, returning to pre Covid-19 levels of activity. The Community-Led Initiatives Fund saw 36 applications, compared to last year's 17, and was 93% allocated, a 41% increase on last year which was 52% allocated. A further \$67,625.50 was allocated out of the Covid-19 relief fund, which remained available for groups who had evident financial impact caused by restrictions. Contracts for the 43 successful Strategic Priority Grants 2022-25 commenced, and monitoring of outcomes is underway.

## NEIGHBOURHOODS

We have continued to be active in the Ora Konnect network and squads, assisting community led activities in the 4412 neighbourhoods. Highlights of the year have included the Vaka Festival, the Pā Tamariki whānau event in Highbury, the co-design of a revitalised Highbury Shopping precinct, and burglary prevention initiatives. Relationships have also been strengthened with communities on the eastern side of the city, particularly Roslyn, Bunnythorpe, and Ashhurst. Initial work has begun on a Roslyn revitalisation project, similar to the Highbury Shops project.

## ENVIRONMENT

The Community Garden Guide has continued to be promoted, and preliminary work has been completed with several potential new gardens. Planting of fruit trees across the city, in collaboration with the community, was well received. A guide for Pātaka kai, community pantries, was created and shared with the community, in partnership with Manawatū Food Action Network.



**CEMETERY**

The seismic strengthening of the crematorium building commenced in late 2022 along with the project to incorporate an office within the crematorium building. This work is due for completion in mid-2024. There has been an increase in demand for graves in a non-decorated area of the Kelvin Grove Cemetery. This has necessitated the laying of two further beams in burial Section W of Kelvin Grove Cemetery, where the decoration of graves is not permitted.

**SOCIAL HOUSING**

Throughout the fiscal year, occupancy levels across our social housing portfolio remained consistently high, with persistent demand exceeding availability. We continued with Stage 3 of the Papaioea Place housing redevelopment, which saw the completion of the last 7 units within the complex. Construction of the tenant lounge within the complex is due to finish in September. We also completed upgrade work across the housing portfolio to meet the new Healthy Homes requirements. This included heating and cooling, ventilation, draft stopping, and insulation.

**HEALTHY COMMUNITIES**

Council supports healthy community choices in a variety of ways. The Smokefree Reference Group, including members from partner organisations including the Midcentral DHB and the Cancer Society, continues to promote the implementation of the Auahi Kore Smoke-free and Vape-free Policy. Council funded events are promoted as smoke-free and we continue to support smoke-free and vape-free outdoor dining through the implementation of permit conditions for outdoor dining under the Signs and Public Places Bylaw. All council funded and delivered events are also required to meet Sun Protection and Healthy Beverages policies. Event locations are chosen with both natural and built shade options and where this is not possible, shade items such as gazebos and umbrellas are sourced to provide a safe environment for event-goers. Rangitāne o Manawātū

has opportunities for involvement in the development and review of council policies and initiatives to promote community health and wellbeing through discussions at the regular Rangitāne engagement hui. Progress has not yet been made toward incorporating a wider health impact assessment into the policy process due to pandemic - related constraints.

**EVENTS AND FESTIVALS**

A strong public desire for community events with a meaningful purpose has been a continuing theme as events have returned after the pandemic. This year council continued collaborative planning and delivery of cultural events and initiatives in the City:

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

Other key city community events were delivered by the council and their partners including Explore Esplanade Day, New Year’s Event in The Square, A Very Palmy Christmas and Parade. All events will return in 12 months. In collaboration with the PNAAOC (Palmerston North ANZAC and Armistice Organising Committee) and the local RSAs, the council supported the delivery of Anzac Day services in the city, Bunnythorpe, and Ashhurst. A service to commemorate Armistice Day has also become a regular annual fixture for Palmerston North. A dawn service of remembrance and a civic service of commemoration is now established as the standard format for Palmerston North recognising the important significance of the city as charter partner to both Linton Army Base and Airforce Base Ohakea.

## SAFE COMMUNITIES

### ANIMAL MANAGEMENT

The Animal Management team remains committed to ensuring public safety, promoting responsible dog ownership, and mitigating potential risks associated with animals, particularly dogs. Construction of the new shelter facility is expected to be complete by December 2023. The new facility will greatly enhance our ability to provide temporary housing and offer a much safer and healthier environment for dogs while in our care. The new shelter's modern infrastructure and advanced features will assist in the safe and humane handling of dogs, further strengthening the ability to carry out effective animal management for the city. The number of registered dogs in the city increased from 9,565 in 2021/22 to 9,636 in 2022/23, with 7,522 owners, of whom 3,554 are approved as a "preferred owner."

In addition to core animal management activities, several public events have been successfully completed and positively received by the community. One such event was a free microchipping event in Linklater Reserve, aiming to increase the number of microchipped dogs in the city and help increase the chances of reuniting lost dogs with their families.

### CIVIL DEFENCE EMERGENCY MANAGEMENT

Council provides a 24/7 emergency management duty officer to monitor and respond to community risks and hazards. The Civil Defence Emergency Management team organise and chair our local Emergency Management Committee and work with our regional partners for continuous risk assessment and best practice. Cyclone Gabrielle saw a significant response this year when we sent our Emergency Management staff, other internal function leads and our volunteer Rescue Team NZRT4 to assist our neighbouring councils. One of our Emergency Management teams was deployed to support the Auckland Council with their response and recovery operations during the January 2023 floods and Council

staff went to Tararua District Council and Napier City Council to assist with Cyclone Gabrielle's response and recovery efforts in February 2023. Experience gained from emergencies outside of our city strengthens the knowledge base and sharpens skills and lessons identified are used to improve the local process.

Our council volunteer response team (NZRT4) was deployed in rescue support capability 14 times this year to assist emergency services across the region. NZRT4 provided swift water rescue, rope rescue, support to Auckland and Hawkes Bay Emergency Management during Cyclone Gabrielle and other severe weather events, and support to Palmerston North during Cyclone Gabrielle. Council's NZRT4 response team has grown to 22 members with all team members now trained responders following recruitment and selection during 2022. The team conducts regular training and exercises to ensure they are prepared and ready to respond at any time.

### SAFETY ADVISORY BOARD

The Safety Advisory Board continues to meet regularly to discuss local safety issues. A key focus this year has been the safety concerns related to the stretch of retailers outside the Plaza entrance. Additional meetings have been coordinated to ensure the retailers feel heard in their concerns, and a collaborative response, which includes members of the Safety Advisory Board is ongoing. Relationships have also been maintained with community groups funded through Strategic Priority Groups that contribute to Safe Communities outcomes. The rainbow flag was raised for Rainbow Domestic Violence awareness day, which received positive feedback from the Rainbow community. The Māngai Atawhai City Ambassadors programme was run for the sixth time in the central city over the summer months. Despite challenges with securing sufficient staff to resource the programme, once up and running it was well received by stakeholders, including city retailers and Police, and contributed to vibrancy in Te Marae o Hine, particularly alongside the UNBOX in the area outside The Verdict café.





## Whāinga 4: He tāone tautaiiao

### Goal 4: An eco city

#### THIS GOAL INCLUDES

- Climate Change
- Environmental Sustainability
- Manawātū River
- Resource Recovery
- Stormwater
- Wastewater
- Water

We provide rubbish and recycling services for Palmerston North City. We also play a part in regenerating biodiversity by re-establishing bush and controlling introduced predators, working in partnership with iwi and community groups such as Green Corridors. We are working to lower our organisational emissions each year and will continue to work with the community to also gain traction on lowering Palmerston North's city wide emissions.

#### KEY ACHIEVEMENTS

- We contributed \$208,000 to the environmental sector via the Strategic Priority Grants programme.
- 14,330 eco-sourced native plants planted.
- We sent our first bales of liquid paper board to be recycled into building products
- We partnered with a local company to include our waste glass into their concrete production process.
- We have started work on a stormwater Management Framework.
- A 6.5% reduction in organisation CO2e emissions



## CLIMATE CHANGE

The International Panel on Climate Change (IPCC) published the sixth Climate Change Synthesis Report in March 2023. This report highlights the increasing urgency of rapid emissions mitigation and adaptation planning by the world's governments. New Zealand's response is included in the Draft National Adaptation Plan and National Emissions Reduction Plan, both published in early 2022.

We've already adopted many of the principles of these international and national reports in our Eco City Strategy 2021-31 and Climate Change Plan 2021-31. Actions taken over the last financial year include:

- The Regional Climate Joint Action Committee published the regional Manawātū - Whanganui Climate Change Action Plan in January 2023. This document will provide a structure for the joint delivery of climate initiatives by Territorial Authorities across the region.
- We continue to provide support to capital projects within council through the Low Carbon Fund. This has included converting to LED lighting, installing heat pumps in council offices and facilities, reducing energy requirements in the Lido and the installation of fast chargers for new electric vehicles.
- Volunteers planted 19,264 trees as part of the Green Corridors project. This not only helps attract biodiversity into the city, it also helps to absorb and store carbon dioxide from the atmosphere.

We continue to develop and deliver organisational and citywide inventories to track our greenhouse gas emissions. This helps to measure our progress against our published goals and focus on inefficient or high emission areas.

## ORGANISATIONAL EMISSIONS

Between July 2022 and June 2023, we were responsible for 18,116 tons of carbon dioxide emissions (or a equivalent other gasses). This is a 6.5% reduction since last year and a 31.5% reduction since the 2015/16 baseline year.. We'll continue to seek efficiency savings and build on this ongoing success, primarily through the Low Carbon Fund. As part of our long-term vision, we're developing a feasibility study to look at options for developing a carbon-neutral council by 2050. This would include the minimization of council emissions and planting permanent native forests to offset any remaining emissions.

Funds were allocated from capital programme 1888-Low Carbon Fund to help achieve this decrease. Projects included:

- Installation of LED lighting at the CET Arena
- Installation of motorised pool covers at Lido swimming pool
- Installation of LED lighting at Lido swimming pool
- Installation of EV Fast chargers
- LED lighting upgrades across 10 separate parks and reserves, pavilions and changing rooms
- In 2022 we also increased our EV fleet
- Pellet boiler replacing a gas boiler at Depot.

## ENVIRONMENTAL SUSTAINABILITY

### SUSTAINABLE PRACTICES

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

Promotions have included:

- Our website outlines where items can be recycled or disposed of correctly. Content is continuously updated.
- Positive steps are taken to avoid illegal dumping.
- Encouraging the public to refill their water bottles at locations that are part of the Refill NZ Initiative.
- Encouraging people to collect their own rainwater for emergency or outdoor use.
- Informing and inviting the public to participate in community planting days.

### SUPPORT FOR ENVIRONMENTAL GROUPS

Over the last year we contributed \$208,000 to the city's environmental sector via the Strategic Priority Grants programme. The groups promoted sustainability through educational programmes, food sovereignty, and other activities. In addition, a range of joint environmental initiatives have been delivered in partnership with community groups throughout the year, including support for community gardens, fruit tree planting, kai security planning and the development of a pātaka kai, or community pantry guide.

## BIODIVERSITY

We continued our investment in pest and weed management in parks and reserves including throughout the Kahuterawa Outdoor Recreation Park. This included regular predator trapping, weed control, and the monitoring and reporting of trapped species. Pest and weed management was also carried out throughout the Turitea Green Corridors and Manawātū River Park/ Esplanade by a mix of contractors and volunteers. Our ongoing investment in pest management in the Turitea Reserve is showing positive results through native bird species monitoring. Results continue to show significant population increases in key native species, with a tripling of Bellbirds and Riflemen since monitoring began, and a fifteenfold increase in Tūi and Kererū. We also continue to contribute to Horizons-led biodiversity enhancements in the Te Ariti/Manawātū Gorge.

### Ongoing Considerations

In 2021, the Turitea saw a significant milestone with the reintroduction of the Toutouwai (NZ Robin), a species that had been locally extinct for generations. Unfortunately, due to a significant increase in the number of rats, observed nationally, their first breeding season was poor, putting the future survival of the colony in question. A series of special rat control operations have been conducted, with the 2022/23 season being more successful.

Further successful seasons will be required before we know if the Toutouwai will be able to fully establish themselves in the Turitea.

### GREEN CORRIDORS

The Green Corridors team managed the planting of 14,330 eco-sourced native plants throughout their network of gullies and streams. This aligns with our strategic direction to extend the Green Corridors programme.

Volunteer planting and maintenance resumed in 2022 in a limited capacity, largely focused on Aokautere and Turitea, where regular community working bees were carried out.

## MANAWATŪ RIVER

The Manawātū River Framework provides the overall strategy for increasing the health and enjoyment of the river and its surroundings for the community and visitors to the city.

The Long Term Plan 2021-31 includes funding for a series of projects to implement the Manawātū River Framework. Due to parts of the 2021/22 programme of works carrying over into 2022/23 year, we did not provide funding for any new developments. This allowed

officers to concentrate on completing the 2021/22 work programme including planning for Te Motu o Poutoa, and recovery work following Cyclone Gabrielle.

Cyclone Gabrielle caused extensive flooding throughout the Manawātū River Park, including the shared pathway, Ahimate Reserve, and the Eel Platform. Significant quantities of silt were deposited.

The flooding also resulted in He Ara Kotahi bridge and large sections of the river pathway closing. The river silt took a few weeks to dry out, and as the Parks Team worked through clearing and spreading silt, the River Park was progressively reopened.

A new entranceway has been constructed between Centennial Drive and the river. The pathway takes the public through reserve areas in the Centennial Park subdivision, and over the stop bank. Preliminary planning for Te Motu o Poutoa entered a new phase during the year as concepts for the site were developed. This information will inform the scope, design, and funding of the staged development of this site with Rangitāne and feed into the Long Term Plan 2024-34.

## RESOURCE RECOVERY

This year has seen announcements from the Ministry of the Environment for long anticipated industry changes. These changes, designed to lead New Zealand into a low waste, low carbon, circular society, will have a significant impact on how we operate day to day and the levels of service we provide. Along with meeting national standards on what items can be accepted in kerbside recycling bins, we'll be required to have a kerbside food scraps collection system in place by 2030.

Our food scraps trial recently finished and will provide critical information as to how a citywide roll out could be implemented. Waste diversion targets have also been introduced which will mean that by 2027, 30% of material collected at the kerbside will need to be diverted from landfill.

Although overall recycling per capita decreased slightly this year, we continued to collect a significant amount of material through our kerbside collections service. Unfortunately, we've also seen an increase in the amount of illegal dumping being picked up.

Several improvements were made to increase our efficiency and resilience this year. They include:

- Improved signs and upgraded facilities to increase capacity and improve the user experience at Ferguson St and Ashhurst drop-off points.
- Extended the glass storage bunkers and welcomed the arrival of specialist glass collection vehicles.

This will allow more glass to be sorted onsite, creating resilience and providing a safer working environment when unloading the trucks.

- Installed a backup power option at the materials recycling facility and extended the platform around the baler for improved operational safety.
- Upgraded our compost screen and installed an irrigation system in our compost production area to ensure we continue to produce a quality product.
- Continued to improve our data capture systems to help with data-driven decision making.

We've also been providing more opportunities for Palmerston North to recover resources, minimise waste and reduce what is sent to landfill. These include:

- Establishing a trial food scrap collection – after the first three months we have seen positive engagement and successfully diverted food scraps from landfill.
- We sent our first bales of liquid paper board to be recycled into building products and continue to provide a collection point to divert tyres from landfill.
- Provided support to four more Resource Recovery Fund applicants from the community.
- Recommencing tours of the recycling facility at Awapuni.
- Supported the delivery of two future living skills workshops facilitated by Environment Network Manawātū.
- Partnered with a local concrete company to include our waste glass in their concrete production process.

### Ongoing Considerations

The waste levy set by the Ministry for the Environment is forecasted rise. This has gone from \$10 a tonne before 2020 to \$50 a tonne in July 2023. It will reach \$60 per tonne in July 2024, significantly increasing the cost to dispose of waste. The revenue generated through the waste levy is currently distributed to councils and made available as a contestable fund. In June 2024 we are expecting new waste legislation which will replace the Waste Management Act and the Litter Act. This will provide local councils with more tools to divert resources from landfill. The new waste legislation will also change the way the waste levy is distributed, with councils needing to meet certain waste diversion targets to receive funding.

## STORMWATER MANAGEMENT

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

National Freshwater policies will set higher water quality standards for stormwater discharges. To mitigate impacts, Stormwater Management Plans are now a standard requirement for all subdivision and major building consent applications. Several projects were delivered this year to reduce stormwater issues in specific locations.

We have continued to work to identify and address local nuisance flooding issues with significant stormwater improvements made to Setters Line, Church Street and Pirani Place.

### Ongoing Considerations

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

As part of the resilience improvement programme, several new assets were purchased this financial year. This included portable pumps and generators which were fully utilised during Cyclone Gabrielle when some streets flooded due to the high river levels. Our citywide flood model has also undergone significant improvement in preparation for the proposed medium density plan change.

## NETWORK PERFORMANCE

Flooding is typically caused by prolonged periods of heavy rainfall which can result in significant stormwater runoff within the city and elevated river and stream levels. Incidents of localised ponding and road flooding were reported at levels similar to the previous year. Some immediate mitigation work was undertaken to clear the local network of blockages and investigation is underway to identify cost-effective improvements to reduce the risk of future flooding in these areas. Investigations to improve and upgrade the existing network continues.

We continue to receive a high number of complaints regarding street ponding, nuisance flooding, and overland flow paths.

### Ongoing Considerations

Cyclone Gabrielle has increased public sensitivity and



heightened awareness among residents. This is amplified where waterways pass through private properties.

We have an ongoing investment in CCTV inspection of critical and aged parts of the pipe network. In the last financial year 2.6km of the critical network was inspected. The data will be used to plan and prioritise renewal work for the next few years. The CCTV inspections, along with condition assessments of pump stations also identified areas of the network in need of renewal.

## WASTEWATER

### TOTARA ROAD WASTEWATER TREATMENT PLANT

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

The current and planned upgrades are key to ensuring the plant is effective, efficient and resilient and can manage current and future flows through to 2028 when a new wastewater treatment and disposal system will need to be in place.

### NATURE CALLS PROJECT

The Nature Calls Project moved into the consenting phase in 2022/23, with a resource consent being lodged with Horizons Regional Council in December 2022. During the consenting phase, a Project Steering Group was created to oversee the management of the consenting process. This group met regularly leading up to the lodging of the consent.

In early February 2023, Horizons requested an extension to allow for a technical review to be completed, acknowledging the complexity of the application. Council agreed to the extension with a review date of 31 March, 2023.

On the 31st March 2023 Horizons informed Council that the consent application had been rejected under S88 of the Resource Management Act (RMA). Horizons cited in their correspondence to Council that the application did not include sufficient information.

Members of the project team met with Horizons on 6th April to discuss the rejection of the application and the implications of the decision. This was a proactive discussion, with both parties committing to move forward constructively to work towards the long term goal of improving the health of the Manawātū River.

Council decided to lodge a formal objection to the notice from Horizons. This was deemed necessary

to assert the position that the consent application was sufficient to be accepted under S88 of the RMA. Work is continuing with technical representatives from each organisation meeting regularly to work through the various requirements under S88.

## WATER SUPPLY ACTIVITY

### QUANTITY AND QUALITY OF SUPPLY

Summer water conservation was encouraged over the summer period and restrictions were not needed. Water conservation measures, including a water loss reduction programme will continue to be implemented across the city. The final section of the Turitea Rd duplicate trunk main project was completed, which involved the replacement of the last critical section of the network. This was completed in 2022/23 and has greatly enhanced the resilience of this critical piece of water supply infrastructure from the Treatment Plant to the Ngahere Park reservoirs. Bore headwork renewals are underway and other minor work is progressing well. This work is being undertaken as part of improvements to ensure compliance with the new Drinking Water Quality Assurance Rules. It forms part of a medium term strategy as it is recognized that some of the new compliance issues cannot be resolved in the short term.

### RISK AND RESILIENCE

We have purchased and installed standby generators for Bunnythorpe and generators for Longburn and Ashhurst are mobile and ready to be deployed on demand. A review of the chemical dosing systems at the Turitea Water Treatment Plant has been completed, and critical modifications made to the treatment plant as part of the seismic upgrade programme. The seismic strengthening project for Turitea Water

Treatment Plant is expected to be finalised in the 2023/24 financial year.

### NETWORK INVESTMENT

We continued our rolling renewal programme in the 2022/23 year. This ensures that parts of our 560km of water main system and treatment plant assets are replaced at the end of their economic life.



## Whāinga 5: He Kaunihera ahunui, whakamana i te iwi

### Goal 5: A driven and enabling Council

#### THIS GOAL INCLUDES

- Governance and Active Citizenship
- Council's Performance
- Strategic Investments

Council provides leadership and strategic direction for local government services and development in the city. We will work in partnership with our communities to enable growth and change and ensure community voices are reflected in everything we do.

#### KEY ACHIEVEMENTS

- Community organisations continue to make informed contributions to Council's decision making processes.
- We have the most engaged social media of any council in NZ.
- We launched a fresh - new look more customer centric website
- We're helping 39 councils with after hours call centre support.

## GOOD GOVERNANCE AND ACTIVE CITIZENSHIP

### COMMUNITY ENGAGEMENT

In the formal consultation space, we've had several consultations on topics where the community connected closely with us. The recent speed limits around school's proposal was one of these, with more than 350 submissions to date. More than 300 submissions were received on street racer provision additions to the Traffic and Parking Bylaw, showing that our community is prepared to engage with complex issues.

Resident and community group voice was a valued contribution in the consideration of the future use of Adderstone Reserve, where the Council decided not to proceed at this time.

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

### ENDURING PARTNERSHIP WITH RANGITĀNE

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

We continue to build on the foundations of the Partnership Agreement, which was signed in 2019. This ensures Rangitānenuirawa, the values, and perspectives of Rangitāne have significant weight in decision making, as the council works towards a city that is more responsive to their needs and aspirations.

### COUNCIL MEETINGS AND ELECTIONS

Following the election, the Mayor set up the new committee structure for the new triennium. Most committees meet from 9 am or 1 pm on a Wednesday. Meetings are streamed on our Youtube channel live and available on demand. Since May 2022, the public can also attend workshops in person. Workshops are an informal format where elected members consider matters before they are brought to the committee or Council for decision. These are listed on our website.

## ORGANISATIONAL PERFORMANCE

### CUSTOMER - CENTRIC SERVICE

We work closely with local and national media to share our stories. Over the past year, we continued to receive an average of 40 enquiries each month. We released more than 120 media releases and also completed an average of 15 radio interviews each month on local stations. During the year we did a number of television interviews – some about council decisions or projects, and some about our TikTok channel and how we're engaging differently with young people now.

Our social media continues to far exceed any other council in the country due to our storytelling and interactions with our residents.

Our website continues to be the place our residents go for information, with an increase of 18.6% more visitors over the past year. Three of our online tools (rates and property search, cemetery and cremation search, and rubbish days finder) account for just under a third of all site visits.

We continue to work with teams across Council to find opportunities to simplify business processes by offering online alternatives to traditional paper-based forms.

The Communications Team focus on protecting and enhancing the reputation of our organisation and our city. The team led more than 20 major consultations last year and worked on major construction initiatives.

Our Marketing Team continues to promote the Palmy identity and make residents proud of our city. The established identity means that our residents can see the whole picture of the depth and breadth that the Council look after. Our focus is to help make residents and ratepayers aware of what Council is working on at a general level.

Our Marketing Team has also started the Manawātū Convention Bureau, aimed towards helping delegates find the best venues, hotels, and exclusive activities.

### OPERATIONAL EXCELLENCE

#### Digital Transformation

Work has commenced lifting the operational maturity of our key platforms, with a strategy to first simplify and then modernise. Once these foundations are in place it will be easier and faster to adopt new digital-enabled initiatives in order to more effectively deliver our services.



## STRATEGIC INVESTMENTS

### EXTERNAL CONTRACTS

#### After Hours Call Centre

We provide after-hours contact centre services for the wider local government sector for other cities, districts, and regions. Attracting and retaining staff in a competitive local market has been an issue during the year and plans have been made to address these in the coming year.

#### Tamakuku Terrace

Stage 1 of the Tamakuku Terrace was completed in November 2022, with section titles being issued in December 2022. In addition to new transport and water infrastructure being constructed to support the subdivision and wider Whakarongo growth area, Stage 1 has created 79 new residential sections which are currently available for sale.

#### Investments in Companies (including Airport)

Council owns Palmerston North Airport Ltd (PNAL) to ensure the city has an appropriate air gateway for passengers and freight. PNAL was significantly impacted by Covid-19 like most airports in New Zealand, and this impacted the growth in financial returns and passenger numbers.

## ONGOING CONSIDERATIONS

### EXTERNAL CONTRACTS

#### After Hours Call Centre

Demand for the service has risen post pandemic and following a growing number of civil defence events. From July, half of New Zealand councils will rely on us to support their communities. A programme to modernise and future-proof this service (including investment in technology and operational capabilities to sustain profitability and enable potential growth of the contact centre) is in progress.

#### Investments in Companies (including Airport)

##### Airport

With the impacts of Covid-19 on aviation dissipating, Palmerston North Airport Ltd is planning to embark on significant capital investment. A terminal development plan (with an estimated price tag of \$40m) is an unavoidable expense that constrains PNAL's ability to achieve wider objectives. This and other critical airside infrastructure development absorb all PNAL's debt capacity.

Our Council recognises that obtaining appropriate strategic partners is key to further airport development and will work with PNAL to facilitate this. At this stage, it has been assumed the development will occur without further capital investment by Council as shareholder. Council has requested PNAL to return to paying dividends following the 2023/24 year, though in doing so it recognizes this will constrain PNAL's ability to undertake further investment or pay down debt.

# Financial Summary

SUMMARY STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR ENDED 30 JUNE 2023	COUNCIL			GROUP	
	Actual 2023 \$000	Annual Plan Budget 2023 \$000	Restated actual 2022 \$000	Actual 2023 \$000	Restated actual 2022 \$000
Rates revenue	116,037	115,370	109,700	115,676	109,299
Finance revenue	1,126	17	400	962	413
Other operating revenue	43,923	37,219	35,911	58,194	46,318
Capital revenue	19,521	12,929	14,056	19,561	14,073
<b>Total revenue</b>	<b>180,607</b>	<b>165,535</b>	<b>160,067</b>	<b>194,393</b>	<b>170,103</b>
Depreciation and amortisation	42,152	38,858	38,801	44,766	41,029
Finance costs	5,021	6,731	(10,612)	5,397	(10,078)
Other expenses	122,771	119,815	109,639	129,647	115,874
<b>Total expenses</b>	<b>169,944</b>	<b>165,404</b>	<b>137,828</b>	<b>179,810</b>	<b>146,825</b>
<b>Net surplus/(deficit)</b>	<b>10,663</b>	<b>131</b>	<b>22,239</b>	<b>14,583</b>	<b>23,278</b>
Increase/(decrease) in operating property valuations	-	-	-	-	-
Share of associate's surplus/(deficit)	-	-	-	10	6
Income tax refund / (expense)	43	-	18	(1,019)	137
Movement in deferred tax	-	-	-	-	-
<b>Net surplus/(deficit) after tax</b>	<b>10,706</b>	<b>131</b>	<b>22,257</b>	<b>13,574</b>	<b>23,421</b>
<b>OTHER COMPREHENSIVE REVENUE AND EXPENSE</b>					
Increase/ (decrease) in operating property valuations	83,606	46,871	123,528	81,381	140,512
Financial assets at fair value through other comprehensive revenue and expense	(4)	-	50	(4)	50
Movement in deferred tax on revaluations	-	-	-	623	(3,637)
<b>TOTAL COMPREHENSIVE REVENUE AND EXPENSE</b>	<b>94,308</b>	<b>47,002</b>	<b>145,835</b>	<b>95,574</b>	<b>160,346</b>

**EXPLANATION OF THE MAJOR VARIANCES ARE:**

**Finance revenue:** Higher than budget due to term deposits held at the end of 2022 that matured during 2023.

**Other operating revenue:** Higher than budgeted due to receipt of revenue relating to sale of land development and additional Waka Kotahi subsidies received for maintenance.

**Capital revenue:** Higher capital revenue was received due to higher than budgeted vested assets and development contribution revenues, due to increased development in the city.

**Depreciation and amortisation:** Higher than budget due to June 2022 revaluation of 3 waters.

**Finance costs:** Lower than budget due to gain on derivative financial instruments.

**Other expenses:** Higher due to additional contracted and professional services expenses in consenting, venues and roading. This was offset by additional revenues.

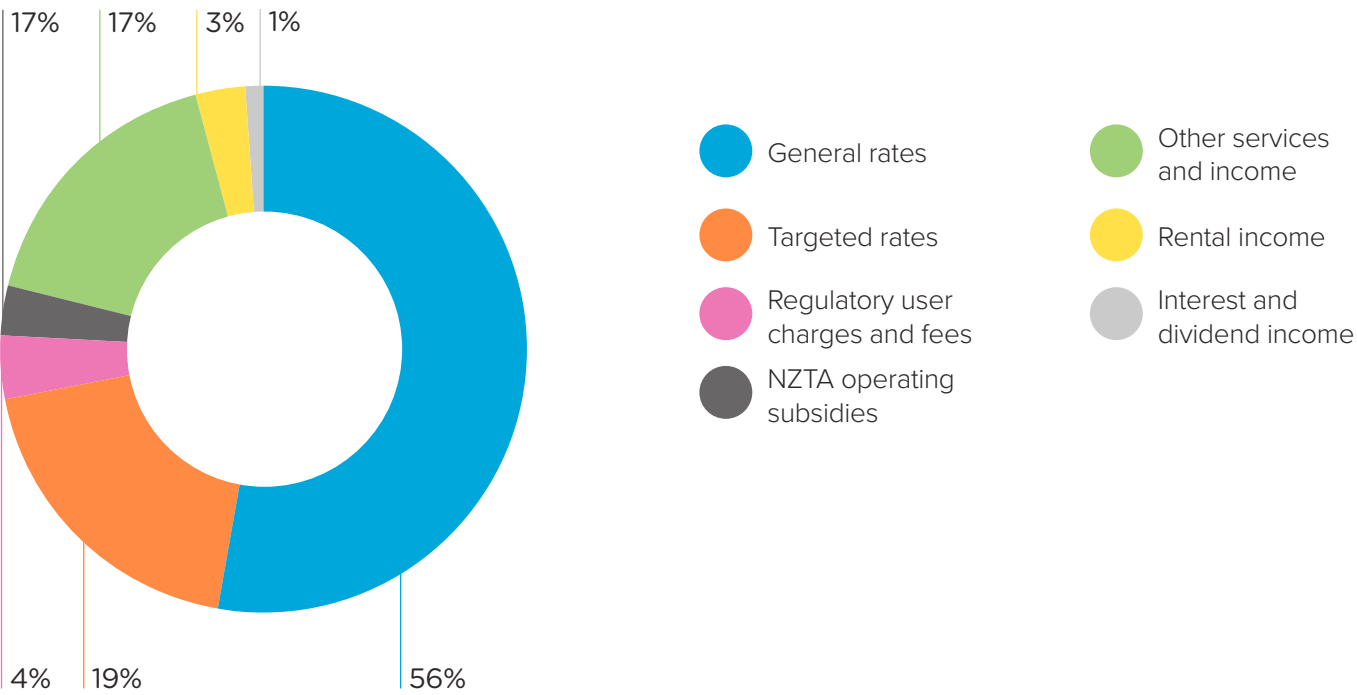
**Increase in operating property valuations:** Higher due to increased cost of materials leading to higher valued replacement costs.



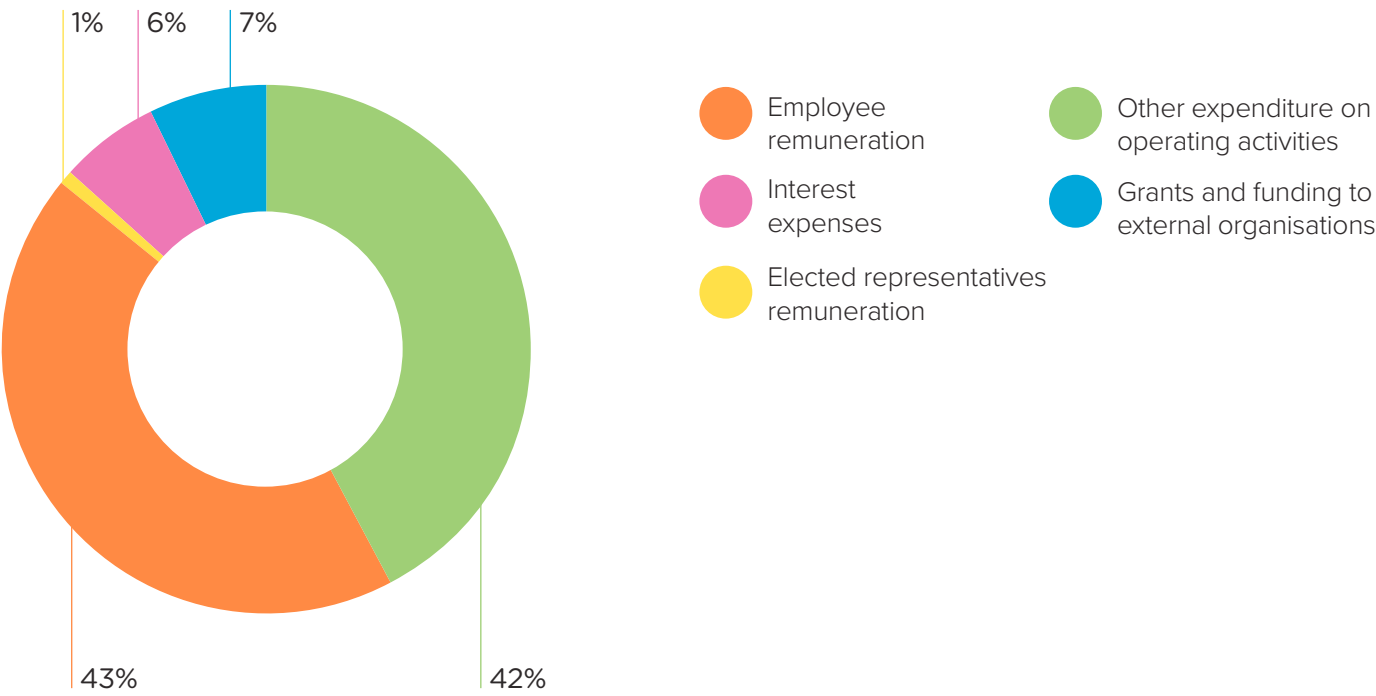




Sources of revenue



Types of expenses incurred



## SUMMARY STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	COUNCIL			GROUP	
	Actual 2023 \$000	Annual Plan Budget 2023 \$000	Restated actual 2022 \$000	Actual 2023 \$000	Restated actual 2022 \$000
Current Assets	28,440	17,192	43,689	31,422	47,207
Non-current Assets	2,285,575	2,134,235	2,154,419	2,394,673	2,270,447
<b>Total Assets</b>	<b>2,314,015</b>	<b>2,151,427</b>	<b>2,198,108</b>	<b>2,426,095</b>	<b>2,317,654</b>
Current Liabilities	53,754	34,679	59,321	59,703	72,918
Non-current Liabilities	201,623	238,486	174,457	213,578	188,105
Equity Attributable to PNCC	2,058,638	1,878,262	1,964,330	2,152,205	2,056,631
<b>Total Liabilities and Equity</b>	<b>2,314,015</b>	<b>2,151,427</b>	<b>2,198,108</b>	<b>2,426,095</b>	<b>2,317,654</b>

### EXPLANATION OF THE MAJOR VARIANCES ARE:

**Current assets:** Tamakuku Terrace sections sold in 2023 were less than budgeted, leading to higher current inventories than budgeted. Additionally, current derivative financial instruments were higher than budget due to valuation at year end as a result of more favourable interest rate swaps.

**Non-current assets:** Property, plant and equipment higher than budget due to revaluations being higher than budgeted for.

**Total liabilities:** Lower than budget due to a lower debt level resulting from lower capital expenditure than budgeted.

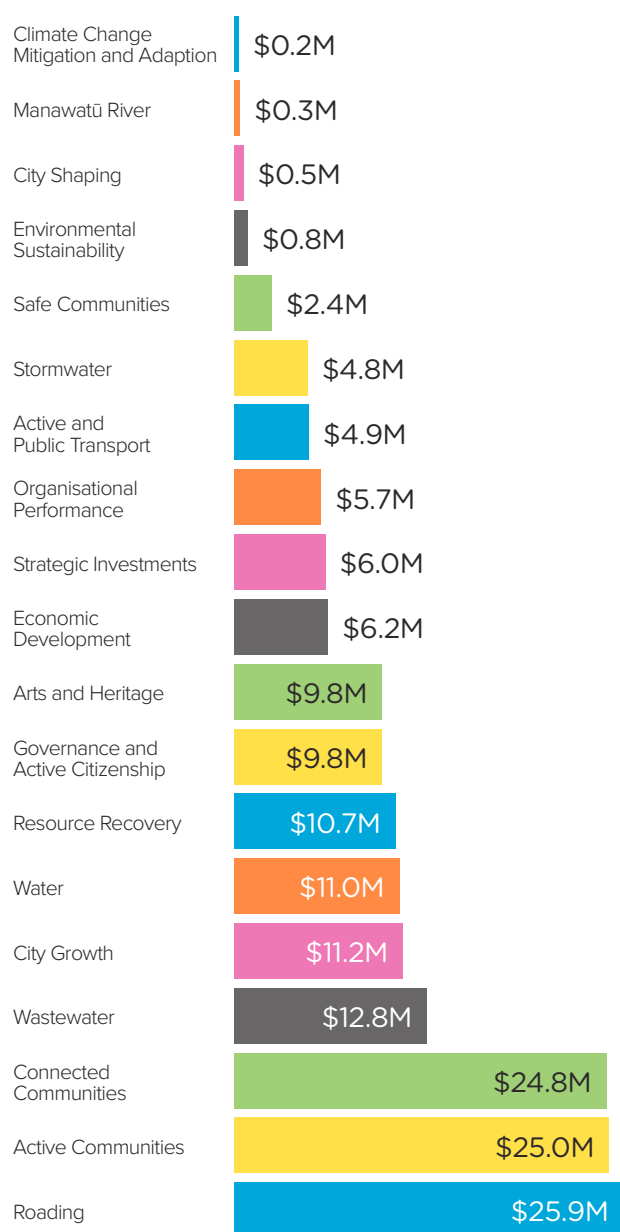
**Equity:** Higher than budget due to higher revaluations than budgeted for.

## SUMMARY STATEMENT OF CHANGES IN EQUITY

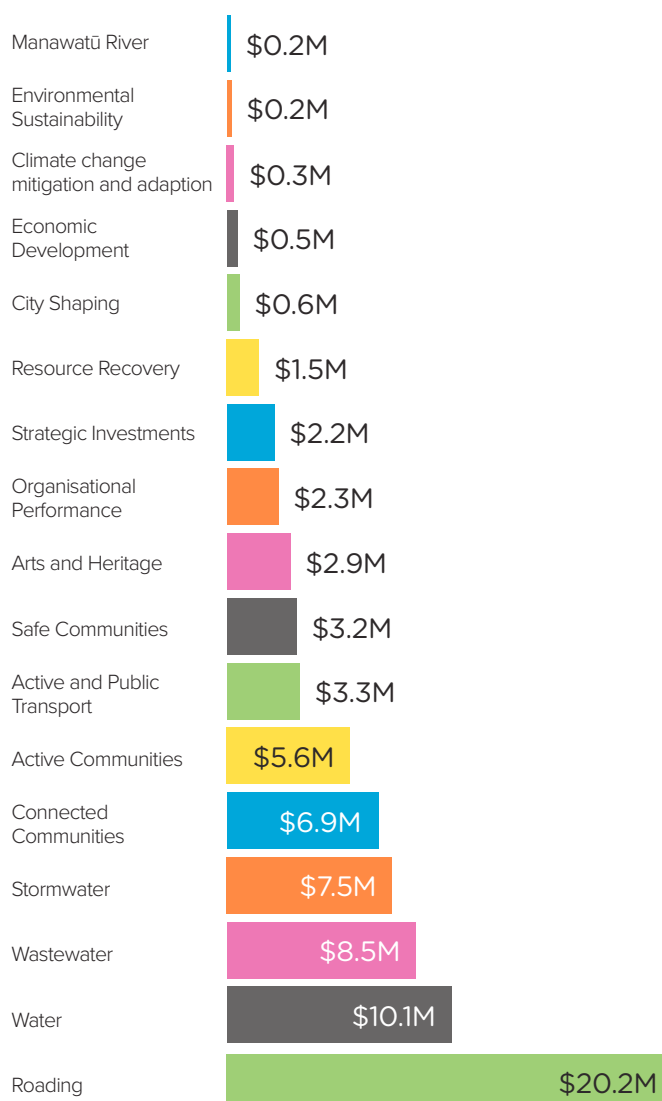
FOR THE YEAR ENDED 30 JUNE 2023

	COUNCIL			GROUP	
	Actual 2023 \$000	Annual Plan Budget 2023 \$000	Restated actual 2022 \$000	Actual 2023 \$000	Restated actual 2022 \$000
Equity at beginning of the year	1,964,330	1,831,260	1,818,495	2,056,631	1,896,285
Total comprehensive revenue and expense for the year	94,308	47,002	145,835	95,574	160,346
<b>Equity at the end of the year</b>	<b>2,058,638</b>	<b>1,878,262</b>	<b>1,964,330</b>	<b>2,152,735</b>	<b>2,056,631</b>
<b>Comprising:</b>					
Retained earnings	1,097,509	1,070,376	1,086,803	1,135,801	1,121,729
Special funds	-	-	-	444	413
Revaluation reserves	961,129	807,886	877,527	1,016,490	934,489
<b>Equity at the end of the year</b>	<b>2,058,638</b>	<b>1,878,262</b>	<b>1,964,330</b>	<b>2,152,735</b>	<b>2,056,631</b>

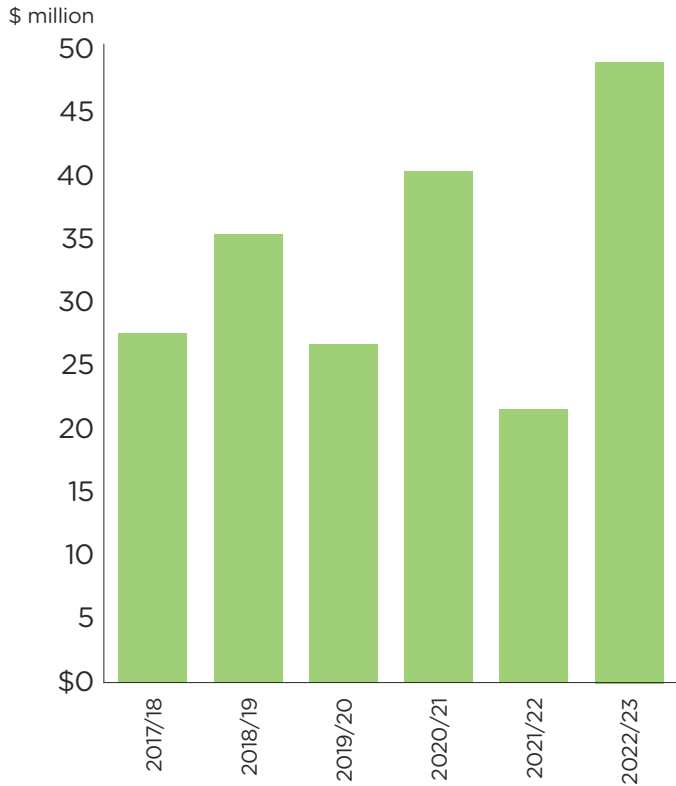
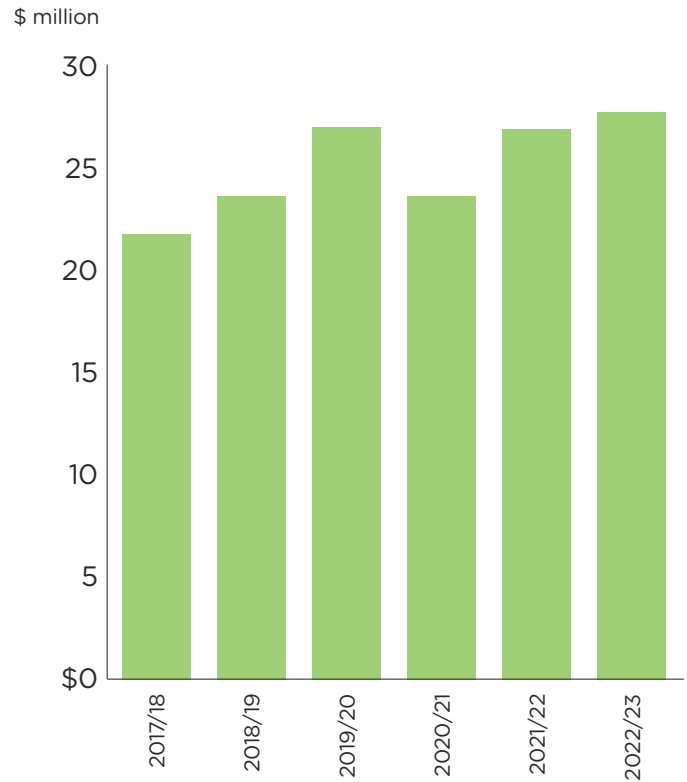
## Operating expenditure by activity



## Capital expenditure by activity





**New capital expenditure spent****Renewal capital expenditure spent**

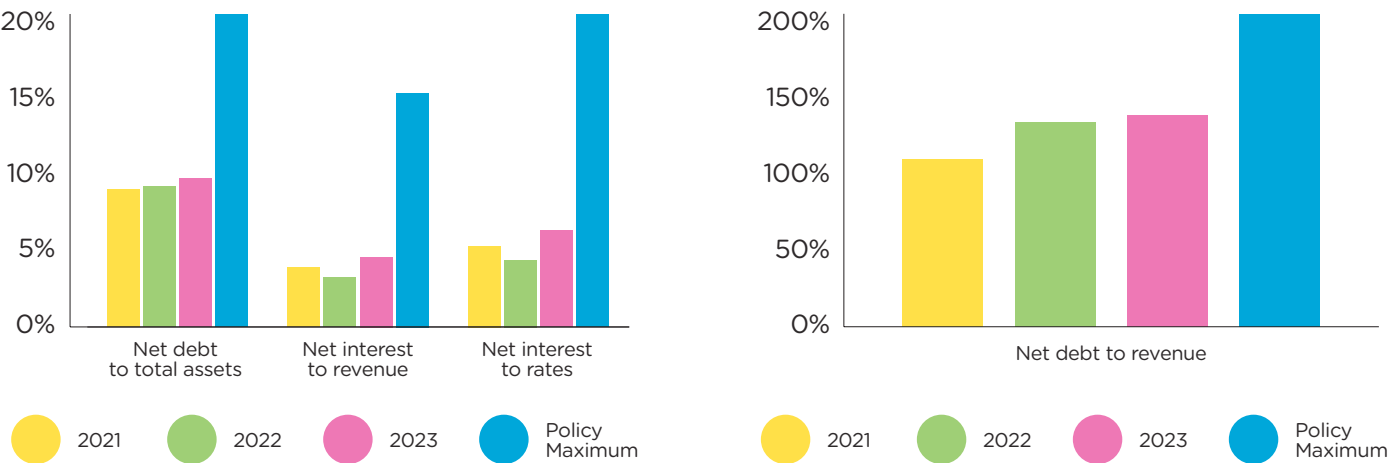
## SUMMARY STATEMENT OF CASH FLOWS

### FOR THE YEAR ENDED 30 JUNE 2023

	COUNCIL			GROUP	
	Actual 2023 \$000	Annual Plan Budget 2023 \$000	Actual 2022 \$000	Actual 2023 \$000	Actual 2022 \$000
Net cash from operating activities	33,815	36,989	46,701	39,482	49,152
Net cash from investing activities	(56,458)	(91,737)	(78,026)	(53,543)	(82,552)
Net cash from financing activities	22,378	54,748	31,725	13,435	33,733
<b>Net (decrease)/increase in cash, cash equivalents and bank overdrafts</b>	<b>(265)</b>	<b>-</b>	<b>400</b>	<b>(626)</b>	<b>333</b>
Cash, cash equivalents and bank overdrafts at the beginning of the year	1,922	500	1,522	3,221	2,888

BORROWING RATIOS AGAINST POLICY

Borrowing ratios at 30 June



PRIOR YEARS ADJUSTMENTS

During the financial year 22/23, the Council and Group identified that vested assets and associated vested assets revenue were not correctly accounted for in prior years. Vested assets are required to be recognised when control over the asset is obtained. Control is obtained when s224 certificate is issued by Council. Council omitted to recognise vested assets immediately after issuing these certificates in years ended 30 June 2022 and 30 June 2021. As a result, the vested assets were not recognised and disclosed in years they were acquired.

Therefore, the Council and Group has adjusted its comparative year financial statements for the year ending 30 June 2022. The adjustment includes corrections relating to the pre-2022 financial year that has been adjusted through the 2022 opening equity.

Balance at 1 July was increased by \$4,049,000 in the statement of changes in equity for 2022 to account for the pre-2022 financial year adjustment. \$2,201,000 was added to Capital Revenue, Non-Current Assets, Total comprehensive revenue and expense for the year, and Equity Attributable to PNCC.

EVENTS AFTER THE BALANCE SHEET DATE

PNCC are not aware of any events subsequent to balance date which would materially affect the amounts included in these financial statements or disclosures made.

THREE WATERS REFORM PROGRAMME

The New Zealand Government is implementing a water services reform programme that is intended to ensure all New Zealanders have safe, clean and affordable water services. The Government believes this will be achieved by establishing new public entities to take on the delivery of drinking water, wastewater and stormwater services across New Zealand. The reform will be enacted by three pieces of legislation:

- The Water Services Entities Act 2022, which (as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023) establishes ten publicly owned water services entities and sets out their ownership, governance and accountability arrangements. A water services

entity is established (for transitional purposes) on the date on which the appointment of the entity’s establishment board takes effect, and its establishment date (operational date) will be a date between 1 July 2024 and 1 July 2026.

- The Water Services Legislation Act 2023, which amended the Water Services Entities Act 2022 on 31 August 2023 to provide for the transfer of water services assets and liabilities to the water services entities.
- The Water Services Economic Efficiency and Consumer Protection Act 2023, which provides the economic regulation and consumer protection framework for water services. The consumer protection framework will come into force on 1 July 2024 and the rest of the Act came into force on 31 August 2023.

# Activity Financial Summary

The following table details for each activity group the net operating cost of delivering the services (before rates-funding) together with the capital expenditure.

	ACTIVITY GROUP NET OPERATING COST			ACTIVITY GROUP CAPITAL EXPENDITURE		
	Actual 2023 \$000	Annual Plan Budget 2023 \$000	Actual 2022 \$000	Actual 2023 \$000	Annual Plan Budget 2023 \$000	Actual 2022 \$000
Innovative and Growing City	5,289	8,376	8,593	485	465	495
Creative and Exciting City	31,052	30,358	30,008	11,215	16,685	6,490
Connected and Safe Community	21,229	20,757	19,497	10,031	13,805	5,817
Eco-City	8,096	7,506	6,580	2,200	3,091	2,596
Transport	19,785	21,964	19,057	21,268	30,085	9,480
Stormwater	4,767	4,355	4,336	7,481	3,357	2,364
Wastewater	11,104	9,645	9,983	8,546	11,490	7,176
Water	10,944	9,349	8,474	10,146	12,530	6,220
Driven and Enabling Council	15,693	15,858	11,068	4,507	5,229	7,324
<b>TOTAL</b>	<b>127,959</b>	<b>128,168</b>	<b>117,596</b>	<b>75,879</b>	<b>96,738</b>	<b>47,962</b>

## EXPLANATION OF MAJOR NET OPERATING VARIANCES TO BUDGET:

**Innovative and Growing City:** Favourable to budget due to sales relating to Tamakuku Terrace.

**Transport:** Favourable to budget due to increased Waka Kotahi subsidies made available.

**Wastewater:** Higher costs than budget due to increased depreciation expense resulting from revaluation of assets

**Water:** Higher costs than budget due to increased depreciation expense resulting from revaluation of assets

## EXPLANATION OF MAJOR CAPITAL VARIANCES TO BUDGET:

**Creative and Exciting City:** Lower than budget due to delayed and deferred works, mostly associated with seismic strengthening and urban growth.

**Connected and Safe Community:** Lower than budget due to delayed works, mostly associated with Papaioea Place redevelopment and animal shelter.

**Transport:** Lower than budget due to works deferred to 2024 relating to urban growth.

**Stormwater:** Higher than budget due to a land purchase brought forward from 2024 relating to urban growth.

**Wastewater:** Lower than budget due to delayed works, as well as some identified savings, associated with wastewater treatment plant.

**Water:** Lower than budget due to reprioritisation of works relating to water supply resilience.



SUMMARY OF NON-FINANCIAL PERFORMANCE MEASURES

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

	# OF MEASURES	# TARGETS MET
<b>Whāinga 1 – He tāone auaha, he tāone tiputipu</b>		
<b>Goal 1 – An innovative growing city</b>		
City Growth	5	2
Economic Development	2	2
Active and Public Transport	N/A*	N/A*
Strategic Transport	5	3
<b>Whāinga 2 – He tāone whakaihihi, tapatapahi ana</b>		
<b>Goal 2 – A creative and exciting city</b>		
Active Communities	5	4
Arts, Culture and Heritage	5	4
City Shaping	2	2
<b>Whāinga 3 – He hapori tūhonohono, he hapori haumaruru</b>		
<b>Goal 3 – A connected and safe community</b>		
Connected Communities	9	7
Safe Communities	3	3
<b>Whāinga 4 – He tāone tautaiiao</b>		
<b>Goal 4 – An eco city</b>		
Climate Change	3	3
Environmental Sustainability	2	2
Manawatū River	1	1
Resource Recovery	2	2
Stormwater	5	5
Wastewater	5	5
Water Supply	9	6
<b>Whāinga 5 – He Kaunihera ahunui, whakamana i te iwi</b>		
<b>Goal 5 – A driven and enabling Council</b>		
Good Governance and Active Citizenship	1	0
Organisational Performance	N/A*	N/A*
<b>Total Measures</b>	<b>64</b>	<b>51</b>

# About this summary

This Summary Annual Report has been extracted from the full Annual Report and is designed to give an overview for the year to 30 June 2023 of the Council's operations as a legal entity and also those for its "group", including its subsidiary and Council controlled organisations. The Annual Report contains detailed information about our finances and service performance and was adopted by Council and approved for issue on 25 October 2023.

This summary report has been prepared in accordance with PBE FRS 43: Summary Financial Statements. It cannot be expected to provide as complete understanding as provided by the full financial report of the financial and service performance, financial position and cash flow of the Council.

The full financial statements for the year ended 30 June 2023 have been prepared in accordance with NZ GAAP. They comply with NZ PBE IPSAS Tier 1, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

The functional and presentation currency of Palmerston North City Council is New Zealand dollars with all values rounded to the nearest thousand dollars. The Council of Palmerston North City confirms that all other statutory requirements relating to the Annual Report have been complied with.

Audit New Zealand has audited the full financial statements and issued an unmodified on the audited information, excluding the statement of service provision. A qualified opinion was issued relating to the statement of service provision with respect verifying the response times and number of complaints relating to the wastewater system, drinking water supply, and performance of the stormwater system, as well as the time taken to attend and resolve water supply and wastewater faults. A qualified opinion was also issued in relation to roading in relation to smooth travel exposure due to the last full survey of roads being conducted in excess of 2 years ago. This Summary has been examined by Audit New Zealand for consistency with the full Annual Report.

The full Annual Report can be obtained from our website [pncc.govt.nz](https://pncc.govt.nz)

# Independent Auditor's Report

AUDIT NEW ZEALAND  
Mana Arotake Aotearoa

**To the readers of Palmerston North City Council and group's summary of the annual report for the year ended 30 June 2023**

The summary of the annual report was derived from the annual report of the Palmerston North City Council and group (the City Council) for the year ended 30 June 2023.

The summary of the annual report comprises the following information on pages 8 to 37:

- the summary statement of financial position as at 30 June 2023;
- the summaries of the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended 30 June 2023;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary of non-financial performance measures.

**OPINION**

In our opinion:

- the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with PBE FRS-43: Summary Financial Statements.

However, the summary non-financial performance measures information includes a limitation in scope to the equivalent extent as the full audited statement of service provision. This limitation is explained below in The full annual report and our audit report thereon section.

**SUMMARY OF THE ANNUAL REPORT**

The summary of the annual report does not contain all the disclosures required by generally accepted accounting practice in New Zealand. Reading the

summary of the annual report and the auditor's report thereon, therefore, is not a substitute for reading the full annual report and the auditor's report thereon.

**THE FULL ANNUAL REPORT AND OUR AUDIT REPORT THEREON**

We expressed a qualified opinion on the statement of service provision and an unmodified opinion on the other audited information in the full annual report for the year ended 30 June 2023 in our auditor's report dated 25 October 2023. The basis for our qualified opinion on the statement of service provision is explained below.

**BASIS FOR OUR OPINION ON THE AUDITED INFORMATION**

The City Council is required to report against the performance measures set out in the Non-Financial Performance Measure Rules 2013 (the Rules) made by the Secretary for Local Government. These include mandatory performance measures relating to:

- The number of complaints received in relation to its wastewater system, drinking water supply, and performance of the stormwater system (per 1,000 connections);
- The time taken to attend and resolve water supply and wastewater faults; and
- The average quality of ride on a sealed local road network, measured by smooth travel exposure.

We identified significant issues with these performance measures as described below. As a result of these issues, our work was limited and there were no practicable audit procedures we could apply to obtain assurance over the reported results for these performance measures. Our opinion on the number of complaints received and the time taken to attend and resolve water supply and wastewater faults was also qualified in the 2022 performance year.



### **Total number of complaints received – Water supply, Wastewater, and Stormwater**

The Department of Internal Affairs has issued guidance to assist local authorities in applying the Rules, including how to count complaints. Our audit testing found that the City Council has not been counting complaints in accordance with this guidance and the City Council's method of counting was likely to have understated the actual number of complaints received. Furthermore, complete records for all complaints made to the City Council were not available.

### **Attendance and resolution times – Water supply, and Wastewater**

The City Council does not have systems to accurately record and support the time taken to attend and resolve water supply and wastewater faults.

### **Road condition - Smooth travel exposure**

The City Council has not undertaken a road smoothness survey within the last two financial years. As a result, the City Council does not have any up-to-date data to calculate the average quality of ride on the sealed local road network measured by smooth travel exposure. The actual quality of ride on the sealed local road network may differ materially from the result reported.

Additionally, our auditor's report on the full annual report also includes emphasis of matter paragraphs drawing attention to the following matters in the full annual report:

### **Inherent uncertainties in the measurement of greenhouse gas emissions.**

The City Council has chosen to include a measure of its greenhouse gas (GHG) emissions in its performance information. In considering the public interest in climate change related information, we draw attention to page 108 of the statement of service provision in the full annual report, which outlines the inherent uncertainty in the reported GHG emissions. Quantifying GHG emissions is subject to inherent uncertainty because the scientific knowledge and methodologies to determine the emissions factors and processes to calculate or estimate quantities of GHG sources are still evolving, as are GHG reporting and assurance standards.

### **Uncertainty over the water services reform programme**

Note 38 to the full annual report outlines developments in the Government's water services reform programme. The Water Services Entities Act 2022, as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023 and the Water Services Legislation Act 2023 on 31 August 2023, establishes ten publicly

owned water services entities to carry out responsibilities for the delivery of three waters services and related assets and liabilities currently controlled by local authorities. Water services entities' establishment dates are staggered, with all the water services entities becoming operational between 1 July 2024 and 1 July 2026. The financial impact of the water services reform on the City Council remains uncertain until the relevant water services entity's establishment date is known, and the allocation schedule of assets, liabilities, and other matters to be transferred is approved.

This matter is disclosed on page 34 of the summary financial statements.

## **COUNCIL'S RESPONSIBILITY FOR THE SUMMARY OF THE ANNUAL REPORT**

The Council is responsible for preparing the summary of the annual report which includes preparing summary statements, in accordance with PBE FRS-43: Summary Financial Statements.

## **AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on whether the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the full annual report and whether the summary statements comply with PBE FRS 43: Summary Financial Statements.

Our opinion on the summary of the annual report is based on our procedures, which were carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit and our report on the disclosure requirements we have performed a limited assurance engagement related to the City Council's debenture trust deed. This engagement is compatible with those independence requirements.

Other than in our capacity as auditor, we have no relationship with, or interests in the City Council or its subsidiaries and controlled entities.

**Debbie Perera**

**Audit New Zealand**

On behalf of the Auditor-General  
Palmerston North, New Zealand  
25 October 2023



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

[pncc.govt.nz](http://pncc.govt.nz) / [info@pncc.govt.nz](mailto:info@pncc.govt.nz) / 06 356 8199 / Te Marae o Hine – 32 The Square, Palmerston North