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**PALMERSTON NORTH CITY COUNCIL**

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**AGENDA**  
**COMMITTEE OF COUNCIL**

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**1PM, WEDNESDAY 23 JUNE 2021**  
COUNCIL CHAMBER, FIRST FLOOR, CIVIC ADMINISTRATION BUILDING  
32 THE SQUARE, PALMERSTON NORTH

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## MEMBERSHIP

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**Grant Smith (Chairperson)**

**Aleisha Rutherford (Deputy Chairperson)**

**Brent Barrett**

**Patrick Handcock ONZM**

**Susan Baty**

**Leonie Hapeta**

**Rachel Bowen**

**Lorna Johnson**

**Zulfiqar Butt**

**Billy Meehan**

**Vaughan Dennison**

**Orphée Mickalad**

**Renee Dingwall**

**Karen Naylor**

**Lew Findlay QSM**

**Bruno Petrenas**

**Agenda items, if not attached, can be viewed at:**

[pncc.govt.nz](http://pncc.govt.nz) | Civic Administration Building, 32 The Square  
City Library | Ashhurst Community Library | Linton Library

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**Heather Shotter**

**Chief Executive, Palmerston North City Council**

**Palmerston North City Council**

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Private Bag 11034, 32 The Square, Palmerston North





## **COMMITTEE OF COUNCIL MEETING**

23 June 2021

### **ORDER OF BUSINESS**

**1. Apologies**

**2. Notification of Additional Items**

Pursuant to Sections 46A(7) and 46A(7A) of the Local Government Official Information and Meetings Act 1987, to receive the Chairperson's explanation that specified item(s), which do not appear on the Agenda of this meeting and/or the meeting to be held with the public excluded, will be discussed.

Any additions in accordance with Section 46A(7) must be approved by resolution with an explanation as to why they cannot be delayed until a future meeting.

Any additions in accordance with Section 46A(7A) may be received or referred to a subsequent meeting for further discussion. No resolution, decision or recommendation can be made in respect of a minor item.

**3. Declarations of Interest (if any)**

Members are reminded of their duty to give a general notice of any interest of items to be considered on this agenda and the need to declare these interests.

#### 4. Confirmation of Minutes Page 7

“That the minutes of the Committee of Council meeting of 9 June 2021 Part I Public be confirmed as a true and correct record.”

#### 5. Adoption of Council strategic direction Page 35

Memorandum, presented by David Murphy, Acting Chief Planning Officer and Julie Macdonald, Strategy and Policy Manager.

#### 6. Approving the 2021-31 10-Year Plan (Long-term Plan) for Audit Page 141

Memorandum, presented by David Murphy, Acting Chief Planning Officer and Stuart McKinnon, Chief Financial Officer.

#### 7. Exclusion of Public

To be moved:

“That the public be excluded from the following parts of the proceedings of this meeting listed in the table below.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for passing this resolution

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public as stated in the above table.

Also that the persons listed below be permitted to remain after the public has been excluded for the reasons stated.

*[Add Third Parties]*, because of their knowledge and ability to assist the meeting in speaking to their report/s [or other matters as specified] and answering questions, noting that such person/s will be present at the meeting only for the items that relate to their respective report/s [or matters as

specified].





## PALMERSTON NORTH CITY COUNCIL

### Minutes of the Committee of Council Meeting Part I Public, held in the Council Chamber, First Floor, Civic Administration Building, 32 The Square, Palmerston North on 09 June 2021, commencing at 9.00am

**Members Present:** Grant Smith (The Mayor) (in the Chair) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

**Apologies:** Councillor Bruno Petrenas (early departure).

Councillor Susan Baty left the meeting at 10.32am after consideration of clause 28.5. She entered the meeting again at 11.02am after consideration of clause 28.10. She was not present for clauses 28.6 to 28.10 inclusive.

Councillor Bruno Petrenas left the meeting at 12.08pm after consideration of clause 28.15. He entered the meeting again at 3.15pm after consideration of clause 28.20. He was not present for clauses 28.16 to 28.20 inclusive.

Councillor Aleisha Rutherford left the meeting at 3.21pm after consideration of clause 28.22. She entered the meeting again at 3.22pm after consideration of 28.23. She was not present for clause 28.23.

Councillor Billy Meehan left the meeting at 4.25pm after consideration of clause 28.29. He was not present for the motion that was lost prior to clause 29.

#### **26-21 Apologies – 9 June 2021**

Moved Grant Smith, seconded Aleisha Rutherford.

#### **The COMMITTEE RESOLVED**

1. That the Committee receive the apologies.

Clause 26-21 above was carried 16 votes to 0, the voting being as follows:

#### **For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

**27-21 Confirmation of Minutes**

Moved Grant Smith, seconded Aleisha Rutherford.

The **COMMITTEE RESOLVED**

1. That the minutes of the Committee of Council meeting of Tuesday 25 May 2021 Part I Public be confirmed as a true and correct record, as amended.

Clause 27-21 above was carried 16 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

**28-21 Deliberations report for the 2021-2031 10-Year plan and associated strategies and policies**

Memorandum, presented by David Murphy, Acting Chief Planning Officer and Stuart McKinnon, Chief Financial Officer.

Moved Grant Smith, seconded Aleisha Rutherford.

The **COMMITTEE RESOLVED**

1. That the submissions received on the consultation material for the proposed Long Term Plan (10-Year Plan), Financial and Infrastructure Strategies, Revenue and Financing Policy, Development Contributions Policy, Significance and Engagement Policy and the proposed Strategies for achieving Council's vision and goals be received.

Clause 28.1-21 above was carried 16 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

Moved Grant Smith, seconded Aleisha Rutherford.

2. That the Report on Palmy 2021-31 consultation presented to the Committee of Council on 9 June 2021 (Attachment 1) be received.

Clause 28.2-21 above was carried 16 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.



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Moved Grant Smith, seconded Aleisha Rutherford.

3. That the Summary of Submissions Report presented to the Committee of Council on 9 June 2021 (Attachment 2) be received.

Clause 28.3-21 above was carried 16 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

Moved Grant Smith, seconded Aleisha Rutherford.

4. That the Summary of the 2021 Residents' Survey presented to the Committee of Council on 9 June 2021 (Attachment 3) be received.

Clause 28.4-21 above was carried 16 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

That the Chief Executive be instructed to prepare a draft of the final 10-Year Plan for consideration by the Committee of Council on 23 June 2021 and that it incorporate the following presented to the Committee of Council on 9 and 11 June 2021:

*Officers presented the funding decision most recently received from Waka Kotahi (NZTA) and proposed three options to Elected Members. In discussion Elected Members selected Option 2 which is rates neutral.*

Moved Grant Smith, seconded Rachel Bowen.

That, in response to the NZTA funding announcement:

Option 2: Maintain Council share of the costs for the proposed shortfall - \$1.14M.

Clause 28.5-21 above was carried 13 votes to 3, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

**Against:**

Councillors Brent Barrett, Susan Baty and Renee Dingwall.

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The meeting adjourned at 10.32am.

The meeting resumed at 10.53am.

Councillor Susan Baty was not present when the meeting resumed.

Moved Grant Smith, seconded Aleisha Rutherford.

That the proposed capital carry forwards outlined in Attachment 4 be included in the draft of the final 10-Year Plan 2021-2031.

Clause 28.6-21 above was carried 14 votes to 1, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Bruno Petrenas and Aleisha Rutherford.

**Against:**

Councillor Karen Naylor.

Moved Grant Smith, seconded Aleisha Rutherford.

That the proposed operating carry forwards outlined in Attachment 4 be included in the draft of the final 10-Year Plan 2021-2031.

Clause 28.7-21 above was carried 15 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

Moved Grant Smith, seconded Aleisha Rutherford.

That the proposed Council decisions outlined in Attachment 4 be included in the draft of the final 10-Year Plan 2021-2031.

Clause 28.8-21 above was carried 14 votes to 1, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Bruno Petrenas and Aleisha Rutherford.

**Against:**

Councillor Karen Naylor.

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Moved Grant Smith, seconded Aleisha Rutherford.

That the proposed budget changes as outlined in Attachment 4 be included in the draft of the final 10-Year Plan 2021-2031.

Clause 28.9-21 above was carried 15 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

Moved Grant Smith, seconded Aleisha Rutherford.

That the amendments to programmes as outlined in Attachment 5 (items 1-4) be included in the draft of the final 10-Year Plan 2021-2031.

Clause 28.10-21 above was carried 14 votes to 1, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Bruno Petrenas and Aleisha Rutherford.

**Against:**

Councillor Karen Naylor.

Councillor Susan Baty entered the meeting at 11.02am.

Moved Grant Smith, seconded Aleisha Rutherford.

That the amendments to programmes as outlined in Attachment 4 (item 2.2) be included in the draft of the final 10-Year Plan 2021-2031.

Clause 28.11-21 above was carried 16 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

**The COMMITTEE RESOLVED as a result of public consultation:**

**Additional recommendations over \$100,000**

*In discussion Elected Members noted the '5 Dips' stretch of road had been identified as an issue for some time. The resolution below is a response to community concern regarding road safety.*



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Moved Brent Barrett, seconded Bruno Petrenas.

That Programme 159 (Kelvin Grove Road - Safety Improvements - 5 Dips) be moved from Years 4-6 to Years 2-4 in the 10-Year Plan.

Clause 28.12-21 above was carried 15 votes to 1, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Bruno Petrenas and Aleisha Rutherford.

**Against:**

Councillor Karen Naylor.

Moved Brent Barrett, seconded Karen Naylor.

**Note:**

On a motion:

“That programme 990 (CET Arena Southern Grandstand) be moved from Years 3-6 to Years 6-9 of the 10-Year Plan”

the motion was lost 5 votes to 11, the voting being as follows:

**For:**

Councillors Brent Barrett, Rachel Bowen, Zulfiqar Butt, Renee Dingwall and Karen Naylor.

**Against:**

The Mayor (Grant Smith) and Councillors Susan Baty, Vaughan Dennison, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Bruno Petrenas and Aleisha Rutherford.

*Elected Members agreed to defer the Bonsai Shade House project to Year 4.*

Moved Grant Smith, seconded Aleisha Rutherford.

That the Bonsai Shade House Upgrade (Programme 1127) be deferred to Year 4 of the 10-Year plan.

Clause 28.13-21 above was carried 14 votes to 2, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

**Against:**

Councillors Brent Barrett and Orphée Mickalad.

*Elected Members requested that the Aviaries project be deferred against other priorities and to provide the opportunity for community buy-in.*

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Moved Grant Smith, seconded Aleisha Rutherford.

That the Aviaries Upgrade (Programme 1838) be deferred to Year 4 of the 10-Year plan.

Clause 28.14-21 above was carried 11 votes to 5, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Susan Baty, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Billy Meehan, Orphée Mickalad, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

**Against:**

Councillors Brent Barrett, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison and Lorna Johnson.

Moved Karen Naylor, seconded Rachel Bowen.

**Note:**

Motion to allocate \$880k (not currently in plan) to Programme 1127 Bonsai Shade House Upgrade.

On a motion:

“That the additional \$880K budget for the Bonsai Shade House is removed”

the motion was lost 5 votes to 11, the voting being as follows:

**For:**

Councillors Leonie Hapeta, Billy Meehan, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

**Against:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Lorna Johnson and Orphée Mickalad.

*Elected Members requested a budget be allocated to the Bonsai Shade House project in the 10-Year Plan, and that external funding be sought. This will be allocated to Programme 1127.*

Moved Lorna Johnson, seconded Vaughan Dennison.

That a budget of \$530K be included in the 10-Year plan for the Bonsai House and Shade House in Year 4, and that external funding be sought.

Clause 28.15-21 above was carried 15 votes to 1, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Bruno Petrenas and Aleisha Rutherford.

**Against:**

Councillor Karen Naylor.

The meeting adjourned at 12.08pm.

The meeting resumed at 1.15pm.

Councillor Bruno Petrenas was not present when the meeting resumed.

*Elected Members requested additional short-term resources to keep up with the maintenance of trees in the city.*

Moved Grant Smith, seconded Aleisha Rutherford.

That the Tree Maintenance budget increase by \$100K in Year 1, and be referred to the Annual Plan process for consideration in Year 2 and 3.

Clause 28.16-21 above was carried 14 votes to 1, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad and Aleisha Rutherford.

**Against:**

Councillor Karen Naylor.

*Council's response to the housing needs in the city should be proportionate. There is low risk as we have partners, a model that is working and social housing is an asset for which rent is received and which can be sold if demand decreases.*

Moved Lorna Johnson, seconded Renee Dingwall.

That the budget for programme 1459 (Social Housing) be doubled to \$14M and that the timing remain the same (over Years 3-5).

Clause 28.17-21 above was carried 10 votes to 5, the voting being as follows:

**For:**

Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Renee Dingwall, Patrick Handcock ONZM, Lorna Johnson, Billy Meehan, Orphée Mickalad and Aleisha Rutherford.

**Against:**

The Mayor (Grant Smith) and Councillors Vaughan Dennison, Lew Findlay QSM, Leonie Hapeta and Karen Naylor.

*The resolution below establishes a fund to enable the re-tooling of the Council to operate in a low carbon environment. It provides an additional resource for officers to deliver more environmentally sustainable and low carbon projects.*

Moved Brent Barrett, seconded Aleisha Rutherford.

That Programme 1888 (Low Carbon Fund) be increased to \$1M per year from Y1 with inflation adjustments in Y2 and Y3, and include annual reporting to

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Council on funding outcomes.

Clause 28.18-21 above was carried 9 votes to 6, the voting being as follows:

**For:**

Councillors Brent Barrett, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson and Aleisha Rutherford.

**Against:**

The Mayor (Grant Smith) and Councillors Susan Baty, Lew Findlay QSM, Billy Meehan, Orphée Mickalad and Karen Naylor.

*The resolution below provides funding for a staff position to provide additional support in the climate action space to contribute to our strategic goals.*

Moved Aleisha Rutherford, seconded Lorna Johnson.

That \$100K operating budget for Programme 1920 Climate Change and Sustainability Resource be established from Year 1.

Clause 28.19-21 above was carried 12 votes to 3, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Patrick Handcock ONZM, Lorna Johnson, Billy Meehan, Orphée Mickalad and Aleisha Rutherford.

**Against:**

Councillors Lew Findlay QSM, Leonie Hapeta and Karen Naylor.

Moved Karen Naylor, seconded Leonie Hapeta.

**Note:**

On a motion:

“That Council commits to the principle of the Living Wage for staff and contractors and that this is phased in over 3 years, starting by paying a Living Wage to staff from 1 January 2022 to be funded within existing budgets”

the motion was lost 1 votes to 14, the voting being as follows:

**For:**

Councillor Karen Naylor.

**Against:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad and Aleisha Rutherford.

*Council should set the example as a good employer. Many of our lowest paid staff are essential workers who worked throughout lockdown.*

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Moved Lorna Johnson, seconded Zulfiqar Butt.

That Council commits to the principle of the Living Wage for staff and contractors and that this is phased in over 3 years, starting by paying a Living Wage to staff from 1 Jan 2022.

Clause 28.20-21 above was carried 12 votes to 3, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Rachel Bowen, Zulfiqar Butt, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor and Aleisha Rutherford.

**Against:**

Councillors Susan Baty, Vaughan Dennison and Leonie Hapeta.

The meeting adjourned at 2.59pm.

The meeting resumed at 3.13pm.

Councillor Bruno Petrenas entered the meeting again at 3.15pm.

**GOAL 1**

*Elected Members requested to bring forward the Year 2 budget of \$309K to Year 1 for safety improvements, to improve safety on a busy and accident prone road.*

Moved Lorna Johnson, seconded Brent Barrett.

That with reference to Programme 1803 Neighbourhood streetscape improvements, delivery of Highbury Avenue safety improvements commence in Year 1 of the 10-Year plan.

Clause 28.21-21 above was carried 15 votes to 1, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Bruno Petrenas and Aleisha Rutherford.

**Against:**

Councillor Karen Naylor.

*In discussion Elected Members requested a streetlight as a safety measure to improve visibility of the Old West Road/ Turitea Road corner within budget, in response to a specific submission request.*

Moved Aleisha Rutherford, seconded Zulfiqar Butt.

That the request for a street light at the Old West/Turitea Road junction be included in Year 2 of the Low Cost Low Risk Safety Programme.

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Clause 28.22-21 above was carried 15 votes to 0, with 1 abstention, the voting being as follows:

**For:**

Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

**Abstained:**

The Mayor (Grant Smith).

Councillor Aleisha Rutherford left the meeting at 3.21pm.

*Elected Members requested provision of a temporary solution for Johnstone Drive pedestrians now, rather than waiting another four years for a permanent solution (as part of the larger cycling project).*

Moved Rachel Bowen, seconded Brent Barrett.

That a temporary solution to the Johnstone Drive connectivity issues be delivered in Year 1 from existing budgets.

Clause 28.23-21 above was carried 15 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor and Bruno Petrenas.

Councillor Aleisha Rutherford entered the meeting again at 3.22pm.

*To improve clarity on the intention of the recommendation the following words were added.*

Moved Aleisha Rutherford, seconded Lorna Johnson.

**Amendment**

That the words in red: “**That the Council note their support of the**” Manawatū Tram Trust city centre EV trackless tram project “**and that the support**” be included in the 2021-2031 Long Term Plan” be added to the following resolution.

Clause 28.24-21 above was carried 16 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

*The proposal fits within Council’s remit to advocate and collaborate with Horizons Regional Council to improve public transport in the city, and responds to the Tram Trust’s submission.*

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Moved Patrick Handcock ONZM, seconded Leonie Hapeta.

That Council note their support of the Manawatū Tram Trust city centre EV trackless tram project and that the support be included in the 2021-2031 Long Term Plan.

Clause 28.25-21 above was carried 16 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

*It is Council's role to encourage the use of bus services within the city.*

Moved Brent Barrett, seconded Lorna Johnson.

That Council investigates options and value proposition of providing free bus fares for priority groups including youth, elderly and low-income persons, in time to inform the fare review process led by Horizons Regional Council.

Clause 28.26-21 above was carried 16 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

*The following motion was put to ensure greater oversight and visibility of the work on the city's footpaths.*

Moved Grant Smith, seconded Aleisha Rutherford.

That a Footpaths & Pathways Programme Report be provided to Council annually as a part of Programme 1679.

Clause 28.27-21 above was carried 16 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

*The following resolution ensures that submissions relating to District Plan decisions will be considered during the District Plan Review 2022.*

Moved Aleisha Rutherford, seconded Grant Smith.

That any submissions relating to District Plan decisions be referred to staff for consideration with the review of the next District Plan.



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Clause 28.28-21 above was carried 16 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

**GOAL 2**

*The following motion was put in response to a request from the Chinese community in Palmerston North to have a Chinese garden at the Victoria Esplanade.*

Moved Grant Smith, seconded Leonie Hapeta.

That Council explore the feasibility of siting a Chinese Garden within Victoria Esplanade, noting that this does not commit Council to the establishment or location of a garden.

Clause 28.29-21 above was carried 16 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

Councillor Billy Meehan left the meeting at 4.25pm.

Moved Grant Smith, seconded Aleisha Rutherford.

**Note:**

On a motion:

“That Council establish an Esplanade Masterplan Project Steering Group, the Terms of Reference to include the Bonsai House, Shade House, Aviaries and Chinese Garden and to be approved by Council”

the motion was lost 7 votes to 8, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Susan Baty, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Bruno Petrenas and Aleisha Rutherford.

**Against:**

Councillors Brent Barrett, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lorna Johnson, Orphée Mickalad and Karen Naylor.

**29-21**

**Extension of Meeting**

Moved Grant Smith, seconded Aleisha Rutherford.

**The COMMITTEE RESOLVED**

To extend the meeting to 5.00pm 11 June 2021 (standing order 2.1.7).

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Clause 29-21 above was carried 15 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Orphée Mickalad, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

The meeting adjourned at 4.40pm.

The meeting resumed at 9.02am on Friday 11 June.

- Members Present:** Grant Smith (The Mayor) (in the Chair) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.
- Apologies:** Councillor Renee Dingwall, and Councillor Leonie Hapeta (early departure).

Councillor Leonie Hapeta left the meeting at 12.11pm after consideration of clause 31.12. She was not present for clauses 31.13 to 31.34 inclusive.

Councillor Billy Meehan left the meeting at 3.32pm after consideration of clause 31.28. He was not present for clauses 31.29 to 31.34 inclusive.

**30-21 Apologies – 11 June 2021**

Moved Grant Smith, seconded Aleisha Rutherford.

The **COMMITTEE RESOLVED**

1. That the Committee receive the apologies.

Clause 30-21 above was carried 15 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

**31-21 Deliberations report for the 2021-2031 10-Year plan and associated strategies and policies**

5. That the Chief Executive be instructed to prepare a draft of the final 10-Year Plan for consideration by the Committee of Council on 23 June 2021 and that it incorporate the following presented to the Committee of Council on 9 June 2021:

The **COMMITTEE RESOLVED** as a result of public consultation:

*As a result of submissions from various sports codes, Elected Members requested the following to ensure there is a good framework around decision making, and that language used is understood.*

Moved Leonie Hapeta, seconded Billy Meehan.

That Council review the Palmerston North City Council-specific parts of the Regional Sports Facility Plan by approving \$50K in Year 1 and retaining \$21K in Year 2 (Programme 1913); the Year 2 review to include all Territorial Authorities in the region.

That Council retain the Regional Sports Facility Plan-related programmes and review budgets and timing of these programmes following the completion of the Regional Sports Facility Plan review above.

Clause 31.1-21 above was carried 15 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

*A feasibility assessment would allow for the assessment of a potential site and provide clarity as to whether to progress to the next stage of the project.*

Moved Vaughan Dennison, seconded Lew Findlay QSM.

That \$50K be allocated in Year 1 to complete a feasibility assessment for a covered artificial green for bowls (Programme 1891).

Clause 31.2-21 above was carried 14 votes to 1, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Bruno Petrenas and Aleisha Rutherford.

**Against:**

Councillor Karen Naylor.

*The proposal can be accommodated within existing budgets and would provide parents/carers with a fenced playground option for their children.*

Moved Aleisha Rutherford, seconded Leonie Hapeta.

That fencing be installed around the Junior Playground at Awapuni Park within existing budgets (Programme 1852), in Year 1.

Clause 31.3-21 above was carried 15 votes to 0, the voting being as follows:

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**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

Moved Rachel Bowen, seconded Karen Naylor.

**Note:**

On a motion:

“That a new budget of up to \$45K for fencing of the Junior Playground at Victoria Esplanade be established for Year 2”

the motion was lost 5 votes to 10, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Rachel Bowen, Zulfiqar Butt, Patrick Handcock ONZM and Lorna Johnson.

**Against:**

Councillors Brent Barrett, Susan Baty, Vaughan Dennison, Lew Findlay QSM, Leonie Hapeta, Billy Meehan, Orphée Mickalad, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

*Submissions and social media posts indicate many families with young children use the child sized toilets at Downtown and the Plaza en route to the Esplanade. This proposal can be accommodated within the existing budget.*

Moved Aleisha Rutherford, seconded Grant Smith.

That up to \$10K from Programme 186 be allocated to provide a child size toilet within the existing Esplanade playground toilets.

Clause 31.4-21 above was carried 14 votes to 1, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

**Against:**

Councillor Susan Baty.

The meeting adjourned at 10.31am.

The meeting resumed at 10.46am.

*The following motion was proposed to strengthen maintenance responses with an external partnership.*

Moved Brent Barrett, seconded Leonie Hapeta.

That Programme 1249 (Arapuke Forest Park - Contribution to Manawatu Mountain Bike Club) be adjusted to co-fund building of a shelter in Year 1, and

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deliver additional trail maintenance from Year 2 onwards, by increasing the funding to \$80K, \$61K, \$63K, \$66K, \$69K, \$72K, \$73K, \$75K, \$76K, \$78K in Year 1 – Year 10 of the 10-Year Plan.

Clause 31.5-21 above was carried 13 votes to 2, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Bruno Petrenas and Aleisha Rutherford.

**Against:**

Councillors Lew Findlay QSM and Karen Naylor.

*The Sports Event Partnership Fund has not been increased (except inflation adjustments) for some time and is oversubscribed with multi-year agreements, both confirmed and requested. The following proposal would accommodate new emerging sports without risking key agreements already in place. Increased funding would allow the city to compete in the events market.*

Moved Vaughan Dennison, seconded Grant Smith.

That the Sports Event Partnership Fund be increased by \$40K from Year 1.

Clause 31.6-21 above was carried 10 votes to 5, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Susan Baty, Zulfiqar Butt, Vaughan Dennison, Patrick Handcock ONZM, Leonie Hapeta, Billy Meehan, Orphée Mickalad, Bruno Petrenas and Aleisha Rutherford.

**Against:**

Councillors Brent Barrett, Rachel Bowen, Lew Findlay QSM, Lorna Johnson and Karen Naylor.

*The motion below was put to provide an asset for the community- to have access to mobility scooters at the Esplanade/ He Ara Kotahi.*

Moved Karen Naylor, seconded Rachel Bowen.

That a budget of up to \$20K in Year 1 be established to support the development and operation of a mobility scooter service for the Esplanade/He Ara Kotahi, and that the Chief Executive seek external funding to additionally support that programme.

Clause 31.7-21 above was carried 15 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

*The following resolution gives the community a level of assurance around how trees are managed in public spaces in future years.*

Moved Brent Barrett, seconded Aleisha Rutherford.

That an action be added to the Council's City Shaping Plan to establish a Tree Policy focused on Council administered streets and public spaces.

Clause 31.8-21 above was carried 15 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

*A focussed piece of work was requested by Elected Members to objectively explore options for the future of pedestrians and vehicles on George Street.*

Moved Brent Barrett, seconded Aleisha Rutherford.

That an action be added in the City Shaping Plan to work with stakeholders, including George Street business owners, to provide Council with options for the future of George Street.

Clause 31.9-21 above was carried 15 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

*Elected Members requested the following placeholder budget towards completion of the city boundary entranceways project.*

Moved Vaughan Dennison, seconded Bruno Petrenas.

That a new City Boundary Entranceways Phase Two budget of \$100K be included in Year 2 to complete installation of wayfinding, site information and lighting and that the Chief Executive seek external partnership funding to support this programme.

Clause 31.10-21 above was carried 9 votes to 6, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Patrick Handcock ONZM, Orphée Mickalad and Bruno Petrenas.

**Against:**

Councillors Lew Findlay QSM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Karen Naylor and Aleisha Rutherford.

### GOAL 3

*The following was proposed on the advice of the Safety Advisory Board that city ambassadors contribute to a greater sense of vibrancy and friendliness in the city, while also providing a deterrent to lower level crime.*

Moved Patrick Handcock ONZM, seconded Leonie Hapeta.

That the City Ambassadors Programme 1539 be included in the 10-Year plan, and that \$70K is allocated in Year 1 and \$35K in each of Years 2 and 3.

Clause 31.11-21 above was carried 9 votes to 6, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Susan Baty, Vaughan Dennison, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Billy Meehan, Orphée Mickalad and Bruno Petrenas.

**Against:**

Councillors Brent Barrett, Rachel Bowen, Zulfiqar Butt, Lorna Johnson, Karen Naylor and Aleisha Rutherford.

*Elected Members requested clarity that rents would be restricted to a maximum of 25% of the tenant's benefit or NZ superannuation, which is considered to be an affordable level by Kāinga Ora.*

Moved Lorna Johnson, seconded Zulfiqar Butt.

That Council's Social Housing chapter of the Connected Communities Plan is amended to restrict rents to a maximum of 25% of the tenant's benefit or NZ superannuation.

Clause 31.12-21 above was carried 15 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

The meeting adjourned at 12.11pm.

The meeting resumed at 1.16pm.

Councillor Leonie Hapeta was not present when the meeting resumed.

*Elected Members noted several submissions relating to emergency housing and requested that options relating to a night shelter be considered.*

Moved Lorna Johnson, seconded Aleisha Rutherford.

That the Chief Executive investigate options for a night shelter and report back to Community Development Committee in the 21/22 year with options,

timeframes and costs of a feasibility study.

Clause 31.13-21 above was carried 14 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Lew Findlay QSM, Patrick Handcock ONZM, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

*The following motion was proposed to address the needs of an increasingly diverse community and the costs of providing these.*

Moved Lorna Johnson, seconded Rachel Bowen.

That the budget for Community Small Grants is increased by an extra \$30,000 pa.

Clause 31.14-21 above was carried 13 votes to 1, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Lew Findlay QSM, Patrick Handcock ONZM, Lorna Johnson, Billy Meehan, Orphée Mickalad, Bruno Petrenas and Aleisha Rutherford.

**Against:**

Councillor Karen Naylor.

*The following motion was proposed to appropriately address an increased need in the community from both city and suburb-based organisations.*

Moved Lorna Johnson, seconded Rachel Bowen.

That the budget for Strategic Priority Grants is increased by an extra \$80,000 pa.

Clause 31.15-21 above was carried 14 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Lew Findlay QSM, Patrick Handcock ONZM, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

*Lead sector organisations are recognised as key partners in delivering strategic goals, and the following resolution considers a more permanent funding model for these organisations.*

Moved Lorna Johnson, seconded Rachel Bowen.

That in developing the Community Funding Policy, the option of sector lead organisations in the arts, social and environmental sectors being removed from the contestable funding model and offered a funding contract instead, (similar to the arrangement in place for Sports Manawatu for the sports sector) is explored and reported back to committee when the policy is



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considered. (To include with their agreement: Community Services Council, Environment Network Manawatu, Manawatu Multicultural Council, Square Edge Community Arts and Creative Sounds (The Stomach)).

Clause 31.16-21 above was carried 14 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Lew Findlay QSM, Patrick Handcock ONZM, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

*Improved liaison with this sector (using a similar model to the Disability Reference Group) would address the requests of a growing sector to have more of a voice in Council matters.*

Moved Lorna Johnson, seconded Lew Findlay QSM.

That the Chief Executive establish a Seniors Reference Group to liaise between the seniors in our community and Council and that the terms of reference of the group are developed and reported to Community Development Committee in the 21/22 year.

Clause 31.17-21 above was carried 14 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Lew Findlay QSM, Patrick Handcock ONZM, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

*The following motion was put in response to a specific submission request from MaLGRA.*

Moved Lorna Johnson, seconded Rachel Bowen.

That the Chief Executive works with MaLGRA to identify a suitable safe drop-in space for members of the rainbow community, including our own Council buildings.

Clause 31.18-21 above was carried 13 votes to 0, with 1 abstention, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Lew Findlay QSM, Patrick Handcock ONZM, Lorna Johnson, Billy Meehan, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

**Abstained:**

Councillor Orphée Mickalad.

*The following resolution was proposed to enable MaLGRA to be specifically recognised as a community of interest of the People and Community portfolio.*

Moved Lorna Johnson, seconded Rachel Bowen.

That an elected member from the People and Community portfolio is appointed to be the lead contact person for MaLGRA, and that the rainbow community is added to the terms of reference of that portfolio.

Clause 31.19-21 above was carried 14 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Lew Findlay QSM, Patrick Handcock ONZM, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

*The following motion was put in response to a specific submission request from the PPCT, to facilitate better understanding of the impact of Council decisions on the Pasifika community.*

Moved Lorna Johnson, seconded Rachel Bowen.

That the Chief Executive establish a Pasifika Reference Group to liaise between the Pasifika community and Council and that the terms of reference of the group are developed and reported to Community Development Committee in the 21/22 year.

Clause 31.20-21 above was carried 14 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Lew Findlay QSM, Patrick Handcock ONZM, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

*Elected members noted the Pasifika community is not included in the terms of reference of the People and Community portfolio and asked that it be added.*

Moved Lorna Johnson, seconded Rachel Bowen.

That an elected member from the People and Community portfolio is appointed to be the lead contact person for the Pasifika community, and that the Pasifika community is added to the terms of reference of that portfolio.

Clause 31.21-21 above was carried 14 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Lew Findlay QSM, Patrick Handcock ONZM, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

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*The following motion was put so that the matters raised in the group submissions mentioned below are referred to the Community Facilities Policy review.*

Moved Grant Smith, seconded Aleisha Rutherford.

That the Pasifika Centre Facility submission and the MMC Multi-Cultural House submission be referred to the Council's Community Facilities Review.

Clause 31.22-21 above was carried 14 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Lew Findlay QSM, Patrick Handcock ONZM, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

*Elected Members noted that the library exists to meet the needs of those in the community with the greatest need. Fines create a barrier; when this is removed participation and literacy increase.*

Moved Lorna Johnson, seconded Rachel Bowen.

That Programme 1941 Library Fines Removal for Youth and Children starts from Year 1.

Clause 31.23-21 above was carried 14 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Lew Findlay QSM, Patrick Handcock ONZM, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

*To improve clarity on the intention of the recommendation the following words were deleted/added.*

Moved Rachel Bowen, seconded Aleisha Rutherford.

**Amendment**

That the Chief Executive ~~report back on the implications of implementing a diversity and inclusion policy specifically targeted at~~ provide a workshop for Elected Members regarding ways to addressing racism and discrimination in our community.

Clause 31.24-21 above was carried 12 votes to 2, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Lew Findlay QSM, Patrick Handcock ONZM, Billy Meehan, Orphée Mickalad, Bruno Petrenas and Aleisha Rutherford.

**Against:**

Councillors Lorna Johnson and Karen Naylor.

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*The following motion was put so that Council could consider its role in addressing the grievances raised in submissions relating to racism and discrimination in the community.*

Moved Orphée Mickalad, seconded Lorna Johnson.

That the Chief Executive provide a workshop for Elected Members regarding ways to address racism and discrimination in our community.

Clause 31.25-21 above was carried 14 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Lew Findlay QSM, Patrick Handcock ONZM, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

**GOAL 4**

*Elected Members requested the following resolution to ensure an appropriate investment is made to maintain local biodiversity in this longstanding programme.*

Moved Brent Barrett, seconded Lorna Johnson.

That Programme 1145 (Green Corridors) be increased to \$90K in Year 1, with inflation adjustments in Years 2 – 10.

Clause 31.26-21 above was carried 14 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Lew Findlay QSM, Patrick Handcock ONZM, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

The meeting adjourned at 2.58pm.

The meeting resumed at 3.15pm.

*The following motion was put in an effort to support low income households.*

Moved Brent Barrett, seconded Lorna Johnson.

That Officers report to Council on costs and options for provision of one free rubbish bag per month to low income households.

Clause 31.27-21 above was carried 14 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Lew Findlay QSM, Patrick Handcock ONZM, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

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*The resolution below request that officers assist schools in working towards the target of making Palmerston North carbon neutral.*

Moved Zulfiqar Butt, seconded Brent Barrett.

That an action be added to the Climate Change Plan for Officers to work with local schools to support them in developing emissions tracking at a school level.

Clause 31.28-21 above was carried 13 votes to 0, with 1 abstention, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Lew Findlay QSM, Patrick Handcock ONZM, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

**Abstained:**

Councillor Vaughan Dennison.

Councillor Billy Meehan left the meeting at 3.32pm.

*Council has a unique opportunity to link with Horizons Regional Council and the Manawatū River Leaders Accord to support the Massey Botanical Gardens Masterplan, which has the potential in the long term to deliver for the city as a good strategic fit.*

Moved Grant Smith, seconded Aleisha Rutherford.

That Council agree to fund \$50K towards the Massey Botanical Gardens Masterplan in Year 1; that Council provide written support of the project in funding requests to Horizons Regional Council and the Manawatū River Leaders Accord; and that funding in Years 2 and 3 be referred to the Annual Plan process.

Clause 31.29-21 above was carried 12 votes to 1, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Lew Findlay QSM, Patrick Handcock ONZM, Lorna Johnson, Orphée Mickalad, Bruno Petrenas and Aleisha Rutherford.

**Against:**

Councillor Karen Naylor.

*The following motion was put to ensure alignment with potential funding partners for these programmes.*

Moved Brent Barrett, seconded Lorna Johnson.

That Programme 2055 (Investigate Envirohub) be moved from Year 3 to Year 2, and Programme 1959 (Envirohub and Resource Recovery Centre) be moved

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from Years 4 and 5 to Years 3 and 4.

Clause 31.30-21 above was carried 13 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Lew Findlay QSM, Patrick Handcock ONZM, Lorna Johnson, Orphée Mickalad, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

**GOAL 5**

*The following motion was put in response to a specific submission request, a contribution to which is appropriate from a defence hub city.*

Moved Grant Smith, seconded Vaughan Dennison.

That Council approve a \$5,000 contribution towards the New Zealand World Wars Memorial in Le Quesnoy, France.

Clause 31.31-21 above was carried 11 votes to 2, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Lew Findlay QSM, Patrick Handcock ONZM, Lorna Johnson, Orphée Mickalad, Bruno Petrenas and Aleisha Rutherford.

**Against:**

Councillors Brent Barrett and Karen Naylor.

Moved Karen Naylor, seconded Bruno Petrenas.

**Note:**

On a motion:

“That programme 281 CAB Renewals is amended so that \$500K from each of Years 1 and 2 is deferred to Years 4 and 5”

the motion was lost 4 votes to 9, the voting being as follows:

**For:**

Councillors Rachel Bowen, Lorna Johnson, Karen Naylor and Bruno Petrenas.

**Against:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Zulfiqar Butt, Vaughan Dennison, Lew Findlay QSM, Patrick Handcock ONZM, Orphée Mickalad and Aleisha Rutherford.

Moved Karen Naylor, seconded Vaughan Dennison.

**Note:**

On a motion:

“That programme 1949 Civic and Cultural Precinct Masterplan is deferred to Year 2”

the motion was lost 4 votes to 9, the voting being as follows:

**For:**

Councillors Vaughan Dennison, Lorna Johnson, Karen Naylor and Bruno Petrenas.

PALMERSTON NORTH CITY COUNCIL

**Against:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Lew Findlay QSM, Patrick Handcock ONZM, Orphée Mickalad and Aleisha Rutherford.

**The COMMITTEE RESOLVED:**

*Measurement data needs to be collected to better assess the needs of the community and to assist with active transport planning.*

Moved Brent Barrett, seconded Aleisha Rutherford.

That \$200K be included in Years 2, 3, 5 and 6 to Programme 2026 Active Transport Measurement.

Clause 31.32-21 above was carried 7 votes to 6, the voting being as follows:

**For:**

Councillors Brent Barrett, Susan Baty, Zulfiqar Butt, Lew Findlay QSM, Patrick Handcock ONZM, Orphée Mickalad and Aleisha Rutherford.

**Against:**

The Mayor (Grant Smith) and Councillors Rachel Bowen, Vaughan Dennison, Lorna Johnson, Karen Naylor and Bruno Petrenas.

*The deliverability review identified Council was yet to allocate budget for the top end of Cuba Street Urban Streetscape; this resolution ensures there is a budget for the completion of this project.*

Moved Grant Smith, seconded Vaughan Dennison.

That \$300K be included in Year 4 and \$1,500K be included in Year 5 for Programme 1440 Cuba Street Urban Streetscape Improvements Stage 4.

Clause 31.33-21 above was carried 11 votes to 2, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Lew Findlay QSM, Patrick Handcock ONZM, Orphée Mickalad, Bruno Petrenas and Aleisha Rutherford.

**Against:**

Councillors Lorna Johnson and Karen Naylor.

Moved Grant Smith, seconded Aleisha Rutherford.

That the Chief Executive be instructed to prepare a draft of the final 10-Year Plan for consideration by the Committee of Council on 23 June 2021 and that it incorporate the recommendations of the Committee of Council meeting of 9 June 2021 [substantive].

Clause 31.34-21 above was carried 12 votes to 1, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar

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PALMERSTON NORTH CITY COUNCIL

Butt, Vaughan Dennison, Lew Findlay QSM, Patrick Handcock ONZM, Lorna Johnson, Orphée Mickalad, Bruno Petrenas and Aleisha Rutherford.

**Against:**

Councillor Karen Naylor.

The meeting finished at 4.41pm

Confirmed 23 June 2021

**Chairperson**



## MEMORANDUM

**TO:** Committee of Council

**MEETING DATE:** 23 June 2021

**TITLE:** Adoption of Council strategic direction

**PRESENTED BY:** David Murphy, Acting Chief Planning Officer and Julie Macdonald, Strategy and Policy Manager

**APPROVED BY:** David Murphy, Acting Chief Planning Officer

### RECOMMENDATION(S) TO COUNCIL

1. That the strategies and plans listed below and attached to the memorandum titled 'Adoption of Council strategic direction', presented to the Committee of Council on 23 June 2021, are adopted as the strategic direction underpinning the 2021-31 10-Year plan:

**Te rautaki tāone auaha, tāone tiputipu – Innovative and growing city strategy**

**Te whakatipu tāone – City growth plan**

**Te whakawhanake ōhanga – Economic development plan**

**Ngā aranukunuku – Transport plan**

**Te tāone whakaihihi, tapatapahi ana – Creative and liveable city strategy**

**Te hāpori hohe – Active communities plan**

**Te toi me te taonga tuku iho – Arts and heritage plan**

**Te ahuahu tāone – City shaping plan**

**Te rautaki hāpori tūhonohono – Connected communities strategy**

**Te hāpori tūhonohono – Connected communities plan**

**Te hāpori haumarū – Safe communities plan**

**He rautaki tāone tautāiao – Eco city strategy**

**Te āhuarangi hurihuri – Climate change plan**

**Te tāiao toitū – Environmental sustainability plan**

**Te Awa o Manawatū – Manawatū River plan**

**Te whakaaraara rawa – Resource recovery plan**

**Ngā wai – Waters plan**

Te mana urungi papai tonu me te kirirautanga hohe – Governance and active citizenship plan

#### RECOMMENDATION(S) TO COMMITTEE

2. That the strategies and plans attached to the memorandum titled 'Adoption of Council strategic direction', presented to the Committee of Council on 23 June 2021, replace the strategic framework adopted by Council on 11 June 2018.
3. That the executive summaries of the Asset Management Plans, listed below and attached to the memorandum titled 'Adoption of Council strategic direction', presented to the Committee of Council on 23 June 2021', are received:

AMP Parks and reserves

AMP Property

AMP Resource recovery

AMP Stormwater

AMP Transport

AMP Wastewater

AMP Water

4. That the City Spatial Plan, attached to the memorandum titled 'Adoption of Council strategic direction', presented to the Committee of Council on 23 June 2021, is received.
5. That any minor amendments are able to be made to the attached documents prior to publication with the agreement of the Mayor and Deputy Mayor.

#### 1. ISSUE AND BACKGROUND

Over the past 18 months elected members and staff have worked together to develop a strategic framework reflecting the Council vision *He iti rā, he iti pounamu – Small city benefits, big city ambition*. This work built on the previous 10-year plan, endorsing the strategic goals and further streamlining the documents which describe all the aspirations of the Council for the city and community.

During the 10-year plan consultation process Council asked the community *He aha rā ngā whāinga matua? What really matters?* Members of our community made more than 700 submissions providing feedback on Council's goals and aspirations. The deliberations process provided Council with an opportunity to respond to these submissions and elected members made some significant changes to the proposed direction. The adoption of the strategic framework will shape advice and decision-making over the next three years and provide a foundation for the 10-year plan.

### City Spatial Plan

The City Spatial Plan (attached) provides a visual representation of the strategic direction. The alignment of the Regional Freight Ring Road shown on the City Spatial Plan was raised by submitters. The Regional Freight Ring Road on the City Spatial Plan has been updated to reflect the outcome of the Waka Kotahi Palmerston North Integrated Transport Investment Project Network Options Report by removing the dashed alignment at Stoney Creek Road and confirming the alignment at Ashhurst-Bunnythorpe Road (which was previously a dashed alignment).

### Asset Management Plans

The executive summaries of the Asset Management Plans (AMPs) (attached) provide an overview of the infrastructure supporting Council's activities. They provide a high level picture of the challenges and risks of each activity and describe the planned investment in the next 10 years.

## 2. NEXT STEPS




Detailed monitoring reports will track progress towards achieving all of the goals and targets described in the strategies and plans. All advice to Council will be underpinned by the contribution of proposed actions to the strategic direction.

## 3. COMPLIANCE AND ADMINISTRATION

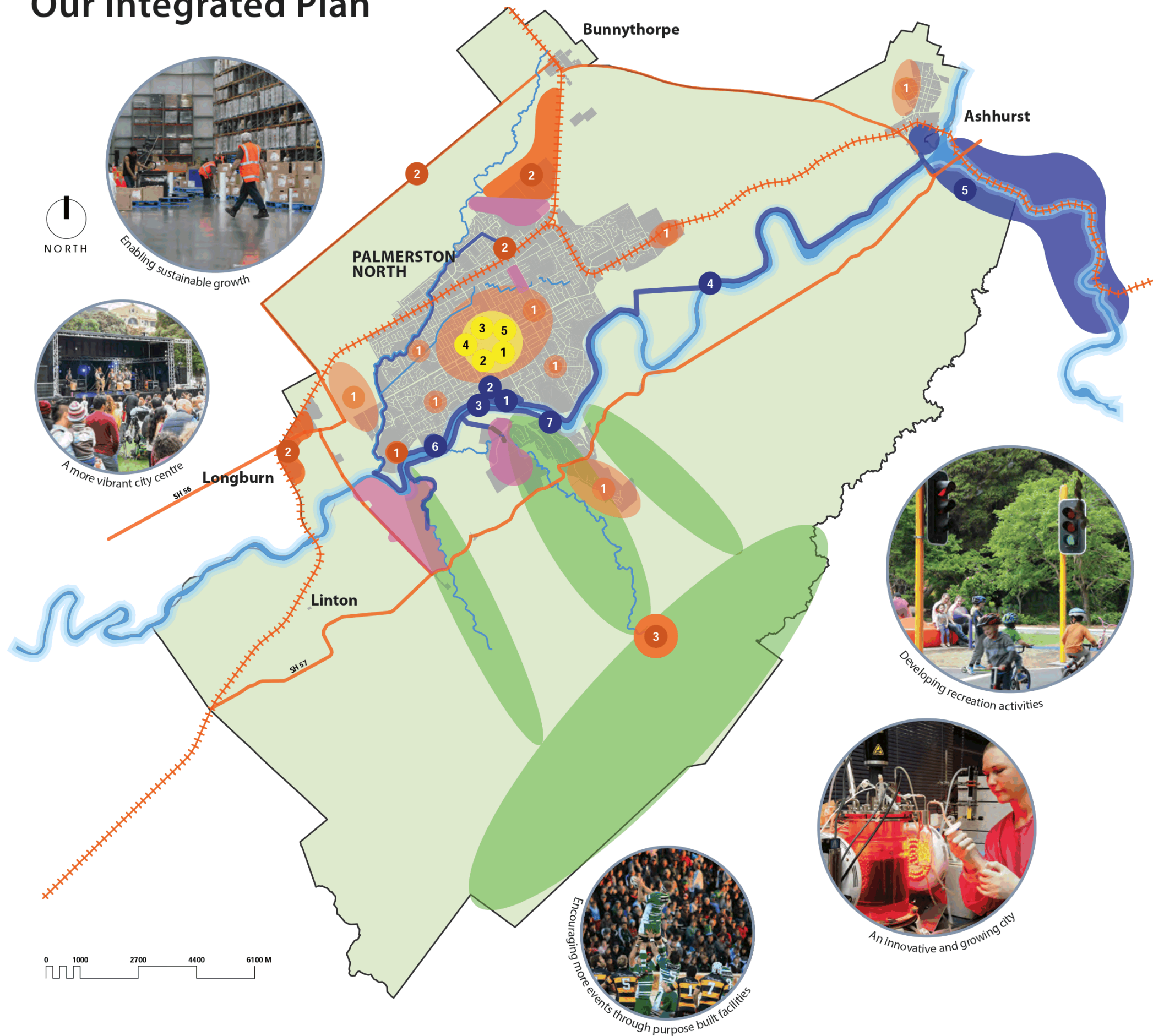
Does the Committee have delegated authority to decide?	No
Are the decisions significant?	Yes
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these actions?	Yes
Are the recommendations inconsistent with any of Council's policies or plans?	No
The recommendations contribute to Goal 5: A Driven and Enabling Council	
The recommendations contribute to the outcomes of the Driven and Enabling Council Strategy	
Contribution to strategic direction and to social, economic, environmental and cultural well-	The adoption of Council's strategic framework contributes to good governance and to transparent decision-making. The strategic direction is the outcome of an extensive consultation process and contributes to all aspects of community wellbeing.

being	
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**ATTACHMENTS**

1. Strategies and plans (attached separately) 
2. City Spatial Plan [↓](#) 
3. Summary of Asset Management Plans [↓](#) 

# Our Integrated Plan



## Mapping the Future

### Sustainable Growth (Industrial)

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

### Sustainable Growth (Residential)

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

### City Centre Transformation

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

### Manawatū River Network

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

### City-wide Partners:

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

### Manawatū River & Tributaries

### Biodiversity Corridors

### Urban Areas

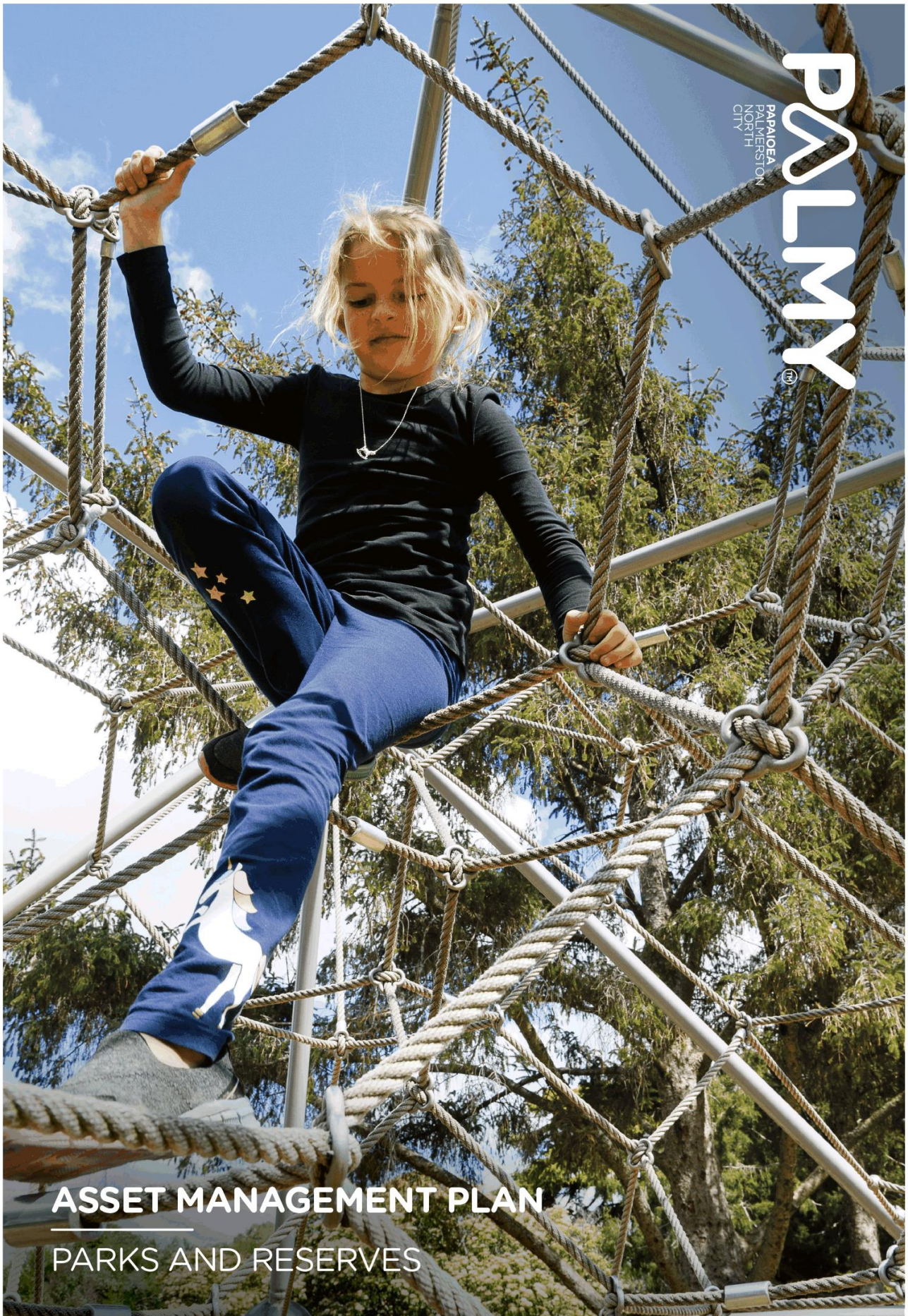
### Rail

### Regional Freight Ring Road

### City Boundary





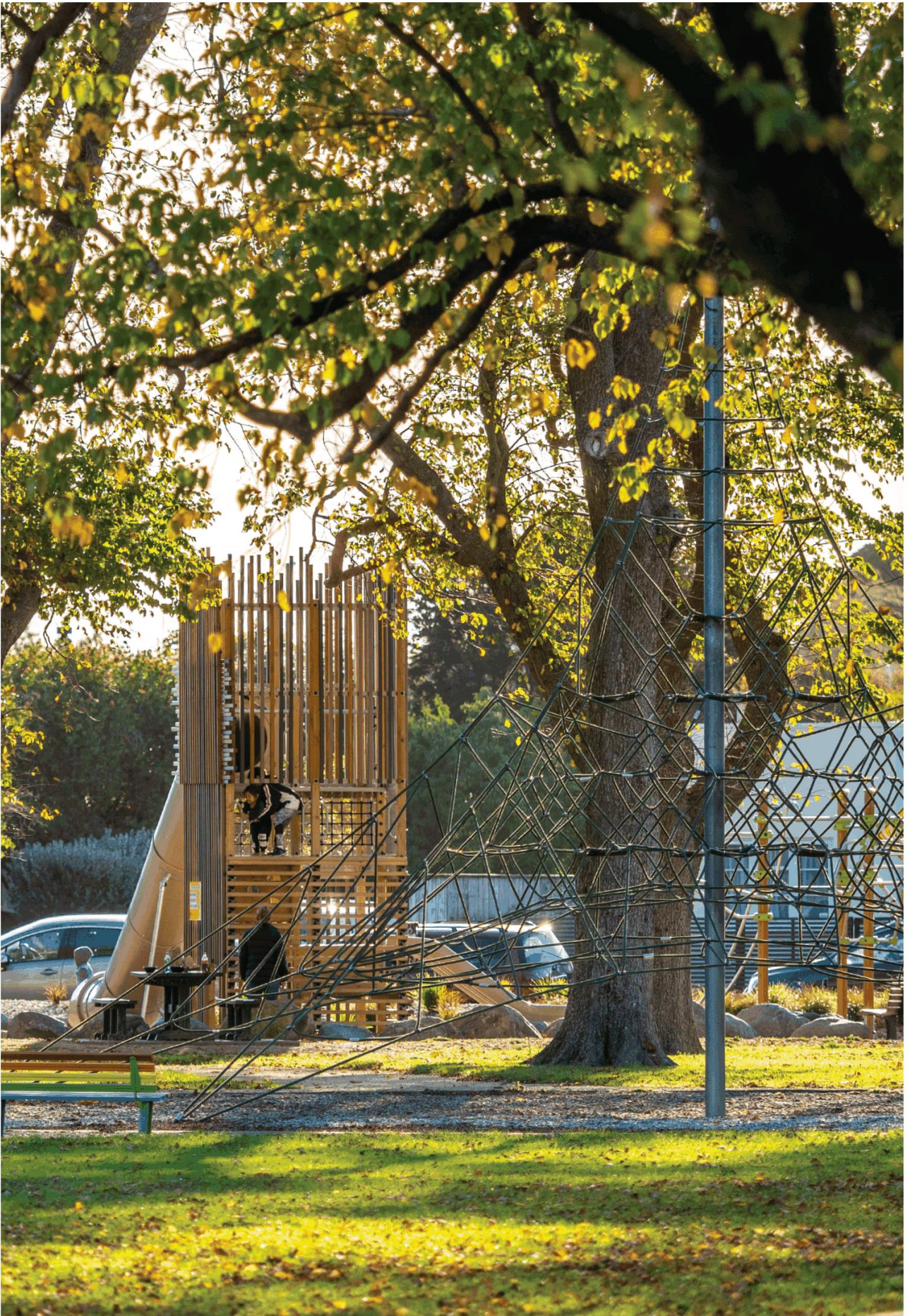


PALMY®  
PAPAIOEA  
PALMERSTON  
NORTH  
CITY

## ASSET MANAGEMENT PLAN

### PARKS AND RESERVES







# OVERVIEW

## ASSET MANAGEMENT PLAN EXECUTIVE SUMMARY **PARKS AND RESERVES**

Manaaki whenua, manaaki tangata, haere whakamua.

Tihei mauri ora!

No reira, e te haukainga Rangitāne, nei rā te mihi nui ki a koutou e pupuri nei i te mauri o te whenua me ngā wai e rere atu e rere mai.

Tēnā koutou, tēnā koutou, tēnā tātou katoa.

As our community continues to grow and our lives get busier, parks and reserves become increasingly important as places where people can play, be active and connect with one another.

Climate change will bring warmer temperatures and more frequent and intense rainfall events to our city and our management of open green spaces will need to adapt. Our trees and gardens are the lungs of our city, and managed well, they will provide places for people and wildlife to escape an increasingly harsh environment.

### **Parks and Reserves are quite diverse**

Parks and Reserves is a collection of facilities, managed by a single division of council. They range from high profile parks such Victoria Esplanade and Ashhurst Domain to remnant stands of bush such as Tutukiwi reserve. They include a vast network of walkways that enable people to move around the city easily and connect with our awa. Our sportsfields support a wide range of sports, by providing places for teams and individuals to train and play. We provide swimming pools for people to grow their water confidence, play and exercise. Our cemeteries are places to visit and celebrate the lives of our past citizens.

Our parks and reserves also play a role in the management of stormwater. They provide large areas within the city where rainfall can naturally soak into the ground and trees and other plants can absorb moisture from the soil. We undertake riparian planting to improve water quality, biodiversity and secure wetland reserves.

**This Asset Management Plan outlines how we currently manage parks and reserves, what our challenges are, changing expectations, and how we're going to prepare our city for the next 30 years to ensure that our parks and reserves support our community to be more active and connected, and support biodiversity.**

### **Our partners**

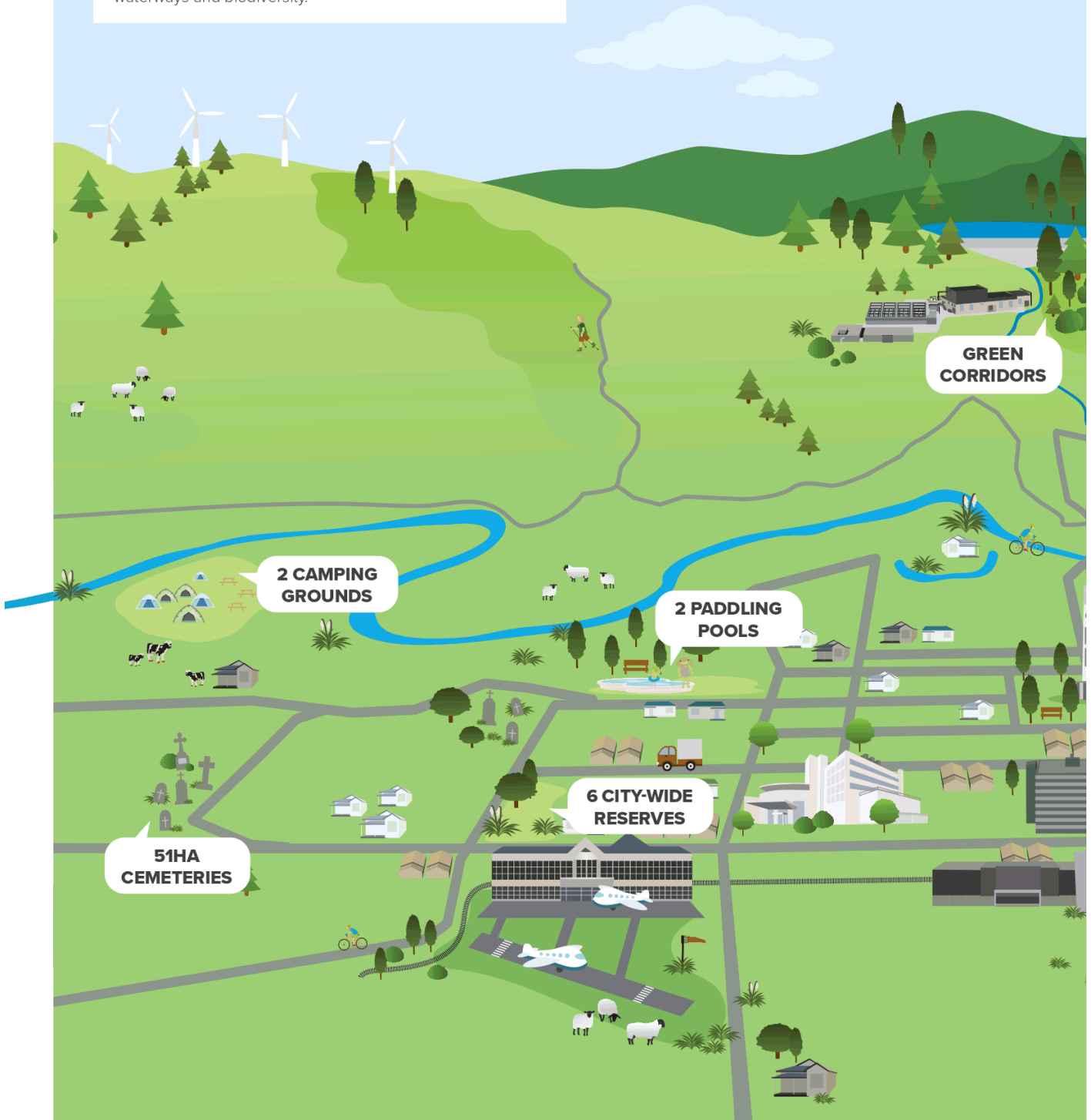
Rangitāne o Manawatū and Council work in a collaborative partnership. Since the 2016 Rangitāne o Manawatū Treaty settlement, Rangitāne have become highly involved in the development of parks and reserves of cultural significance. Rangitāne sites of significance are identified, protected, and enhanced. Current Parks and Reserves projects being developed in partnership with Rangitāne include Te Motu o Poutoa (Anzac Park) and the Manawatū River Park.

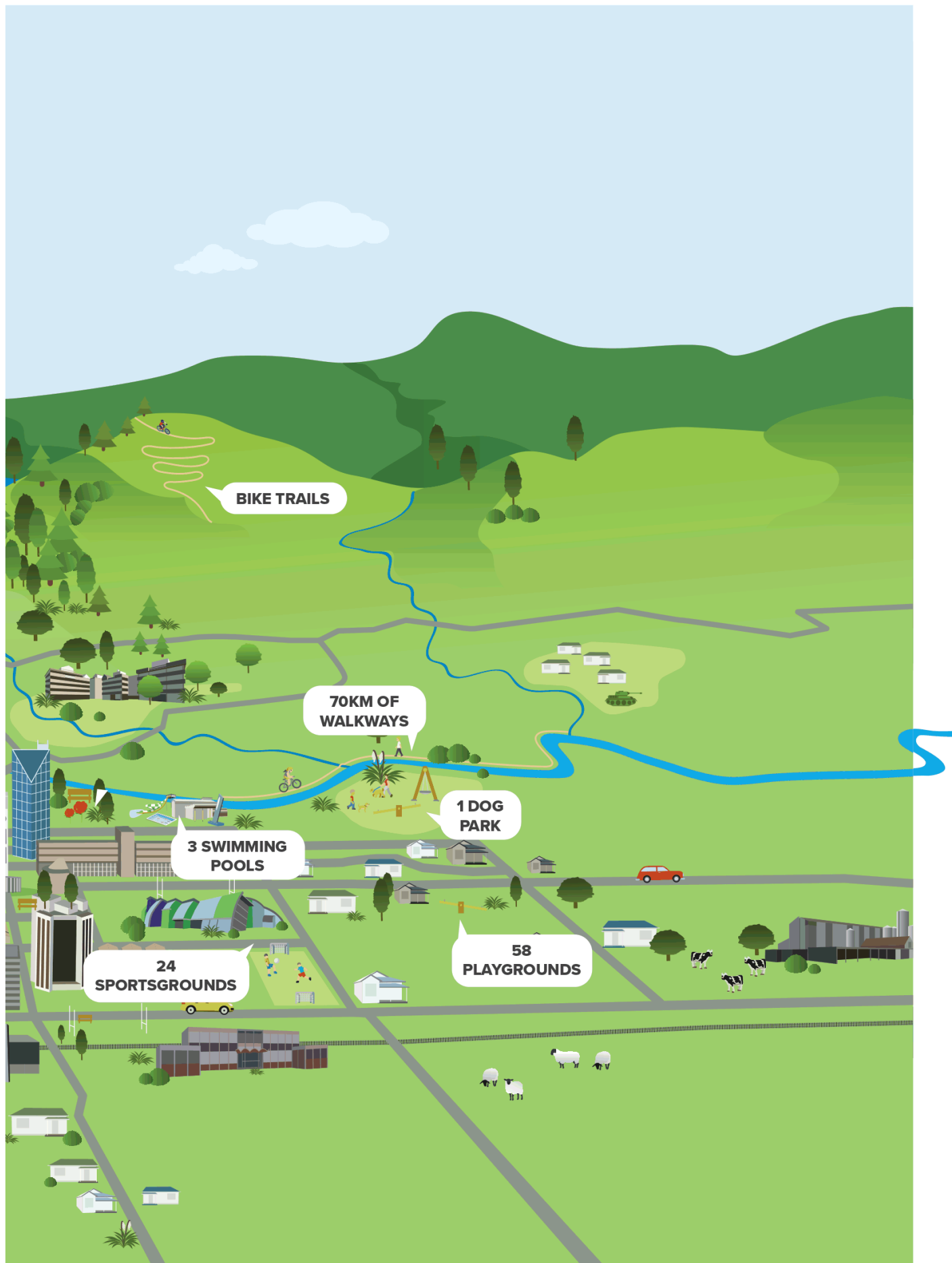
The Department of Conservation (DoC) has statutory responsibility for administering the Reserves Act. The DoC manages the Manawatū Gorge, a major ecological and recreation area, in partnership with Councils and other agencies, as part of the Te Aipiti Manawatū Gorge Biodiversity Project.



Around 6 in 10 residents visit/use parks, reserves and walkways at least once or twice a month.

Collectively parks and reserves support our community to be playful, active and connected, and help us to protect our waterways and biodiversity.







# EVERYONE IS A CUSTOMER



**WALKERS**



**BIKERS**



**FAMILIES**



**RUNNERS**



**SWIMMERS**



**SPORTS TEAMS**



**ENVIRONMENTAL GROUPS**



**CAMPERS**



**EDUCATION**

## Our level of service

A diverse range of people enjoy our parks and reserves to undertake all kinds of activity. Most users expect our parks to provide a pleasant visitor experience, to be well maintained, safe to use, spread throughout the City and easy to access.

Parks, reserves, green spaces, walkways and shared pathways are the most frequently used/visited Council facilities.

We get great feedback from our community about the facilities we provide! Overall satisfaction with parks, reserves and public spaces is high when compared to other Council services and has been consistently high for many years.

Our assets are spread throughout the city and are generally in good to very good condition.

There are very few areas where the community inform us we are not delivering the level of service they expect. The levels of service gaps relate to specific sites, rather the parks and reserves collectively. These sites are usually where demand is high and people want to use them at the same time, e.g. lane swimmers, sports training, or where high usage leads to the asset condition deteriorating quickly.



# WE HAVE SOME CHALLENGES + RISKS

## **Climate change means we need to start to do things differently**

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

## **Meeting the needs of every sport is challenging**

At present some sports are well catered for, whilst others must compete with the general public, particularly for winter sports training grounds, swimming pools and indoor courts. As new sports emerge and our community grows, demand at key times of the day and week will continue to increase. It is impractical and unaffordable to provide new sports facilities, when we know they will only be used for a small proportion of the week.

## **Our community expectations are high, and our resources limited**

As new families move into the city, and our community becomes more diverse, there is an increased expectation that Council will upgrade facilities at local parks. This is particularly true of playgrounds, where everyone wants something they have seen at another park. Unchecked, this has led an increase in level of service in some areas of the city and a decline in others. Overall the cost to maintain our parks is increasing as a result.

## **We have some other risks too**

As our population is becoming more diverse, their preferences and needs are changing. Our existing network assets and services will struggle to support the needs of all members of the community in the future.

As sections get smaller, and housing more intensive, there will be increasing pressure to provide more public reserve land in the city.

Sports are changing and there is an increased need for indoor spaces and specialised sports surfaces. Our traditional sports facilities may become less desirable.

Our city is spreading in many directions – considerable investment will be needed, and new assets will place further pressure on our existing maintenance budget.

Continued pressure to further reduce chemical usage in our parks and reserves, with alternative weed and pest control measures likely to be less effective, may lead to a decline in quality and a loss of biodiversity in some areas.

Increasing conflict between the need to use parks and reserves for stormwater detention following heavy rainfall events, and the community desire to access parks.

Unstable banks throughout the gullies in Aokautere, means we may have to modify or relocate existing walkway tracks in the future.

# WHAT'S OUR PLAN?

## **We need to make the best use of our existing assets**

We have provision standards with clear levels of service for each category of park. We will use these to manage our reserves as a network, providing a range of play experiences within each suburb. City reserves will continue to be our destination parks and we will implement signature projects at these reserves to ensure they provide unique high-quality visitor experiences.

We will continue our annual assessment of the condition and performance of assets and prioritise our resources to replace assets that have reached end of life or become unsafe. We will take the opportunity when replacing assets to address any identified levels of service gaps and improve accessibility and safety as part of the project.

In the longer term, we will increase the use of our existing assets through initiatives such as draining sports fields, installing floodlights and upgrading existing fields to artificial surfaces.

## **We will help build the resilience of our city**

We'll continue to work with our stakeholders and users to manage park assets in a manner that supports sustainable levels of service and environmental outcomes.

All new parks will include design features which will help make them more resilient to climate change. We will actively reduce our carbon footprint by choosing more sustainable materials and energy options.

We will continue to improve the resilience of our communities and the environment by planting edible trees, managing plant and animal pests and supporting community initiatives to restore our waterways and increase biodiversity.

## **We will only invest in new assets if there is a proven need**

Where demand for new assets exists, we will explore partnerships with others to provide community access to their existing assets. The regional sports facilities investment framework will be used to ensure that needs are proven, and that a new facility is financially viable in the long-term before we commit to funding a new facility, either by ourselves, or in conjunction with others.

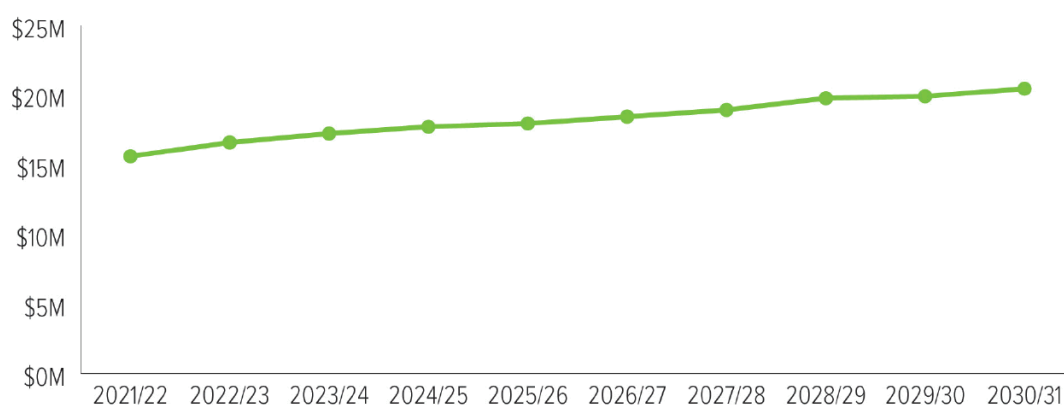
We'll work closely with landowners and our city planners to ensure new growth areas of the city make adequate provision for parks and other recreation facilities. These should meet the needs of the local neighbourhood, and support the park and walkway needs of the surrounding suburbs. The cost to buy and develop these parks in line with our provision standards needs to be fairly shared between ratepayers and owners of the new properties. There needs to be adequate funding provision in the long-term plan to maintain these parks to the agreed standard well into the future.



# HOW MUCH WILL IT COST?

To deliver existing levels of service and respond to city growth, we will continue to invest in the maintenance and renewal of existing assets and increase investment in new parks in growth areas. Our investment strategy is to deliver existing levels of service for the lowest lifecycle cost by managing costs and risks, and to only increase levels of service or invest in new service levels where there is clear alignment with achievement of the strategic direction of council, or in response to a changing external environment.

## OPERATIONS + MAINTENANCE PARKS AND RESERVES ACTIVITY



We've redeveloped our operating and maintenance budgets from a zero base, identifying the levels of staff, equipment and materials needed to deliver the agreed levels of service. This exercise revealed that whilst the annual budget needed was only slightly higher than the budget allocations in the 2018 LTP, the distribution across the activities needed to change, with more budget needed for city reserves and walkways, and less for local reserves.

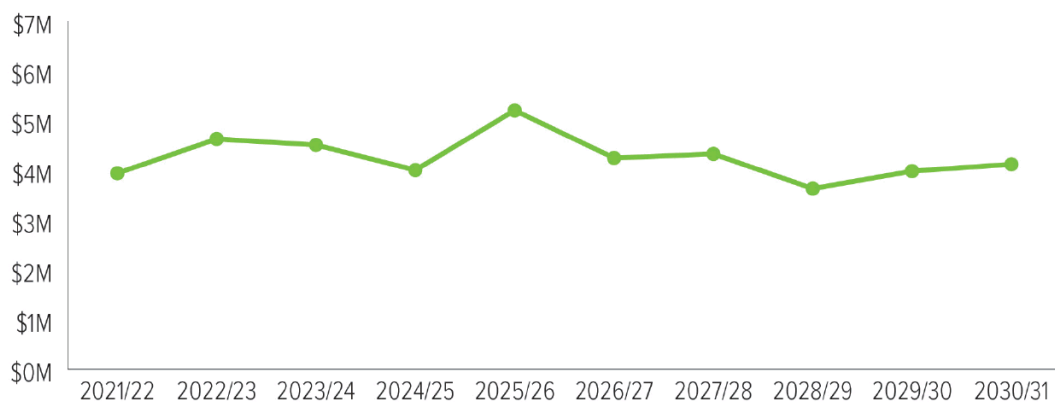
We spend more than \$11 million per year operating and maintaining the parks and reserves network. This is proposed to increase steadily as investments are made in existing assets and services to address identified level of service gaps. Overall, the largest portion of operations and maintenance costs incurred are in the maintenance of open green spaces. This includes recurring activities such as mowing lawns and maintaining gardens, trees

and furniture to ensure that parks are available for use each day and that our City Reserves are maintained to the high standard residents and visitors have come to expect.

The three council swimming pools are forecast to cost council almost \$2.5 million per annum. The largest portion of this cost is the annual payment to Community Leisure Management (CLM), who manage the pools on behalf of council, and retain the income from pool entries and programmes. The AMP assumes that council will continue to provide free swimming for supervised under five-year olds, at an annual cost to council of \$150k per annum.

Cemeteries are forecast to cost \$1.3 million per annum and generate \$700K through burial and cremation fees and the sale of plots. The main drivers of cost in this activity are grounds and gardens maintenance, the provision of burial and cremation services, and energy costs.

## RENEWAL PARKS AND RESERVES ACTIVITY



Overall existing Parks and Reserves assets are generally in good to very good condition. The annual condition assessment has identified however that some assets in our City Reserves are nearing end of life. These parks experience higher numbers of visitors than local reserves, which shortens the life of the assets, and an increase in investment is required over the next ten years.

The assessed condition and performance of Parks assets is used to assess the useful remaining life, and therefore the forecast timing of their replacement. The renewal programme is then amended to enable replacement of individual assets to occur at the same time the renewal of associated assets or as part of a capital development project.

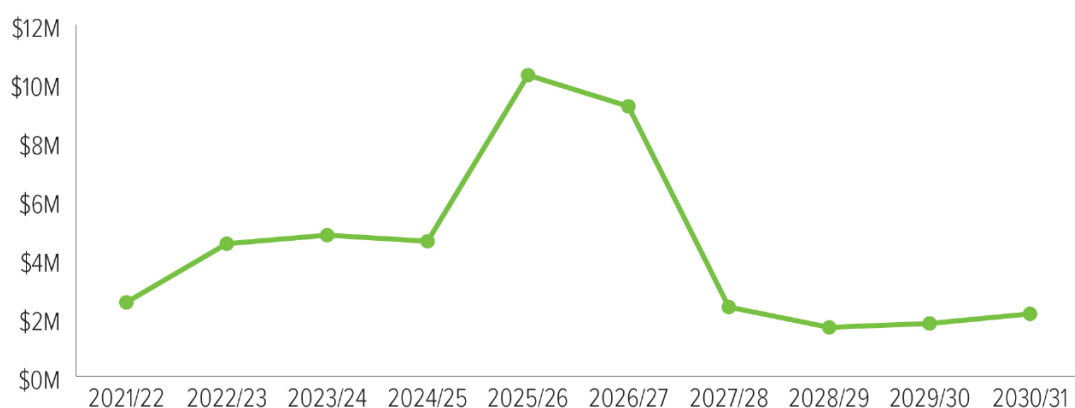
Significant renewals during the period include:

- Building, pools and plant at the Lido Aquatic facility
- Ongoing renewal of playgrounds, hard surfaces and furniture at Local Reserves (increasing from \$647k to \$828k per annum over the next 10 years as the network continues to expand)
- Renewal of artificial hockey turf surface (\$670K in 2027/28)



## CAPITAL NEW EXPENDITURE

### PARKS AND RESERVES ACTIVITY



To respond to growth of the city and to increase levels of service in some locations, we're planning to invest in parks in new areas of the city and to continue with development of the Manawatu River Park and Victoria Esplanade as destination parks for both residents and visitors to enjoy.

Significant investment is expected over the next ten years to provide new parks and reserves in growth areas of the city. More than \$11million is planned to be spent. It is currently assumed that a large portion of these costs will be met through development contributions. A challenge is forecasting the price of land, which has been rising rapidly during the preparation of this AMP.

More than \$15million is planned to be spent enhancing assets in City Reserves. The continuing development of the Manawatu River Park will see the largest investment (\$9.3m), followed by implementation of the Esplanade masterplan (\$4.3m).

Other areas of planned improvements to the Parks and Reserves network include:

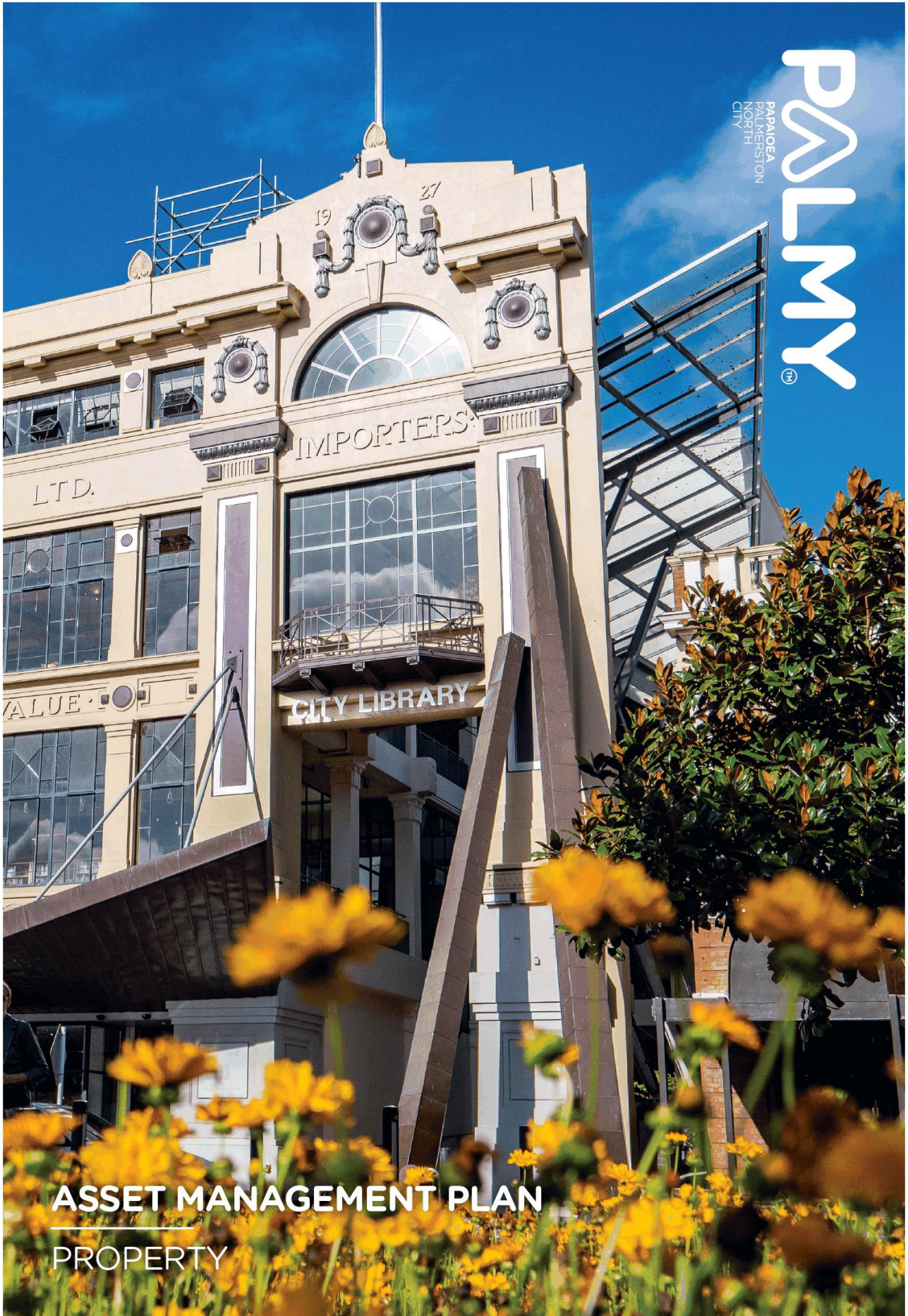
- Expansion of facilities at the Kelvin Grove Cemetery (\$2.5 million)
- Artificial football turf (\$1.8 million) – subject to external funding
- Closing existing levels of service gaps in Parks (\$0.6 million)
- Accessibility and safety improvements to reserves (\$1.0 million)



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





PALMYRA  
PALMERSTON  
NORTH  
CITY

# ASSET MANAGEMENT PLAN

## PROPERTY





# OVERVIEW

## ASSET MANAGEMENT PLAN EXECUTIVE SUMMARY **PROPERTY**

Manaaki whenua, manaaki tangata, haere whakamua.  
Tihei mauri ora!

No reira, e te haukainga Rangitāne, nei rā te mihi nui ki a koutou e  
pupuri nei i te mauri o te whenua me ngā wai e rere atu e rere mai.

Tēnā koutou, tēnā koutou, tēnā tātou katoa.

With a growing population, one of the most diverse communities in the country, and ever-changing building standards - our buildings portfolio is undergoing some major changes and will continue to do so for some time yet.

Our buildings portfolio is quite diverse. The Property Division supports other Council divisions to deliver various services from our buildings.

The Property Division is responsible for tenancy and contract management, building facilities maintenance, building compliance. The capital projects team work with various Council divisions to ensure we deliver our building capital projects on time and in the right locations.

**The purpose of the Property Asset Management Plan (AMP) is to support the goals of the various activities by ensuring that building assets are operated and maintained so that they provide the required level of service for present and future customers sustainably and cost-effectively.**

### Scope of this plan

The AMP outlines how we plan on investing in our facilities over the next 30 years.

The Asset Management Plan highlights:

- how we ensure that our asset management decisions are aligned to strategic goals and plans
- how we want to improve asset knowledge, facilities maintenance and monitor performance
- key upgrade, renewal and maintenance work programmes
- how we can minimise risk

This Plan informs our 10 Year Plan, Financial Strategy and 30 Year Infrastructure Strategy.

### Our buildings portfolio supports council goals

The buildings we own, each support services being provided from them to contribute to our vision of 'He iti rā, he iti pounamu'- 'Small city benefits, big city ambition'! We have five strategic goals that support the direction of our vision - which are to have a:

<b>GOAL 1</b> an innovative and growing city	<b>GOAL 2</b> a creative and exciting city	<b>GOAL 3</b> a connected and safe community	<b>GOAL 4</b> an eco-city	<b>GOAL 5</b> a driven and enabling council
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The five goals support the well-being of our communities to thrive economically, socially, environmentally, and culturally for now and into the future.

Our investment and strategic buildings at George Street, Main Street, Rangitikei Street, and Broadway Avenue support 23 local businesses to grow, be innovative, and contribute to our local economy – which supports goal 1.

The Central Energy Trust Arena and our cultural facilities - Globe Theatre, Creative Sounds, Square Edge, Te Manawa, and Regent Theatre provide spaces for our communities to be creative and host exciting shows and events – which supports goal 2.

We provide spaces for our communities to be connected and active through providing spaces in our community centres, community agency facilities, and sportsfield buildings, supporting us to achieve goal 3.

Our warm, dry and safe 407 housing units are a home for families and senior residents that are on a low income and experience barriers to renting in the private market – which supports us to achieve goal 3 for our communities.

Operational buildings, such as the water treatment plant, enable us to treat and deliver quality water to our residents. Our Awapuni Materials Recovery Centre ensures that we are contributing to recycling and minimising waste within our city, supporting us to achieve goal 4.

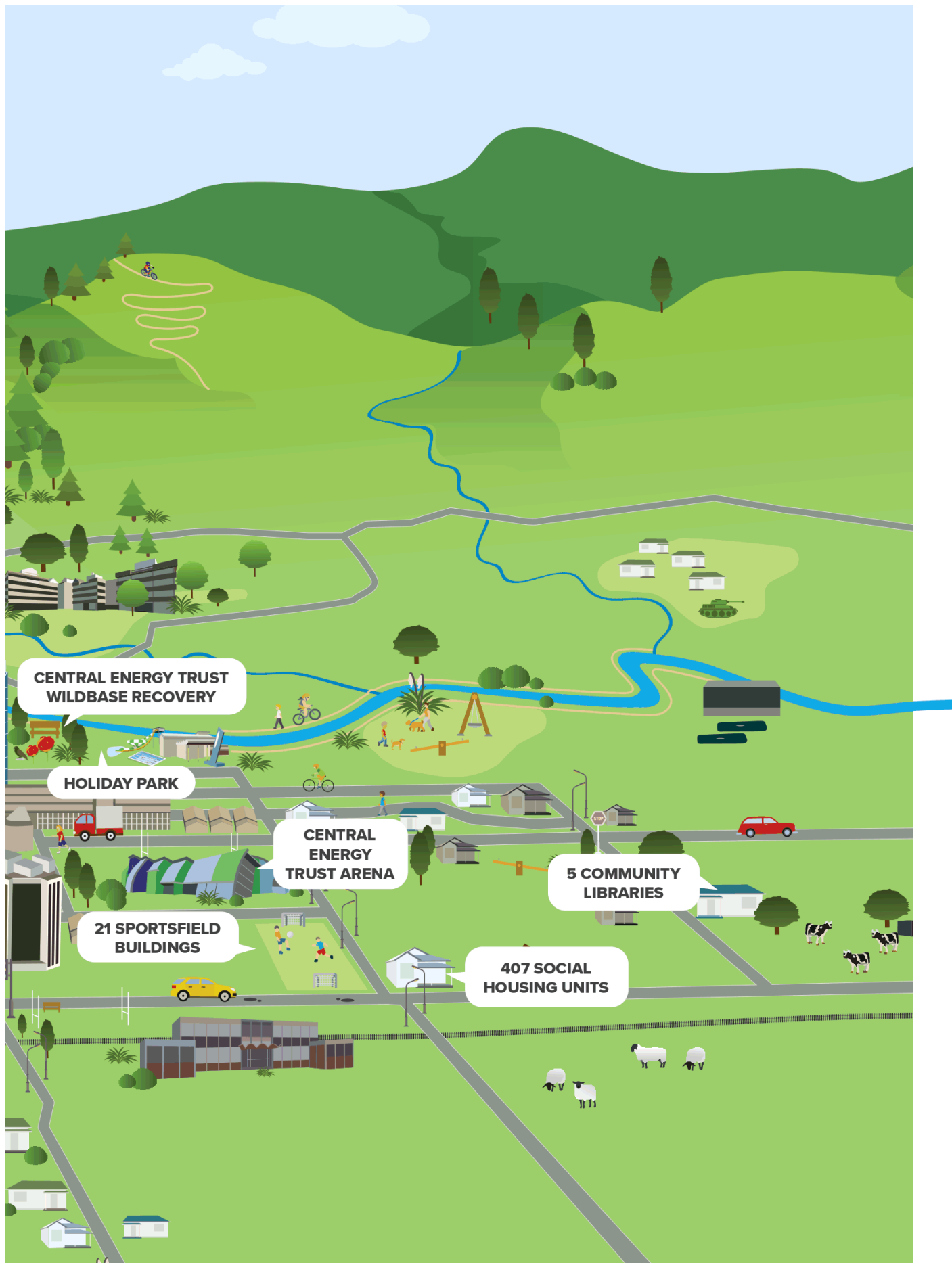


# WHAT WE PROVIDE

The Property Division supports other Council divisions to deliver various services from our facilities.

- Our Te Manawa Museum, Art Gallery and Science Centre had over 100,000 visitors over the last year
- The Globe Theatre hosted 190 performances
- CET Arena - hosted 2,500 individual bookings
- Central Energy Trust - Wildbase Recovery Centre has had 100,000 visitors since 1 July 2019
- 23 local businesses are located in our investment and strategic properties







# EVERYONE IS A CUSTOMER



**RESIDENTS**



**TOURISTS**



**FAMILIES**



**COMMUNITY  
GROUPS**



**EDUCATION**



**SENIOR  
CITIZENS**



**COUNCIL  
DEPARTMENTS**



**EVENT/SPORT  
ORGANISERS**



**SMALL BUSINESS  
OWNERS**

Our buildings cater to a wide variety of people, including our residents, small business owners, community groups, families and senior citizens, schools, council departments, event and sports organisers, as well as tourists passing through our city.

We engage with our partner Rangitāne o Manawātū – early in our projects for the planning, and development of community facilities.

We work alongside our partners within our Council Controlled Organisations (CCOs) board committees, to ensure that our facilities are fit for purpose.

We continue working with community trusts and organisations, and other key stakeholders such as Central Energy Trust, Department of Conservation and Massey University.

## Our levels of service

Although all our buildings portfolio is varied, our customers usually expect that all our buildings to be well maintained, clean, accessible, safe, warm and dry.

We have found it challenging to have consistent levels of service across all our varied property portfolio. In the past, we have acted reactively regarding building maintenance. We are now working to improve our planned maintenance so we can provide better levels of service to our communities.



# WE HAVE SOME CHALLENGES + RISKS

## **We have earthquake-prone buildings**

Our earthquake-prone buildings are the most vulnerable. If the buildings are not seismically strengthened, they will continue to pose a risk to people's safety. Major seismic strengthening work will need to be completed at Civic Administration Building (CAB), Square Edge, the Kelvin Grove Crematorium, Wastewater Treatment Plant, Regent Theatre, Keith Street Power Station. The affordability of this work is a challenge for us, as we try to strengthen our buildings to the required National Building Standards (NBS) while ensuring we spend in a financially sustainable way. The change in building standards means there is a chance that there may be more earthquake-prone buildings identified in the future.

## **Unknown future costs of asbestos management**

Asbestos is commonly found in building products in properties that were built, altered, or refurbished between the 1940s and 1990s. Most asbestos in our buildings is non – hazardous while it is intact and undisturbed. However, it poses a risk when building work needs to be carried out that makes asbestos friable. Friable asbestos is a high risk to human health. Asbestos remediation is high-cost work, as it needs specialist removal. However, due to the variation in the property portfolio, it presents a challenge in determining the true future cost of any remedial work that could be needed to remove the asbestos.

## **We are learning more about our buildings**

We are learning more about our buildings through the way we have been managing them. We are still investigating the true condition of some of our building asset components – such as our roofs. We don't fully understand the condition of the underground pipes (water, wastewater, and stormwater) at our facilities. In the past, stormwater pipes have been overloaded or blocked due to severe storm weather events. An example of this was at Arena 2 where stormwater pipes were blocked. This caused significant water damage to Arena 2 and consequent disruption, which affected community use of the building and created an unexpected cost to our budgets.

## **Deferred maintenance work needs to be addressed**

We are still catching up to deferred maintenance and renewals due to historical underfunding of maintenance and renewals work. We now have a dedicated facilities and maintenance team and capital projects team that ensures we are on the right track with investing at adequate levels for our renewals and maintenance work programmes. However, it will take many years to achieve the right balance with funding as we are still maturing in our asset management practices.



#### **Our new buildings need operational budgets**

We are building new assets and have not had operational maintenance budgets set aside – due to new builds requiring minimal maintenance in the first few years. However, this has meant that as these assets age, they start to require maintenance or renewal. We need to ensure we have sufficient budgets to maintain our new buildings and facilities. In the past, this has led to historical underfunding for some of our buildings. In some areas, this has led to surprise budget increases during the year for our renewals and upgrade work programmes. This may end up costing us more in the long run to do any remedial work and have an impact on agreed levels of service.

#### **Our approach to maintenance has been too reactive**

In the past, some of our facilities maintenance has had a run to failure maintenance strategy. With this strategy, we let some of our buildings keep running until they were about to fail – at which point we responded with reactive maintenance. We did carry out some planned maintenance, but it was planned to respond to the anticipated failure of assets. This was due to the lack of condition data-driven decision making. In the past, our budgets have been roughly 30% planned maintenance and 70% reactive maintenance. We now have a dedicated facilities maintenance team that is trying to change this. It will take some time to get the right budget balance for reactive and planned maintenance.

#### **Unaffordability of housing for local residents is an issue**

Housing demand is an ever-growing issue due to the undersupply of suitable and affordable housing locally in Palmerston North. Housing unaffordability of rent and home ownership has increased in the last four years. There is an increased demand for one to two-bedroom homes within the city. Private and public agencies provide the majority of social housing to residents. Council's strategic direction is to increase social housing supply to ensure that we can provide homes for people with the greatest needs. Council supplies 407 social housing homes.

#### **We are rescoping our direction for cultural facilities and community centres**

The Civic Cultural Precinct Masterplan aims to create better connectivity between the four key civic areas in the central business district - the CAB, Central Library, Te Manawa Museum and the Art Gallery. The masterplan work actions are on hold, due to seismic strengthening work programmes to be completed at the Central Library and the Te Manawa Complex. A feasibility study is being undertaken to understand the potential future use of the facilities to ensure that the buildings are fit for purpose to meet the future needs of the wider community.

If we are to build any new community centres, we need to understand what a community centre needs to entail –i.e., a library, a gym, a community centre all into one. We won't be able to invest in creating new community centres until there is clear strategic direction. In the meantime, we need to continue to maintain our buildings to the agreed levels of service.





#### **Climate change will have an impact on how we invest in our property**

We aim to adapt our building designs to account for higher temperatures and more frequent, extreme weather events, and changes in rainfall patterns. This will mean there will be greater demand for ventilation and cooling systems. Lowering our carbon footprint has been one of Council's main priorities, and energy use was an area we have been trying to tackle through implementing a lighting upgrade programme. Each time a building needs new lighting, we opt-in for the more sustainable LED lighting. While this requires a greater up-front cost, the use of longer-lasting and more efficient fixtures will minimise the whole of life costs and be more energy-efficient.

#### **Levels of service not always clear**

The levels of service that we are supposed to deliver throughout the building portfolio has not always been clear. This is due to a combination of old service agreements and overlooked performance targets. We need to understand the levels of service for each facility. Not all assets and components can or need to be maintained at the same level. More work is still yet to be completed in this area. Clear levels of service and performance targets, will enable us to ensure we maintain, renew, and even refurbish our buildings to the required level. Our revised approach is to maintain facilities at the asset component level. This approach reflects that some areas within a facility may need to be kept at a higher standard than others. An example of this could be maintaining the carpet in a reception or public-fronting area in good condition, whereas carpet in a back office of a building may not be replaced until it is in poor condition.

# WHAT'S OUR PLAN?

## We have prioritised our seismic strengthening

We have undertaken detailed seismic investigations. This will help us to understand what the future cost is to complete seismic strengthening for our buildings. We now have an Earthquake Prone Buildings Policy. Our 'Seismic Strengthening Roadmap for Council Owned Earthquake Prone Buildings' has helped us to identify the priority order for seismic strengthening.

A majority of the seismic strengthening budget is going towards the Central Library and Te Manawa. Seismic strengthening designs will be developed on a building by building basis. As we progressively seismically strengthen our key buildings – it is likely that more work programmes could be triggered, such as roof replacements, fire upgrades, or asbestos remediation.

Our approach to this is that any of our buildings that are due to be refurbished or demolished must be first surveyed to determine the presence of asbestos. No demolition or refurbishment can start until a survey is complete.

## Increased staff resource

For work to be completed well and change to occur, we also need a good team of people to coordinate all facilities maintenance, renewals, and compliance work. The Property Division has had a recent expansion in people resource in the last 12 months. There is now a dedicated Facilities Management team, capital projects team, and a compliance officer. They ensure that our buildings are well maintained, renewed, building projects meet regulatory requirements within legislated timeframes. The expansion of the Property Division has set a foundation for better planned facilities management and forward work programmes planning for all our buildings. This will also enable:

- Better contractor engagement, robust KPIs, and expectations
- Condition reporting
- Health and safety accountability
- Better risk mitigation

## We are investing in more asset condition assessments

We will be developing a Condition Assessment Strategy that defines what condition assessments should be conducted, by whom, their frequency, and why. Our facilities maintenance team will be an integral part of this – they have already completed condition assessments for most of our property portfolio at a component level. However, we also plan on being able to understand the structural condition of our assets; for example, our roofs need structural assessments. We have also created programmes to understand the condition of our underground pipes (water, wastewater and stormwater).

## Using better data to inform decision making

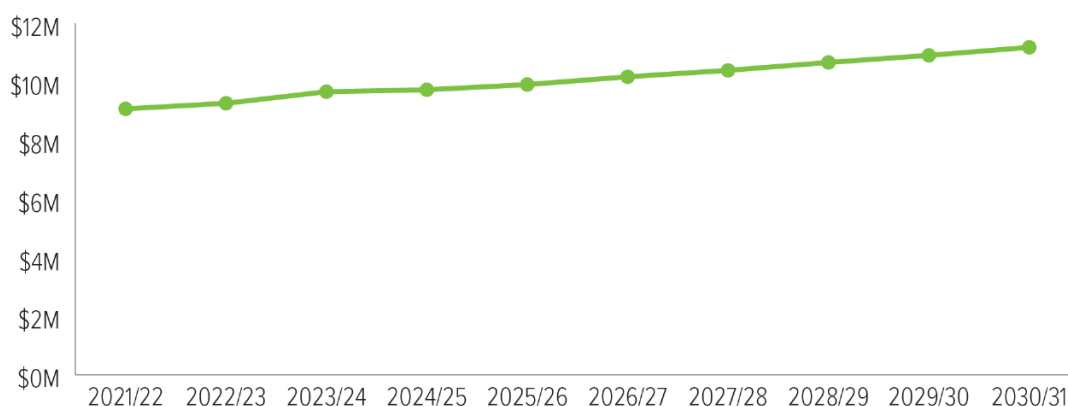
We are aiming to use accurate data to drive better long-term investment decision making across our property portfolio. We are working on finding ways to integrate our asset data system, SPM, and our facilities maintenance system. This will create ease in identifying repeat faults and repairs. It will help us to understand our historical maintenance and ensure that maintenance work is completed on time.

## We are increasing our maintenance budgets

We are increasing our maintenance budgets across the portfolio to ensure we can provide better levels of maintenance. Increasing our maintenance budgets will help us to catch-up to deferred maintenance. In the long run, having a planned maintenance approach will mean that we can push out renewing our assets until later in their lifecycle, potentially minimising whole of life costs. In response to building new assets, we recognise that we need to have robust operational maintenance plans and budgets in place

# HOW MUCH WILL IT COST?

## OPERATIONS + MAINTENANCE PROPERTY ACTIVITY



Our operational and maintenance budgets have increased. The Property Division now undertakes most facilities management of our Council buildings. As a result of this, we have created new operational and maintenance budgets for buildings that didn't have an allocated maintenance budget. We have had to consolidate several budgets from other divisions of Council to reflect the new approach.

We found that in some situations our current operational and maintenance budgets are not enough to provide the agreed levels of service. Additional funding to address this 'gap' is required. We are planning to achieve this by creating operational programmes to respond to these gaps.

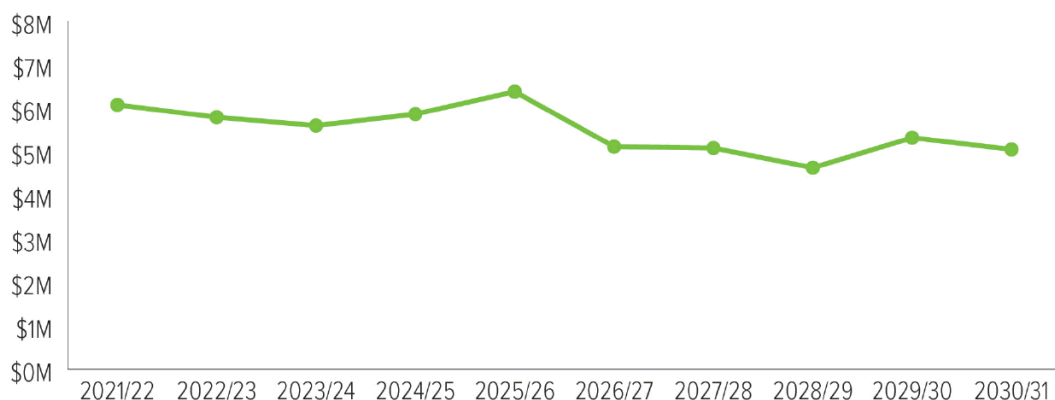
Our Operations and maintenance budgets cover all buildings from our libraries, our water treatment plants, public toilets and even our social housing. Most of our operational budgets ensure that buildings can meet

compliance requirements such as having a Building Warrant of Fitness. Our operational and maintenance budgets cover things such as interior cleaning, exterior washdowns and general maintenance of our buildings and facilities.

We have set clear lines for maintenance responsibilities for our cultural facilities. We are working on setting clear maintenance responsibilities across our other asset categories. In some cases, the occupants will need to plan and fund works they may not have undertaken in the past. Equally so, some works that they have historically undertaken will now become our responsibility.

As we build more or carry out an extensive upgrade to our buildings, we have also had to account for operational and maintenance costs related to the new builds and upgrades. These costs were not always captured in the past and that is one of the reasons why there are now gaps in the budget.

## RENEWAL PROPERTY ACTIVITY



Our capital renewals budgets have increased substantially. We are proposing to spend \$54 million on renewals over the next 10 years. The increase in our renewals can be attributed to:

- Expansion of the buildings and facilities portfolio to include renewal planning for all Council-owned buildings.
- Better condition data informing our renewals planning means that we understand where renewals will need to be targeted.

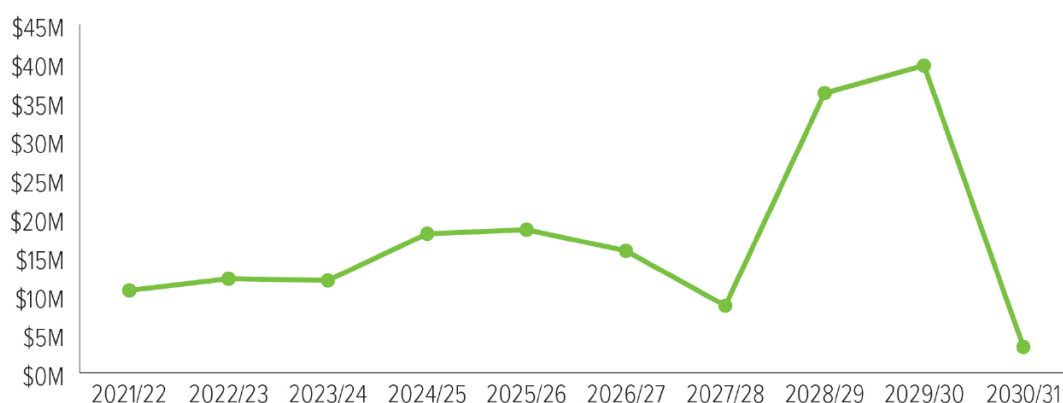
We're planning to spend \$5.5 million on renewing The Civic Administration Building (CAB) over the next 10 years. We have flagged to complete fire safety upgrades, replace ceiling tiles and carpets. Service and pipe renewals and making weather tightness improvement are also proposed. We will renew our lights to LED over the next 10 years.

Some of our social housing complexes are ageing. We will be refurbishing these units to ensure they continue to function as expected and meet the compliance requirements of the Healthy Homes Standards. Some complexes need roof replacements – our renewal budgets account for this as well. We have budgeted about \$5 million for all our social housing renewals over the next 10 years.

The Central Energy Trust Arena also requires extensive renewals. We are budgeting around \$14 million for renewals over the next 10 years. Most of this will be targeted towards roof replacements, electrical renewals as well as underground services renewals.

Our cultural facilities are so diverse in size and in activity function we have budgeted at least \$4.1 million over the next 10 years. Renewals will be undertaken throughout this part of the portfolio and include works such as roof replacements at Te Manawa, amenities upgrade at The Globe Theatre and functional improvements at Caccia Birch House.

## CAPITAL NEW EXPENDITURE PROPERTY ACTIVITY



### Seismic Strengthening

The majority of the capital new budget is proposed to go towards the strengthening of our earthquake-prone cultural and operational buildings over the next 15 years. We anticipate that we will spend between \$150 - \$200 million on seismic strengthening our buildings over the next 15 years.

### Social housing

Over the next 10 years, we are planning to build more social housing at a cost of more than \$16 million. Initially, we are planning to build more social housing units at Papaioea Place as part of the Stage 3 redevelopment project. After that, we will be investigating the next site to be developed. This will either be on a greenfield site or redeveloping and increasing the density of one of our Council's existing social housing complexes. We have proposed to start a feasibility study on the later years of our 10-Year Plan.

### Animal Shelter

Our current Animal Shelter does not meet the regulatory requirements for the temporary housing of animals. The most appropriate option is for us to build a new one rather than attempting to upgrade the existing one to meet compliance standards. Building work is proposed to start in 2021/22.

### Central Energy Trust Arena

The CET Arena Masterplan identified an opportunity to construct a new grandstand on the southern side of Arena 1. This would cover the embankment opposite the existing grandstand and increase the seating at the Arena. The total cost is estimated to be around \$13.5 million. We are budgeting for \$9 million of this coming from external fundraising while we fund the remaining \$4.5 million.

### Awapuni Materials Recovery Facility

Our current staff administration building at Awapuni Materials Recovery Facility needs an extension. Staff numbers have increased over the last few years, and the current administration building does not have adequate capacity to house all staff on site. We are planning to start work in 2021/22 and spend \$0.3 million.

### Future community centres

We are proposing to develop a Community Facilities Stocktake and Needs Assessment to provide a city-wide view on where and what facilities Council should help fund.













Te Kaunihera o Papaioea  
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**PALMY**  
PAPAIEA  
PALMERSTON  
NORTH  
CITY

## ASSET MANAGEMENT PLAN

### RESOURCE RECOVERY







# OVERVIEW

## ASSET MANAGEMENT PLAN EXECUTIVE SUMMARY **RESOURCE RECOVERY**

Manaaki whenua, manaaki tangata, haere whakamua.  
Tihei mauri ora!

No reira, e te haukainga Rangitāne, nei rā te mihi nui ki a koutou e pupuri nei i te mauri o te whenua me ngā wai e rere atu e rere mai.

Tēnā koutou, tēnā koutou, tēnā tātou katoa.

Most of the things we do, buy, and consume generates some form of waste. This not only costs money when we throw things away but, if we do not manage the waste properly, it can cause problems with the environment and with people's health.

We provide rubbish collection and recycling services for the City in order to:

- Ensure the city's solid waste is adequately and affordably managed;
- Maximise the amount of waste diverted from landfill (such as through recycling and composting); and
- Manage hazardous waste in an environmentally responsible manner.

### **Our waste management and minimisation plan guides our work**

We are required by the Waste Minimisation Act 2008 to adopt a Waste Management and Minimisation Plan (WMMP) that sets out our objectives, policies and methods for achieving effective and efficient waste management and minimisation, and how the plan is to be funded. We reviewed and updated the WMMP in December 2019 and identified four priority actions, three of which are likely to require infrastructure.

We also receive funds from the national waste disposal levy to spend on promoting or achieving the waste minimisation activities set out in our WMMP.

We are also guided by the Resource Recovery Plan which is our tactical response to the Goal 4: An Eco City and the Eco City Strategy.

**This Asset Management Plan outlines how we manage our Resource recovery activity, what our challenges are and our investment plan for the next 30 years.**

### **We can be a leader in waste diversion**

In 2017, Palmerston North sent just over 45,000 tonnes of waste to landfill. Nearly half of this was potentially divertible. While we cannot be directly responsible for all the City's waste, we can promote effective and efficient waste management and minimisation.

There are opportunities for us to invest in new services to increase the proportion of waste diverted from landfill from 38 percent to 48 percent by 2025 as identified in our WMMP.

**We could save nearly 20,000 tonnes of material from going into the landfill each year.**

### **Scope of this plan**

This Plan informs our 10 Year Plan, Financial Strategy and 30 Year Infrastructure Strategy. It supports us in the management of our Resource recovery activity to:

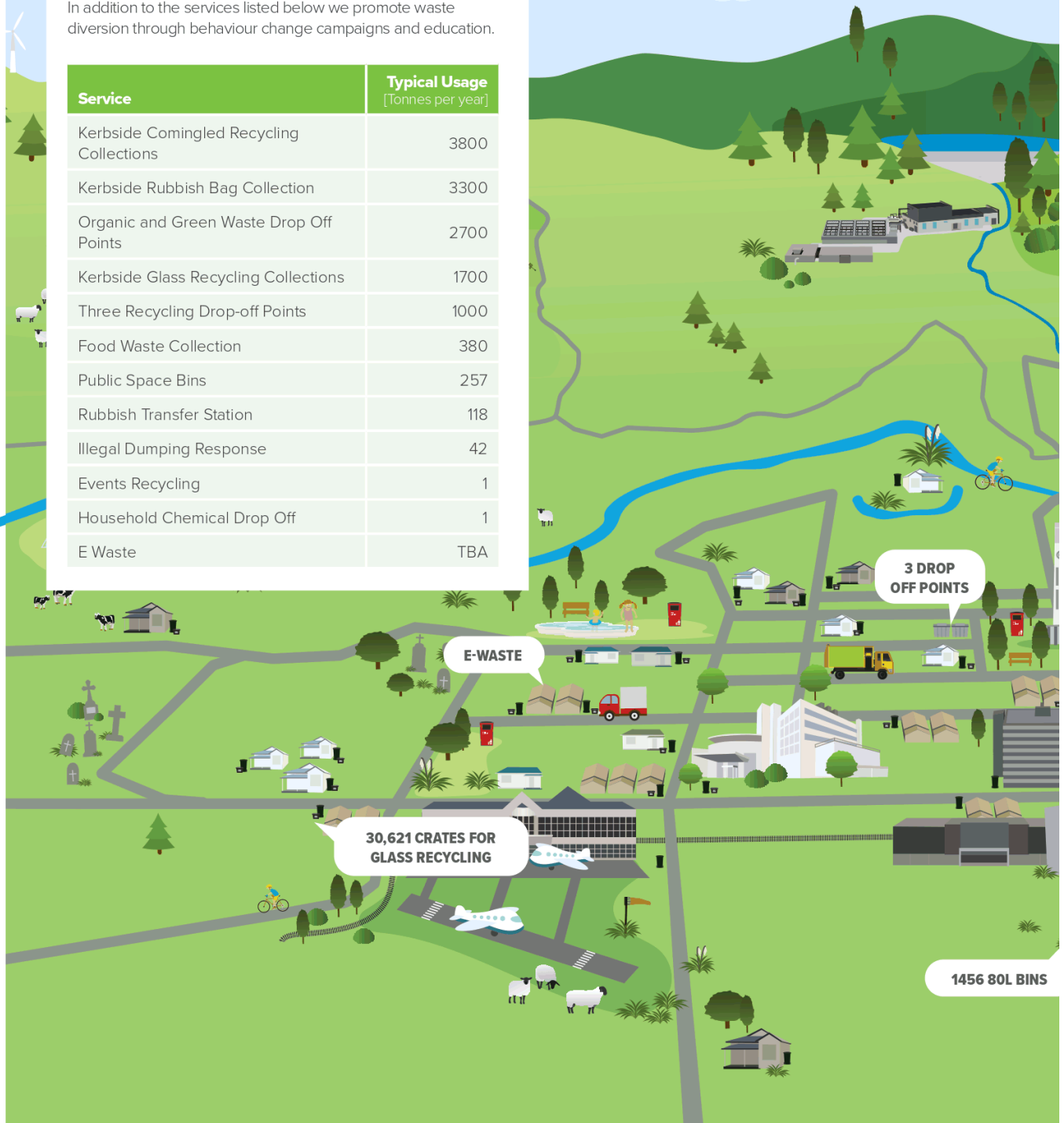
- Achieve our strategic outcomes as set by Goal 4: An Eco City and the Eco City Strategy
- Meet the levels of service we have committed to;
- Plan for growth and adjust to other drivers such as climate change and new legislation;
- Improve asset knowledge and monitor performance;
- Minimise risk; and
- Plan operations.

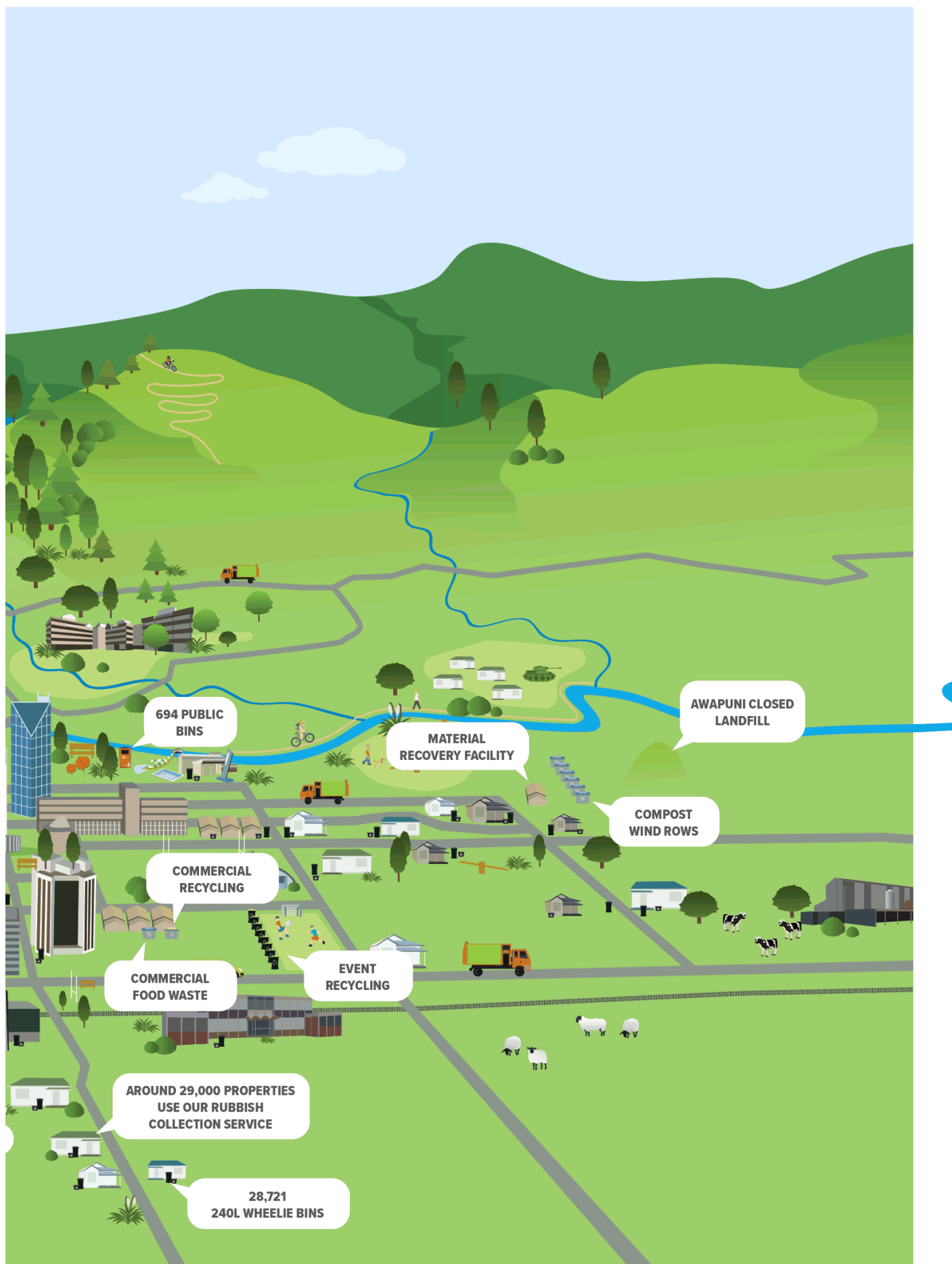
# WHAT WE PROVIDE

We provide waste minimisation (recycling), waste management (rubbish) and closed landfill management services.

In addition to the services listed below we promote waste diversion through behaviour change campaigns and education.

Service	Typical Usage [Tonnes per year]
Kerbside Comingled Recycling Collections	3800
Kerbside Rubbish Bag Collection	3300
Organic and Green Waste Drop Off Points	2700
Kerbside Glass Recycling Collections	1700
Three Recycling Drop-off Points	1000
Food Waste Collection	380
Public Space Bins	257
Rubbish Transfer Station	118
Illegal Dumping Response	42
Events Recycling	1
Household Chemical Drop Off	1
E Waste	TBA







# EVERYONE IS A CUSTOMER



**RESIDENTS**



**FAMILIES**



**RURAL**



**EDUCATION**



**COMMUNITY GROUPS**



**COUNCIL**



**EVENT/SPORT ORGANISERS**



**COMMERCIAL**

About a third of residents use our rubbish bag service. These customers are less likely to throw out material that could be recycled.

10 percent of recyclable materials are dropped off. The use of the Ferguson Street Recycling Drop Off Point has tripled in the last five years.

Waste from the CBD has doubled, and we are seeing growth in our commercial food waste, glass and recycling services.

We are collecting less waste from our public space bins, but illegal dumping has increased.

We have worked hard to educate residents on keeping rubbish out of recycling bins but Covid-19 has set us back.

We have supported over 40 events with recycling services – the biggest being the Festival of Cultures.

The 2020 Annual Residents survey found that our residents are generally happy with all aspects of waste management, particularly with kerbside rubbish and recycling collection.

**Our stakeholders include: Ministry for the Environment, Ministry of Health, Horizons Regional Council, Neighbouring Local Authorities, Other Waste Collection Providers, Environmental Groups**



# WE HAVE SOME CHALLENGES + RISKS

## We can do better in sorting our waste

The 2017 Waste Assessment provided data on nearly all waste streams for Palmy. This data was analysed and identified the main areas where we could improve our effectiveness in waste diversion. The WMMP was updated to include three priority issues that require new services and infrastructure:

- A significant proportion of waste going to landfill is organic waste, with food waste present across all kerbside rubbish collection systems.
- Lack of facilities to recycle or otherwise divert construction and demolition waste, in particular with a predicted increase in construction activity.
- More recyclables could be diverted from commercial properties.

## Waste minimisation mitigates climate change

The government has further incentivised waste reduction by including landfills in the New Zealand Emissions Trading Scheme so the more we can divert from landfill, the greater part we play in reducing green-house gases.

## Law changes are imminent but uncertain

Waste management is also a national concern and hence, a key driver of change is new legislation and standards. Central Government has a New Zealand Waste Strategy and is consulting on phasing out some types of unrecyclable (including some polystyrene packaging) and single use plastics. Other changes are more advanced, such as a Container Return Scheme (CRS), increased waste disposal levy and kerbside collection standards (due 2021).

## A beverage container return scheme is on the cards

A major benefit of having our own Material Recovery Centre (MRF) is the ability to separate out high-value commodities. Our MRF also has processing capacity to accommodate growth.

Government has funded the design of a CRS for New Zealand and is now considering next steps. A CRS would not be implemented until 2023 at the earliest. As a result of the CRS, high value plastics and glass could be removed from kerbside collections. Therefore, it is in our interest to investigate how we can be involved in running a CRS locally.

## Rubbish disposal will cost us more

It is expected that from July 2021 to 2024, the Waste Disposal Levy will increase from \$10 a tonne to \$50-\$60 a tonne for Class 1 landfills. We will have to pay more for disposing of rubbish in the Bony Glen landfill. Assuming we will continue with the kerbside rubbish collection as a ring-fenced, cost-neutral, user pays service this may result in an increase in the cost of rubbish bags.

## Kerbside collections may become standardized

A national review is currently underway into how collections differ around country. The most likely change to impact our services would be the standardisation of products that can be collected in the mixed recycling service. We already collect glass separately which is the other major change expected.

## Covid-19 changed behaviour

In 2020 Covid-19 became a significant issue for contamination of waste in our mixed recycling residential wheelie bin service.

In recent years we have worked hard to reduce contamination, but this work was undermined when people started to use the recycling service for disposing waste during Level 4 when we were unable to process the material and had to send it to landfill it for health reasons. Since our normal service has resumed, recycling contamination levels have not returned to previous levels, costing us more to dispose of this waste.

## Limited markets for commodities

Another major driver is the change in commodity markets impacting on our ability to divert materials. Since China's "National Sword" policy in 2018 that banned importing of "waste" there has been a dramatic decline in markets willing to pay for recovered materials. We are now paying to supply some commodities instead of selling them. This is increasing our operating costs.

## Our closed landfill will continue to play a role

From 1950 to 2007, 2.5 million tonnes of rubbish were deposited at the Awapuni Landfill. Now closed, we have the ongoing responsibility to maintain its integrity. The current consent expires in 2029 and will need to start the process of reconsenting it a couple of years ahead of this.

# WHAT'S OUR PLAN?

## **We plan to provide new services to divert more waste from landfill**

Our target is to increase the proportion of waste diverted from landfill from 38 percent to 48 percent by 2025. This will mean a reduction in waste being sent to the landfill and an increase in material being diverted.

### **Kerbside food waste service (+ 4 percent diversion rate)**

We have currently put on hold implementation of a city wide weekly kerbside food waste collection service to households. However we are continuing with an investigation and trial for this service. A tailored service will continue to be offered to those that have larger quantities of food waste such as restaurants, hostels, and cafeterias.

### **Citywide Recycling Services to Non-Residential Properties (+ 2 percent Diversion Rate)**

Provide additional recycling collection services to non-residential customers to accommodate their needs; such as variety in containers, types of materials, frequency of collection and location of collection. These would be provided on a user-pays basis.

### **Diversion of New Materials from Landfill (+ 2.7 percent Diversion Rate)**

This would include investigating the establishment of a construction and demolition waste processing service (with associated collections), aiming to divert at least one third of this waste currently going to landfill. Implementation would be subject to investigation and detailed financial analysis.

## **Our response to growth**

The city has grown further away from our existing recycling drop-off points. We need to investigate establishing a new drop off site for recycling and green waste in the north east of the city to better service this growth.

### **We will continue to investigate and pilot new services**

We will continually adapt to the changing markets and legislative environment and to do this we plan to be:

- Investigating the possibility of recycling difficult materials like polystyrene.
- Continuing education to change behaviour and promote awareness.
- Continuing to take enforcement action against those that dump rubbish illegally, and work in partnership with community group to identify and address problem spots.
- Continuing to support a community led Zero Waste Action Group; and
- Applying our new Bylaw to influence and reduce the amount of materials going to landfill that could have been diverted.

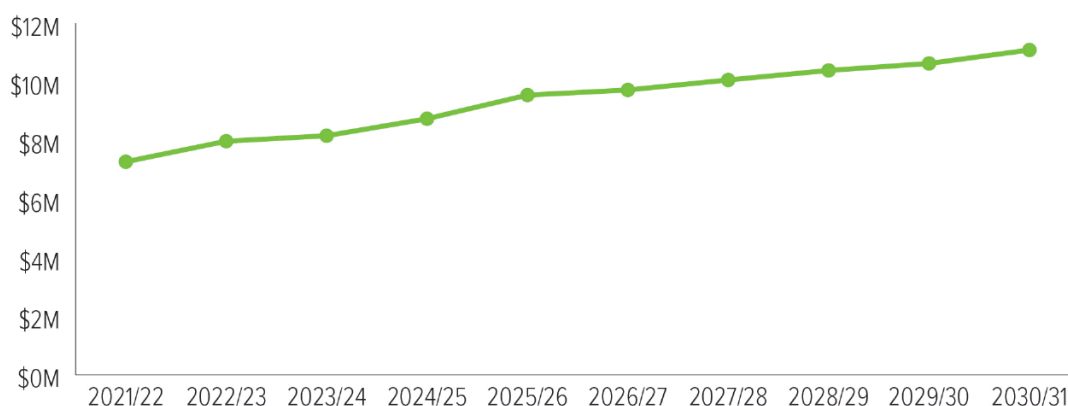
### **Maintain existing levels of services**

We plan to keep operating the existing services at the same level and continue to look for ways to improve operational efficiency.

# HOW MUCH WILL IT COST?

The Resource recovery activity is service heavy. With very few assets, this means that most of the expenditure is operational and associated with the collection of rubbish and recycling from around the city.

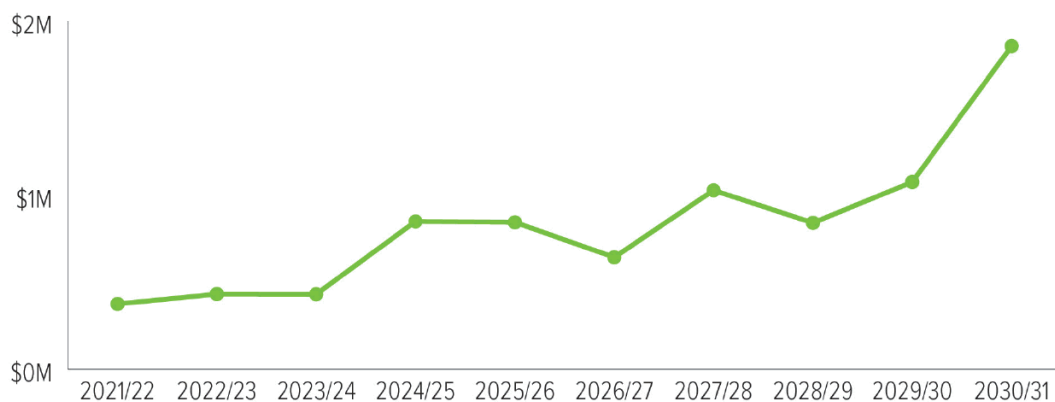
## OPERATIONS + MAINTENANCE RESOURCE RECOVERY ACTIVITY



Operations and maintenance costs are forecast to rise over the coming years as the city grows. It is also becoming more challenging to generate revenue from our recovered materials (not shown in the figure). We have included allowances in our future budgets for these, however the long-term view remains uncertain and these will likely need to be reconsidered in the future.

Approximately half of the \$7 million per year spent on operations and maintenance is on the collection and processing of recycling around the city. The next most significant areas of expenditure are in rubbish collection, green waste management and emptying bins in public areas. The remainder of our waste minimisation activities make up only a small portion of the overall operations and maintenance expenditure with approximately \$0.1 million spent per year.

## RENEWAL RESOURCE RECOVERY ACTIVITY

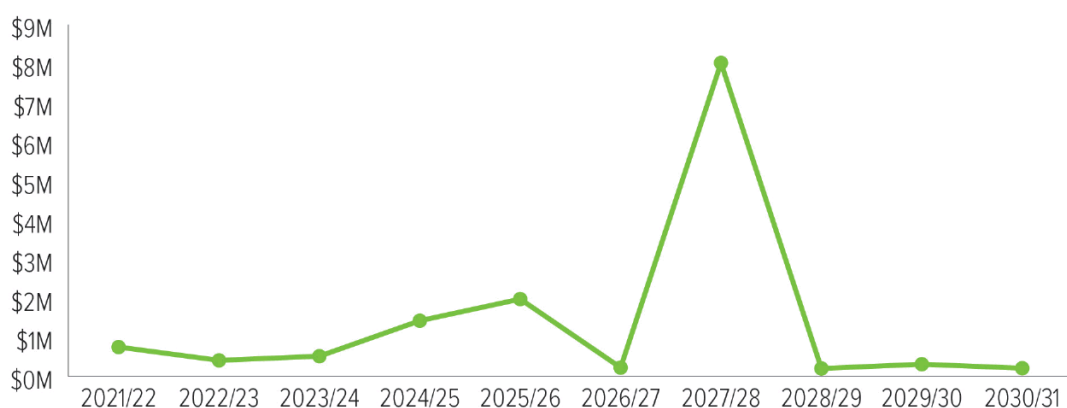


Renewals for the Resource recovery activity are mostly minor renewals at the MRF, recycling drop off points and closed landfill sites. There are also renewals associated with residential bin and crates and public space rubbish and recycling bins. Asset renewals are going to steadily increase over the next 10-years.

The significant increase in later years is primarily associated with an anticipated need to renew residential wheelie bins and crates. There will be many of these assets that are coming towards the end of their expected life. We will continue to reassess the performance of these assets and may adjust the renewal budget should their current condition start to change.

## CAPITAL NEW EXPENDITURE

### RESOURCE RECOVERY ACTIVITY



There is typically a low level of capital new investment (between \$0.2 and \$0.6 million) associated with the Resource recovery activity. This is to cover things such as new crates and bins within growth areas of the city, minor development of the Materials Recovery Facility and improvements at our closed landfills.

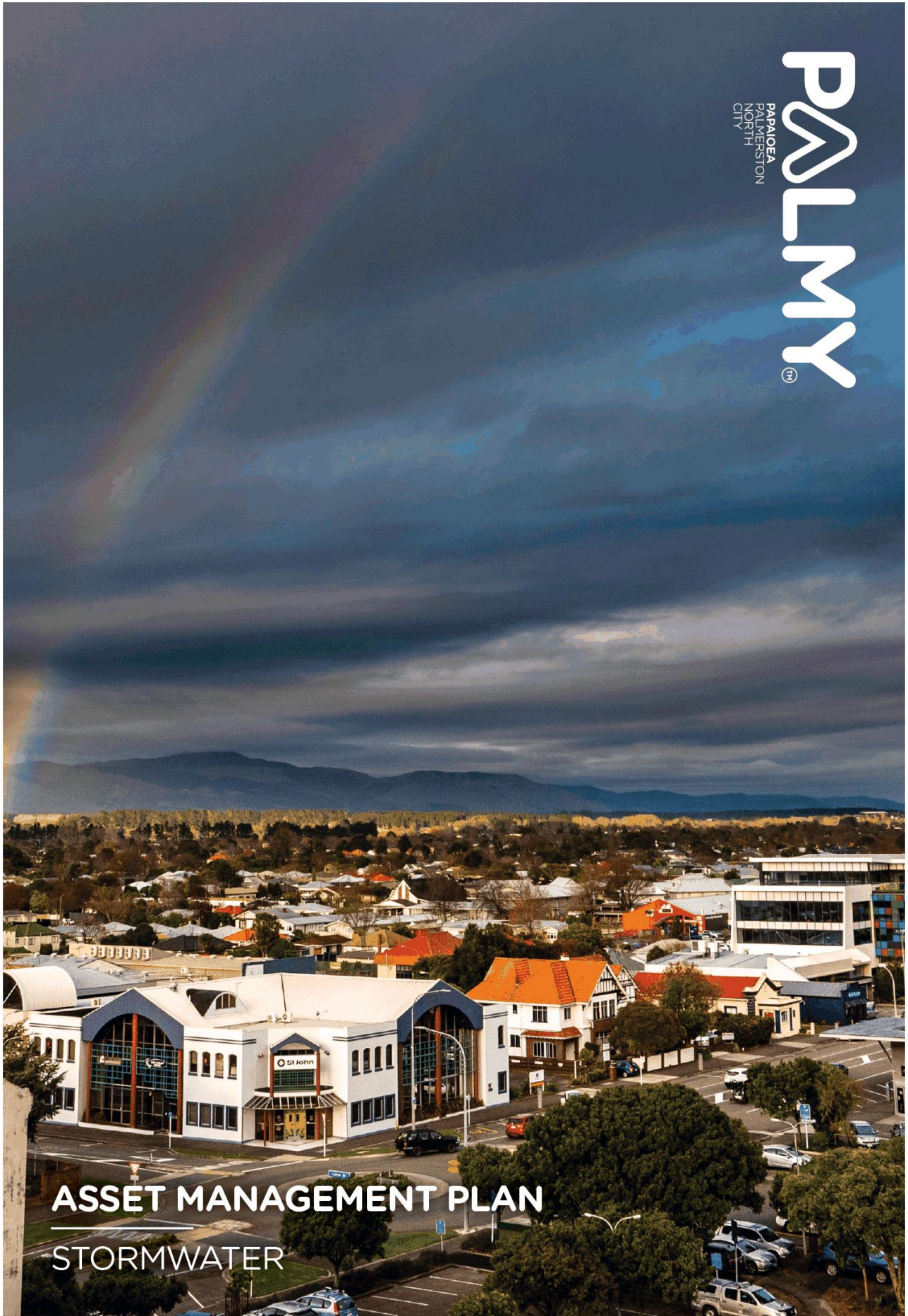
There are two large projects planned which result in a significant increase in annual expenditure. There is a new Recycling Drop Off Facility planned to be developed in 2024-26 in the Whakarongo and Kelvin Grove area. It is planned to spend \$2 million constructing this facility. It is proposed to undertake a significant development at the Materials Recovery Facility in 2027-28 at a cost of \$7 million. The project would enable us to utilise the most recent technology to optimise efficiency of the recovery of materials presented for diversion at the Materials Recovery Facility.



Te Kaunihera o Papaioea  
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PAPAIOEA  
PALMERSTON  
NORTH  
CITY

# ASSET MANAGEMENT PLAN

## STORMWATER







# OVERVIEW

## ASSET MANAGEMENT PLAN EXECUTIVE SUMMARY **STORMWATER**

Manaaki whenua, manaaki tangata, haere whakamua.  
Tihei mauri ora!

No reira, e te haukainga Rangitāne, nei rā te mihi nui ki a koutou e pupuri nei i te mauri o te whenua me ngā wai e rere atu e rere mai.

Tēnā koutou, tēnā koutou, tēnā tātou katoa.

With the effects of climate change becoming more apparent over the next 30 years, our stormwater network has never been so important.

More frequent and intense rainfall means our network will need to be adapted to cope with these new risks.

The purpose of the stormwater system is to protect the environment and public health by controlling the level of pollutants and sediment in stormwater runoff that goes into streams and rivers, and to protect buildings from internal flooding by water that ponds or flows during heavy rain events.

As a member of the Manawatū River Leaders' Accord, we recognise we have a role in improving the mauri and health of the Manawatū River. Council's strategic focus is to raise the profile and quality of city urban streams, acknowledging their cultural significance as tributaries of the Manawatū River.

### **Taumata Arowai**

In 2019, the Taumata Arowai-Water Services Regulator Bill was introduced to Parliament with the purpose to establish a new regulatory body by the same name. Initially, Taumata Arowai will be responsible for administering and enforcing a new drinking water regulatory system and a small number of complementary functions relating to improving the environmental performance of wastewater and stormwater networks.

A freshwater policy review is also underway. It is likely this will mean stronger regulations and more inter-regional coordination. We expect this would mainly have implications lead to discharge of wastewater and a stronger emphasis on protecting waterways from uncontrolled overflows.

## This Asset Management Plan outlines how we plan to manage and invest in our stormwater assets for the next 30 years

### **Scope of this plan**

This Plan informs our 10 Year Plan, Financial Strategy and 30 Year Infrastructure Strategy. It supports us in the management of our stormwater assets to:

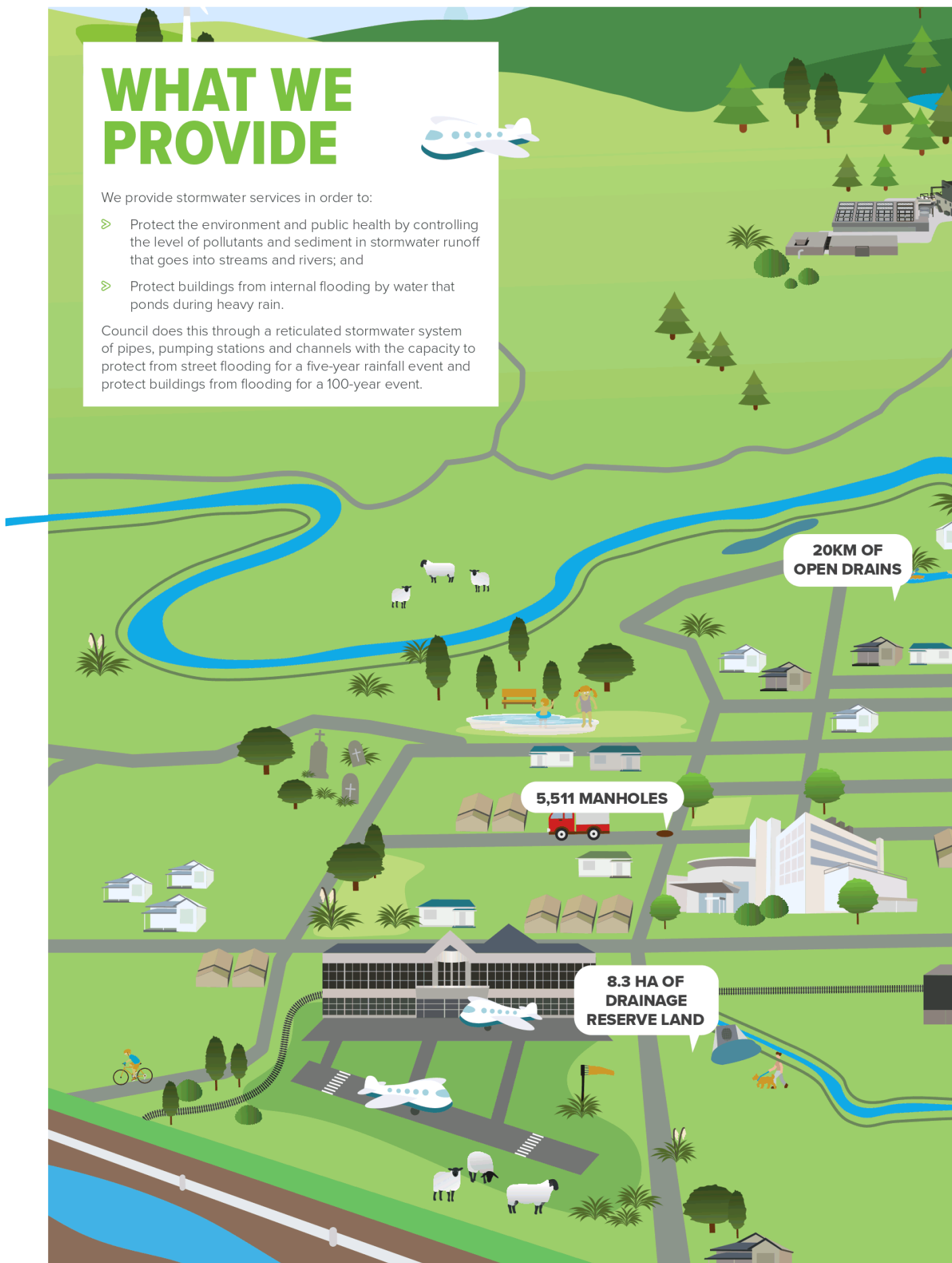
- Achieve our strategic outcomes as set by Goal 4: An Eco City and the Eco City Strategy
- Meet the levels of service we have committed to
- Plan for growth and adjust to other drivers such as climate change and new legislation
- Improve asset knowledge and monitor performance
- Minimise risk
- Plan operations

# WHAT WE PROVIDE

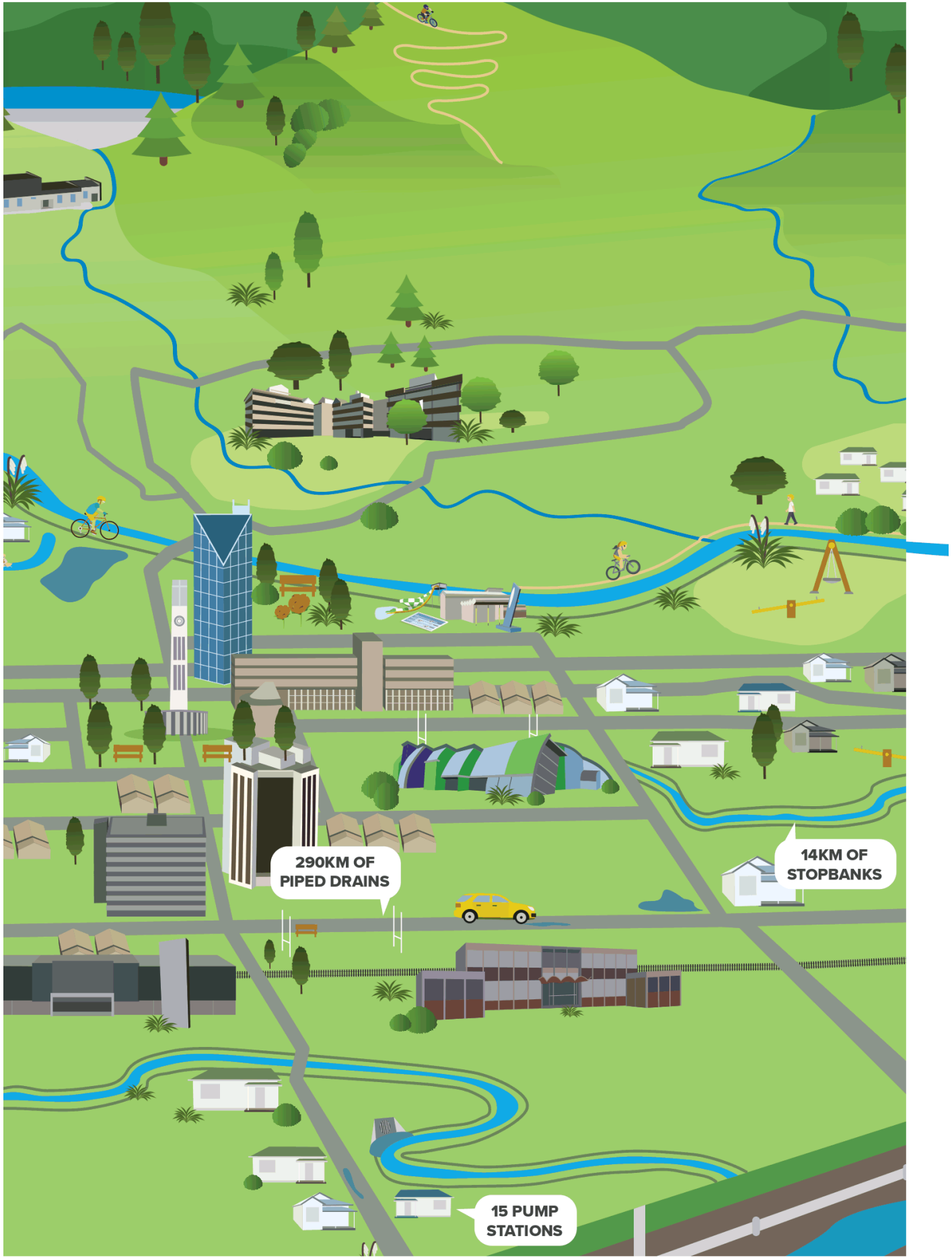
We provide stormwater services in order to:

- Protect the environment and public health by controlling the level of pollutants and sediment in stormwater runoff that goes into streams and rivers; and
- Protect buildings from internal flooding by water that ponds during heavy rain.

Council does this through a reticulated stormwater system of pipes, pumping stations and channels with the capacity to protect from street flooding for a five-year rainfall event and protect buildings from flooding for a 100-year event.







# EVERYONE IS A CUSTOMER



**RESIDENTIAL**



**VISITORS**



**INDUSTRIAL**



**RURAL**



**EDUCATION**



**FIRE AND  
EMERGENCY  
NEW ZEALAND**



**HEALTHCARE**



**COUNCIL**



**DEVELOPERS**



**COMMERCIAL**

Our strategic focus is to raise the profile and quality of city urban streams, acknowledging their cultural significance to Rangitāne as tributaries of the Manawātū River. Stormwater quality is an issue across the city due to contamination from wastewater during heavy rain and land use. We are working with Horizons Regional Council as we have overlapping responsibilities. Complaints about the urban waterways have increased since maintenance budgets and activities were reduced.

People expect their properties to be safe from flooding. We ensure that at the very least, habitable floors are protected

by requiring minimum floor levels to be set on new houses where appropriate. Some properties have been flooded in recent years and we are in the process of upgrading the network to address these capacity issues. Complaints about nuisance ponding of water on roads has increased but no action is justified as this is part of the stormwater system design.

Even though certain complaints have increased, the overall satisfaction of residents has improved for the Stormwater Activity.



# WE HAVE SOME CHALLENGES + RISKS

## Our city is growing

In most areas where the City is growing there are existing sensitive receiving environments such as urban streams and wetlands. Many of these are already degraded. As these areas are urbanised there is an opportunity to improve water quality and ecology by applying water sensitive design.

## Water quality is poor in our urban streams

Cultural health monitoring of the urban streams carried out by Rangitāne o Manawātū under our joint programme Hei Manga Ora. Previous water quality monitoring indicates that the urban streams are contaminated by sewage from urban environment and our wastewater network.

Inspections in 2019 identified significant areas of poorly managed vegetation in our open drains and streams and other issues causing hydraulic capacity problems. More appropriate species are needed to improve capacity, water quality and amenity.

## Infill / intensification

We're seeing more subdivisions of existing properties (infill). This is putting the existing level of service at risk due to more hardstand surfaces contributing to direct more rapid rainfall runoff.

## Climate change will have an impact

Current research suggests that the main impacts of climate change on the stormwater activity will be a significant increase in rainfall in winter, and a higher frequency of extreme rainfall events. This could increase both nuisance surface water ponding and flood events.

## Overland flow paths have been piped and built over

We now have better modelling and GIS tools to manage overland flow paths. However a lack of controls in the past has meant that there are some problematic areas that need rectifying.

Related to this, some urban streams are accessible only through private property, preventing us from effectively managing them.

## Regional stormwater management

We are working regionally to better manage stormwater, but this work has slowed while water reforms take place as some issues will be addressed nationally. However, progress towards integrated management of our stormwater discharges.

## Asset condition knowledge is limited

While the risk profile of our stormwater pipes is acceptable as they tend to last a very long time, we have limited knowledge of the actual condition of these assets.

## Pump stations are vulnerable

Our pump stations are vulnerable due to the lack of dedicated emergency backup system.



# WHAT'S OUR PLAN?

## Partnership with Rangitāne and the community

Applying water sensitive design to renewal work will be a key change. It will help achieve improved outcomes for water quality, hydraulic capacity and amenity.

Our new approach is to fund a “one time” clean up and vegetation removal exercise for all the urban streams over the next five years. As sections are cleared, they will be planted with appropriate species with support from Rangitāne and community groups/businesses.

## Operationalise our new stormwater framework

The framework will set out the performance requirements and challenges for each catchment in the city and other work to renovate our open streams and drains. Once adopted by Council it will empower Council officers to set specific requirements of developers.

## Respond to growth

Requiring hydraulic neutrality will be a key response to growth but some capacity upgrades of existing infrastructure will be required.

We are expecting increased operational costs to maintain stormwater treatment devices that are vested to us.

As our city grows, we will need to maintain our stormwater model to reflect the changes.

## Improve resilience and reduce risk

Purchasing additional mobile generators and emergency pumps will provide the much needed resilience in the stormwater system.

Areas where more capacity is needed has been identified for upgrading, and retention of flows at the Linklater Reserve is planned.

Where possible, we intend to purchase land adjacent to urban streams to enable us to better manage them and facilitate access for walking and cycling.

## Design for climate change

We will continue to design new infrastructure with provision for climate change. Where infill is occurring, the impacts of heavier, more frequent rainfall is expected to be mitigated by developers adopting rainwater tanks for retention and minimising the area of impervious surfaces.

## Use data to prioritise repairs

New condition assessment data will confirm our service failure risk profile and provide us with a prioritised backlog of pipe defects. This will help us maintain our level of service and plan and optimise future pipe replacements.

## Obtain consents for our discharges

Our partnership with Rangitāne on Hei Manga Ora has provided us with invaluable information on the cultural health of our waterways. This information combined with the roll out of an improved water quality monitoring programme will inform future discharge consent applications.

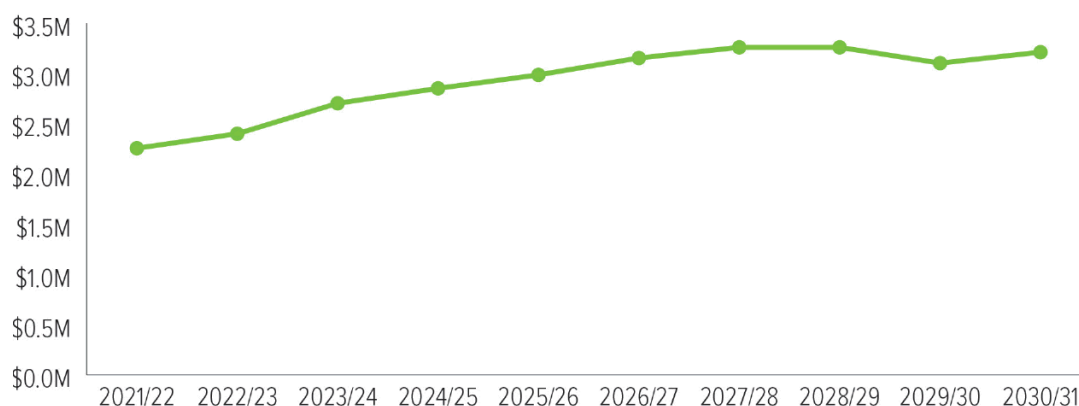




# HOW MUCH WILL IT COST?

In order to increase the capacity and performance of our stormwater services to meet our agreed levels of service, we need to invest significantly across all areas of the stormwater network in the first five years of the 10 Year Plan. This includes investing in planning and investigations, the maintenance of urban waterways, and the renewal and/or upgrading of pump stations and pipe network.

## OPERATIONS + MAINTENANCE STORMWATER ACTIVITY

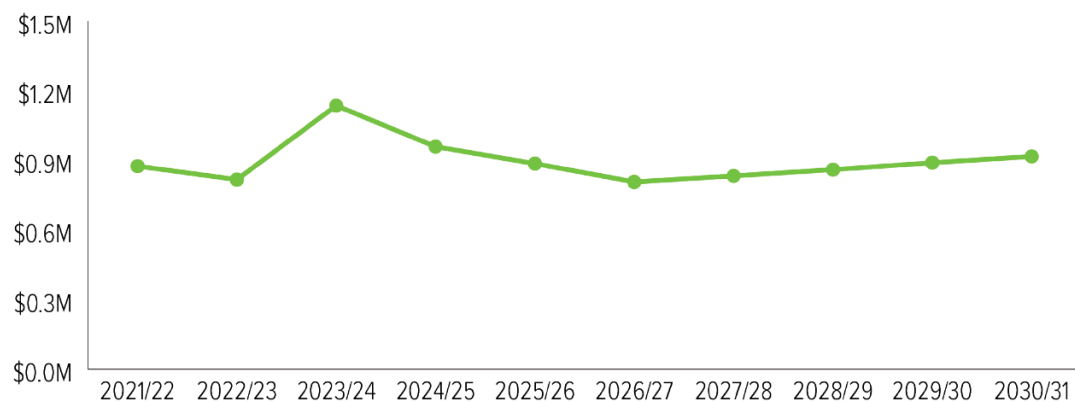


Maintenance budgets for open channels have been exceeded in recent years as we respond to the significant backlog of deferred maintenance of open channel and drains. A reasonable increase in operations and maintenance budgets (\$0.25M per year) is required to meet the required levels of service reflecting the acquisition of new assets associated with treating stormwater before discharge to the receiving environment. There are small increases proposed to meet a shortfall in pump station maintenance costs and operations and maintenance costs associated with new assets.

Investment is also required to better understand network capacity and performance as well as the impact of land use on water quality. This is a high priority. Associated with this is the need to update and extend the stormwater model to cover new growth areas to inform applications for stormwater discharge consents where required under the One Plan. An extra \$1.7M is needed for each of these issues (\$3.7M in total over ten years).

The asset failure risk profile of stormwater mains is relatively low but informed by a limited amount of condition information.

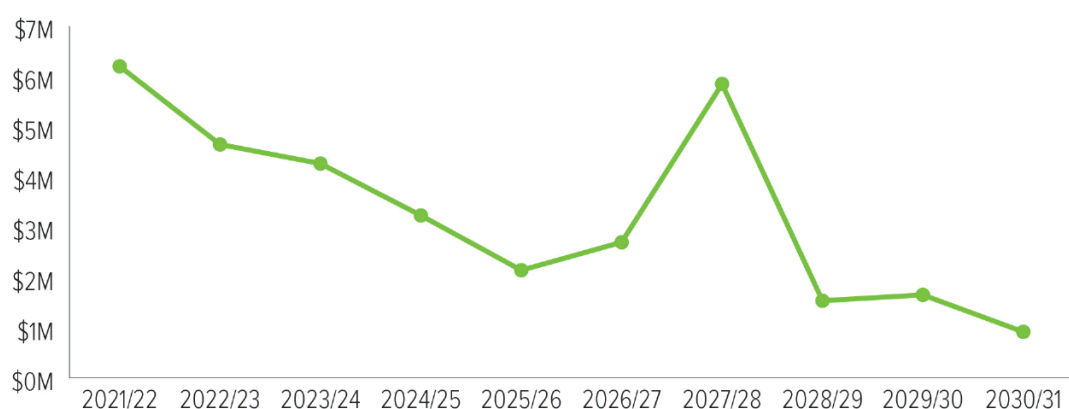
## RENEWAL STORMWATER ACTIVITY



Most renewal investment (75%) is associated with our stormwater pipe network. Due to the long life of the pipe assets, their renewal needs (\$0.6M per year) are relatively modest compared to our Water and Wastewater Network assets.

Most of the stormwater pump stations have equipment that is at or near the end of its useful life. We plan to overhaul these in the next five years. We have also included budget provision for the replacement of minor pump station equipment as that comes up each year.

## CAPITAL NEW EXPENDITURE STORMWATER ACTIVITY



Of the \$30M capital new budget, \$7M is earmarked initially on resolving known capacity issues in the network and at pump stations. Some allowance has also been made for the ongoing resolution of capacity issues as they arise in the future.

\$7M is also needed for flood mitigation, which is expected to become more of a focus in years three, four and seven as we improve the accuracy of our network performance modelling and understand how best to mitigate the impact of climate change.

More than a third of capital new investment (\$12M) is required to provide for urban and industrial growth. Most of this is needed in the first five years but there is a need for new stormwater infrastructure to meet growth throughout the 10 Year Plan.



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NORTH  
CITY

# ASSET MANAGEMENT PLAN

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## TRANSPORT







# OVERVIEW

## ASSET MANAGEMENT PLAN EXECUTIVE SUMMARY **TRANSPORT**

Manaaki whenua, manaaki tangata, haere whakamua.  
Tihei mauri ora!

No reira, e te haukainga Rangitāne,  
nei rā te mihi nui ki a koutou e pupuri nei i te  
mauri o te whenua me ngā wai e rere atu e rere mai.

Tēnā koutou, tēnā koutou, tēnā tātou katoa.

Palmerston North's population and industrial sector is growing, and we need to make sure people and goods can continue to move around the city easily and safely.

With more journeys on our roads, our transport network is becoming busier and more constrained. Palmerston North has emerged as the primary freight hub for the lower north island, resulting in more trucks on our roads. At the same time there is a growing desire to be able to move around the city easily and safely as a pedestrian, cyclist or by bus. This is resulting in decreasing accessibility, liveability, journey reliability while there are increasing conflicts between transport users.

### **It's more than just roads and cars**

Our vision for Transport is to provide an integrated multi-modal network that connects people and goods with destinations in a safe, efficient and sustainable manner and evolves to meet new transport demands with less reliance on private motor-vehicles.

The transport network also supports us in realising other strategic priorities. Well designed roads and streets help create a city that has great places for all people.

Our footpaths, cycle lanes and shared paths provide the facilities to support us to have one of the most active communities in New Zealand. Our streets have a significant portion of our public vegetation cover providing opportunities for biodiversity and infrastructure that serves to protect, enhance and preserve the environment.

**This Transport Asset Management Plan focuses on our local transport network and the economic, health and safety, climate and financial challenges that surround it. It highlights why we're spending money on the transport network and the benefits we're going to get from this.**

### **We have an investment partner**

Waka Kotahi (NZ Transport Agency) are a key partner funding approximately half of the work we do in the transport space. We've worked closely with Waka Kotahi to ensure that our investment supports their strategic priorities of improving road safety, providing better travel options, improving freight connections and developing a low carbon transport system.

# WHAT WE PROVIDE

Active and public transport modes are continuing to decline;

2 percent regularly catch the bus to work;

4 percent regularly cycle to work;

8 percent regularly walk to work;

More than 1500 heavy vehicles travel on Tremaine Ave each day;

More than 400 million kilometres are travelled in vehicles each year;

There is an increasing number of fatal and serious injury crashes;

More than 30 people die or are seriously injured on our roads each year;

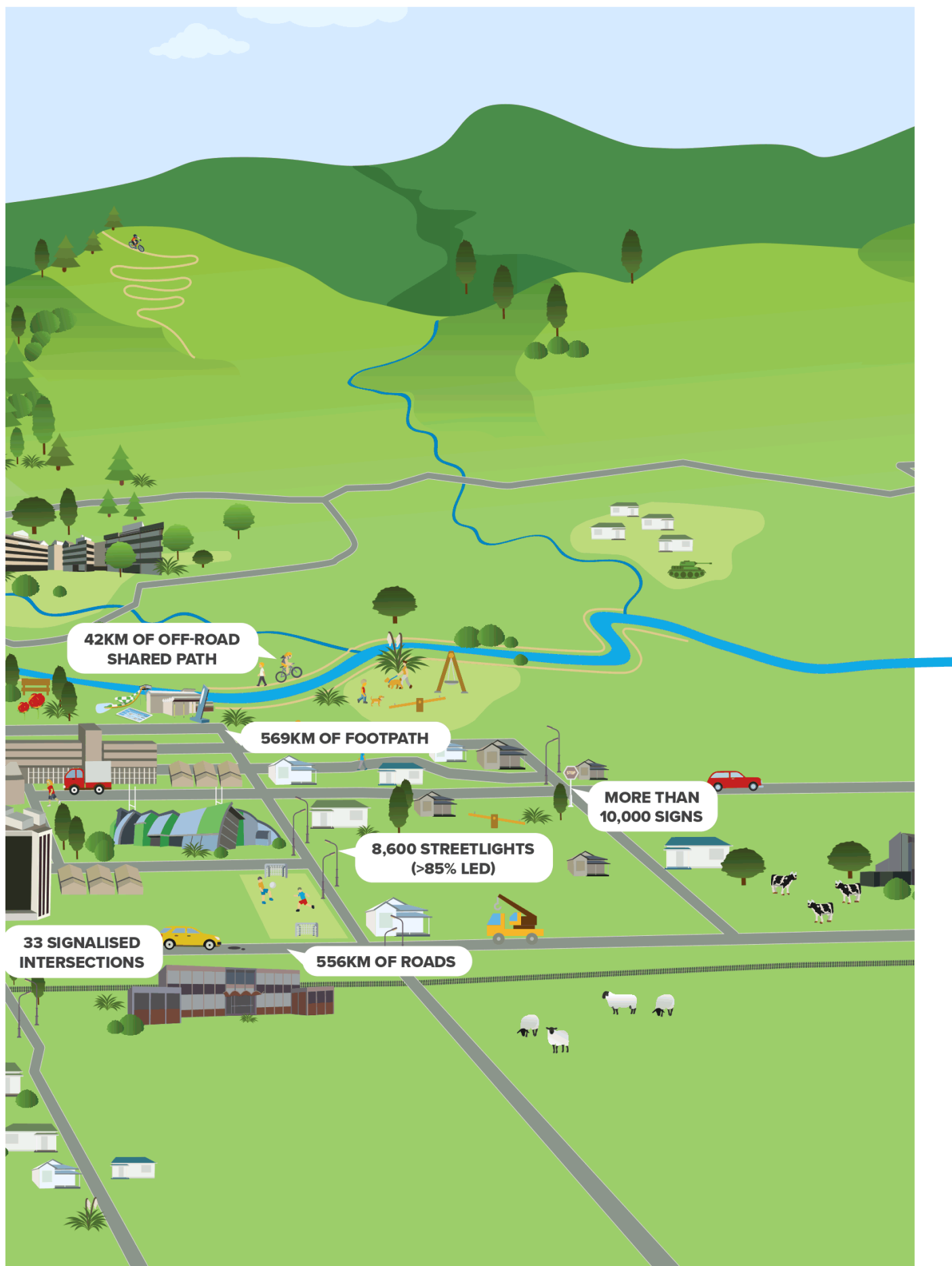
**106  
BRIDGES**

**13,900  
STREET TREES**

**88 BUS  
SHELTERS**

**NEARLY 5,000  
METERED AND  
TIME RESTRICTED  
CAR PARKS**





# EVERYONE IS A CUSTOMER



**PEDESTRIANS**



**CYCLISTS**



**DRIVERS**



**COMMUNITIES**



**EDUCATION**



**BUS USERS**



**FREIGHT AND  
DISTRIBUTION**



**TAXIS AND  
RIDE SHARING**



**BUSINESSES**

## Our level of service

People use the transport network in a variety of ways. Common expectations among transport users are that our roads and streets provide a safe, reliable, accessible and comfortable journey. We want to create an environment for all transport users, irrespective of their age, ability or mobility.

There are only a few areas that the transport network is delivering the level of service anticipated. These are related to satisfaction with street lighting, overall cost to manage transport assets and road asset condition. However, road asset condition is deteriorating.

Overall satisfaction with the transport network is low compared to other Council services. This is reflected in the transport network failing to deliver on levels of service. Serious road crashes are increasing, and the overall condition of our footpaths is not to the desired standard. The number of people walking, cycling and catching the bus for work or education is declining. This also impacts our ability to reduce transport carbon emissions in the city.

# WE HAVE SOME CHALLENGES + RISKS

## **Our road safety record is getting worse**

The number of recorded road crashes causing injuries on our roads and streets has been generally flat over the ten-year period. However, the amount of harm from transport crashes on roads and streets in Palmerston North has been increasing resulting in more deaths and serious injuries from road crashes.

## **Our roads are deteriorating**

The quality of road surfaces in Palmerston North has been steadily decreasing over the past five-years. This has been especially so on our busiest urban roads which have shown a significant drop in the amount of travel on smooth roads. There have been many contributors to this including an increase in the number and size of heavy vehicles on the transport network, poor underlying ground conditions, service and utility trenches and inadequate levels of investment.

## **Transport is an enabler for economic growth**

Palmerston North is the primary freight distribution hub in the lower North Island. This provides a significant economic opportunity for the city, while also placing pressures on existing infrastructure. Increases in the number of heavy vehicle movements associated with this growth are creating safety and efficiency issues on the transport network as well as impacting road quality. The strategic response to these issues has been slow and uncertainty remains over when improvements will be delivered and when growth will occur.

## **Fewer people are walking, cycling and catching the bus**

Palmerston North is a flat, compact city ideal for cycling or walking. However, the same wide roads which are great for vehicles and parking, create challenges for pedestrians and cyclists. Wide and busy roads can be an impediment for pedestrians with lower mobility, deterring them from walking. There are no parts of the transport network where pedestrians, cyclists or buses receive priority over vehicles, despite the adjacent land use.

## **Our roads and streets don't support our communities**

The need to seek a better balance between "movement" and "place" on roads and streets is increasingly being recognised and this will influence the allocation of road space and investment programmes. New initiatives will seek to optimise the transport network based on function, balancing movement and place, "de-tuning" some streets to reduce unnecessary through traffic, reducing speed environments and creating more liveable local streets.

## **The wrong vehicles are travelling on the wrong roads**

Our transport network is open and accessible, providing opportunities for almost all types of vehicles and users to travel on most roads. While this provides choice for drivers, as traffic volumes increase it will result in more issues and conflict. Heavy vehicles rumbling past schools, cars rat-running to avoid busy intersections and buses stopped in cycle lanes are all examples of where the wrong vehicles are travelling on the wrong roads.

## **Transport is the greatest contributor to carbon emissions in the city**

The transport sector produces more than half of our city's greenhouse gas emissions. To address this, we need to encourage or facilitate more sustainable modes of travel, reduce the need to travel and provide opportunities to use alternative fuel sources.



# WHAT'S OUR PLAN?

## We're changing how we manage our transport network

Our current method for managing the transport network is not sustainable. There are a number of changes we can make through the management of our transport network that will help us achieve our outcomes.

We're beginning to provide greater priority in our investment and the way we manage the network to pedestrians, cyclists and those catching the bus. There are many benefits from these transport modes, including improved health, environment, economic and social outcomes. This shift will enable change to occur over time. Even if it doesn't happen all at once the trajectory for investment in our transport network will change.

Road safety is being improved by reducing speed limits on our roads. We're already doing this around some of our schools and on some of the fringes of our city. Lower vehicle speeds mean a lower likelihood of a death or serious injury if a crash occurs.

We can take the opportunity to create better places whenever we upgrade and renew our roads. We did this on Cuba Street, by combining several planned renewals at the same time, while also providing a better urban design outcome.

By right sizing asset maintenance and renewals, we'll be able to reduce the long-term costs of our transport assets. Too often in the past we've made the work fit the budget we have, rather than doing the job right first time. We've recently been constructing roads that are more expensive up front but are expected to last longer.

## We need to invest in our transport network

Our renewal and maintenance budgets – especially those relating to our road structure and surface – are increasing to ensure we can continue to deliver the expected level of service. By renewing assets at the right time and for the right cost it will also reduce our long-term maintenance costs.

The strategic transport route around Palmerston North is needed to fully enable the economic growth sought from development in the North East Industrial Zone, KiwiRail and other growth areas. In the short-term we're proposing to make improvements to the transport network – alongside Waka Kotahi – that will activate this route. This will allow heavy vehicles to use this route, placing less strain on urban routes. Upgrades to transport infrastructure are also required to support the city's other growth areas including Whakarongo and Kākātangiata.

The Streets for People programme is changing the way streets in our CBD look and operate. It's providing a vibrant city centre that will make Palmerston North even more attractive for work and play, provide more opportunities for locals and visitors to connect with the city and the people who live here, and bring significant benefits for the local economy.

Changes to our transport infrastructure are needed to deliver the pedestrian, cycling and safety outcomes sought. Long-term programmes are proposed to shift the way people use the transport network and provide a safer journey and better experience for all transport users.

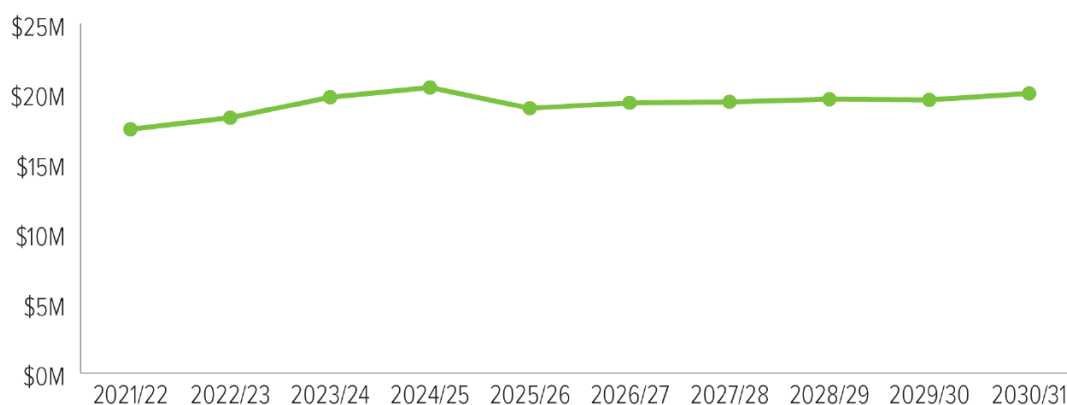




# HOW MUCH WILL IT COST?

We can respond to challenges on the transport network in several ways. Potholes and other similar minor defects will be rectified via regular maintenance. Our transport assets are kept to a good overall condition through timely asset renewal where it is needed most and when maintenance is no longer cost-effective. We spend money on improving our transport assets when they are not meeting the anticipated levels of service or strategic direction set.

## OPERATIONS + MAINTENANCE TRANSPORT ACTIVITY



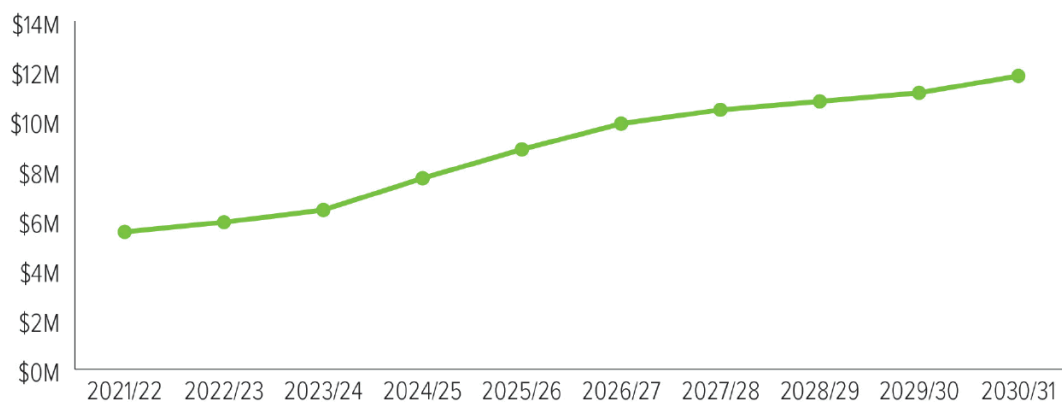
We spend more than \$17 million per year operating and maintaining the Transport network. This is proposed to increase steadily in order to meet declining levels of service and cope with more trucks, cars, pedestrians and cyclists using the network.

More than \$6.5 million of the operations and maintenance expenditure is subsidised by Waka Kotahi. The largest portions of this are on road, cycle path and footpath maintenance. The amount we spend on power for our street lights and traffic signals has reduced by nearly 50% since the installation of LED lights. These aspects of transport maintenance are the areas which are forecast to see most of the increase in expenditure over the next 10 years.

Maintaining our roads and streets as a Place and not just a corridor for movement is important. We keep our footpaths, gutters, berms, gardens, street trees and seats clean and looking tidy. Overall, we spend approximately \$2.5 million maintaining these elements.

We spend more than \$2.5 million per year providing the technology and enforcement for car parking within the city centre. This expenditure is offset by parking revenue generated via paid parking and tickets.

## RENEWAL TRANSPORT ACTIVITY



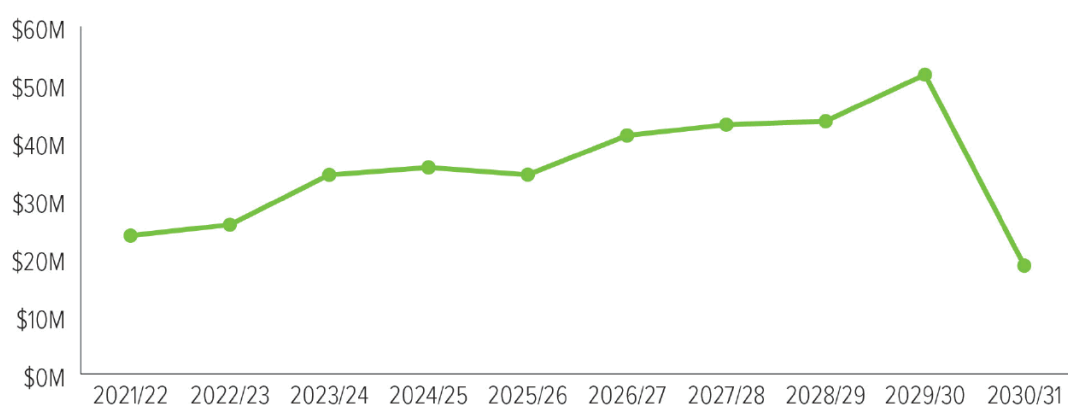
More than two thirds (\$54 million over 10 years) of the renewal spend on Transport assets is on road pavements and surfaces. These are the parts of the road which provide a smooth surface to vehicles and cyclists. The next highest portion is on the renewal of footpaths (\$12 million over 10 years).

Our current overall level of renewal of our transport assets (approximately \$6 million per year) will not be enough to deliver the level of service anticipated by the public. We're already seeing a general deterioration of our roads and footpaths. Without spending more on renewals, we'll begin to see more failures in our transport assets. This will require us to spend more time and money on road maintenance.

There are planned increases over the next 10 years for most transport assets. These increases are planned to be gradual to ensure our contractors can deliver the increased amount of work.

Though not shown in the planned renewals for the next 10 years, there is going to be a significant need for future investment in our aging bridges. More than 75% of our bridges are older than 50 years old with several older than 90 years old. With an expected life of around 110 years, this means many of these bridges could require renewal soon. This will come at a significant cost.

## CAPITAL NEW EXPENDITURE TRANSPORT ACTIVITY



To respond to the challenges faced on the Transport network, we're planning to spend significantly more on new roads, footpaths and cycleways than previously signalled. We're proposing to spend more than \$350 million over the next 10 years.

Delivering the strategic route around Palmerston North requires the greatest amount of money. More than \$100 million is planned to be spent. Though it is currently assumed that Waka Kotahi will fund most of this work once more trucks are using the new and improved route.

More than \$80 million is planned to be spent improving links for people walking, cycling and catching the bus. More than half of this is going to be on extending and improving our on-road and off-road cycling networks.

We have worked closely with Waka Kotahi to put together several programmes that will support better transport safety outcomes. Approximately \$60 million is planned to be spent directly on transport safety over 10 years.

Other areas of planned improvements to the transport network include:

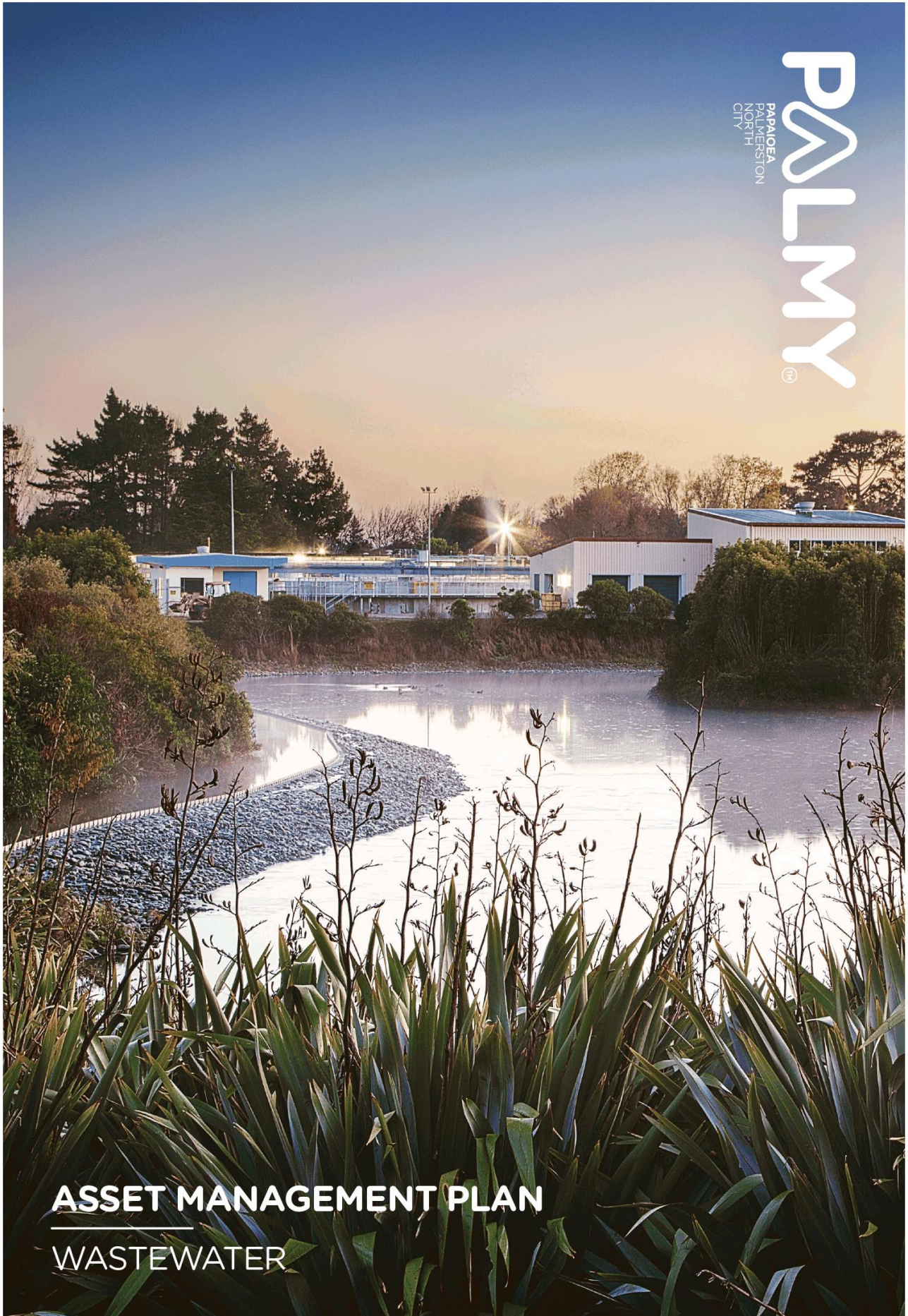
- Transport infrastructure to support growth (\$50 million);
- Improvements to our urban, village and town streets (\$14 million);
- Streets for People (\$23 million).



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NORTH  
CITY

# ASSET MANAGEMENT PLAN

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## WASTEWATER





# OVERVIEW

## ASSET MANAGEMENT PLAN EXECUTIVE SUMMARY **WASTEWATER**

Manaaki whenua, manaaki tangata, haere whakamua.  
Tihei mauri ora!

No reira, e te haukainga Rangitāne, nei rā te mihi nui ki a koutou e pupuri nei i te mauri o te whenua me ngā wai e rere atu e rere mai.

Tēnā koutou, tēnā koutou, tēnā tātou katoa.

We provide wastewater systems for the safe and reliable collection, treatment and disposal of wastewater (sewage) from residential and commercial properties in Ashhurst, Bunnythorpe, Longburn and Palmerston North.

As a member of the Manawātū River Leaders' Accord, we recognise we have a role in improving the mauri and health of the Manawātū River. Presently, all the wastewater is treated at a single facility at Tōtara Road, Awapuni and discharged to the Manawātū River. As our population grows, environmental legislation is tightened, and residents' value in our natural environment strengthens – the way we manage wastewater in the future is likely to change dramatically.

The infrastructure assets that provide the wastewater service are valued at \$400 Million.

### **Taumata Arowai**

In 2019, the Taumata Arowai-Water Services Regulator Bill was introduced to Parliament with the purpose to establish a new regulatory body by the same name. Initially, Taumata Arowai will be responsible for administering a new drinking water regulatory system and a small number of complementary functions relating to improving the environmental performance of wastewater and stormwater networks.

A freshwater policy review is also underway. It is likely this will mean stronger regulations and more inter-regional coordination. We expect this would mainly have implications for the current discharge of wastewater and may lead to a stronger emphasis on protecting waterways from uncontrolled overflows.

### **Nature calls will answer many of our questions**

The Nature Calls project is taking a fresh look at how we treat and dispose of our wastewater. We are collaborating with Rangitāne o Manawātū on the wastewater Best Practicable Option review in order to apply for new consents by June. Any outcome will require us to treat wastewater to a higher standard. It will also require us to look closely at how we manage our Trade Waste customers and how we manage the network to reduce wet weather flows at the treatment plant.

## This Asset Management Plan outlines how we plan to manage and invest in our wastewater assets for the next 30 years

### **Scope of this plan**

This Plan informs our 10 Year Plan, Financial Strategy and 30 Year Infrastructure Strategy. It supports us in the management of our wastewater assets to:

- Achieve our strategic outcomes as set by Goal 4: An Eco City and the Eco City Strategy
- Meet the levels of service we have committed to;
- Plan for growth and adjust to other drivers such as climate change and new legislation;
- Improve asset knowledge and monitor performance;
- Minimise risk; and
- Plan operations.



# WHAT WE PROVIDE

We provide wastewater collection, and treatment and disposal services for Palmerston North, Ashhurst, Bunnythorpe, Longburn and Linton.

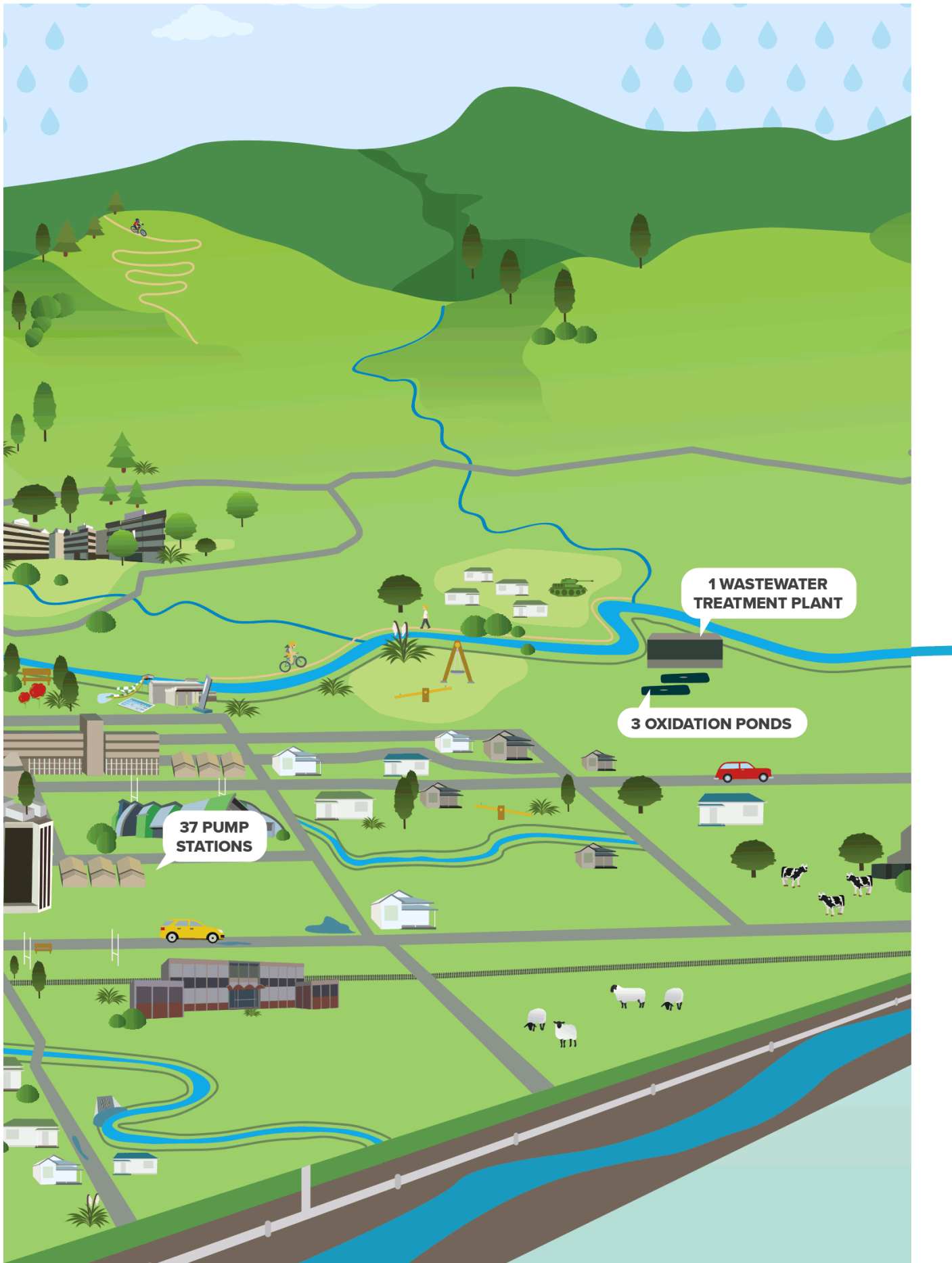
Every year, up to 12.9 billion litres of wastewater is collected from 25,300 connections and treated at the centralised Tōtara Road Wastewater Treatment Plant, before being discharged into the Manawātū River.

**245KM LATERAL CONNECTIONS TO PRIVATE PROPERTIES**

**5,794 MANHOLES**

**422KM WASTEWATER PIPE MAINS**





# EVERYONE IS A CUSTOMER



**RESIDENTIAL**



**VISITORS**



**INDUSTRIAL**



**RURAL**



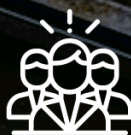
**EDUCATION**



**FIRE AND  
EMERGENCY  
NEW ZEALAND**



**HEALTHCARE**



**COUNCIL**



**DEVELOPERS**



**COMMERCIAL**

We service a population of around 90,000 people by providing wastewater services in Palmerston North City, Ashhurst, Longburn and Bunnythorpe.

Businesses that produce trade waste are consented as their wastewater can contain substances which can be detrimental to the sewage system, treatment plant processes and the environment, and to the health and safety of people working at wastewater plants.

About 500 businesses are required to have a treatment device to prevent fat, grease and oil from getting into the wastewater system. A smaller number of industries pay significant additional fees, mainly to cover treatment and sampling costs.

There are no restrictions on our other customers, but we do remind them to bin wipes instead of flushing them to reduce blockages. This was more of an issue than usual during Covid-19 due to people taking extra sanitary measures.

The majority of residents were satisfied with the wastewater activity in 2020 but village residents were significantly less satisfied compared to 2019. People expect a reliable service and the number of blockages and faults is increasing. Otherwise, we are meeting our customer performance measures.

**We have a strong partnership with Rangitāne o Manawātū. Our stakeholders include, regulators, river leadership, adjoining councils and communities and central government.**

# WE HAVE SOME CHALLENGES + RISKS

## **Our treatment plant is aging**

Under Nature Calls it is unlikely that any upgrade to the existing treatment plant will be operational until 2026-28. The existing treatment plant was opened in 1968 and it has been maintained to a high standard, but it is showing its age. Some of the equipment has been in service for more than 40 years and some of the technology is out-dated. As a result, breakdowns are more frequent, requiring higher levels of maintenance which leads to an increase in costs. The treatment plant must remain fully operational until any upgraded plant is commissioned, so we have been busy replacing critical components. We have been shifting more and more from a reactive maintenance to preventative maintenance plan.

## **Our pipe infrastructure is at risk of failing**

Currently we have \$20M (31km) of highly critical pipes (typically service a large number of customers or critical providers such as hospitals), that are old and potentially overdue for replacement. The true state of these pipes needs to be understood in order to confirm the risk of them failing, and the priority for their repair or replacement.

## **We need to stop stormwater entering our wastewater pipes**

Stormwater and groundwater can get into our wastewater pipes in a variety of ways, including through downpipes, gully traps and leaking pipes. This is known as inflow and infiltration and increases as pipes and manholes age and deteriorate. This can lead to more overflows during heavy downpours and puts a higher demand on treatment and disposal facilities (flows can increase by up to six times to 150,000 m3 per day). As there are many entry points it is a challenging issue to address. The cost of locating defects and repairs needs to be carefully balanced with early renewal and treatment plant upgrades so a targeted approach is being proposed. The catchments with the highest assessed inflow and infiltration have been the focus of our renewals over the past few years.

## **Disaster resilience is more than earthquakes and floods**

In late 2019, the Ministry of Civil Defence & Emergency Management updated its National Disaster Resilience Strategy, Rautaki ā-Motu Manawaroa Aituā. This strategy covers natural hazards, pandemics, technological risks, security risks, and economic risks.

We have a good understanding of our natural hazard risks from earthquakes and floods. Our Business Continuity Planning has identified a residual risk of wastewater overflows potentially impacting low lying properties in the unlikely scenario of the Manawātū River being in flood following a major earthquake.

Around 80% of our pipes are made of brittle material like concrete or earthenware that could fracture or be damaged in a major earthquake. Our Operational Planning is key to managing risks that we cannot “build” our way out of but needs revising to reflect the recent creation of the Water Operations Division.

Covid-19 has forced us to revise our Business Continuity Planning to manage biological hazard risks and ensure that wastewater services continue as a critical service during pandemics.

Technological risks, security risks, and economic risks have not been comprehensively assessed for the Wastewater Activity.

## **Climate change will have an impact**

Current research suggests that the main impacts of climate change on the wastewater activity will be a significant increase in rainfall in winter, resulting in higher peak flows and total wastewater volumes due to more Inflow and Infiltration. This increase in wet weather flows will increase energy and treatment costs. Climate change will also increase the intensity of short duration events. The impact of more downpours is likely to result in an increase in the number of overflows during wet weather. A budget has been proposed to identify and reduce Infiltration and Inflow, which will also benefit the Nature Calls project.

## **We are meeting our level of service though and our customers are satisfied**

While the risk of failure is considered too high, particularly at the wastewater treatment plant, the actual performance of our network is currently considered satisfactory for our customers. This is based on the number of pipes blocked, sewer overflows and customer satisfaction surveys.

## **Our short-term focus is on projects that support growth and demand**

While we are still unsure what the treatment and discharge solution will look like in the future, it is clear our region is showing strong signs of economic recovery from Covid-19 and growth.

This means a key short term focus is supporting this growth and the increase in demand. This work includes constructing new assets for land that is rezoned for residential and industrial growth, as well as implementing capacity upgrades of existing pump stations.

# WHAT'S OUR PLAN?

## Improve health and safety

We have some health and safety hazards which though currently controlled, need to be further mitigated to minimise the risk. These include access for staff around the digesters at the Tōtara Road Wastewater Treatment Plant, our wastewater pump stations as well as the quality of equipment we use for maintenance.

## Reduce risk of service failure

When we upgrade our pump stations for health and safety reasons, we will also make them more resilient through standardising equipment and ensuring they have enough storage and backup power supplies. Standardisation will also reduce maintenance costs.

We will consolidate the renewal of more critical pipes (trunk mains) into a single programme of works in order to better prioritise projects as better inspection data is obtained.

An investigation has found that the network is vulnerable in locations such as in gullies, below stormwater services and trees. We plan to relocate these services to reduce the risk of stormwater ingress or sewage spills, particularly in Aokautere.

There are a number of large diameter mains that are no longer in service but have not been decommissioned. To prevent collapses in these old pipes we plan to properly decommission these assets to prevent property damage and keep the public safe.

## Maintain the front end of the plant

The treatment plant will be upgraded under the Nature Calls Project, but the front end of the plant is unlikely to change. Therefore, we plan to carry out seismic strengthening on the sedimentation tanks, inlet works and main building.

## Collect more condition data to inform renewals

Better pipe condition data will either confirm our risk of failure profile as unacceptable or lower it. Either way, better data is needed to prioritise renewal investment to address the current backlog. Better plant condition data will ensure fewer “surprises” and better resource planning.

## Improve network and treatment performance

We will be Investigating inline storage options to mitigate the risk of overflows occurring during wet weather. Storage will also attenuate peak flows reaching the plant and improve treatment performance.

In addition to carrying out more condition inspections we need to better identify sources of inflow and infiltration. This will also help with prioritisation of pipe renewals and will generate a backlog of prioritised defects to repair.

Sludge removal – 25% of aerated ponds is full of sludge and we need to better manage sludge removal and disposal from the ponds.

## Maintain existing levels of services

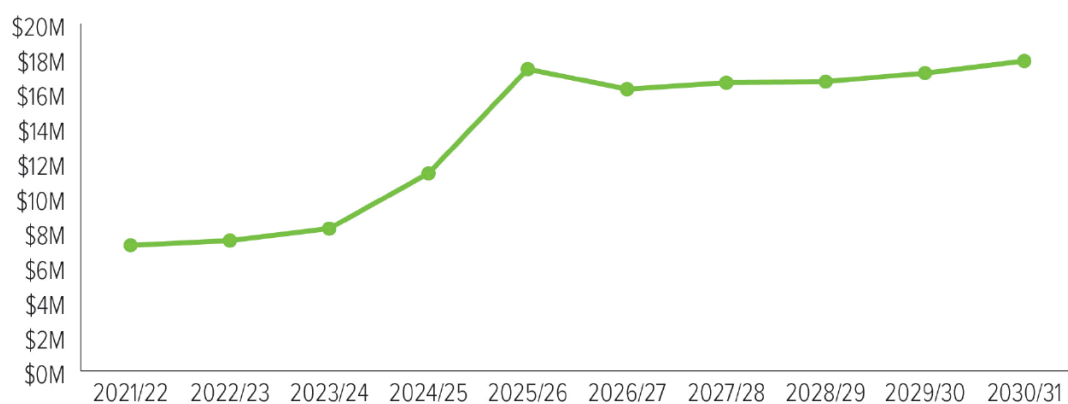
We plan to keep operating the existing services at the same level and continue to look for ways to improve operational efficiency. This includes responding to growth in a way that enables new customers to receive the same level of service, at an optimum cost.



# HOW MUCH WILL IT COST?

In order to continue to provide safe and reliable wastewater services, we need to invest in both the collection and treatment/disposal of wastewater.

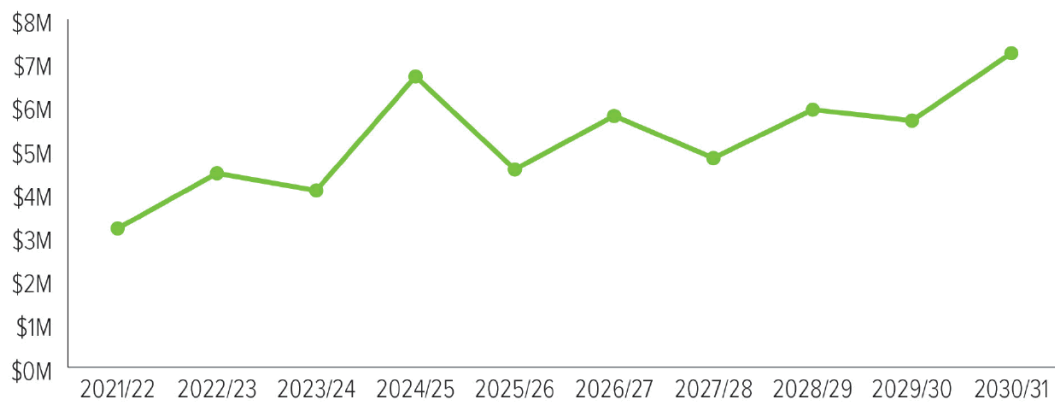
## OPERATIONS + MAINTENANCE WASTEWATER ACTIVITY



Operations and maintenance costs are forecast to rise due to the construction of new assets as the city grows. There is also a near doubling in expected operations and maintenance expenditure as a result of the implementation of Nature Calls. Costs will rise as a result of the increasing rate of failure of aging assets until our renewal investment addresses the backlog in asset condition. There are other increases associated with an increase in maintenance costs to maintain service levels.

Other proposed budgets are operating programmes associated with planning and investigation, which include asset condition assessments, inflow and infiltration investigations and decommissioning of redundant mains. Operating programmes also provide for applications to renew resource consents and desludging of ponds.

## RENEWAL WASTEWATER ACTIVITY



Of the \$45M in renewal programmes, \$36M (80%) of investment is associated with the pipe network. \$6M of this is targeted at replacing our most critical wastewater pipes. Renewal of these critical mains requires significant planning and it is proposed to programme the replacement of key sections every two years.

The replacement of equipment is a key focus of major programmes of work at the wastewater pump stations, treatment plant (both before and after the upgrade) and the biogas generator. The remaining two inlet pumps at the Tōtara Road Wastewater Treatment Plant also require renewal. These programmes are estimated to cost \$9.1M in total.

## CAPITAL NEW EXPENDITURE

### WASTEWATER ACTIVITY



The amount we are proposing to invest in new assets is significantly higher in years four to six of the 10 Year Plan. Related to Nature Calls is the need to increase the resilience of the parts of the existing treatment plant that will become part of the proposed upgraded treatment plant. We are planning to do this by spending \$7M over the next six years. Health and safety and equipment upgrades are also planned at the biogas electricity generation system at Tōtara Road Wastewater Treatment Plant.

Pump station capacity upgrades are an ongoing programme responding to city growth and network deterioration. Working alongside this is a wet weather flow mitigation programme that aims to optimise network performance through storage and/or pipe upgrades. An investment of nearly \$13M is planned to improve the capacity of the network.

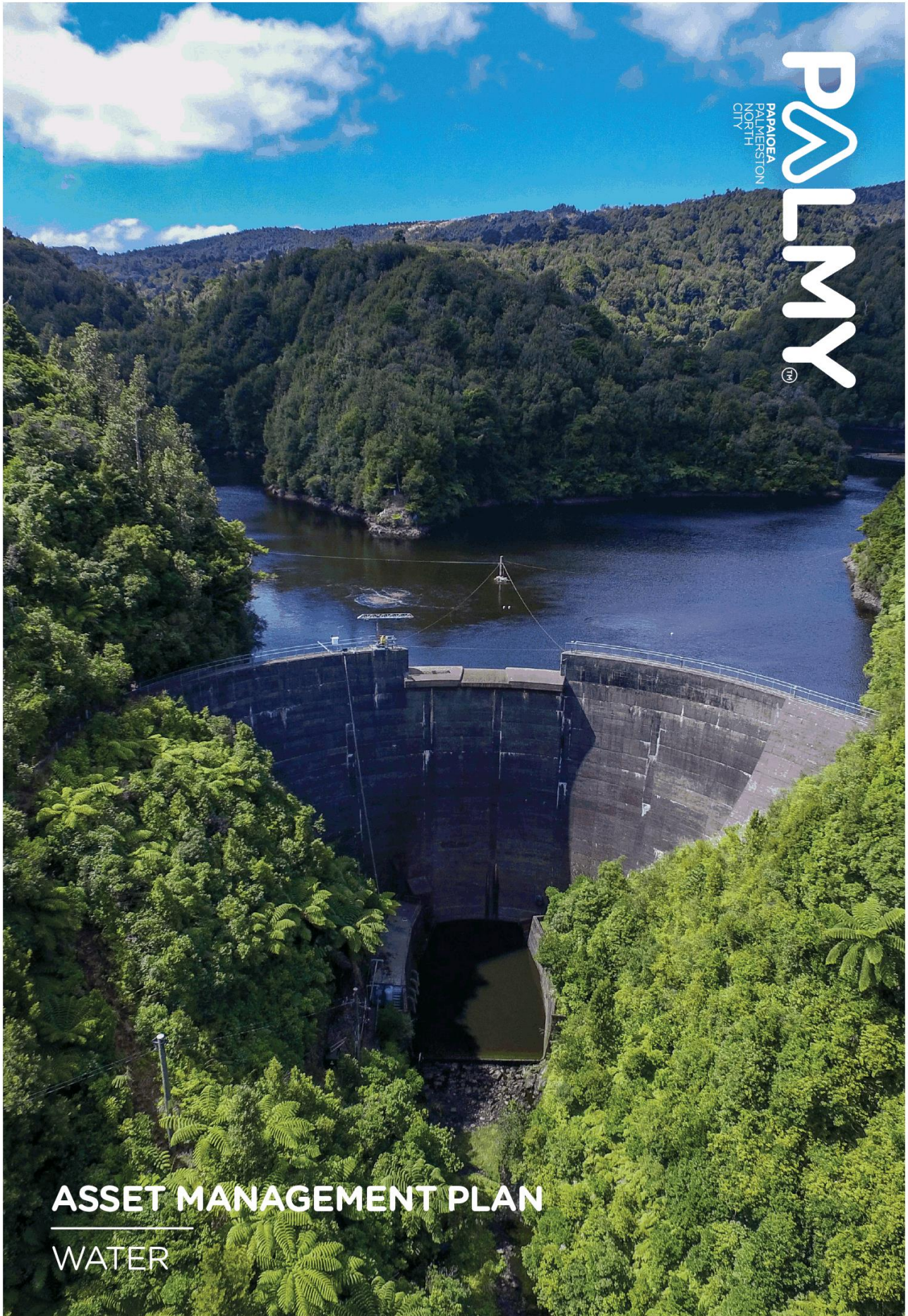
There are many wastewater programmes (\$6M in total) associated with urban growth that are expected to occur in the next five years.



Te Kaunihera o Papaioea  
Palmerston North City Council

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PALMY<sup>®</sup>  
PAPAIOEA  
PALMERSTON  
NORTH  
CITY

# ASSET MANAGEMENT PLAN

## WATER







# OVERVIEW

## ASSET MANAGEMENT PLAN EXECUTIVE SUMMARY **WATER**

Manaaki whenua, manaaki tangata, haere whakamua.  
Tihei mauri ora!

No reira, e te haukainga Rangitāne, nei rā te mihi nui ki a koutou e pupuri nei i te mauri o te whenua me ngā wai e rere atu e rere mai.

Tēnā koutou, tēnā koutou, tēnā tātou katoa.

Water is a taonga and in Palmerston North we are fortunate that we have a variety of sources from which to supply safe drinking water to our community.

We provide a good-quality water supply that meets the Drinking Water Standards for New Zealand in a sustainable and responsible way to residential, industrial and commercial properties in Ashhurst, Bunnythorpe, Longburn and Palmerston North.

With a growing population and climate change becoming more apparent, coupled with important changes in legislation, this area will experience significant change over the next few years.

### **Taumata Arowai**

In 2019, the Taumata Arowai-Water Services Regulator Bill was introduced to Parliament with the purpose to establish a new regulatory body by the same name. Initially, Taumata Arowai will be responsible for administering and enforcing a new drinking water regulatory system and a small number of complementary functions relating to improving the environmental performance of wastewater and stormwater networks.

## This Asset Management Plan outlines how we plan to manage and invest in our water assets for the next 30 years

### **Scope of this plan**

This Plan informs our 10 Year Plan, Financial Strategy and 30 Year Infrastructure Strategy. It supports us in the management of our water assets to:

- Provide clean, safe drinking water to our communities
- Achieve our strategic outcomes as set by Goal 4: An Eco City and the Eco City Strategy
- Meet the levels of service we have committed to
- Plan for growth and adjust to other drivers such as climate change and new legislation
- Improve asset knowledge and monitor performance
- Minimise risk
- Plan operations

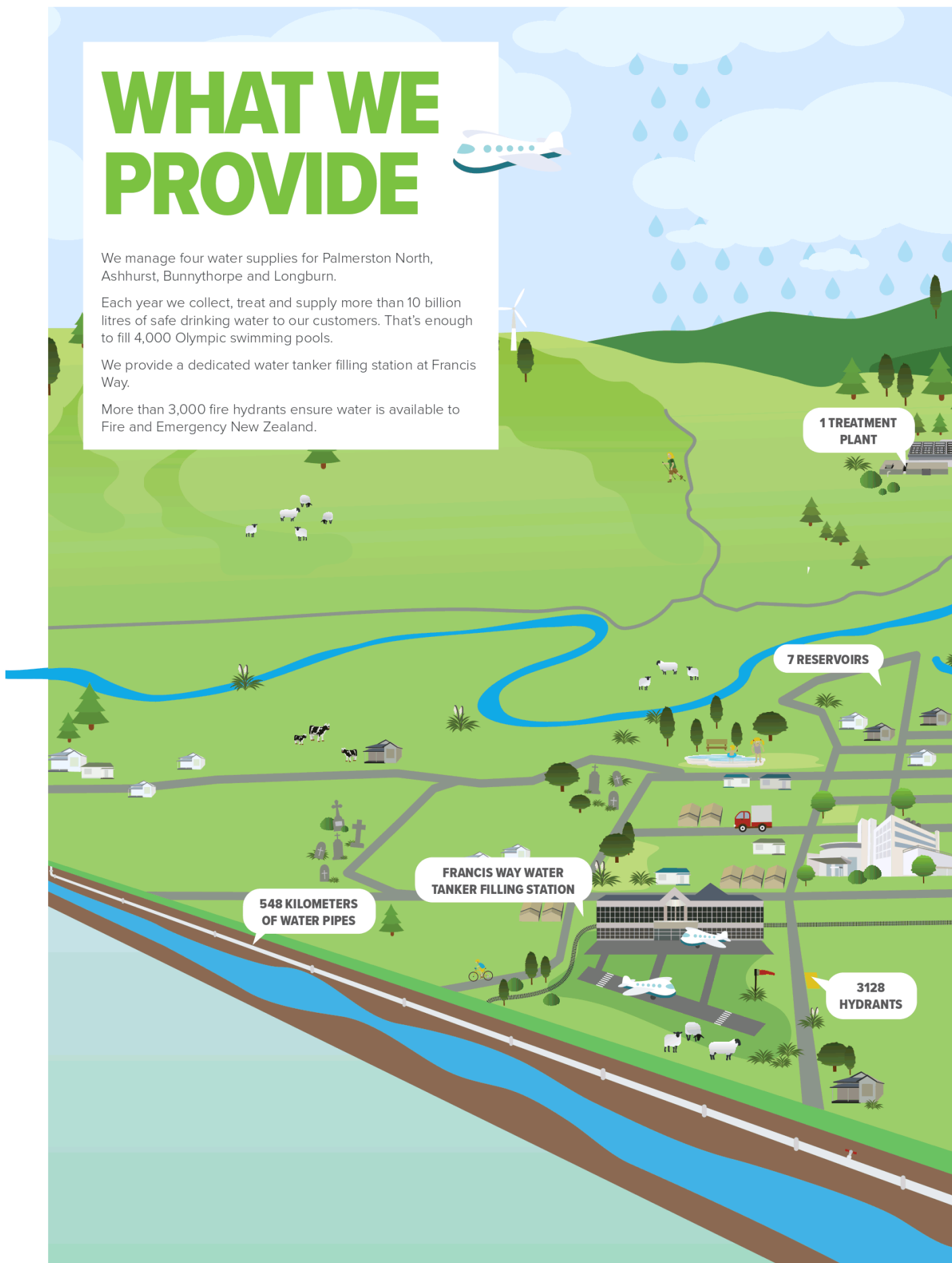
# WHAT WE PROVIDE

We manage four water supplies for Palmerston North, Ashhurst, Bunnythorpe and Longburn.

Each year we collect, treat and supply more than 10 billion litres of safe drinking water to our customers. That's enough to fill 4,000 Olympic swimming pools.

We provide a dedicated water tanker filling station at Francis Way.

More than 3,000 fire hydrants ensure water is available to Fire and Emergency New Zealand.







# EVERYONE IS A CUSTOMER



RESIDENTIAL



VISITORS



INDUSTRIAL



RURAL



EDUCATION



FIRE AND  
EMERGENCY  
NEW ZEALAND



HEALTHCARE



COUNCIL



DEVELOPERS



COMMERCIAL

Our customers value having access to a safe and readily available supply drinking water. They want to be able to turn on the tap and have water to go about their lives.

Each day Palmerston North uses up to 36 million litres of water – that is enough to fill the outdoor pool at The Lido 14 times! Two-thirds of our water comes from the Turitea Dam, and the remainder from groundwater.

We supply water to the boundary of homes and businesses, fire-fighting capacity from hydrants, and a filling station for rural tankers and construction work. We also promptly respond to breaks, leaks and quality issues with the service.

Currently we supply drinking water to Palmerston North City, Ashhurst, Bunnythorpe and Longburn. Properties outside these areas supply their own services and this includes Massey University and the Linton Army Camp.

Our customers approval rating is improving. Between 2018 and 2019 complaints dropped by 40%.

**We have a strong partnership with mana whenua Rangitāne o Manawatū. Our stakeholders include; regulators (Public Health, Horizons and Taumata Arowai), Manawatū River leadership, adjoining councils and communities and central government.**

# WE HAVE SOME CHALLENGES + RISKS

## **New drinking water standards will likely come into effect**

Changes to the Drinking Water Standards have been proposed. If adopted, these could impact our activity by requiring:

- Tighter regulation of treatment plant performance;
- Enhanced treatment of bore water, and;
- Specific residual disinfectant standards in the network.

To maintain compliance with these proposed changes will require investment in treatment assets, systems and staff resources.

## **Our infrastructure is aging**

Our water supply infrastructure is aging leading to an increasing backlog of assets requiring renewal. Currently there is \$2M worth of pipes that have an extreme risk threat. Funding from the Water Reform programme provides us with an opportunity to reduce this backlog.

## **Condition assessments**

There are gaps in our asset information regarding completeness, condition and value. This can make it more difficult to know we're renewing the right water pipes at the right time. There is an unacceptable risk threat from aging assets. We have a further \$54M worth of pipes that we should be actively managing. Obtaining more condition data would help prioritise the replacement of these assets.

Our understanding of equipment assets is limited and requires a review of asset criticality.

## **Increasing compliance costs**

Water Safety Plans are "living" documents where we actively manage our risks to provide safe drinking water.

We also have several resource consents that will need to be renewed in the next 10 years.

The cost to keep these up to date and compliant has increased.

## **Some assets are vulnerable**

We have been improving the resilience of the water supplies but there are still some actions we can take:

- To make the most of the recent upgrades to the microwave communication links we need to upgrade telemetry equipment at some facilities.
- We have limited backup power supply for our bore stations.
- The Turitea Water Treatment Plant needs some specific seismic strengthening.

The raw water mains from the Turitea Lower Dam to the water treatment plant are due for rehabilitation.

## **Growth is occurring faster than planned for**

Our current Water Supply Development Plan has been an essential planning tool, but growth has been occurring faster than anticipated. We are also identifying new opportunities to increase resilience and need to update the Water Supply Development Plan more often.

## **Fire fighting deficiencies**

Modelling has identified several areas of the network that do not meet our fire fighting level of service and need to be upgraded.

## **Minor health and safety issues**

Inspections of the Upper Turitea dam under drains have been put on hold until we can improve access for safety reasons.

## **Opportunities in the Turitea water supply catchment**

There is a stand of mature commercial pine trees in the Turitea Catchment. Given that log prices are favourable, these should be harvested.



# WHAT'S OUR PLAN?

## Maintain our compliance record

In order to maintain compliance with drinking water standards and resource consents we have budgeted for:

- Anticipated treatment upgrades;
- Updating of Water Safety Plans; and
- Renewal of resource consents.

## Use growth to increase resilience

As the City grows towards Bunnythorpe (KiwiRail development) and Longburn (Kākatangiata plan change) there are opportunities to connect the small village supplies to the City and provide more resilience.

## Collect more condition data to inform renewals

Better equipment and pipe condition data will either confirm our risk of failure profile as unacceptable or lower it. Either way, better data is needed to prioritise renewals for the current backlog. Better condition data will ensure fewer “surprises” and better resource planning.

## Maintain existing levels of service

We plan to keep operating the existing services at the same level and continue to look for ways to improve operational efficiency.

As mentioned, we have level of service gaps related to fire fighting and plan to close these by upgrading the network in several locations.

## Adjust our plan as needed

We will continue working with Central Government, Rangitāne o Manawātū and Councils in the Horizons Region to manage our drinking water activity and continue to be actively involved in discussions about a potential regional water agency.

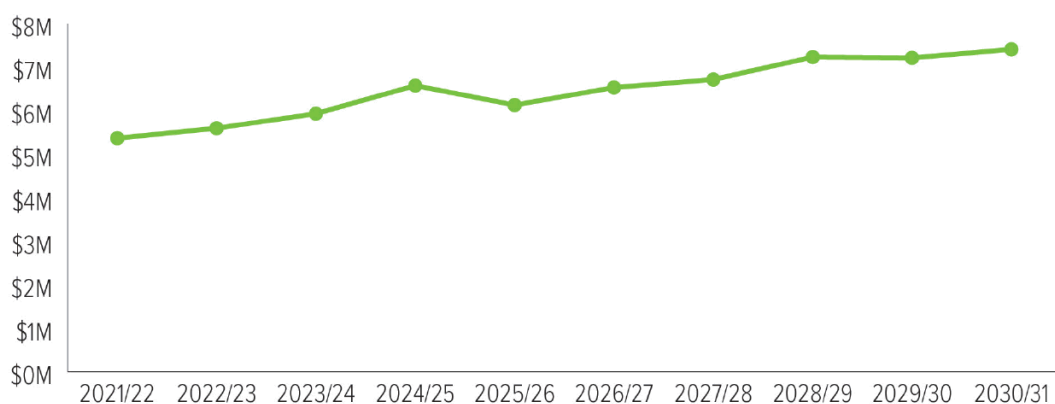
New asset condition data will be used to prioritise asset renewals. It is expected that as defects we get better condition information, we'll be able to make more informed decisions on our renewals.



# HOW MUCH WILL IT COST?

In order to continue to provide safe drinking water to existing and new customers, we need to invest in all areas of water collection, treatment and distribution.

## OPERATIONS + MAINTENANCE WATER ACTIVITY



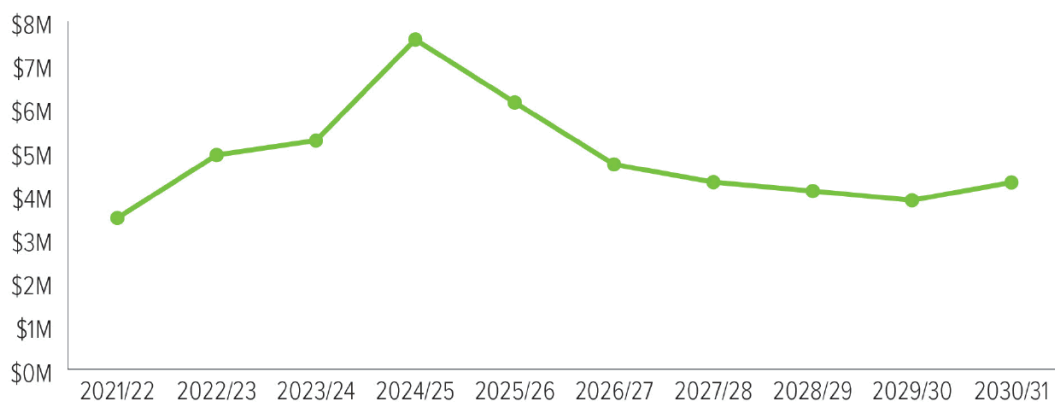
Operations and maintenance costs are forecast to rise slightly over the next 10 years. This is due to the construction of new assets as the city grows and maintaining our aged assets. Existing costs have been extrapolated to form our base budget.

In addition to the base budget and the impact of new assets we also have operational programmes. Most operational programmes are to target annual shortfalls in existing budgets that have been identified with building maintenance, the management of the Turitea water

supply catchment and asset condition assessments. This shortfall is estimated at a total of \$3.3M over ten years.

Other proposed budgets are associated with operating programmes covering discrete initiatives such as applications to renew resource consents, Water Supply Development Planning, Dam Safety Assurance and Water Safety Plans. These are important risk management and compliance-related actions that ensure and demonstrate that our water supplies are safe and secure.

## RENEWAL WATER ACTIVITY



We are planning to spend approximately \$43M over the next ten years to renew our water assets. Most of this (\$33M) is associated with water mains. There is a backlog of renewals from under-investment in the past. Once this outstanding package of work has been addressed, it should result in fewer disruptions and lower maintenance costs as we settle into a more sustainable level of ongoing renewals.

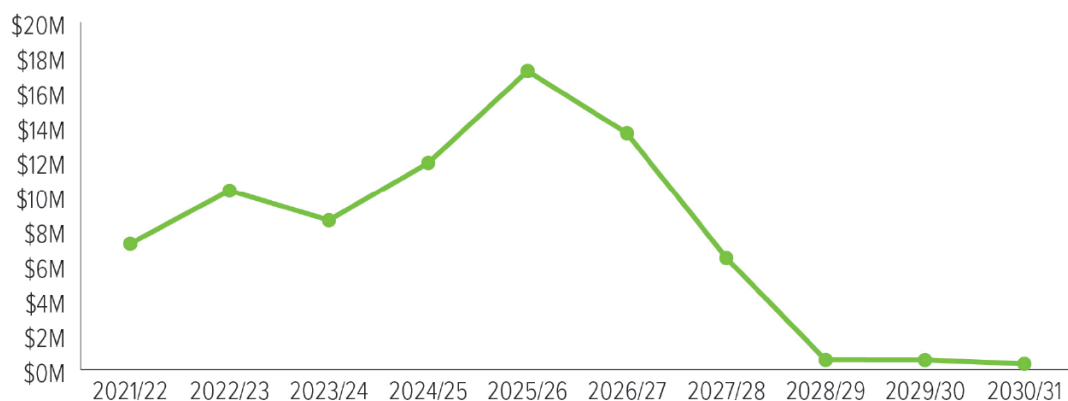
Replacement of watermain forms a relative constant base work programme at \$2.3M per year on average. Renewal of our most critical mains to and from the Turitea Water Treatment Plant (\$2.9M) is a focus for 2024/25 and 2025/26.

Water supply bore renewals and equipment replacement at the Turitea Water Treatment Plant also form part of the budget at about \$3.5M for each programme.



## CAPITAL NEW EXPENDITURE

### WATER ACTIVITY



Significant investment (\$61.8M) is proposed in the first six years in order to provide for growth and address existing issues and risks already identified.

The development scenario for residential growth is based on meeting the needs of a growing population and includes the additional capacity required by the National Policy Statement for Urban Development Capacity. In order to provide for this level of growth, some \$22M of capital investment is needed, which equates to a third of the overall capital new budget. To meet the needs of the industry a further \$7M is needed, thus providing for growth equates to 36% of the total budget.

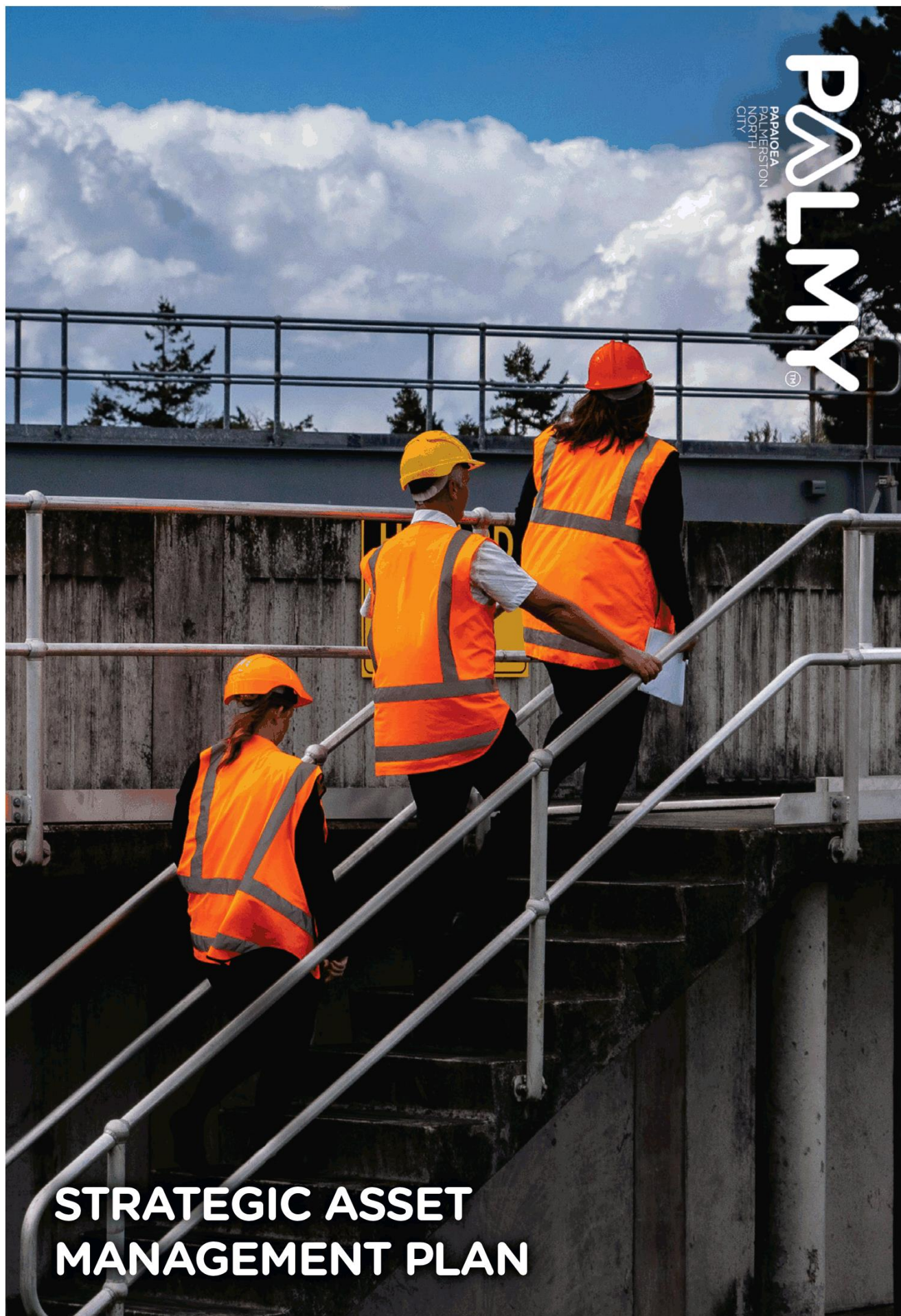
The most substantial new programme is to upgrade service connections at properties to reduce the risk of water contamination. This programme is spread over several years starting in 2022/23 and coming at a cost of \$13.3M.

Nearly another third of the proposed budget (\$20M) is required to increase the resilience of the network by way of additional trunk mains, reservoirs, generators and seismic strengthening works.

While we already provide safe drinking water, changes to the Drinking Water Standards require us to upgrade our treatment. We plan to invest \$8.4M in improving water treatment to meet the new Standards as well as improve water aesthetics.

Other more minor programmes in the first six years address water efficiency, revenue from new metered customers, fixing the last of the known firefighting capacity issues, and Health & Safety improvements.









Produced by  
Palmerston North City Council

# OVERVIEW

## STRATEGIC ASSET MANAGEMENT PLAN EXECUTIVE SUMMARY

Manaaki whenua, manaaki tangata, haere whakamua.

Tihei mauri ora!

No reira, e te haukainga Rangitāne, nei rā te mihi nui ki a koutou e pupuri nei i te mauri o te whenua me ngā wai e rere atu e rere mai.

Tēnā koutou, tēnā koutou, tēnā tātou katoa.

### Why Is Asset Management Important?

We manage a wide range of assets on behalf of our community. These assets are essential to the delivery of services that support the social, economic, environmental and cultural wellbeing of our community. Our community expect us to extract the maximum value out of our assets for the lowest possible cost from the time the asset is created to the end of the asset's life. This approach forms the basis of our Asset Management (AM) practice.

### What is the purpose of the Strategic Asset Management Plan?

The Strategic Asset Management Plan (SAMP) describes how we plan to manage and make decisions about our assets in a way that achieves the Council's strategic direction for the city. Every asset based service we deliver to our community should contribute to achieving the Vision, Goals and Strategies that form the strategic direction our Councillors have set for the

city. The SAMP sets out our plan to manage our assets in a way that achieves our strategic direction for the city. Our strategic direction is as follows:

## Our vision: Small City Benefits, Big City Ambition.

### Goals:


- An innovative and growing city
- A creative and exciting city
- A connected and safe community
- An eco-city
- A driven and enabling Council

### Strategies:

- City Development Strategy
- Creative and Liveable Strategy
- Connected Communities Strategy
- Eco City Strategy
- Driven and Enabling Strategy



# WHAT WE PROVIDE

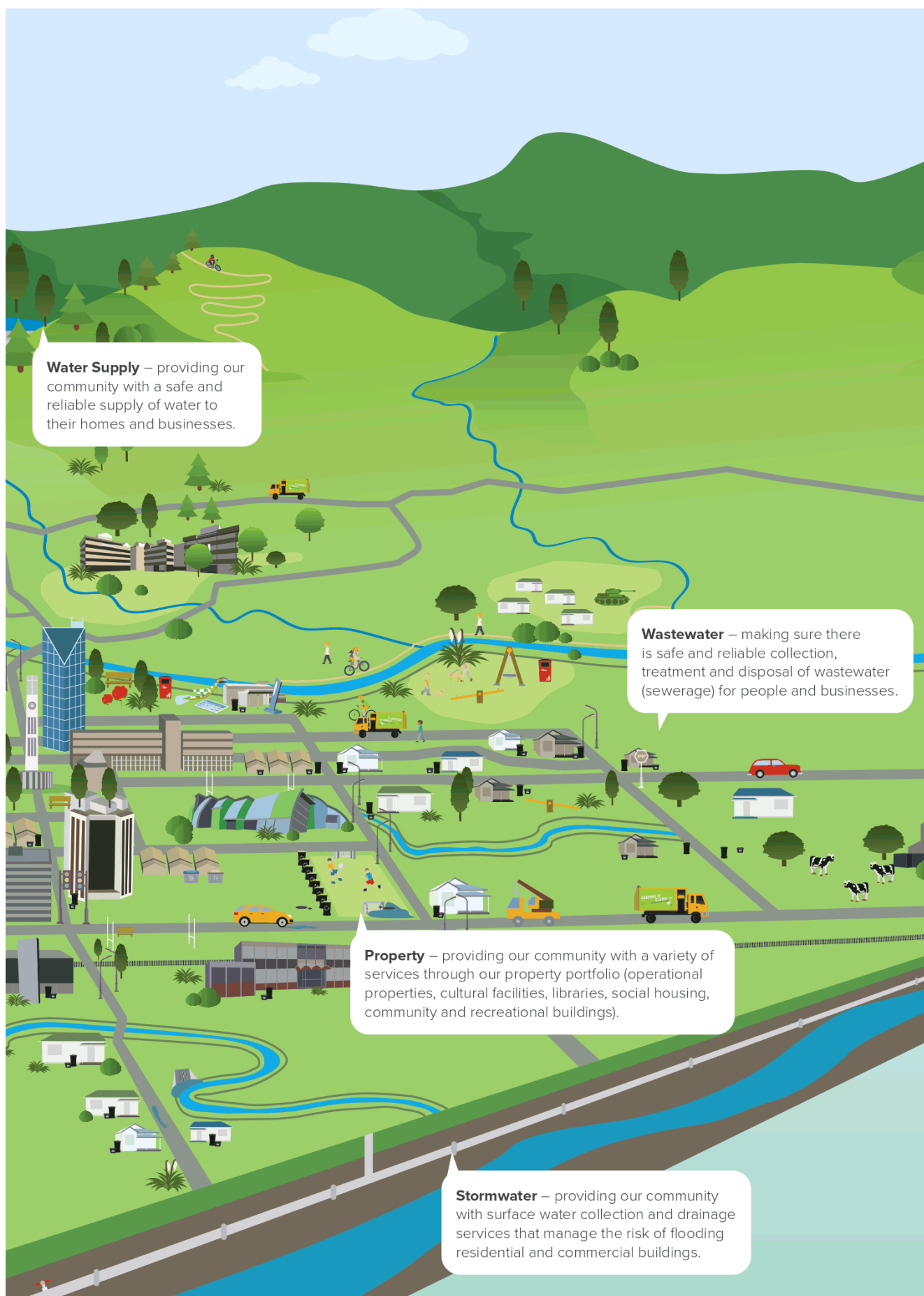


**Transport** – making sure people and goods can continue to move around the city easily and safely.

**Parks and Reserves** – providing our community with places where they can play, be active and connect with one another.

**Rubbish and Recycling** – making sure rubbish from houses and businesses is appropriately disposed of while maximising the amount of waste diverted from landfill.





# WE HAVE SOME CHALLENGES + RISKS

## The maturity of our asset management approach

An independent review of the maturity of our AM approach was undertaken in 2019.

Given the size of our organisation, the complexity of our assets and the level of risk we manage our overall AM maturity level should be at the high end of the "Intermediate", a score of 80. The asset management maturity assessment placed us at "Core" level of asset management, with a score of 51. While we have made significant progress since our 2019 review, we still have significant improvements to make in the way we manage our assets. Some of our challenges and risks include:

### Audit and improvement

It is important that we audit and plan to improve our approach to AM. In the past we have developed an AM Improvement Plan, but it was not budgeted for or actioned. For this reason, we have not been progressing our AM Improvement Plan and improving AM practice across the organisation.

### Managing risk

Risk management is our weakest area of AM practice. We do not have a whole of organisation approach to managing risk and tend to manage our risks as they arise – dealing with issues and developing short-term responses to risk. We don't currently understand where we face the greatest risk to service delivery if a particular asset fails (asset criticality). For example, what is the criticality of our wastewater treatment plant assets and how does this influence how we maintain and renew these assets.

## Service delivery models (procurement)

Our procurement processes are generally informal and inconsistently applied across our asset areas. We have a contract register which focuses mainly on recording key dates, but we have no procurement or contract management system in place. We carry risk when we don't have robust processes in place to manage conflicts of interest, use purchase order systems incorrectly, or don't have formal contracts in place where appropriate.

## Life cycle decision methods (decision making)

We do not have a formalised decision-making process in place when making decisions about prioritising the maintenance and renewal of existing assets or investment in new assets. For this reason, we have found it difficult to assess relative priority of investment across our asset areas. The increased frequency of break downs at our wastewater treatment plant and the associated increase in our renewals programme are symptoms of not having robust decision-making processes in place in the past.

## Operational planning

Our current approach to operational planning deals with individual issues as they arise rather than a planned approach guided by policies, processes and procedures. While our Parks and Reserves team have well documented operational procedures for their work practices not all asset areas do. In many cases we do not have maintenance plans in place which means our approach to maintenance is often reactive and unbudgeted costs occur. The recent \$400k of unbudgeted maintenance at Arena is an example of this reactive approach to the maintenance of our assets.

## Asset performance and condition

We have significant gaps across our asset areas in terms of condition and performance data. We don't understand where we face the greatest risk to service delivery because we are not collecting condition data on our critical assets. Although some work has been done in the past to assess asset criticality, we are not using it well. For example, our wastewater pipes have good CCTV data, but is not always reliably loaded into our asset data base.

### AM systems

If we follow formalised processes we can improve effectiveness and efficiency, increase community satisfaction and better manage risks associated with our assets. We do not have a robust suite of AM policies, processes or procedures being used by our staff. We have relied heavily on experienced staff in the past. Because we have little AM process documentation, we have been vulnerable when experienced staff and institutional knowledge has left the Council.

### Policy and strategy

We need to manage our assets in a way that contributes towards achieving our strategic direction. Our long-term strategic direction is clear and settled. However, in the past our AMPs and AM Policy have not had a good understanding of our strategic direction and for this reason our AM decisions have not always given effect to the strategic direction our Councillors have set for the city.

### Asset management plans (AMPs)

AMPs provide transparency about how we plan to manage and invest in our assets. Our 2017 AMPs were comprehensive but long documents that struggled to provide operational value. They were prepared with limited interaction with other parts of Council and in trying to be comprehensive were too long to be usable. In the past, our AMPs have struggled to align with our strategic direction and to effectively support our 10 Year Plan and Infrastructure Strategy.

### Forecasting future demand

Forecasting future demand is important because it considers how future changes may impact on the demand for an asset and the service(s) it provides. The projected increase in investment in the region over the next 10-15 years means there is a need for robust demand forecasting. If we don't understand future demand and its impact on our asset based services, we run the risk of not having enough system capacity available at the right time to meet future growth.





# WHAT'S OUR PLAN?

## Audit and Improvement

We will be developing an organisation wide AM Improvement Plan based on the recommendations of our AM Maturity Assessment and the AM improvement tasks contained in our 2020 AMPs. We are developing an interactive dashboard that shows our prioritised improvement plan tasks so that we can monitor and report on our progress. We plan to form an Asset Management Steering Group that will provide governance and oversight to our AM practice and monitor how we progress our improvement plan tasks.

## Managing Risk

We currently have a review of risk management underway. We have set up a Risk and Resilience team, adopted a Risk Policy and are in the process of developing a Risk Management Framework. Subject to resourcing, we plan to have in place AM Improvement Plan tasks that focus on assessing the resilience of our assets. Improvement tasks will also focus on process documentation to address the risks posed by the loss of experienced staff. The creation of our Project Management Office (PMO) in 2020 will support our Asset Managers to better manage project risk.

## Service Delivery Models (Procurement)

Our newly established Procurement Team are in the process of developing better contract management capabilities across the Council. This includes work developing pre-approved procurement panels and formalising contracts which more clearly define expected contractor performance measurement and monitoring. Our Procurement Team are also working with our PMO to implement new tendering thresholds and new procurement processes. We expect to have an improved contract management system in place in 2021.

## Life Cycle Decision Methods (Decision Making)

We will have in place AM improvement tasks that look to create formal decision-making processes to better prioritise the maintenance, renewal and creation of new assets. It is important this approach is supported by reliable asset condition data. We will also work to bed-in improved business case development to better justify our projects and ensure we are aligning with our strategic direction.

## Operational Planning

We need to better prepare and plan for how we keep our critical assets delivering services to our community. To do this we need to review our approach to operational planning. We will take a structured approach to our lifecycle planning outputs (particularly renewals and maintenance budgets), and continually collect and update data to better understand the performance of our assets and our approach to operational planning. We want to develop strategies that better balance renewals and / or other proactive maintenance and the potential impacts on operational costs and LoS. We need to develop clear renewal and maintenance plans and communicate these with key staff and broader stakeholders (e.g. Rangitāne and Waka Kotahi / NZTA).

## Asset Performance and Condition

We will be reviewing our policy governing our asset condition and performance assessment in terms of content and frequency. Once we have defined and identified our critical assets, we will need to complete condition surveys and schedule regular inspections with the frequency based on asset criticality. While unexpected failure of our water assets in the past has prompted a programme to increase the collection of condition data through physical surveys, we will need to develop a comprehensive condition assessment programme across all our assets. In our Property and Transport areas we have started working towards developing processes for contractors and in-house staff to collect condition information using real time mobile data applications to increase efficiency in this area.

### AM Systems

We plan to undertake a review of our AM Systems and develop policies, processes, and procedures. We have developed a draft AM Policy and SAMP which form the first steps towards building our formal AM System. We have invested in web-based software to map business process change and will focus on a more comprehensive approach to mapping all our AM processes.

### Policy and Strategy

We have confirmed with Councillors and other stakeholders the Vision, Goals, Strategies and Plans that will inform our 10 Year Plan decision-making. We have completed our SAMP and draft AM Policy, which both align with the strategic direction set to guide the city forward. Our AMPs have been informed by the SAMP which sets out the overall strategic approach to managing council assets and overarching issues, practices, and systems.

### Asset Management Plans (AMPs)

We have developed our 2020 Asset Management Plans in two parts. Part A is our SAMP. This document sets out the overall strategic approach to managing our assets. Part B includes our AMPs for each asset group, detailing optimal management requirements and how the practices in Part A are applied.

We have set up an Asset Planning Division with one of its functions to develop AMP documents in a way that draws on the collaborative input of staff across the whole organisation. We have completed a review of our AMP templates and formatted our approach to better align with our needs and the operational areas of the organisation.

**We need to better prepare and plan for how we keep our critical assets delivering services to our community.**

### Forecasting Demand

In preparing for the 10 Year Plan we have reviewed both our growth projections for the city and our Growth Infrastructure Plan. Our AMPs explain how each of our asset areas (transport, water, wastewater, stormwater, parks and reserves and rubbish and recycling) contribute towards achieving our Growth Plan. However, as part of our AM Improvement Plan, we need to carry out a more detailed review of how infrastructure capacity will be planned and rolled out to support the city's growth needs over the next 30 years. This work will feed into more fully fleshed out lifecycle plans in our AMPs that focus on how each asset area needs to respond to growth and ensure ongoing asset operation over the lifecycle of these assets.



# OUR BIG PICTURE DEMANDS AND DRIVERS

We seek to understand how future changes could impact on the city's assets and the demand for services.

When we understand what is driving change we can better plan for the future, develop assets to cater for growth, and consider levels of service that meet our community's needs. Some of the big picture demands and drivers that may impact on how we plan for our assets and deliver LoS to our community are:





Big Picture Issues		Impact on Asset Management Planning
 <b>Council Strategy</b> To provide the ideal conditions to support growth and development.	<b>What we will do</b>  New infrastructure will be in place to support housing development in greenfield areas.  Our existing infrastructure will have enough capacity to support infill development.	
 <b>Population Growth</b> The city's population is growing. By 2051 we will have 25,908 more people living here.		
 <b>Household Growth</b> The number of households in the city is increasing. By 2051 there will be an additional 12,865 houses here.		
 <b>City Growth (Houses)</b> In the future there will be more greenfield development in the North, East and West of the City. Housing density may increase with new infill housing developing throughout the city.		
 <b>City Growth (Industrial)</b> The city is poised for industrial growth. The North East Industrial Zone provides the City with development options for large industrial businesses.	<b>What we will do</b>  New infrastructure will be in place to support industrial growth in new areas, providing businesses with "spade ready land" and essential services when needed.	
 <b>Economic Growth</b> The city will have strong economic growth for the next fifteen years. The city is the major economic hub for the region for education, research, health services, retailing, defense, government administration, agribusiness and logistics.	<b>What we will do</b>  Our infrastructure will position the City as a competitive option for business and enables economic growth opportunities.	
 <b>Customer Expectations</b> We aim to deliver a customer centric experience. Key to delivering the levels of service is having good quality infrastructure assets, with the capacity to deliver services.	<b>What we will do</b>  Our assets will enable us to provide customers with the levels of service we promised to deliver.	
 <b>Iwi Partnerships</b> Rangitāne o Manawatū are acknowledged as having a significant and special relationship with the Council by virtue of them being Tangata Whenua.	<b>What we will do</b>  Our infrastructure will enable us to provide levels of service that are considerate of iwi aspirations.	
 <b>Sustainability &amp; Climate Change</b> Climate change is a significant environmental challenge. In the future the city's climate will be different from now and will require changes to infrastructure assets.	<b>What we will do</b>  Our infrastructure will be sustainable and provide for the changes likely to be experienced by present and future generations.	



## MEMORANDUM

**TO:** Committee of Council

**MEETING DATE:** 23 June 2021

**TITLE:** Approving the 2021-31 10-Year Plan (Long-term Plan) for Audit

**PRESENTED BY:** David Murphy, Acting Chief Planning Officer and Stuart McKinnon, Chief Financial Officer

**APPROVED BY:** David Murphy, Acting Chief Planning Officer  
Stuart McKinnon, Chief Financial Officer

### RECOMMENDATION(S) TO COUNCIL

1. That the 2021 Revenue and Financing Policy, as shown in the draft of the 10-Year Plan (Long-term Plan) (separately attached as Appendix 2), be adopted.
2. That the 2021 Development Contributions Policy (separately attached as Appendix 3) be adopted.
3. That the 2021 Significance and Engagement Policy (separately attached as Appendix 4) be adopted.

### RECOMMENDATION(S) TO COMMITTEE

1. That the 2021-31 10-Year Plan (Long-term Plan) (separately attached as Appendix 1) be referred to Audit New Zealand and presented to Council on 7 July 2021 for approval.

### 1. ISSUE

This report progresses the adoption of Council's 2021-31 10-Year Plan (Long-term Plan). It contains two sets of recommendations:

#### Recommendations to Council

The Council needs to adopt several policies in conjunction with the 10-Year Plan or refer to these Policies in the 10-Year Plan. These include the Revenue and Financing Policy, the Development Contributions Policy and the Significance and Engagement Policy.

This report asks the Committee of Council to consider these policies and recommend their adoption to Council on 7 July. They are not part of the Audit process.



### Recommendations to Committee of Council

This report asks the Committee of Council to approve the 10-Year Plan for Audit.

Council will adopt its 2021-31 10-Year Plan (Long-term Plan) on 7 July. Council cannot adopt the Plan without an Audit Report. Through today's report the Committee of Council will confirm that the Plan contains the desired levels of service, programmes and budgets. The Plan can then go to Audit who will review it to ensure it meets legal requirements. The Plan, along with the Audit Report, will come back to Council for adoption on 7 July.

## **2. BACKGROUND**

The strategic direction of the attached 10-Year Plan is based on the Vision and Goals adopted by Council through the 2018-28 10-Year Plan.

The content of the attached 10-Year Plan is based on the Consultation Document and Supporting Material adopted on 7 April and amended to incorporate decisions made at the Committee of Council meeting on 9 June to consider all the submissions.

Council held several 10-Year Plan hui with Rangitāne o Manawatū to reflect the Partnership Agreement between the two organisations.

The Council carried out extensive community consultation on the proposed 10-Year Plan. This focussed on "What really matters? – He aha rā ngā whāinga matua?" to deliberately frame the consultation as a prioritising exercise. It included:

- a Consultation Document and Supporting Material – available online and in print
- extensive information on Council's website
- social, economic, environmental and cultural Sector Group meetings
- working with schools
- supporting community groups and networks to run their own 10-Year Plan meetings
- a launch hosted by the Deputy Mayor and Chief Executive
- a short summary with information to each household
- attendance at community markets
- Facebook Live and social media
- radio, print, social media, billboard and movie advertising.

Residents could make submissions by paper or online postcard (this was the most popular), online submissions forms, email, paper or telephone.

Council received 717 submissions, an increase from 2018 when it received 455 submissions.

The Council deliberated on these submissions at a Committee of Council on 9 (continued on 11) June and made changes to the proposed 10-Year Plan. These changes have been included in the material presented here for approval.

The 10-Year Plan has to include a Summary of the Council's Significance and Engagement Policy. The Significance and Engagement Policy is a legal requirement and it shows how and when people will be involved in Council's decision making. It sits alongside the Council's Active Citizenship Plan. The Council reviews the Policy every three years to align with the 10-Year Plan. The Consultation Document sought feedback on the Policy. Officers are not recommending any changes to the Policy in light of the submissions.

Likewise, the 10-Year Plan needs to include the Revenue and Financing Policy, and the Policy was part of the 10-Year Plan consultation. Officers are not recommending any changes to the Policy in light of the submissions.

The Development Contributions Policy is an important background document for the 10-Year Plan and was part of the 10-Year Plan consultation. Officers are not recommending any changes to the Policy in light of the submissions. The figures in the Policy have been updated to reflect changes to the programmes in the 10-Year Plan.

### 3. NEXT STEPS

Audit will review the 10-Year Plan to ensure it meets legal requirements.





The 10-Year Plan will then come back to Council for adoption on 7 July 2021. As long as no changes are made at that meeting Audit will present its report to Council for inclusion in the 10-Year Plan. The 10-Year Plan cannot be adopted without the Audit Report.

### 4. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	Yes
Are the decisions significant?  Note: At this point the Plan is being <u>approved</u> for Audit. The Plan, with the accompanying Audit report, has to be adopted unchanged on 7 July. The decision to <u>adopt</u> it will be a significant decision.	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative	Yes

procedure?		
Is there funding in the current Annual Plan for these actions?		<b>Yes</b>
Are the recommendations inconsistent with any of Council's policies or plans?		<b>No</b>
<p>The recommendations reconfirm, with minor wording changes, the strategic direction Council adopted through the 2018-28 Long-term Plan.</p> <p>The 2021-31 Long-term Plan then sets the levels of service, programmes and budgets that will deliver on the strategic direction.</p>		
Contribution to strategic direction and to social, economic, environmental and cultural well-being	The Vision, Goals, Strategies and Long-term Plan all show how Council contributes to social, economic, environmental and cultural well-being.	

### ATTACHMENTS

1. 10-Year Plan 2021-31 (attached separately) 
2. 2021 Revenue and Financing Policy [↓](#) 
3. 2021 Development Contributions Policy [↓](#) 
4. 2021 Significance and Engagement Policy [↓](#) 



# Revenue and Financing Policy

## Introduction

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

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

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

- the community outcomes to which the activity primarily contributes; and
- the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and
- the period in or over which those benefits are expected to occur; and
- The extent to which the actions or inactions of particular individuals or a group contribute to the need to undertake the activity; and
- the costs and benefits, including consequences for transparency and accountability, of funding the activity

- distinctly from other activities; and
- the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental and cultural well-being of the community.

In its long-term plan (10 Year Plan) the Council identifies the Vision, Goals and Strategies that represent its desired community outcomes.

## Vision

Palmerston North: Small city benefits, big city ambition

## Goals

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

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

- Innovative and Growing City
- Transport (incorporating Rooding and Footpaths)
- Creative and Exciting City
- Connected and Safe Communities
- Eco-city
- Stormwater
- Wastewater
- Water Supply
- Driven and Enabling Council

The relationships between these groups of activities and the identified community outcomes (Council's Vision and Goals) are outlined in detail in each Activity page of the 10 Year Plan.

### Funding of operating expenses

The Council has made a determination as to the most appropriate way of funding the operating expenses for each activity. This was based on an assessment of the nature of the benefits provided from the activity, and who benefits (i.e. the whole community, identifiable groups or individuals) and for what period. Funding source proportions were then attributed using the following scale:

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

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

In general terms the Council believes that:

- an activity should be collectively funded if the benefits of the activity are largely received by the broader community without differentiation, in equivalent proportions, and the costs of the activity cannot easily be attributed to an individual or group of individuals.
- For example: civil defence. Everyone benefits. No individual can be responsible for the costs. Therefore it is entirely publicly funded.
- an activity should be funded on a user-pays basis if an individual or group of individuals directly receives benefits of the activity exclusively, and the costs of the activity can easily be attributed to that individual or group of individuals.

- For example: Private Planning Services. Only those who seek resource consents benefit from them so they can be held responsible for the costs. Therefore it is entirely funded by users.
- an activity should be funded by an exacerbator if the benefits of the activity are largely received by the broader community without differentiation, in equivalent proportions, but the costs of the activity can be attributed to an individual or group of individuals.
- For example: parking enforcement. Everyone faces the cost of unavailability of public parking if someone parks over the time they're allowed. The individual who parked over time can be held directly responsible for that cost. Therefore the public cost can be privately borne completely by that individual.
- an activity can be funded from other sources if the benefits of the activity are largely received by the broader community without differentiation, in equivalent proportions, but the costs of the activity can be met by other means.
- For example: roading. Everyone benefits. No individual can be responsible for the costs. However, the Council is eligible for central government subsidies from organisations such as the Waka Kotahi New Zealand Transport Agency. Therefore it is entirely publicly funded, but a proportion of the costs is recouped from 'other' sources.
- although the Council believes that it would be appropriate to charge for some activities on a user-pays basis this is not always practicable and sometimes a proxy is required.
- For example: wastewater. Everyone benefits although the extent of use depends on the nature of the use of the property. Trade waste can be measured and separately charged for. It is not practical to measure other non-residential users with higher volumes, such as motels or hospitals but a proxy of the number of pans can be used. Likewise, a targeted rate in the form of a fixed annual

*charge for each separately occupied portion of a rating unit is seen as a reasonable proxy for residential property.*

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

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

- Any operating grants or subsidies for a particular activity are used to reduce the gross cost.
- Where it is practical to recover the designated portion of the net operating cost of an activity from a private user or exacerbator, fees and charges are set at levels designed to achieve this, provided there are no legislative constraints.
- Where a fee or charge is not practical, targeted rates may be set in accordance with Council's rating policies.
- Any net income from investments or fuel taxes may then be applied and any residual requirement will be funded through general rates and/or uniform annual general charges (UAGC) – these latter rates and charges will be set on a differential basis according to Council's rating policies. For the purposes of this policy any reference to general rates as a funding source is considered to include UAGCs.
- Rating policies including the details of targeted rates, the level of the UAGC, the choice of valuation base for the general rate and the details of the differential system will be outlined in the Funding Impact Statement in the 10 Year Plan or Annual Plan as appropriate.

### Funding of capital expenditure

The Council takes a consolidated corporate approach to the management of its financial position. Through its 10 Year Plan it determines what capital expenditure is sustainable within the prudent guidelines it has set itself. These parameters are contained in the Financial Strategy.

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

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

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

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

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

Borrowing is an appropriate funding mechanism to enable the effect of peaks in capital expenditure to be smoothed and to enable the costs of major developments to be borne by those who ultimately benefit from the expenditure. This is known as the 'intergenerational equity principle' and means that the costs of any expenditure should be recovered from the community at the time or over the period the benefits of that expenditure accrue. It is not appropriate or sustainable for all capital expenditure to be funded from borrowings. In periods of low capital expenditure borrowings should be reduced.



## Section 3 – Revenue and Financing Policy

Palmy 2021-2031

REVENUE SOURCE	POLICY FOR FUNDING OPERATING EXPENSES <sup>1</sup>	POLICY FOR FUNDING CAPITAL EXPENDITURE <sup>2</sup>
<b>General Rates</b> General rates are currently set at rates of cents in the dollar of land value, calculated differentially based on the following classifications (and further sub-classifications) of property: <ul style="list-style-type: none"> <li>• Single-unit Residential</li> <li>• Multi-unit residential</li> <li>• Non-residential</li> <li>• Miscellaneous</li> <li>• Rural/semi-serviced</li> </ul> Its incidence is modified by a uniform annual general charge (UAGC).	<p>General rates will be primarily used to fund those activities, or parts of activities, that benefit the community in general and where no identifiable individuals or groups benefit in a significantly different way from the rest of the community.</p> <p>General rates may also be used where the use of direct charging would discourage use, when encouraging use of the service is an explicit objective, or important to achieving the community outcomes to which the activity is intended to contribute.</p> <p>General rates may also be used where it is impractical, or too administratively expensive, to fund the activity from other funding sources.</p> <p>General rates are currently apportioned according to the land value and deemed use of each property.</p> <p>National studies have concluded that capital value is a better measure of benefits received from council services and of a ratepayer's ability to afford rates. To date the Council has not been convinced the benefits are so superior as to justify a change to the system. Further investigation is continuing, and this policy would enable a change to a capital value base following appropriate public consultation.</p> <p>Use of property is determined according to whether its primary use is single-unit residential, multi-unit residential, non-residential, miscellaneous or rural/semi-serviced. Each type of property pays different rates (cents in the dollar of land value). These</p>	<p>General rates may be used to retire debt.</p> <p>General rates may be used to purchase assets where the Council determines that funding the assets from debt is not the preferred option.</p>

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

2. Capital expenditures include those to purchase, build or acquire physical assets into council ownership. Such assets have service lives of more than one year. The principle of "intergenerational equity" says that expenditure that provides benefits over time should be funded over the same period, so that each generation of users pays a fair share.

Capital expenditures also include the renewal or replacement of existing assets. These are usually funded from resources built up from the revenue sources that fund the particular activity. They also include debt repayment.

REVENUE SOURCE	POLICY FOR FUNDING OPERATING EXPENSES <sup>1</sup>	POLICY FOR FUNDING CAPITAL EXPENDITURE <sup>2</sup>
	<p>differentials are designed to achieve an apportionment of rates that more closely reflects the estimated value of services received by each classification of property, after modification by the use of the UAGC and fixed charges (targeted rates).</p> <p>The UAGC is a fixed charge per rating unit which the Council treats as a part of the general rate. It is used as a mechanism to ensure each rating unit contributes a minimum amount of the general rate and also to moderate rates on high value properties.</p>	
<b>Targeted Rates</b>		
<p>Targeted rates, in the form of fixed amounts are set to cover the net cost of water, wastewater and rubbish/recycling.</p> <p>Targeted rates, in the form of a percentage of the service amount (the cost of insulation provided by the Council under a Warm Palmerston North scheme) may be set to cover the service amount and the cost of servicing the service amount.</p> <p>Targeted rates may be set to fund the operation of Business Improvement Districts (BIDs) if such</p>	<p>Targeted rates may be used to fund activities which identifiable categories of ratepayer, or ratepayers in identifiable locations, receive benefits from the activity to be funded in a significantly different way from other ratepayers.</p> <p>Targeted rates may be set as a fixed annual amount, or based on some other legally permissible basis such as land or capital value. They may be set differentially depending the location or classification of ratepayer or the nature of the service being provided.</p> <p>Targeted rates may be set for the purpose of achieving a more fair, efficient or transparent allocation of costs across the community.</p>	<p>Targeted rates may be used to retire debt, where the debt arose from the purchase of assets used for the activity funded from the targeted rate.</p> <p>Targeted rates may be used to purchase physical assets, where the Council determines that funding the assets from debt is not the preferred option, and the assets are to be used for the activity funded from the targeted rate.</p>

## Section 3 – Revenue and Financing Policy

Palmy 2021-2031

REVENUE SOURCE	POLICY FOR FUNDING OPERATING EXPENSES <sup>1</sup>	POLICY FOR FUNDING CAPITAL EXPENDITURE <sup>2</sup>
districts are established at the community's request.		
<b>Lump sum contributions</b>		
These are a mechanism for enabling ratepayers to elect to pay for capital projects by lump sums instead of by targeted rates.	Operating costs are not funded from lump sum contributions.	The Council may fund capital projects in whole or part through lump sum contributions.
<b>Fees and charges</b>		
A wide range of fees and charges are made to cover either the whole or part of the cost of activities.	<p>Fees and charges will generally be used for services where the benefit is entirely, or in part, to the direct user of the service and where the use of the service is at the discretion of the user. This includes fees for various consents, licences, permits and property information. The user charge may recover all, including a market return on the value of the Council's investment, or part of the cost of the activity.</p> <p>Where the Council needs to ration the use of an activity, it may charge at a level above what would be necessary to recover the costs of the activity.</p> <p>Fees and charges may be in the form of fines, penalties or similar and used where the Council wishes to modify the behaviours that impose cost, or inconvenience, on other members of the community.</p>	<p>User charges may be used to retire debt, where the debt arose from the purchase of assets used for the activity funded by the user charge.</p> <p>User charges may be used to purchase physical assets, where the Council determines that funding the assets from debt is not the preferred option, and the assets are to be used for the activity funded from the user</p>

REVENUE SOURCE	POLICY FOR FUNDING OPERATING EXPENSES <sup>1</sup>	POLICY FOR FUNDING CAPITAL EXPENDITURE <sup>2</sup>
		charge.
<b>Interest and dividends from investments</b>		
The Council receives interest and dividends from its investments and short-term cash management.	Ordinary budgeted interest and dividends, along with any other investment income, is treated as general revenue.	Investment income may be used to retire debt when that income has not been budgeted for other purposes.
<b>Borrowing</b>		
Borrowing involves the taking on of debt and in normal circumstances is only appropriate to fund assets with long lives.	<p>Unless there are exceptional circumstances the Council will not borrow to fund operating costs.</p> <p>Some expenses that are classified as operating do provide a longer term benefit and in such situations the Council may consider borrowing to fund them (if the sum involved is significant) then repay the sum borrowed from revenue over the estimated period of benefit. Development and implementation of enterprise wide information management systems fit this criteria.</p>	<p>Borrowing is the preferred means of funding capital expenditure because it promotes intergenerational fairness. What is an appropriate level of borrowing is assessed against criteria in the Council's Financial Strategy.</p> <p>The Council may also borrow to fund insulation for homes under a Warm Palmerston North scheme in conjunction with the Energy Efficiency and</p>



## Section 3 – Revenue and Financing Policy

Palmy 2021-2031

REVENUE SOURCE	POLICY FOR FUNDING OPERATING EXPENSES <sup>1</sup>	POLICY FOR FUNDING CAPITAL EXPENDITURE <sup>2</sup>
		Conservation Authority (ECCA). The borrowing and associated servicing costs will be repaid from targeted rates set on the properties concerned for a term of up to nine years.
<b>Proceeds from asset sales</b>		
These are the sums received when physical assets are sold.	Operating costs are not funded from asset sales.	Proceeds from asset sales are an appropriate source for purchasing assets or retiring debt because they have a neutral effect on Council's financial position (assets versus liabilities).
<b>Development contributions</b>		
Development contributions are sums payable or assets transferred to Council by developers or new service users to cover the costs imposed on infrastructure and facilities by growth in numbers of users.	Operating costs are not funded from development contributions.	Development contributions will be used to fund that proportion of new asset expenditure that is made necessary by increased demand as a result of growth in the number of users. Contributions will be calculated in accordance with the

REVENUE SOURCE	POLICY FOR FUNDING OPERATING EXPENSES <sup>1</sup>	POLICY FOR FUNDING CAPITAL EXPENDITURE <sup>2</sup>
		Council's Development Contributions Policy.
<b>Financial contributions under Resource Management Act</b>		
Financial contributions are sums payable, or assets transferred to Council by developers or new service users to enable mitigation, avoidance or remedying of adverse effects arising from subdivision or development.	Operating costs are not funded from financial contributions.	Financial contributions may be used to fund that proportion of new asset expenditure that is made necessary by the effects of subdivision and development. The contribution may be required as a condition of consent, in accordance with any relevant rule in the District Plan.
<b>Grants and subsidies</b>		
These are payments from external agencies and are usually for an agreed specified purpose.  The main source of these are Waka Kotahi NZ Transport Agency subsidies for road maintenance, renewals and improvements.	Grants and subsidies will be used for operating expenses only when this is consistent with the purpose for which they were given.	Grants and subsidies will be used for capital expenditure only when this is consistent with the purpose for which they were given.

**Innovative and Growing City**

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

Nature of Activity	Who Benefits	Period of Benefit	Who Creates Need	(Funding Source Proportion #)	Funding Source Rationale
	function centre Accommodation, food and other businesses benefit from the presence of the users of the centre				<p>rates for its use</p> <p>As the entire City benefits from the economic returns from this expenditure the cost should be funded from general rates</p> <p>Many businesses benefit from increased economic activity so should contribute a greater portion of the cost through the application of a differential on the general rate</p>
<b>City growth</b>					
Building services	The entire community benefits from safe reliable infrastructure and resources and consistent, transparent Council procedures	Benefits of regulation in general are ongoing even though the specific regulations may change over time	<p>Need is created by the following:</p> <ul style="list-style-type: none"> <li>entire community for structure, consistency and certainty</li> <li>those who do not</li> </ul>	<p>General rates (medium/low)</p> <p>Fees and charges (medium/high)</p>	<p>As the main beneficiaries are property developers and building owners they should pay for the majority of the cost of the activity</p>



## Section 3 – Revenue and Financing Policy

Palmy 2021-2031

Nature of Activity	Who Benefits	Period of Benefit	Who Creates Need	(Funding Source Proportion #)	Funding Source Rationale
	Developers and property owners benefit from the building services advice, information and certainty provided by the Council		<p>comply with the rules (i.e. exacerbators)</p> <ul style="list-style-type: none"> <li>property developers and building owners seeking building consents</li> <li>Council for rules to protect its position and manage its risk exposure</li> </ul>		No particular group or individual benefits more than others so the residual cost should be allocated to the whole city as part of the general rate
Housing & future development	The entire community benefits from Council's efforts to provide an appropriate framework to encourage development and housing	Benefits are ongoing	Need is created by the entire community for structure, consistency and a certainty and a range of options for housing	<b>General rates (high)</b>	As the community at large benefits from this activity it is appropriate that the costs be funded as a public good from general rates
Planning services – public (includes planning advice, information, monitoring and enforcement)	The entire community benefits from safe reliable infrastructure and resources and consistent, transparent Council procedures The entire community	Benefits of regulation in general are ongoing even though the specific regulations may change over time Benefits of providing free information to	<p>Need for information is created by entire community</p> <p>Need for enforcement is created by those who do not comply with the rules (i.e.</p>	<p><b>Planning services – public:</b> General rates (high) Fees and charges (low)</p> <p><b>Planning services –</b></p>	<p>No particular group or individual benefits more than others from the provision of information, monitoring and enforcement activities so the cost</p>

Nature of Activity	Who Benefits	Period of Benefit	Who Creates Need	(Funding Source Proportion #)	Funding Source Rationale
Planning services – private (resource consent processing)	benefits from advice relating to potential resource consents or resource management as well as from resource consent monitoring and enforcement activities Developers and property owners benefit from the resource consent advice, information and certainty provided by the Council	the public and monitoring resource consents are ongoing	exacerbators) Need is created by developers and property owners seeking resource consents	<b>private:</b> Fees and charges (high)	should be allocated to the whole City as part of the general rate  As the main beneficiaries of processing resource consents are property developers and building owners they should pay for the cost of the activity
Urban design	The entire community benefits from increased citywide knowledge of the principles of good urban design	Benefits are ongoing	Need for information is created by entire community	General rates (high)	As the entire community benefits from the application of good urban design principles the cost should be funded through general rates

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

**Creative and Exciting City**

Nature of Activity	Who Benefits	Period of Benefit	Who Creates Need	(Funding Source Proportion #)	Funding Source Rationale
<b>City Shaping</b>					
City Centre	The entire community benefits from activity that leads to increased city centre vibrancy and improved perceptions of the City	Benefits are ongoing	Need is created by the entire community who wish live in an environment that is interesting and vibrant	General rates (high) Sponsorship/grants (low) Fees and charges (low)	A vibrant City Centre is an important component of how a city is perceived The Council actively encourages partnerships with businesses and groups to enhance public spaces and to obtain external funding to do this where practicable As the entire city benefits from these activities any residual expenditure should be funded from general rates
Place activation					
City making/Placemaking	It also benefits from the development of accessible, active, comfortable and social public spaces The business community benefits from spending by visitors attracted to the central city				

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



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Nature of Activity	Who Benefits	Period of Benefit	Who Creates Need	(Funding Source Proportion #)	Funding Source Rationale
	heritage features Owners of heritage buildings benefit from any support given to preserve and protect them				directly from the preservation of heritage sites and buildings, the entire community benefits from the city retaining its heritage features so any Council contribution toward achieving this should be funded through general rates
<b>Active communities</b>					
Central Energy Trust Arena City reserves Local reserves Sportsfields Swimming pools Support to recreation groups	The entire community benefits from choice of recreational activities and a healthy active community Particular event organisers also benefit from commercial gains from activities The business community benefits from spending by visitors attending facilities and events	Benefits are ongoing as long as facilities are maintained The benefit of events is both immediate and longer term, the latter being to the perception of vibrancy of the city	Need is created by entire community for recreational facilities, activities and choice Event organisers create a need for infrastructure in order to hold events	<b>Central Energy Trust Arena:</b> General rates (medium/high) User charges (medium/low) <b>City-wide reserves, local reserves and sports fields:</b> General rates (high) User charges (low) <b>Swimming pools:</b> General rates (high) # <b>Support to recreation groups:</b>	Those who use the facilities should pay a reasonable charge but it is recognised that for some activities (such as swimming pools, sports fields and Central Energy Trust Arena) such a charge would be prohibitively high if set at a level to cover the entire cost Also it is impractical to charge users of some facilities such

Nature of Activity	Who Benefits	Period of Benefit	Who Creates Need	(Funding Source Proportion #)	Funding Source Rationale
	Specific benefits for users of facilities and spectators at events			General rates (high)  [# Operation of the swimming pools is contracted to an external entity that incurs day-to-day operating costs and obtains all revenue from entry fees – the general rates funding represents the share of the costs incurred by Council]	as city-wide and local area reserves  Every effort will be made to obtain grant funding from external agencies  As the entire city benefits from these activities any residual expenditure should be funded from general rates

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

**Connected and Safe Communities**

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

Nature of Activity	Who Benefits	Period of Benefit	Who Creates Need	(Funding Source Proportion #)	Funding Source Rationale
	community identity Specific benefits for users of facilities		contribute to the city's economic, social and cultural wellbeing		from the availability of community centres. The residual cost should be funded from general rates
Libraries	The entire community benefits from choice of leisure and recreational activities, a healthy caring community, the educational opportunities the library offers and from being informed Specific benefits for borrowers of material	Ongoing educational benefits from an informed, creative population  Benefits are ongoing as sharing of experiences and expertise leads to community enhancement	Need is created by the entire community for library facilities and access to information sources	General rates (high)  Fees and charges (low)	Those who utilise some services (such as CDs, DVDs, etc) should pay a reasonable charge as should non-residents provided it is practical and cost effective to do so  City residents take great pride in the facilities and expect the resource to be available to all regardless of whether they actually use it  It is not practical to charge visitors of the facility nor for the lending of basic resources so the net cost should be



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Nature of Activity	Who Benefits	Period of Benefit	Who Creates Need	(Funding Source Proportion #)	Funding Source Rationale
Public toilets	The entire community benefits from the provision of public toilets	Benefits are ongoing	Need is created by the entire community for public toilets	General rates (high) Fees and charges (low)	funded from general rates  Apart from the main central city facility it is not practical to charge individual users  Costs should be funded through general rates
Social housing	<p>People on low incomes who:</p> <ul style="list-style-type: none"> <li>• are superannuitants; or</li> <li>• have long-term disabilities; or</li> <li>• experience barriers to renting in the private market</li> </ul> <p>The whole community benefits from people having access to adequate housing</p>	<p>Benefits accrue through the period of tenancy</p> <p>Benefits to the whole community are ongoing</p>	Need is created by the housing tenants	<p>Fees and charges (high)</p> <p>General rates (low)</p>	<p>As the main beneficiaries of the activity are those who use the service the cost should be borne by the users taking into account Council's rental policies for tenants which are based on a tenant's income</p> <p>As far as practicable it has been the intention that this activity standalone financially and is fully funded from rental</p>

Nature of Activity	Who Benefits	Period of Benefit	Who Creates Need	(Funding Source Proportion #)	Funding Source Rationale
					income Although central government funding assistance is sought (if available) it is recognised that at times it may be necessary for the activity to receive support from general rates
Support to community groups	Members of community groups and those they support	Benefits accrue for the period of the support		General rates (high) Central government grant agency funding (low)	Council's contribution is directed to community groups rather than individuals and to events and facilities that benefit the entire community so should be funded from general rates Although funding support is sought from external agencies this contribution is usually

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Nature of Activity	Who Benefits	Period of Benefit	Who Creates Need	(Funding Source Proportion #)	Funding Source Rationale
Central Energy Trust Wildbase Recovery	Th entire community benefits from seeing native wildlife rehabilitating after treatment at Massey University's Wildbase hospital Children in particular benefit from education programmes Visitors benefit from the visitor programmes	Ongoing benefits from an informed and educated population	Need is created by the entire community who wish to having an understanding of wildlife	General rates (high) Sponsorship/grants (low) (assisted by Wildbase Recovery Community Trust)	small The main beneficiaries are those who visit the centre but the Council has determined that the centre will be provided as a public good. Volunteers assist with operating the centre and donations are encouraged from those who visit.
Community and commemorative events	The entire community benefits from community events that celebrate the richness of a diverse community and bring vibrancy to the city The business community benefits from spending by	The benefits of events are both immediate and longer term, the latter bringing the perception of vibrancy of the city	Need is created by those who wish to stage events Need is created by the entire community who wish to have a variety of events to attend	General rates (high) Sponsorship/grants (low) Fees and charges (low)	Many events are provided for the benefit of the entire community and are held in venues where it is not possible to charge those who attend Every effort will be made to obtain

Nature of Activity	Who Benefits	Period of Benefit	Who Creates Need	(Funding Source Proportion #)	Funding Source Rationale
	visitors attending events Specific benefit for those who attend events				grant funding from external agencies As the entire city benefits from these activities any residual expenditure should be funded from general rates
Public health	Licensed businesses gain economic advantage from the public health activity of the Council and the public benefit from a healthy, safe and clean city	Benefits of regulation in general are ongoing even though the specific regulations may change over time	Need is created by: <ul style="list-style-type: none"> <li>entire community for structure, consistency and certainty</li> <li>those who do not comply with the rules (exacerbators)</li> </ul> Council for rules to protect its position and manage its risk exposure	General rates (medium/high) Fees and charges (medium/low)	As licensed businesses are major beneficiaries they should bear a significant portion of the cost of the activity. The public at large also benefit from the activity so the residual cost should be allocated to the whole city as part of the general rate
<b>Safe Communities</b>					
Animal control	Animal control	Benefits of regulation in general are	Need is created by:	General rates (low)	A significant portion



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Nature of Activity	Who Benefits	Period of Benefit	Who Creates Need	(Funding Source Proportion #)	Funding Source Rationale
	activity is principally related to the actions or inactions of dog owners - owners and the public at large (through reduced nuisance) benefit from this	ongoing even though the specific regulations may change over time	<ul style="list-style-type: none"> <li>entire community for structure, consistency and certainty</li> <li>those who do not comply with the rules (i.e. exacerbators)</li> </ul> <p>Council for rules to protect its position and manage its risk exposure</p>	Fees and charges (high)	<p>of the costs should be borne by dog owners as the majority of the activity relates to their actions or inactions</p> <p>No particular group or individual benefits more than others so the residual cost should be allocated to the whole city as part of the general rate</p>
Civil defence	The entire community benefits from having people who are trained and organised to help the community survive and cope with natural disasters	Benefits in terms of peace of mind for residents are ongoing, although direct benefits are short to medium term in the event of a disaster	<p>Need is created by:</p> <ul style="list-style-type: none"> <li>the entire community for an action plan in the event of a disaster or emergency</li> <li>Council to meet legal obligations</li> </ul>	General rates (high)	No particular group or individual benefits more than others so the cost should be allocated to the whole city as part of the general rate
Safer community initiatives	The entire community benefits from activities that aim to	Benefit is on-going	Need is created by the entire community, who wish to be able to feel	General rates (high)	As the benefits accrue to the entire community, the costs should be funded

Nature of Activity	Who Benefits	Period of Benefit	Who Creates Need	(Funding Source Proportion #)	Funding Source Rationale
	keep people safe		safe, especially in public places		from all ratepayers through the general rate

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

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## Eco-City

Nature of Activity	Who Benefits	Period of Benefit	Who Creates Need	(Funding Source Proportion #)	Funding Source Rationale
<b>Climate change mitigation and adaption</b>					
Climate change and mitigation	Entire community benefits from Council's leadership and commitment to meeting greenhouse emission targets, fostering sustainable practices and behaviours so City residents and organisations become more sustainable	Ongoing benefit	The entire community creates the need for a sustainable future	General rates (high)	As the activity being undertaken benefits the whole community the costs should be funded through the general rate
<b>Resource recovery</b>					
Landfill management	Entire community benefits from safe and efficient disposal of solid waste	Ongoing benefits as long as infrastructure is maintained	The entire community creates the need for a safe urban environment where solid waste is adequately dealt with	<b>Landfill management:</b> Targeted rates (high) Fees and charges (low) <b>Waste management:</b> Rubbish bag sales or similar (high) Targeted rate with fixed annual property	To minimise the volume of waste, costs should be funded by the users of the service – through rubbish bag sales or other mechanism with the same effect The costs of public space rubbish collection and
Waste management (includes kerbside rubbish collection and disposal, public space rubbish collection and disposal)	Direct households benefit from kerbside refuse collection and recycling		Exacerbators and individual householders		
Waste minimisation (includes kerbside recycling and processing, green					

Nature of Activity	Who Benefits	Period of Benefit	Who Creates Need	(Funding Source Proportion #)	Funding Source Rationale
waste, minimisation projects, recycling centre)				charge (low) <b>Waste minimisation:</b> Targeted rate with fixed annual property charge (high – net after sales of recyclable material) Subsidies and grants (low)	disposal should be funded by all ratepayers through a targeted rate (set on a fixed annual charge basis) Recycling costs should be funded as much as possible from the sale of recyclables but as the Council wishes to encourage recycling it is not desirable or practicable to charge individual users by volume. The residual cost should be funded from a targeted rate (set on a fixed annual charge basis)
<b>Environmental sustainability</b>					
Biodiversity Support to environmental groups	The entire community benefits from activity that leads to improved environmental practices with more sustainable outcomes	Ongoing benefits	The entire community creates the need to implement more sustainable operating practices	General rates (high)	As the whole community benefits from this activity the costs should be funded from the general rate
Sustainable practices					



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Nature of Activity	Who Benefits	Period of Benefit	Who Creates Need	(Funding Source Proportion #)	Funding Source Rationale
<b>Manawatu River</b> Manawatu River (includes Manawatu River Park, Centennial Lagoon)	The entire community benefits from enhancing the River and its environs as a cultural, environmental and recreation resource	Ongoing benefits	The entire community creates the need for enhanced respect for, and use of the River and its environs	General rates (high)	As the whole community benefits from this activity the costs should be funded from the general rate

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**Stormwater**

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

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**Wastewater**

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

Nature of Activity	Who Benefits	Period of Benefit	Who Creates Need	(Funding Source Proportion #)	Funding Source Rationale
					<p>The cost of servicing each household is similar so a fixed annual charge is appropriate</p> <p>Costs are higher for those with more discharge so it is appropriate to charge non-residential users on a per-pan basis</p>

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**Water Supply**

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

Nature of Activity	Who Benefits	Period of Benefit	Who Creates Need	(Funding Source Proportion #)	Funding Source Rationale
					through a targeted rate  The cost of servicing each household is similar, so a fixed annual charge is appropriate

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**Driven and Enabling Council**

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

Nature of Activity	Who Benefits	Period of Benefit	Who Creates Need	(Funding Source Proportion #)	Funding Source Rationale
to external entities) Investment property Investments in companies (including airport)	Council obtaining positive net financial returns on its investments The entire community benefits from the Council making sound strategic investments Lessees and users benefit from the provision of property	particular contract	created by community as a whole	from investments or provision of services to external entities	expected to generate a net return that can benefit the city as a whole and lead to lower rates, fees and charges Strategic investments benefit the whole city and so it is appropriate to fund any net cost from general rates
<b>Organisational performance</b>					
Civic Administration Building Customer services Financial services Human resources Information services Marketing and communication Print Synergy	The entire community benefits from access to Council information, efficient dealings with Council, and basic channel through which to communicate with Council Council benefits from clarity of community needs and wants, and efficient processing of public	Benefits are ongoing	All of the Council's activities require some corporate support  Need is created by the entire community for knowledge and an accessible Council Need is created by Council for an efficient interface	Costs are allocated to other activities based on appropriate drivers	Organisational performance exists not for itself, but to enable the Council to provide its other activities. Support costs should therefore be reflected in the overall costs of other activities



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Nature of Activity	Who Benefits	Period of Benefit	Who Creates Need	(Funding Source Proportion #)	Funding Source Rationale
	enquiries		with the public		

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### Revenue and Financing Policy

#### Funding source proportions for operating costs

	GENERAL RATES	TARGETED RATES	USER FEES AND CHARGES	OTHER
<b>Innovative and Growing City</b> Economic development City marketing Economic development Economic events Conference and function centre International relations City growth Building services Planning services – public Planning services – private Urban design	High High High Med/Low High Med/Low High High		Med/High Med/High High	Low Low
<b>Transport</b> Rooding Parking Roads	High		High Low	Low

	GENERAL RATES	TARGETED RATES	USER FEES AND CHARGES	OTHER
Street facilities	High			Low
Street lighting	High			Low
Traffic services	High			Low
Active and public transport				
Footpaths	High			Low
Active transport	High			Low
Public transport	Med/High			Med/Low
<b>Creative and Exciting City</b>				
City shaping				
City Centre	High			
Place activation	High			
Placemaking	High			
Arts and heritage				
Te Manawa (see note 1)	High			
Other cultural facilities (see note 1)	High			Low
Support to arts, culture and heritage groups				
Heritage management				
Active communities	High			
Central Energy Trust Arena	High			
City reserves				
Local reserves	Med/High		Med/Low	
Sports fields	High		Low	
Swimming pools (see note 1)	High		Low	
Support to recreation groups	High		Low	
	High			

## Section 3 – Revenue and Financing Policy

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	GENERAL RATES	TARGETED RATES	USER FEES AND CHARGES	OTHER
<b>Connected and Safe Community</b> Connected communities CET Wildbase Recovery Cemeteries Community centres Community and commemorative events Libraries Public health Public toilets Social housing Support to community groups Safe communities Animal control Civil defence Safer community initiatives	High		Low	Low
	Med/Low		Med/High	
	High		Low	
	High			
	High		Low	
	Med/High		Med/Low	
	High		Low	
	Low		High	
	High			
	Low		High	
	High			
	High			
	High			
	High			
<b>Eco-city</b> Climate change mitigation and adaption Resource Recovery Landfill management Waste management Waste minimisation Environmental sustainability Biodiversity Support to environmental groups Sustainable practices	High			
		High	Low	
		Low	High	
		High		
	High			
	High			Low

	GENERAL RATES	TARGETED RATES	USER FEES AND CHARGES	OTHER
Manawatu River	High			
<b>Stormwater</b>	High		Low	
<b>Wastewater</b>	High	High	Low	
<b>Water Supply</b> (see note 2)		High		
<b>Driven and Enabling Council</b>				
Governance and Active Citizenship				
Councillor meetings and administration				
Elections				
Mayoral and Chief Executive's office	High			Low
Direction setting			Low	
Organisational performance	High			High
Strategic investments	High			High

High	80 – 100%
Med/High	60 – 79%
Med	40 – 59%
Med/Low	20 – 39%
Low	0 – 19%

The funding proportions outlined in this table represent the Council's desired consolidated intention, that is, the share of the gross operating costs borne by each sector.

Note 1: The Council has varying levels of control over the actual revenue obtained from users of these facilities. Management and operations are contracted to other entities and revenue from entry fees is retained by them.

Note 2: Metered water is deemed to be a targeted rate.





# Palmerston North City Council

## 2021 Development Contributions Policy

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<p>equitable and proportionate portion of the total cost of capital expenditure necessary to service growth over the long term.</p> <p><b>.3</b> Section 197AB of the LGA02 sets out 7 principles to take into account when preparing a development contributions policy or when requiring a development contribution as follows:</p> <ul style="list-style-type: none"> <li><b>a)</b> Development contributions can only be required when the effect of development is to require territorial authorities to have provided, or to provide, new or additional assets or assets of increased capacity.</li> <li><b>b)</b> Development contributions should be determined in a manner that is generally consistent with the capacity life of assets, and in a way that avoids over-recovery of costs allocated to development contributions funding.</li> <li><b>c)</b> Cost allocations used to establish development contributions should be determined according to who benefits (including the community as a whole) as well as who created the need for assets.</li> <li><b>d)</b> Development contributions must be used for the purpose for which they were collected, and for the benefit of the district or part of the district in which they were required.</li> <li><b>e)</b> Sufficient information should be available to demonstrate what development contributions are being used for and why.</li> <li><b>f)</b> Development contributions should be predictable and consistent with the methodology and schedules in the development contributions policy.</li> <li><b>g)</b> When calculating or requiring developments contributions, territorial authorities may group development or categories of land use, provided administrative efficiencies are balanced with fairness and equity, and grouping across entire districts is avoided where practical.</li> </ul>	<p><b>[1.2] When a Development Contribution is Required</b></p> <p><b>.1</b> A Development Contribution is required in relation to a development when:</p> <ul style="list-style-type: none"> <li><b>a)</b> the effect of that development is to require new or additional assets or assets of increased capacity in terms of network infrastructure, reserves and community infrastructure; and</li> <li><b>b)</b> the Council incurs capital expenditure to provide appropriately for those assets, i.e. network infrastructure, reserves and community infrastructure.</li> </ul> <p><b>.2</b> The effect of a development in terms of impact on these assets includes the cumulative effect that a development may have in combination with other development. A Development Contributions Policy also enables Council to require a development contribution that is used to pay, in full or in part, for capital expenditure already incurred by the Council in anticipation of development.</p> <p><b>[1.3] Limitations to the Application of Development Contributions</b>  <b>Council will not require a development contribution for the purposes of network infrastructure, reserves or community infrastructure in the following cases:</b></p> <ul style="list-style-type: none"> <li><b>a)</b> Where it has, under Section 108(2)(a) of the Resource Management Act 1991 (RMA), imposed a condition on a resource consent in relation to the same development for the same purpose; or</li> <li><b>b)</b> Where the developer will fund or otherwise provide for infrastructure such as a reserve, network infrastructure, or community infrastructure; or</li> <li><b>c)</b> Where the territorial authority has received or will receive sufficient funding from a third party to fund particular infrastructure.</li> </ul> <p><b>[1.4] Relationship to Resource Management Act 1991</b></p> <p><b>.1</b> Development contributions under the LGA02 are in addition</p>
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to, and separate from, Financial Contributions under the RMA. While Council generally considers development contributions under this Development Contributions Policy as its main funding tool for infrastructure to provide for growth it may also require Financial Contributions under the RMA. Council may require a Financial Contribution, as a condition of consent, in accordance with any relevant rule in the District Plan under the RMA. Financial Contributions must not be applied as a condition on a consent where a Development Contribution has been required for the same purpose on the same development.

2. Despite the above the Council still has the power to require services or works for subdivisions or developments to avoid, remedy and mitigate the environmental effects through resource consent conditions.

2] City Vision and Goals

The Council outlines its City Vision and goals in Section 1 of the Long-Term Plan (LTP), which are:

2.1] Vision:

Palmerston North: small city benefits, big city ambition.

2.2] City Goals:

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

2. A creative and exciting 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.

3. A 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.

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

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

3] Overview of Development Contributions Policy

Section 201 of the LGA02 outlines the required contents of a Development Contributions Policy. The following section is consistent with this requirement of the Act.

3.1] Purpose of a Development Contributions Policy

The key purpose of the Development Contributions Policy is to ensure that growth, and the cost of infrastructure to meet that growth, is funded by those who cause the need for that infrastructure. Development Contributions are not a tool to fund the cost of maintaining infrastructure or improving levels of service. This cost will be met from other sources.

3.2] Trigger for Taking a Development Contribution

1. Under Section 202 of the LGA02 Council may apply a development contribution for developments generating

<p>increased reserves, network or community infrastructure demands upon the granting of:</p> <ul style="list-style-type: none"> <li>a) A resource consent; or</li> <li>b) A building consent; or</li> <li>c) An authorisation for a service connection.</li> </ul> <p><b>.2</b> A resource consent, building consent or authorisation for a service connection is only a trigger for taking developing development contributions in the sense of timing, not in the definitional context. The application of development contributions by Council upon the granting of a resource consent, building consent or authorisation for service connection is subject to clause 1.2 and 1.3 of this Policy.</p> <p><b>[3.2.1] Preferred Stage of Applying a Development Contribution</b> It is Council's preference to apply a development contribution at the first stage of development, which is generally at the subdivision consent stage. It is not the intent of the Policy to delay the payment of contribution to subsequent consent/developments stages. Deferring payment of development contributions to subsequent stages is both administratively onerous and also results in the same request at all subsequent development stages. Council considers that the subdivision consent stage is generally the most appropriate stage to take a development contribution for the following reasons:</p> <ul style="list-style-type: none"> <li>a) Practicality of implementation;</li> <li>b) Economies of scale in implementation costs;</li> <li>c) Fairness; and</li> <li>d) Best available knowledge for projections and allocating budgets.</li> </ul> <p><b>[3.2.2] Payment of Development Contributions at Subsequent Development Stages</b></p> <p><b>.1</b> While generally development contributions will apply at subdivision consent stage, Council will apply contributions at the building consent stage or at the service connection stage on all types of development where <b>additional units of demand</b></p>	<p>are created in the absence of subdivision.</p> <p><b>.2</b> The Council's experience is that occasionally units of demand are created on land already subdivided. In such cases, as a matter of equity, Council will assess and seek the appropriate development contribution at the building consent or service connection stage. If additional units of demand are created in the absence of subdivision or outside of the building consent stage Council will require a development contribution at service connection stage.</p> <p><b>.3</b> Refer also to clause 5.2 (Amount, Payment and Collection of Development Contributions) and clause 5.3 (Transitional Provisions) of the Policy.</p> <p><b>[3.2.3] Determining the Contribution Payable based on the Type of Development</b></p> <p><b>.1</b> There are three types of development categories in assessing a Development Contribution. These include:</p> <ul style="list-style-type: none"> <li>a) Residential;</li> <li>b) Non-Residential; and</li> <li>c) Rural.</li> </ul> <p><b>.2</b> Development is categorised by type to adequately reflect the demand that type of development has on our infrastructure networks. When Council levies a development contribution, the expected dominant nature of activities in the underlying zone will generally determine the type of development contribution payable. For example, the dominant activity in the industrial zone will be assumed to be non-residential and will therefore be subject to a non-residential development contribution.</p> <p><b>.3</b> However, there are exceptions where the underlying zone will not appropriately reflect the dominant activity proposed for a development. For example, a residential development /</p>
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dwelling in a non-residential zone. In this circumstance it may be appropriate to levy a 'residential' unit of demand to that development where there is certainty that it will be the dominant activity on that particular site.

**[3.3] Activities Requiring a Development Contribution to Meet the Costs of Growth**

- .1 Council may require a development contribution from any development for the following:
- a) Capital expenditure **expected** to be incurred as a result of growth; and/or
  - b) Capital expenditure **already** incurred in anticipation of development.
- .2 Funding Council's capital expenditure for growth with development contributions must be considered alongside Council's other funding tools. Development Contributions will be required from development under this Policy to meet the growth component of the future capital expenditure budgets, not met from other sources, for Community Facilities: network infrastructure, community infrastructure and reserves. Table 1 identifies activities Council will require a development contribution on.

**Table 1: Activities requiring a Development Contribution**  
ACTIVITIES  
Water

COMMUNITY FACILITIES  
Network Infrastructure

Wastewater  
Roading  
Stormwater  
Parks and Reserves – Buildings and Works  
Infrastructure  
Parks and Reserves – Land  
Reserves

Network Infrastructure  
Network Infrastructure  
Network Infrastructure  
Community  
Reserves

- .3 In section 13 of the Policy is a schedule of assets that form Council's capital expenditure for growth for which development contributions will fund. The schedule of assets provides information regarding the planned programme of capital works that are yet to take place and capital works that have already taken place in anticipation of development (back works).

**[3.4] Capital Expenditure Council Expects to Incur as a Result of Growth**

- .1 The total estimated capital expenditure Council expects to incur, as a result of growth, to meet increased demand for network infrastructure, reserves, and community infrastructure over the next 20 years, is summarised in Table 2. The total growth component, excluding funding from other sources, of the capital expenditure budgets will be funded by development contributions.

Activity	Total Planned Capital Expenditure Work	Total Level of Service Component	Third Party Funding	Total Estimated Growth Component (20 Years)	Total Estimated Growth Component included in the 10 Year Plan (10 Years)	Total Estimated Growth Component to be funded by the 2021 Development Contributions Policy <sup>1</sup>
Water	76,621,358	47,397,493	391,415	29,223,865	25,487,251	21,378,434
Wastewater	387,412,730	310,627,833	895,490	76,784,897	76,104,897	57,330,349
Roading	363,019,409	271,885,807	150,702,526	91,133,602	64,531,102	50,293,037
Stormwater	35,713,000	20,806,000	-	14,907,000	14,407,000	12,003,950
City Reserves – Reserves and Community Infrastructure	59,099,322	52,908,648	9,938,780	6,190,673	4,791,335	3,418,188
Local Reserves – Reserves and Community Infrastructure	21,720,096	-	-	21,720,096	12,308,241	8,698,483

- 2.** In determining the total estimated growth component to be funded by Development Contributions, careful consideration was given to those matters listed under section 101(3) of the LGA 02 for each individual activity (network infrastructure or community facility). Key considerations included:
- a)** The nature and operation of the activity;
  - b)** An analysis of who will benefit from the planned capital expenditure work; and
  - c)** An analysis of who will cause the need for the planned capital expenditure work.

- 3.** A detailed description of each activity, the funding approach taken for each activity and justification for the funding approach taken for each activity is included in section 6 of this Policy.

- 4.** The reasons for the difference between the total estimated growth component and the total estimated growth component to be funded by this Development Contributions Policy are:
- a)** Many of the growth works planned over the next 20 years will provide capacity beyond the 20 year planning horizon of this Development Contributions Policy; and

<sup>1</sup> The values in Table 2 are based on the actual splits between levels of service and growth not the broad categories the individual programmes within each activity most relate to.  
<sup>1</sup> As estimated in June 2021.

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b)	The local reserves costs represent future costs in Kelvin Grove (including the Whakarongo Residential Area) and Aokautere only.	<b>[3.5] Capital Expenditure Council has Incurred in Anticipation of Development</b> Development contributions will also be required from development to meet the cost of capital expenditure already incurred in anticipation of development, where Council has assessed it appropriate and reasonable. The capital expenditure already incurred to meet increased growth demand for network infrastructure, reserves and community infrastructure over the next 20 years is summarised in Table 3 and will be funded by development contributions.
c)	The stormwater costs represent future costs in Kelvin Grove (including the Whakarongo Residential Area), Aokautere and the North East Industrial Zone Extension Area only.	

Table 3:  
Summary of Capital Expenditure Council has Incurred in Anticipation of Development

<sup>1</sup> The values in Table 2 are based on the actual splits between levels of service and growth not the broad categories the individual programmes within each activity most relate to.  
<sup>1</sup> As estimated in June 2021.

TOTAL CAPITAL EXPENDITURE INCURRED IN ANTICIPATION OF DEVELOPMENT TO BE FUNDED BY DEVELOPMENT CONTRIBUTIONS<sup>2</sup>

Water	\$4,157,108	Local Reserves – Reserves and Community Infrastructure \$2,296,277
Wastewater	\$3,085,993	
Roading	\$8,207,791	
Stormwater	\$4,365,330	
City Reserves – Reserves and Community Infrastructure	\$2,120,384	

- [3.6] Council Use of Development Contributions**  
**.1** Council will use development contributions only on the activity for which they are collected. This will be undertaken on an aggregated project basis for each of the activities.
- .2** Where Council anticipates funding from a third party for any part of the growth component of the capital expenditure budget, then this proportion is excluded from the total estimated growth component to be funded by development contributions in Table 2. Similarly, third party funding received

<sup>2</sup> As calculated in June 2021.

for capital expenditure Council has incurred in anticipation of development has also been excluded from figures represented in Table 3.

### **[3.7] Level of Service**

The level of service component of Council's identified infrastructure works, for the network activities, relates to increasing the level of infrastructure provision due to higher public expectation, environmental or statutory obligation e.g. environmental standards for water quality or technological improvements. The level of service proportion of the identified infrastructure works will not be funded by development contributions. Approved Council Asset Management Plans for each activity define the relevant level of service for that activity.

### **[3.8] Implementation and Review**

- .1** It is anticipated that this policy will be updated on a three yearly basis, or at shorter intervals if Council deems it necessary. Any review of the policy will take account of:
  - a)** Any changes to significant assumptions underlying the Development Contributions Policy;
  - b)** Any changes in the capital development works programme for growth;
  - c)** Any changes in the pattern and distribution of development in the District;
  - d)** Any changes that reflect new or significant modelling of the networks;
  - e)** The regular reviews of the Funding and Financial Policies, and the LTP;
  - f)** Any issues associated with the implementation of the Policy; and
  - g)** Any other matters Council considers relevant.
- .2** The three year review period of the Policy is preferred and takes into account the following:

- a)** The need for certainty of the fee structure over a reasonable duration; and
- b)** Alignment with the required statutory update of the Council's LTP.

- .3** The Policy would only be reviewed at a shorter interval than the preferred three-year period where there was a significant change in the projected growth rates and assumptions, or issues associated with the implementation of the Policy arise, or a large growth capital work is required that was not anticipated.

### **[3.9] Development contribution applications for land within a Boundary Reorganisation Scheme under the Local Government Act 2002**

Development contributions for subdivision or development of land within an area subject to a Boundary Reorganisation Scheme under the Local Government Act 2002 will be assessed and payable under the Palmerston North City Council Development Contributions Policy only after the Scheme comes into effect. The expected dominant nature of activities in the underlying zone will generally determine the area and type of development contribution payable. Further guidance on determining a contribution payable based on the type of development is provided in section 3.2.3.

### **[4] Significant Assumptions of the Development Contributions Policy**

#### **[4.1] Approach to Methodology**

In developing a methodology for the Development Contributions Policy, Council has taken an approach to ensure that the cumulative effect of development is considered from a system-wide perspective. This policy considers the specific infrastructure demands created by individual developments in the context of Council's wider community responsibilities as an infrastructure service provider.



**[4.2] Development Contribution Areas**

For the purposes of development contributions the City is broken into twenty one development contribution areas based on activity service catchments (Refer to Map 1 in Appendix A to this policy). This map is indicative only and zones may change during the life of this Policy. Where a zone does change, for example from rural to residential, then the principles of Section 3.2.3 shall apply. Where a rural zone is changed to a residential or non-residential zone those fees attributable to Development Contribution Area B shall apply and be based on the dominant type of development within the new zone.

**[4.3] Planning Horizons**

A 20-year timeframe is being used as a basis for forecasting growth and applying a development contribution. This is consistent with Council's asset management planning horizons. Benefits will be distributed over that timeframe with averaging to avoid the effects of lumpy infrastructure<sup>3</sup> works within any given year on development contributions.

**[4.4] Projecting Growth**

- .1** To estimate the number of residential and rural developments Council expects over a 20-year period, this policy has used, and has maintained consistency with, Council's urban growth planning and asset management planning data. Projected growth for residential and rural development is a medium growth scenario based on a specific Palmerston North projection, which also accommodates the additional margins required by the National Policy Statement for Urban Development. Based on this growth the rate of accumulating population growth is projected to be 1.3% over a 20-year period. Over the next 20-year period, the rate of accumulating household growth is projected to increase by 1.4% per annum

<sup>3</sup> Lumpy infrastructure is where in any given year there are large sums assigned given the discrete nature of the development work.

for the first 10 years and 1.2% per annum for the following 10-year period. This represents 9,171 new households in the City over the 20 year period.

- .2** Council has used past trends in non-residential land uptake to estimate the area of non-residential development Council expects each year. This represents approximately 6.8ha of non-residential development in the City. This estimate recognises that a number of non-residential developments within the City will be classified as non-residential brownfield redevelopment.

**[4.5] Best Available Knowledge**

Development contributions are based on capital expenditure budgets from Council Asset Management Plans, which in turn feed into the LTP budgets. The capital expenditure budgets and projected estimates of future asset works are based on the best available knowledge at the time of preparation. The policy will be updated, as practicable, to reflect better information as it becomes available, as per Section 3.8 of this policy.

**[4.6] Growth in the District**

Continued greenfield residential development will take place in Kelvin Grove (including the Whakarongo Residential Area) and the Aokautere/Summerhill area units respectively in the short to medium term. Within the Kelvin Grove area the Whakarongo Residential Area became operative in the District Plan in 2014. It is envisaged that the Whakarongo Residential Area will provide additional greenfield land supply to the market in the short to medium term. Kikiwhenua Residential Area became operative in the District Plan in 2021. This is the first stage of the wider Kākātangiata Growth Area (formerly referred to as City West), which is intended to provide medium to long term growth for greenfield housing. During the course of the 20-year period covered by the Policy other greenfield residential areas

will be required to meet the projected growth, as directed by the Innovative and Growing City Strategy. Further residential development within existing developed residential areas and brownfields development in the Hokowhitu Residential Area are also assumed within the district. Further rural development, in particular rural-residential development, in the district is assumed to continue at current trends.

Non-residential development is expected to continue within all relevant zones, in particular the Business Zones, the North East Industrial Zone and the North East Industrial Zone Extension Area. Where any new Greenfield areas are rezoned prior to an update of the Policy Section 4.2 shall apply.

#### **[4.7] Unit of Demand**

Different types of measurements are used to allocate units of demand for each community facility to residential, rural and non-residential developments (refer to clause 6.6.2 and table 4 – Units of Demand for Community Facilities for further guidance). Council will demonstrate that it has attributed units of demand to particular developments or types of developments on a consistent and equitable basis. For all activities a differentiation is made between residential, rural and non-residential development due to the demand and use they place on the network activities. A specific explanation of units of demand allocated for each activity is provided in Section 6 of this policy. Clauses 6.6.4 – 6.6.7 provide specific guidance for measuring units of demand for certain types of activities and different development scenarios e.g. Multi-unit residential development and development in the absence of subdivision.

#### **[5] Administration of Development Contributions**

<sup>4</sup> The land-based portion of a development contribution includes those charges that are calculated on the area of land included within a development.

#### **[5.1] Additional Considerations: Reconsiderations, Postponements, Refunds and Special Circumstances of Development Contributions**

##### **[5.1.1] Reconsiderations and Postponements**

At the request of the applicant, the development contribution required on a development may be reconsidered or postponed.

##### **[5.1.2] Reconsideration Criterion**

**1** An applicant may request the Council to reconsider a requirement to make a development contribution if the applicant has grounds to believe that:

- a)** The development contribution was incorrectly calculated or assessed under the 2021 Development Contributions Policy;
- b)** The Council incorrectly applied the 2021 Development Contributions Policy; and
- c)** The information relied upon to assess the applicant's development against the 2021 Development Contributions Policy, or the way the Council recorded or used the information when requiring a development contribution, was incomplete or contained errors.

**2** A person may not apply for a reconsideration of a requirement for a development contribution if the person has already lodged an objection to that requirement under section 199C and Schedule 13A of the LGA02.

**3** A reconsideration must be applied for before a development contribution payment is made to Council. Council will not allow reconsiderations retrospectively.

##### **[5.1.3] Postponements**

Postponement of the land-based<sup>4</sup> portion of a development

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contribution applicable to the balance lot<sup>5</sup> of a development may be allowed in the following circumstances:

- a) The development contribution is deemed by Council to be manifestly excessive given that no immediate capital works or expenditure are planned or required by Council.

**[5.1.4] Postponements Criterion**

- .1 Postponements must be applied for before a development contribution payment is made to Council. Council will not allow postponements retrospectively.
- .2 The postponed land-based portion of a development contribution will be reassessed at the next and any subsequent development phase. .
- .3 In certain circumstances the Council may choose to only postpone part of the land-based portion of a development contribution applicable to the balance lot.
- .4 The postponed land-based portion of the development contribution that is applied at a subsequent development phase will be assessed on the development contribution charges applicable at that time.
- .5 Postponement of the land-based portion of a development contribution required on a development does not indicate that the development does not create additional units of demand.

**[5.1.5] Process for Reconsideration of a Development Contribution**

- .1 A request for reconsideration must be made within 10 working days after the date on which the applicant receives notice from the Council of the level of development contribution that the Council requires.

<sup>5</sup> A balance lot is a remaining allotment not yet intended for development that will be developed at a later date.

- .2 A request for reconsideration must be made in writing to the Council and identify the basis on which the reconsideration is sought.
- .3 The Council will consider the request for reconsideration with respect to the criteria set out in clause 5.1.2 of the Policy.
- .4 The Council may reject, uphold, reduce or cancel the original amount of development contribution required and shall communicate its decision in writing to the person who lodged the request within 15 working days of receiving the request.
- .5 The Council will make the decision, by way of delegation to officers to an appropriate level, on the papers without convening a hearing.
- .6 A person who requested the reconsideration may object to the outcome of the reconsideration in accordance with section 199C and Schedule 13A of the LGA02.
- .7 An applicant may request a remission for a development contribution fee assessed prior to 8 September 2014 under clause 5.1.5 of the 2012 Development Contributions Policy as if the Policy had not been subsequently amended or replaced on or after 8 September 2014.

**[5.1.6] Process for Consideration for Postponement of Development Contribution**

- .1 Any request for postponement of a development contribution shall be made by notice in writing, from the applicant to Council, before development contributions required on the development are paid. Any request for postponement shall set out reasons for the request.
- .2 In undertaking the review:



<p><b>a)</b> Council shall consider the request as soon as reasonably practicable.</p> <p><b>b)</b> Council may, at its discretion postpone the original amount of development contribution required on the development and shall communicate its decision in writing to the applicant within 15 working days of receiving the request.</p> <p><b>c)</b> Council will make the decision, by way of delegation to officers to an appropriate level, and on the papers.</p> <p><b>.3</b> Where Council decides to consider such a postponement the following matters will be taken into account:</p> <p><b>a)</b> The Development Contributions Policy.</p> <p><b>b)</b> The extent to which the value and nature of works proposed by the applicant reduces the need for works proposed by Council in its capital works programme.</p> <p><b>c)</b> Existing uses on the allotment area of the proposed development.</p> <p><b>d)</b> Development contributions paid and/or works undertaken and/or land set aside as a result of:</p> <p><b>i)</b> Development Contributions.</p> <p><b>ii)</b> Agreements with Council.</p> <p><b>iii)</b> Financial Contributions under the RMA.</p> <p><b>e)</b> Any other matters Council considers relevant.</p> <p><b>f)</b> The timing, likelihood and type of capital works or expenditure planned or required within or surrounding the postponed balance lot.</p> <p><b>.4</b> In any case, Council retains the right to uphold the original amount of development contributions levied on any particular development.</p> <p><b>.5</b> The applicant may request a further review of an officer's determination on a request for postponement. That review will be undertaken by the Council's Hearings Committee. No</p>	<p>further review will be available unless:</p> <p><b>a)</b> The further request is received by Council together with the prescribed fee within 20 working days of receipt of the officer's decision; and</p> <p><b>b)</b> The Hearings Committee gives leave for a further review.</p> <p><b>.6</b> The Hearings Committee will determine an application for leave on the papers. The Hearings Committee may give leave for a further review only if it is clearly arguable that the development contributions are manifestly excessive.</p> <p><b>.7</b> A Council decision must not have the practical effect of altering the methodology of this policy including the underlying averaging approach inherent to the calculation of units of demand.</p> <p><b>[5.1.7]      Objection</b></p> <p><b>.1</b> An applicant may object to the assessed amount of a development contribution required by the Council.</p> <p><b>.2</b> The right to make an objection applies irrespective of whether a reconsideration of a requirement for a development contribution has been requested.</p> <p><b>.3</b> Pursuant to section 199C of the LGA02, the right to make an objection does not apply to challenges to the content of the Development Contributions Policy.</p> <p><b>[5.1.8]      Objection Criterion</b></p> <p><b>.1</b> An objection may be made only on the grounds that the Council has:</p> <p><b>a)</b> Failed to properly take into account features of the objector's development that, on their own or cumulatively with those of other developments, would substantially</p>
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## Development Contribution

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<p>reduce the impact of the development on requirements for community facilities in the city or within parts of the city; or</p> <p>b) Required a development contribution for community facilities not required by, or related to, the objector's development, whether on its own or cumulatively with other developments; or</p> <p>c) Required a development contribution in breach of section 200 of the LGA02 (Limitations applying to requirement for a development contribution); or</p> <p>d) Incorrectly applied its development contributions policy to the objector's development.</p> <p><b>[5.1.9] Process for Objection</b></p> <p><b>.1</b> An objection must be made to Council within 15 working days after the date on which the applicant received notice from the Council of the level of development contribution that the Council requires.</p> <p><b>.2</b> If the applicant has received notice of the outcome of a reconsideration under clause 5.1.5(.4) of the Development Contributions Policy, the 15 working day clause in 5.1.9(.1) begins on the day after the date on which the applicant receives written notice of the reconsideration outcome.</p> <p><b>.3</b> The request to the Council for an objection must:</p> <p>a) Be in writing; and</p> <p>b) Set out the grounds and reasons for the objection; and</p> <p>c) State the relief sought; and</p> <p>d) State whether the objector wishes to be heard on the objection.</p> <p><b>.4</b> The Council will as soon as practicable after receiving the objection select no more than 3 development contributions</p>	<p>commissioners to decide the objection.</p> <p><b>.5</b> A hearing on an objection need not be held if:</p> <p>a) The objector has indicated they do not wish to be heard or has otherwise agreed that no hearing is required; or</p> <p>b) The development contribution commissioner/s who will hear and decide the objection are satisfied, having regard to the nature of the objection and the evidence already provided, that they are able to determine the objection without a hearing.</p> <p><b>.6</b> The selected development contribution commissioners will give parties notice of the date by which briefs of evidence relating to the objection must be exchanged. Briefs of evidence, and any additional or amended evidence, must be exchanged not later than 10 working days before:</p> <p>a) The commencement of a hearing; or</p> <p>b) If there is no hearing, a date fixed by the commissioners.</p> <p><b>.7</b> Written copies of the development contributions commissioners' decision will be served on the objector and the Council within 15 working days after:</p> <p>a) The end of the hearing; or</p> <p>b) If no hearing is held, the last day of the commissioners' consideration of the evidence.</p> <p><b>.8</b> If an applicant objects to the Council's requirement that a development contribution be made, the Council may recover from the applicant, pursuant to section 150A of the LGA02, its actual and reasonable costs in respect of the objection. The costs the Council may recover include:</p> <p>a) The selection, engagement, and employment of the development_contributions commissioners; and</p> <p>b) The secretarial and administrative support of the objection</p>
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<p>process; and</p> <p>c) Preparing for, organizing, and holding the hearing.</p> <p><b>.9</b> An applicant may object to a development contribution fee assessed on or after 8 September 2014 under clause 5.1.9 of the 2015 Development Contributions Policy.</p> <p><b>[5.2.0] Refunds</b></p> <p><b>.1</b> The refund of money and return of land if development does not proceed and refund of money or return of land if not applied to specified reserves purposes will be applied in accordance with Sections 209 and 210 of the LGA02 as set out in Appendix B.</p> <p><b>.2</b> Any refunds will be issued to the consent holder of the development to which they apply and will not be subject to any interest or inflationary adjustment.</p> <p><b>[5.2] Amount, Payment and Collection of Development Contributions</b></p> <p><b>.1</b> Any resource consent, building consent or service connection applications received on or after the date the 2021/31 LTP came into effect (1 July 2021) will be subject to a development contributions charge under this Policy (the 2021 Policy).</p> <p><b>.2</b> The development contribution payable during the life of this Policy shall not be less than the amounts shown in the attached schedule of fees and shall increase annually on 1 July of each year, in accordance with the following formula:</p> <p><b>DC = BC x (PPIC / PPIB)</b></p> <p>DC = the development contribution charge for the relevant service or infrastructure payable under the Policy.</p>	<p>BC = the base development contribution charge payable under the Policy as set out in the schedule of fees.</p> <p>PPIC = the Producers Price Index – Construction (Outputs) for the current year.</p> <p>PPIB = the Producers Price Index – Construction (Outputs)<sup>6</sup> for the base year<sup>7</sup>.</p> <p><b>.3</b> Subject to the Council's powers under section 208 LGA 02 the development contribution assessed under this Policy may be paid at any time until the consent or authorisation that triggered the assessment lapses or expires. If the consent or authorisation lapses or expires, a new consent will be required in which case the development contribution payable will be re-assessed. If the development contribution is not paid within 12 months of the date the assessment was made, then the development contribution shall increase annually on 1 July each year by the amount of increase in the Producer's Price Index – Construction for that year.</p> <p><b>.4</b> Development contributions payable on resource consents, building consents or service connections will not be re-assessed following an update to the Policy.</p> <p><b>.5</b> If payment of development contributions is not received Council will exercise its powers outlined in Section 208 LGA02. Those provisions state that until a development contribution required in relation to a development has been paid or made under section 198, a territorial authority may:</p> <p><b>a)</b> In the case of a development contribution required under section 198(1)(a), -</p> <p><b>i)</b> Withhold a certificate under section 224(c) of the Resource Management Act 1991;</p> <p><b>ii)</b> Prevent the commencement of a resource consent under the Resource Management Act</p>
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<sup>6</sup> December 2010 Quarter (=1000)

<sup>7</sup> The year the Development Contributions Policy was updated

<p>1991;</p> <p><b>b)</b> In the case of a development contributions required under section 198(1)(b), withhold a code of compliance certificate under section 95 of the Building Act 2004;</p> <p><b>ba)</b> In the case of a development contribution required under section 198(4A), withhold a certificate of acceptance under section 99 of the Building Act 2004;</p> <p><b>c)</b> In the case of development contribution required under section 198(1)(c), withhold a service connection to the development; and</p> <p><b>d)</b> In each case, register the development contribution under the Statutory Land Charges Registration Act 1928, as a charge on the title of the land in respect of which the development contribution was required.</p> <p><b>[5.3] Transitional Provisions</b></p> <p><b>.1</b> Any resource consent, building consent or service connection applications received on or after the date the interim 2004/2005 – 2013/2014 10 Year Plan came into effect (1 July 2004) but before any subsequent Policy came into effect will be subject to a development contributions charge under the 2004 Policy and will not be reassessed based on the fees applicable under the 2006 Policy or any other Development Contributions Policy adopted by Council.</p> <p><b>.2</b> Any resource consent, building consent or service connection applications received on or after the date the 2006/2007 – 2015/2016 10 Year Plan came into effect (1 July 2006) but before any subsequent Policy came into effect will be subject to a development contributions charge under the 2006 Policy and will not be reassessed based on the measure of a unit of demand and fees applicable under the 2007 Policy or any other Development Contributions Policy adopted by Council.</p>	<p><b>.3</b> Any resource consent, building consent or service connection applications received prior to the date the 2007/2008 Annual Plan came into effect (1 July 2007) will not be subject to Producer's Price Index – Construction adjustment.</p> <p><b>[5.4] Valuing of Land</b></p> <p>Council will no longer accept land as a development contribution. All land requirements for reserves purposes will be obtained through sale and purchase agreements outside of this development contributions policy. Future land requirements for reserves purposes are budgeted for in Council's Recreation and Community Facilities Asset Management Plan. Council will use structure plans and where appropriate, designation processes under the RMA to identify future reserve requirements.</p> <p><b>[5.5] Special Circumstances</b></p> <p><b>.1</b> Council reserves the discretion to enter into specific arrangements outside the Development Contributions Policy with a developer for the provision of particular infrastructure to meet the special needs of a development, for example where a development requires a special level of service or is of a type or scale which is not readily assessed in terms of units of demand. Where a development is considered to be a special circumstance, an individual assessment will be undertaken by Council to determine the effect of the development on the network infrastructure, reserves and community facilities and the development contributions amount payable.</p> <p><b>.2</b> A development may be identified as a special circumstance for one of the following reasons:</p> <p><b>a)</b> The potential effect the development may have on the capacity of the network infrastructure, reserves and community infrastructure is likely to be greater than that taken into account when developing a methodology for</p>
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<p>the Development Contributions Policy and calculating the development contributions charges per unit of demand.</p> <p>The development is likely to require the provision of particular infrastructure to meet the special needs of a development, for example where a development requires a special level of service or is of a type or scale which is not readily assessed in terms of units of demand.</p> <p><b>b)</b></p> <p><b>4</b> Significant adverse effects on infrastructure of particular developments will be considered as part of the evaluation of application for resource consent and may influence consideration of the application in the absence of agreed mitigation with the Council.</p>	
<p><b>[5.6] Development Agreements</b></p> <p><b>1</b> Pursuant to section 207A of the LGA02, a developer may request that the Council enter into a contractual agreement with the developer to provide infrastructure as an alternative to paying all or part of a development contribution. The contractual agreement in this instance is called a "development agreement".</p> <p><b>2</b> Pursuant to section 207B of the LGA02, the Council will consider the request for a development agreement and provide written notice to the developer of its decision on the request, and the reasons for the decision without unnecessary delay.</p> <p><b>3</b> The content and effect of a development agreement must comply with sections 207D and 207E of the LGA02.</p>	
<p><b>[5.7] Non-Residential Brownfield Redevelopment</b></p> <p><b>1</b> Non-residential brownfield redevelopment<sup>8</sup> generally places negligible increased demand on the capacity of the network infrastructure. This is because it occurs in established areas and the new or altered activities and buildings established on the site generally place a similar demand on the network infrastructure as the previous activity or building. For this reason non-residential brownfield redevelopment does not create additional units of demand.</p> <p><b>2</b> Non-residential brownfield redevelopment will generally occur on allotments that have not paid development contributions in the past based on allotment area (2007 Policy or later) or per additional allotment (2004 and 2006 Policies).</p> <p><b>3</b> The alteration of an existing non-residential building or construction of a new non-residential building may still create additional units of demand and be subject to development contributions (refer to sections 6 and 7 for further guidance) e.g. the extension of a non-residential building established after 1 July 2004 located on an allotment that has not paid any development contributions in the past based at the subdivision stage.</p> <p>The applicant shall provide sufficient information to enable the Council to determine whether or not:</p> <p><b>a)</b> A development is a non-residential brownfield redevelopment: and</p> <p><b>b)</b> Existing or past site coverage was or is legally established under the RMA and or the Building Act.</p>	
<p><sup>8</sup> Brownfield redevelopment means further development of sites that are developed at or over 40% site coverage, or were at some time in the past at or over 40% site coverage, provided the buildings located on the site were established prior to 1 July 2004, and specifically includes:</p>	<p>- further subdivision of the site;</p> <p>- alterations and additions to existing buildings; and</p> <p>- the demolition of existing buildings and construction of new buildings</p>



<p><b>[5.8] Massey University – Turitea Campus</b></p> <p>The Massey University Turitea Campus<sup>9</sup> is made up of a number of different sites. For the purposes of clause 5.7 (Non-Residential Brownfield Redevelopment), the various sites that make up the Massey University Turitea Campus shall be considered as one site.</p> <p><b>[5.9] Tax – GST</b></p> <p>Development contributions required will incur a Goods and Services Tax upon assessment of a contribution payable.</p> <p><b>[5.10] Cross Area Development</b></p> <p>In the situation where a proposed development lies partially in each of two or more development contribution areas, the development contribution for the entire development will be calculated based on the contribution applicable to the development contribution area that contains the majority of the development allotment area.</p> <p><b>[6] Community Facilities: Network Infrastructure, Reserves and Community Infrastructure</b></p> <p><b>[6.1] Water</b></p> <p><b>.1</b> The water reticulation network is made up of four service catchments, being the Palmerston North, Ashhurst, Longburn, and Bunnythorpe urban areas. Each of the defined service catchments of the water reticulation system is characterised by interdependent components. For the purposes of development contributions, the water reticulation network is optimised to include only those components necessary to the effective operation of the network-wide system.</p> <p><b>.2</b> Interdependence within the network creates a need for integrated management of the operation of these necessary components. As such, the management of this network is undertaken with network-wide supply and demand issues in</p>	<p>mind. This network is referred to as the 'Integrated Water Network' and its components in the service catchments are defined visually on Map 2 in Appendix C.</p> <p><b>.3</b> The Integrated Water Network for water is made up of:</p> <p><b>a)</b> All trunk and distribution pipelines, valves, and hydrants 200 mm in diameter or larger</p> <p><b>b)</b> All reservoirs</p> <p><b>c)</b> All water sources capable of delivering more than 1,000 m<sup>3</sup>/day, including but not limited to the Turitea Water Treatment Plant and all bores</p> <p><b>d)</b> Any pipe(s) that are not trunk or distribution pipelines but provide capacity to the Integrated Network</p> <p>The Integrated Network contains trunk mains and distribution mains. These pipelines have an important function in transferring water from source (trunk mains) to a series of pipes that convey water to areas or groups of streets (distribution mains). Local pipes receive water from distribution mains and serve individual properties. Local pipes are part of the overall water network but in most cases, but not all, do not form part of the integrated network for the purpose of the Development Contributions Policy.</p> <p><b>.4</b> Inadequate capacity in a trunk or distribution main can have a significantly greater impact on the overall operation of the water network than inadequate capacity in a smaller localised pipe.</p> <p><b>.5</b> The requirement to provide water in sufficient volumes at a required pressure and for the extinguishing of fires guide the decision of which components of the overall water network make up the Integrated Network. Achieving the required flows</p>
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<sup>9</sup> Massey University Turitea Campus means land that is occupied by Massey University whether leasehold or freehold that is zoned Institutional within the Palmerston North City District Plan.

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and pressures established in Council's level of service for every property (including at extreme ends of the network) means that those pipes conveying water from source to trunk mains and distribution mains need to have sufficient capacity to ensure levels of service are met. As growth occurs the capacity of trunk and distribution mains need to be increased to ensure levels of service are maintained.

#### **[6.1.1] Development Contributions Approach**

A development contribution for the identified water service catchments will be based on the value of future identified growth works and growth works incurred in anticipation of development on each of the service catchments in the 'Integrated Water Network'. The anticipated future works on the 'Integrated Water Network' in each area are identified in the Palmerston North City Council's Water Asset Management Plan and the values are summarised in Table 2 in Section 3.4 of this Policy. The value of growth works incurred in anticipation of development is summarised in Table 3 in Section 3.5 of this Policy.

#### **[6.1.2] Who Gets Charged?**

Under the above outlined method, all new developments in the service catchments will be subject to a development contribution within identified development contribution areas. The only exclusions (at present) are:

- a)** Developments in the rural area that are not connected to the City water systems (Development Contributions Area A); and
- b)** Developments in Longbourn and Bunnythorpe that have a separate water network on which no future growth works are planned (at present) (Development Contribution Areas Q and R).

#### **[6.1.3] Justification for Approach**

All growth works on the 'Integrated Water Network' are considered to contribute to the function of the integrated network. All components

of the integrated network also have excess capacity that will cater for anticipated future capacity uptake. Any identified capital development growth-related works undertaken on the identified integrated network add to the capacity of the existing integrated network directly.

#### **[6.1.4] Unit of Demand**

- 1** The development contribution is subject to a form of measurement to allocate units of demand to development. This allows for differences between residential, rural and non-residential demand.
- 2** The following factors have been used to portion out the 20-year residential and non-residential growth costs for water:
  - a)** an average residential – non-residential water demand ratio;
  - b)** the average number of equivalent household units per hectare; and
  - c)** the residential and non-residential growth projections.
- 3** All residential and non-residential development is assumed to create a unit of demand. All rural development is assumed to create zero units of demand.
- 4** The measure for a residential unit of demand is:
  - a)** per additional allotment at subdivision; or
  - b)** per connected equivalent household unit at building consent or service connection.
- 5** The measure for a non-residential unit of demand is:
  - a)** per 100m<sup>2</sup> of allotment area at subdivision; or
  - b)** per 100m<sup>2</sup> of Gross Floor Area (GFA) at building consent or service connection.
- 6** The measures for units of demand is summarised at the end of this section in Table 4.

<p><b>.7</b> Refer also to clause 5.5 (Special Circumstances) and clause 5.7 (Non-Residential Brownfield Redevelopment).</p> <p><b>.8</b> Further guidance on measuring units of demand is provided in sections 6.6 and 7.</p> <p><b>[6.2] Wastewater</b></p> <p><b>.1</b> The wastewater reticulation network is made up of three discrete service catchments. The first service catchment is made up of the Palmerston North, Ashhurst and Bunnythorpe urban areas. The second service catchment is Longburn. The third service catchment are pressure sewer areas, which are intended to service Kakatangiata, North East Industrial Zone Extension, and the Napier Road Residential Extension Area. Each of the defined service catchments of the wastewater system is characterised by a combination of interdependent components. For the purpose of development contributions, the wastewater network is rationalised to include only those components necessary to the effective operation of the network-wide system.</p> <p><b>.2</b> Interdependence within the network creates a need for integrated management of the operation of these necessary components. As such, the management of the identified network is undertaken with network-wide supply and demand issues in mind. This network is referred to as the 'Integrated Wastewater Network' and its components are defined visually on Map 3 in Appendix D</p> <p><b>.3</b> To be considered part of the Integrated Wastewater Network an asset must first have a direct connection to and be hydraulically linked to the existing Integrated Network. The Integrated Network for wastewater is made up of:</p> <p><b>a)</b> Any trunk or collector gravity pipe of 250mm or larger.</p>	<p><b>b)</b> Pump stations and associated pressure pipelines at Jickell Street, Massey, College Street, Tremaine Avenue, and Ashhurst.</p> <p><b>c)</b> Any new pump station carrying a flow equivalent to that produced by 3,000 persons (35 l/sec) or more.</p> <p><b>d)</b> Wastewater treatment plant(s) serving Palmerston North, Ashhurst, and Bunnythorpe, and any oxidation ponds.</p> <p><b>e)</b> Any pipe(s) that are not a trunk or collector gravity pipe of 250mm but provide capacity to the Integrated Network.</p> <p>The Integrated Network contains a series of main trunk pipelines which carry large volume of flows to the treatment plant. Collector pipes convey flows from local streets to the trunk mains. A number of smaller more localised pipes connect into each collector or directly to the trunk mains.</p> <p><b>.4</b> Wastewater pipes serving individual properties or pipes in a local street connecting to another street do not contribute to or have a very limited impact on the overall operation of the wastewater network. However, overloading of one trunk main or collector pipe could have significant network wide operational impacts due to hydraulic inter-connectivity of the trunk pipes. Inadequate capacity in one trunk could have an effect on another trunk placing the entire system under stress. There is a degree of interdependence between the trunk systems that creates a requirement for management and operation of the system at a network level. The inter-dependency of the trunks and the resulting requirement to manage system operation at a network level enable identification of those components that form the Integrated Network. Consequently, the demarcation of components at trunk and collector level and, in the case of pump stations, at a capacity level, is considered appropriate for determining which components of the system form the Integrated Network.</p> <p><b>.5</b></p> <p><b>.6</b> The Integrated Wastewater Network and Villages – Ashhurst,</p>
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<p>Bunnythorpe and Longburn – Both Ashhurst and Bunnythorpe are connected to the existing Integrated Network and the nature of the connection means they are hydraulically linked with the City's Integrated Network. For these reasons both Ashhurst and Bunnythorpe are considered as part of the City's Integrated Network for wastewater. The wastewater trunk main serving Longburn is directly connected to the treatment plant. However the trunk main is not connected to or hydraulically linked to the City's Integrated Network. For these reasons Longburn it is not considered part of the City's Integrated Network.</p> <p><b>[6.2.1] Development Contributions Approach</b> The development contribution is based on the value of future identified growth works and growth works incurred in anticipation of development in each of the service catchments in the 'Integrated Wastewater Network'. The anticipated future works on the 'Integrated Wastewater Network' are identified in the Palmerston North City Council's Wastewater Asset Management Plan and the value is summarised in Table 2 in Section 3.4 of this Policy. The value of growth works incurred in anticipation of development is summarised in Table 3 in Section 3.5 of this Policy.</p> <p><b>[6.2.2] Justification for Approach</b> All growth works on the 'Integrated Wastewater Network' are considered to service any allotment within the specified boundary, up to a uniform service level, at any time. All necessary components of the integrated networks also have excess capacity that will cater for anticipated future capacity uptake. Any identified capital development growth-related works undertaken on the identified integrated network add to the capacity of the existing integrated network directly.</p> <p><b>[6.2.3] Who Gets Charged?</b> Under the above outlined method, all new developments in the</p>	<p>Palmerston North, Ashhurst and Bunnythorpe service catchments will be subject to a development contribution within identified development contribution areas. The only exclusions (at present) are:</p> <ul style="list-style-type: none"> <li><b>a)</b> developments in the rural area that are not connected to the City wastewater systems (Development Contributions Area A); or</li> <li><b>b)</b> developments in Longburn that have a separate wastewater network on which no future growth works are planned (at present) (Development Contributions Area R).</li> </ul> <p><b>[6.2.4] Unit of Demand</b></p> <ol style="list-style-type: none"> <li><b>.1</b> The development contribution is subject to a form of measurement to allocate units of demand to development. This allows for differences between residential, rural and non-residential demand.</li> <li><b>.2</b> Production of wastewater correlates closely with the consumption of water. Therefore the following factors have been used to portion out the 20-year residential and non-residential growth costs for wastewater:             <ul style="list-style-type: none"> <li><b>a)</b> an average residential – non-residential wastewater demand ratio.</li> <li><b>b)</b> the average number of equivalent household units per hectare.</li> <li><b>c)</b> the residential and non-residential growth projections.</li> </ul> </li> <li><b>.3</b> All residential and non-residential development is assumed to create a unit of demand. All rural development is assumed to create zero units of demand.</li> <li><b>.4</b> The measure for a residential unit of demand is:             <ul style="list-style-type: none"> <li><b>a)</b> per additional allotment at subdivision; or</li> <li><b>b)</b> per connected equivalent household unit at building consent or service connection.</li> </ul> </li> <li><b>.5</b> The measure for a non-residential unit of demand is:</li> </ol>
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<p><b>a)</b> per 100m<sup>2</sup> of allotment area at subdivision; or</p> <p><b>b)</b> per 100m<sup>2</sup> of GFA at building consent or service connection.</p> <p><b>.6</b> The measures for units of demand is summarised at the end of this section in Table 4.</p> <p><b>.7</b> Refer also to clause 5.5 (Special Circumstances), clause 5.7 (Non-Residential Brownfield Redevelopment).</p> <p><b>.8</b> Further guidance on measuring units of demand is provided in sections 6.6 and 7.</p> <p><b>[6.3] Roading</b></p> <p><b>.1</b> The roading network service is contained within the Palmerston North City Council territorial boundary. The roading network is characterised by a combination of interdependent components. Interdependence within the network creates a need for integrated management of operation of these components. As such, the management of the network is undertaken with network-wide supply and demand issues in mind.</p> <p><b>.2</b> For the purposes of development contributions, the roading network is considered to be an unrestricted system. This means that the roading network can be accessed by anyone at any time in the City. The roading network is defined visually on Map 4 in Appendix E.</p> <p><b>.3</b> To be considered part of the Integrated Roading Network a road must be classified, or proposed to be classified, in the Palmerston North City District Plan roading hierarchy as either a Major Arterial, Minor Arterial or Collector Road.</p> <p><b>[6.3.1] Development Contributions Approach</b></p> <p><b>.1</b> Development contributions are applied citywide and are based</p>	<p>on the value of future identified growth works and growth works incurred in anticipation of development on the roading network. The anticipated future growth capital development works are identified in the Palmerston North City Council's Roading Asset Management Plan and the values are summarised in Table 2 in Section 3.4 of this Policy. The value of growth works incurred in anticipation of development is summarised in Table 3 in Section 3.5 of this Policy. The development contribution for the roading network is based on the proportion of these works that have been assessed as the result of increased demand generated by new residential, rural and non-residential development.</p> <p><b>.2</b> The proportion of future growth works resulting from increased demand attributable to new residential and non-residential development is determined by Council from data collected for Palmerston North City Council's Transportation Management Plan.</p> <p><b>[6.3.2] Who Gets Charged?</b></p> <p>Under the above outlined method, all new developments in all development contribution areas will be subject to a development contribution for the roading network.</p> <p><b>[6.3.3] Justification for Approach</b></p> <p>All components included in the development contribution for the roading network are considered to service any allotment within the specified boundary, up to a uniform service level, at any time. The current network also has excess capacity that has been planned and will cater for anticipated future capacity uptake. Any identified capital development works undertaken on the network enhance the capacity of the existing integrated network directly.</p> <p><b>[6.3.4] Unit of Demand</b></p> <p><b>.1</b> The development contribution is subject to a form of measurement to allocate units of demand to development. This</p>
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<p>allows for differences between residential, rural and non-residential demand.</p> <p><b>.2</b> The following factors have been used to portion out the 20-year rural, residential and non-residential growth costs for roading:</p> <p><b>a)</b> average vehicle trip generation data for residential and non-residential activities.</p> <p><b>b)</b> the residential and non-residential growth projections.</p> <p><b>.3</b> All residential, non-residential and rural development is assumed to create a unit of demand.</p> <p><b>.4</b> The measure for a residential and rural (dwellings) unit of demand is:</p> <p><b>a)</b> per additional allotment at subdivision; or</p> <p><b>b)</b> per connected equivalent household unit at building consent or service connection.</p> <p><b>.5</b> The measure for a non-residential unit of demand is:</p> <p><b>a)</b> per 100m<sup>2</sup> of allotment area at subdivision; or</p> <p><b>b)</b> per 100m<sup>2</sup> of GFA at building consent or service connection.</p> <p><b>.6</b> The measure for a rural (other) unit of demand is:</p> <p><b>a)</b> per 100m<sup>2</sup> GFA at building consent or service connection.</p> <p><b>.7</b> The measures for units of demand is summarised at the end of this section in Table 4.</p> <p><b>.8</b> Refer also to clause 5.5 (Special Circumstances) and clause 5.7 (Non-Residential Brownfield Redevelopment).</p> <p><b>.9</b> Further guidance on measuring units of demand is provided in sections 6.6 and 7.</p>	<p><b>[6.4] Stormwater</b></p> <p><b>.1</b> The stormwater network is defined using a catchment-based approach because it is dependent on natural geographical features and events. The stormwater network is characterised by a number of relatively autonomous service catchments and within each of these is an integrated system of interdependent network components. For the purposes of this policy there are thirteen defined service catchments that make up twenty one development contribution areas.</p> <p><b>.2</b> Stormwater infrastructure development within service catchments is based on a defined level of service, as outlined in Council's Stormwater Asset Management Plan, under a fully developed catchment scenario. For the purpose of development contributions specific demand analysis has been undertaken on existing service catchments and infrastructure requirements have been identified as a result.</p> <p><b>[6.4.1] Development Contributions Approach</b></p> <p><b>.1</b> A stormwater development contribution for each of the thirteen service catchments is based on the value of components to be located within each in order to meet the defined level of service under the fully developed catchment scenario. Anticipated future components are identified in Council's Stormwater Asset Management Plan capital development budgets.</p> <p><b>.2</b> Current and planned future stormwater infrastructure provided in the thirteen service catchments is anticipated to cater for the entire catchment when it is fully developed. Thus, in partially developed service catchments, infrastructure provision identified will specifically cater for growth in that service catchment.</p>
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<p><b>[6.4.2] Who Gets Charged?</b></p> <p>Under the above outlined method, all new developments in development contribution areas F, G, H, I, J, K, L, M, N, O, and P will be subject to a development contribution. New developments in other catchments will not be required to pay any development contributions for stormwater.</p> <p><b>[6.4.3] Justification for Approach</b></p> <p><b>.1</b> Demand investigations, undertaken by Council, tested stormwater catchments under a fully developed scenario. Investigations suggested that additional development within existing developed stormwater catchments would have little effect on the demand for additional stormwater infrastructure. In contrast, additional development in partially developed catchments had a significant effect on the demand for additional stormwater infrastructure.</p> <p><b>.2</b> Only Aokautere, Kelvin Grove (including the Whakarongo Residential Area) and the North East Industrial Zone Extension Area stormwater service catchments will be subject to development contributions for stormwater as other identified stormwater catchments have level of service deficiencies that require remedy before it is appropriate to further develop infrastructure for growth, and thus apply a development contribution in these catchments. As a result of the findings of these demand investigations Council will apply development contributions to partially developed service catchments only. Identified partially developed catchments are illustrated on Map 5, 6 and 7 in Appendices F, G and H.</p> <p><b>[6.4.4] Unit of Demand</b></p> <p><b>.1</b> The development contribution is subject to a form of measurement to allocate units of demand to development. This allows for differences between residential, rural and non-residential demand.</p>		<p><b>.2</b> The allotment area of development and hence information related to site coverage and impermeable surface area has been used to calculate a unit of demand.</p> <p><b>.3</b> All residential development is assumed to create one unit of demand. All rural development is assumed to create zero units of demand. All non-residential development is assumed to create two units of demand.</p> <p><b>.4</b> The measure of a unit of demand is per 700m<sup>2</sup> of allotment area.</p> <p><b>.5</b> The measures for units of demand is summarised at the end of this section in Table 4.</p> <p><b>.6</b> Refer also to clause 5.5 (Special Circumstances) and clause 5.7 (Non-Residential Brownfield Redevelopment).</p> <p><b>.7</b> Further guidance on measuring units of demand is provided in sections 6.6 and 7.</p> <p><b>[6.5] Reserves and Community Infrastructure</b></p> <p><b>.1</b> The Palmerston North City reserves and community infrastructure asset comprises two distinct parts. They are: land zoned as reserve and identified for recreational purposes ("reserves"), and infrastructure associated with that zoned land ("community infrastructure"). Community infrastructure includes capital developments and facilities associated with the identified reserves, such as playgrounds, car parks, and fences.</p> <p><b>.2</b> The reserves and community infrastructure assets are also distinguished at two levels, these being "citywide" and "local".</p> <p>RESERVES AND COMMUNITY INFRASTRUCTURE</p> <p>"Citywide" "Local"</p>	
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<p><b>[6.5.1] Citywide Reserves and Community Infrastructure</b> The primary purpose of citywide reserves and community infrastructure is to provide active recreational facilities to the city community. Citywide reserves are destination reserves that are accessed for recreational purposes from all areas of the City and people within the Palmerston North City boundary. The citywide reserves and community infrastructure service catchment is illustrated on Map 8 in Appendix I.</p> <p><b>[6.5.2] Local Reserves and Community Infrastructure</b> Identified local reserves and community infrastructure primarily serve a local area. The primary purpose of these assets is to provide amenity for local areas by breaking up the urban environment and also to provide for passive recreation. Local reserves are not considered destination type reserves. Local reserves and community infrastructure service catchments are illustrated on Maps 1, 9 &amp; 10 in Appendices A, J &amp; K.</p> <p><b>[6.5.3] Development Contributions Approach</b> A city development contribution is based on the value of identified future provision of citywide reserves and community infrastructure and the provision that has incurred in anticipation of development.</p> <p>A local development contribution is based on the value of identified future provision of local reserves and community infrastructure and the provision that has incurred in anticipation of development.</p> <p><b>[6.5.4] Who Gets Charged?</b></p> <p><b>.1</b> All residential and rural developments (dwellings and additional allotments only) in all development contribution areas will pay a citywide development contribution for 'citywide' reserves and community infrastructure.</p> <p><b>.2</b> All residential development within the Kelvin Grove (including</p>	<p>the Whakarongo Residential Area) and Aokautere/Summerhill development contributions areas will pay a development contribution for 'local' reserves and community infrastructure.</p> <p><b>[6.5.5] Justification for Approach</b></p> <p><b>.1</b> The assumed demand for citywide reserves and community infrastructure is created and driven as a result of additional people, or residential households, being located within the Palmerston North territorial boundary. As citywide reserves and community infrastructure are destination reserves, increased demand can come from anywhere within the defined city boundary from both residential and rural development. Non-residential development is generally assumed to have no impact on the demand for citywide reserves and community infrastructure networks.</p> <p><b>.2</b> As one of the key purposes of 'local' reserves and community infrastructure is to provide amenity by breaking up the urban environment, it is assumed for the purposes of development contributions that the key driver and demand for the provision of such 'local' assets is the take up of land in a defined local area. While local population increase within a defined local area does have a bearing on the provision of local reserves, ultimately there is only a finite land area in which to provide local reserves. Residential development is considered to have an impact on the provision of local reserves because of the development of land area and the need for local reserves to provide amenity by breaking up the urban environment and provide for passive recreation needs.</p> <p><b>[6.5.6] Legislative Considerations</b></p> <p><b>.1</b> A development contribution for reserves may not exceed the greater of 7.5% of the value of additional allotments created by a subdivision and the value equivalent of 20 square metres of land for each additional household unit created by the development.</p>
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<p><b>.2</b> A development contribution for community infrastructure must not exceed the amount calculated by multiplying the cost of the relevant unit of demand and calculated under clause 1 of schedule 13 by the number of units of demand assessed for a development or type of development, as provided for in clause 2 of Schedule 13 of the LGA02.</p> <p><b>[6.5.7] Unit of Demand</b></p> <p><b>.1</b> The development contribution is subject to a form of measurement to allocate units of demand to development. This allows for differences between residential and rural demand.</p> <p><b>.2</b> For citywide reserves, information regarding the average resident populations and households has been used to calculate a unit of demand for citywide reserves and community infrastructure.</p> <p><b>.3</b> For local reserves, information regarding the average allotment area of development and hence information related to public access to reserve areas available has been used to calculate a unit of demand for local reserves and community infrastructure.</p> <p><b>.4</b> For <b>citywide reserves and community infrastructure</b>, all residential and rural development (dwellings and allotments only) is assumed to create one unit of demand. The measure of a unit of demand for citywide reserves and community infrastructure is per additional allotment at subdivision or per equivalent household unit at building consent or service connection.</p> <p><b>.5</b> For <b>local reserves and community infrastructure</b>, all residential development is assumed to create one unit of demand (Aokautere / Summerhill and Kelvin Grove areas only). All rural development is assumed to create zero units of demand. The measure of a unit of demand for local reserves and community infrastructure is per 700m<sup>2</sup> of allotment area.</p>	<p><b>.6</b> The measures for units of demand is summarised at the end of this section in Table 4.</p> <p><b>.7</b> Refer also to clause 5.5 (Special Circumstances).</p> <p><b>.8</b> Further guidance on measuring units of demand is provided in sections 6.6 and 7.</p> <p><b>[6.6] Units of Demand for All Community Facilities Requiring a Development Contribution</b></p> <p><b>[6.6.1] Key Criterion in Assessing Contributions under the Policy</b></p> <p><b>.1</b> The <b>key criterion</b> that Council uses to assess whether a development contribution is payable on a proposed development is '<b>units of demand</b>' and the characteristics of that unit of demand.</p> <p><b>.2</b> <b>Units of demand</b> can be assessed at subdivision, building consent and service connection stage.</p> <p><b>.3</b> <b>Units of demand</b> can also be created outside of the subdivision process i.e. an additional dwelling on an existing lot. Therefore the Policy enables Council to assess units of demand created at the building and service connection stage also.</p> <p><b>.4</b> It is Council's preference to assess and apply a development contribution at the first stage of development, namely the subdivision consent stage. The reasons for this are set out in Section 3.2.1 of this Policy and Council will apply this preference consistently.</p> <p><b>[6.6.2] Measuring Units of Demand</b></p> <p><b>.1</b> Different types of measurements are used to allocate units of demand for each community facility to residential, rural and</p>
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non-residential developments.

**.2** The measures for units of demand is summarised at the end of this section in Table 4.

**.3** Further guidance on measuring units of demand is provided in clauses 6.6.4 - 6.6.7 and section 7.

#### Water and Wastewater

**a) Residential:** The measure of a residential unit of demand for water and wastewater is per additional allotment at subdivision or per connected equivalent household unit at building consent or service connection.

**b) Rural:** Not applicable.

**c) Non-Residential:** The measure of a non-residential unit of demand for water and wastewater is per 100m<sup>2</sup> of allotment area at subdivision or per 100m<sup>2</sup> of GFA at building consent or service connection.

**d)** Whether a lot or site has existing services on site or at the boundary does not necessarily determine an existing unit of demand i.e. the placement of a new dwelling on a site with existing services.

#### .5 Rooding

**a) Residential:** The measure of a residential unit of demand for roading is per additional allotment at subdivision or per connected equivalent household unit at building consent or service connection.

**b) Rural:** The measure of a rural (dwellings) unit of demand for roading is per additional allotment at subdivision or per equivalent household unit at building consent or service connection.

<sup>10</sup> The number of units of demand created is the total allotment area divided by the measure of 700m<sup>2</sup> where the allotment area is greater or lower than 700m<sup>2</sup>

connection. The measure for a rural (other) unit of demand for roading is per 100m<sup>2</sup> GFA.

**c) Non-Residential:** The measure of a non-residential unit of demand for roading is per 100m<sup>2</sup> of allotment area at subdivision or per 100m<sup>2</sup> of GFA at building consent or service connection.

#### .6 Citywide Reserves and Community Infrastructure

**a) Residential:** The measure of a residential unit of demand for Citywide Reserves and Community Infrastructure is per additional allotment at subdivision or per equivalent household unit at building consent or service connection.

**b) Rural:** The measure of a rural unit of demand for Citywide Reserves and Community Infrastructure is per additional allotment at subdivision or per equivalent household unit at building consent or service connection.

**c) Non-Residential:** Not applicable.

#### .7 Stormwater and Local Reserves and Community Infrastructure

**a) Residential:** Access to stormwater, local reserves and community infrastructure is limited to the land area within specific service catchment areas. Therefore the measure for a residential unit of demand for stormwater, local reserves and community infrastructure is per square meter of allotment area developed. Each equivalent household unit is assumed to occupy 700m<sup>2</sup> of allotment area.<sup>10</sup>

**b) Non-Residential:** Access to stormwater and community infrastructure is limited to the land area within specific service catchment areas. Therefore the measure for a non-residential unit of demand for stormwater and

<p>community infrastructure is per square metre of allotment area developed. Each equivalent household unit is assumed to occupy 700m<sup>2</sup> of allotment area.<sup>11</sup></p> <p>c) <b>Rural:</b> Not applicable.</p> <p>d) <b>Non-Residential:</b> Not applicable to Local Reserves.</p> <p><b>[6.6.3] Applying Units of Demand</b></p> <p><b>.1</b> Individual developments may create multiple units of demand for any of the given community facilities. To determine the number of units of demand created by development on a particular community facility the unit of demand factor is multiplied by the number of measures associated with the</p>	<p>development as defined in 6.6.2 and shown in Table 4. Examples of applying the units of demand to development can be found in Section 10 of this policy.</p> <p><b>.2</b> Table 4 gives a summary of the assessed units of demand for residential, rural and non-residential development for each of the community facilities and should be read in conjunction with the Residential, Rural and Non-Residential Schedule of Contributions per Unit of Demand contained within section 8 of the Policy. The table also illustrates the measure associated with a unit of demand for each of the community facilities.</p>
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<sup>11</sup> The number of units of demand created is the total allotment area divided by the measure of 700m<sup>2</sup> where the allotment area is greater or lower than 700m<sup>2</sup>

Table 4 – Units of Demand for Community Facilities

COMMUNITY FACILITIES	UNIT OF DEMAND		MEASURE: SUBDIVISION	MEASURE: BUILDING CONSENT AND SERVICE CONNECTION
	RESIDENTIAL	RURAL	NON-RESIDENTIAL	
Water	1	0	1	<b>Residential:</b> Per Connected EHU <b>Rural:</b> Not Applicable <b>Non-Residential:</b> Per 100m <sup>2</sup> GFA*
Wastewater	1	0	1	<b>Residential:</b> Per Connected EHU <b>Rural:</b> Not Applicable <b>Non-Residential:</b> Per 100m <sup>2</sup> GFA*
Stormwater	1	0	2 <sup>12</sup>	<b>Residential:</b> 700m <sup>2</sup> of Allotment Area <b>Rural:</b> Not Applicable <b>Non-Residential:</b> 700m <sup>2</sup> of Allotment Area
Roading	1	1	1	<b>Residential:</b> One EHU <b>Rural (Dwellings):</b> One EHU <b>Rural (Other):</b> Per 100m <sup>2</sup> GFA* <b>Non-Residential:</b> Per 100m <sup>2</sup> GFA*
Citywide Reserves and Community Infrastructure	1	1	0	<b>Residential:</b> One EHU <b>Rural (Dwellings):</b> One EHU <b>Rural (Other):</b> Not Applicable <b>Non-Residential:</b> Not Applicable

<sup>12</sup> Note: for the North East Industrial Zone Extension Area the unit of demand is 1.



Local Reserves and Community Infrastructure	1	0	0	<b>Residential:</b> 700m <sup>2</sup> of Allotment Area <b>Rural:</b> Not Applicable <b>Non-Residential:</b> Not Applicable
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\*For fees applied at the building consent stage for non-residential development a minimum of 100m<sup>2</sup> GFA, or a minimum increase of 100m<sup>2</sup> GFA, applies.

residential development.

#### [6.6.4] Measuring Units of Demand – Specific Guidance, Principles and Notes (Residential)

**1 Communal Residential Development:** For the purposes of establishing the number of equivalent household units that apply for communal residential developments, the maximum possible number of occupants on any given night is to be divided by 2.6, which is the average number of occupants per dwelling in Palmerston North (2013 Census).

**2 Accommodation Motel:** For the purposes of establishing the number of equivalent household units that apply for accommodation motels, the number of individual units that meet the definition of an equivalent household unit is to be multiplied by 0.48 (48%), which is the average occupancy rate for Palmerston North (Statistics New Zealand Accommodation Survey). For units that do not meet the definition of an equivalent household unit, the communal residential development measure can be used in combination with the average occupancy rate multiplier (0.48).

**3 Retirement Villages:** For the purposes of establishing the number of equivalent household units that apply for retirement villages, the total number of units within a development that meet the definition of a dwelling shall be multiplied by 0.44. Any part of a retirement village that does not meet the definition of a dwelling shall be assessed as a communal

**4** In determining the final number of equivalent household units that apply to a particular development, a combination of the general measure of an equivalent household unit, the communal residential development measure of equivalent household units and the accommodation motel measure of equivalent household units may be used to recognise the specific composition of a particular development. For example, a retirement village that includes a combination of independent dwellings and communal living arrangements or an accommodation motel that includes a combination of fully serviced units, hostel accommodation and a managers unit.

**5 Small Dwellings:** Where a new dwelling is constructed that is below 100m<sup>2</sup> Gross Floor Area (for example a Minor Dwelling) and the development contributions for the dwelling are levied by Council at the building consent or service connection stage, the following calculation shall apply for the purposes of establishing the equivalent household unit of the dwelling: GFA of the dwelling / 100 = equivalent household unit.

**6 Dependent Dwelling Units and Accessory Buildings:** where an existing dependent dwelling unit or accessory building is being used as an equivalent household unit a development contribution fee will be payable.

**7** Refer to the residential development contributions assessment

flowchart for further guidance.

**[6.6.5] Measuring Units of Demand – Specific Guidance, Principles and Notes (Rural)**

- .1 It is assumed that each additional rural allotment may accommodate an additional dwelling. Each additional rural allotment therefore creates one unit of demand for roading and citywide reserves and community infrastructure.
- .2 While most new rural development is likely to be dwellings, occasionally a more general rural activity may establish in the rural area e.g. a rural industry or milking shed. These types of activities are identified in table 4 above as Rural (Other) and attract one unit of demand per 100m<sup>2</sup> GFA at the building consent or service connection stage for roading only.
- .3 For the purposes of assessing units of demand for rural developments, Rural (Other) does not include accessory buildings.
- .4 Refer to the residential development contributions assessment flowchart for further guidance.

**[6.6.6] Measuring Units of Demand – Specific Guidance, Principles and Notes (Non-Residential)**

- .1 **General:** All new non-residential subdivisions are assessed and measured based on allotment area (per 100m<sup>2</sup>). Subsequent non-residential building development on sites that have paid development contributions based on allotment area (2007 Policy or later) or per additional allotment (2004 and 2006 Policies) are assumed to have paid in full and therefore do not

<sup>13</sup> A remaining lot is an allotment created as part of a new subdivision that remains with or provides for an existing non-residential building located on the original allotment.

create additional units of demand.

Refer to the non-residential development contributions assessment flowchart for further guidance.

**.2 Subdivision:**

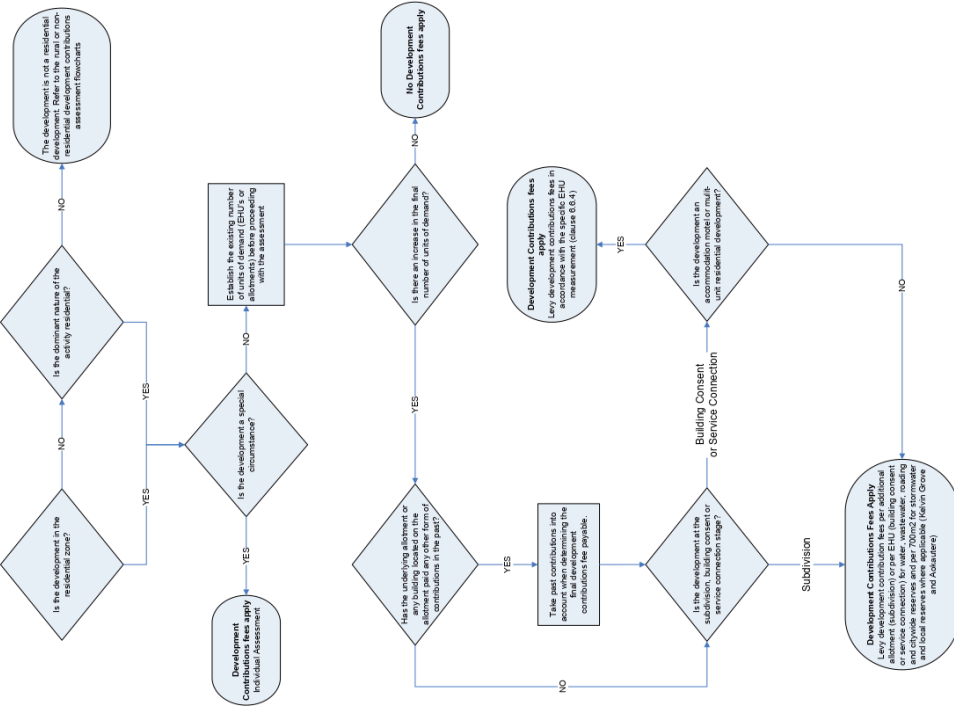
- a) Where the underlying allotment has not paid any development contributions in the past based on allotment area (2007 Policy or later) or per additional allotment (2004 and 2006 Policies) and there is (or was) a non-residential building located on the site, the remaining lot<sup>13</sup> is to be excluded from the final allotment area calculation.
- b) Where the underlying allotment has not paid any development contributions in the past based on allotment area (2007 Policy or later) or per additional allotment (2004 and 2006 Policies) and a building has never been located on the site, the entire site is subject to additional units of demand.
- c) Where development contributions are applied at the subdivision stage they will be assessed and measured based on allotment area (per 100m<sup>2</sup>).
- d) Non-residential boundary adjustments and amalgamations will be assessed on a case by case basis. Refer to clause 1.1.1 Boundary Adjustments / Amalgamations for further guidance.
- (e) Refer to the non-residential development contributions assessment flowchart for further guidance.

**.3 Building Consent or Service Connection**

<p><b>a)</b> Where the underlying allotment of a particular development has not paid any development contributions in the past based on allotment area (2007 Policy or later) or per additional allotment (the 2004 and 2006 Policies) and there is or was a building located on the site, the following principles shall apply when measuring units of demand:</p> <p><b>i)</b> Buildings established or approved between 1 July 2004 and 30 June 2007 (2004 and 2006 Policies) are not assumed to have paid in full should further development occur. Further development of these buildings may create additional units of demand.</p> <p><b>ii)</b> Buildings established or approved after 1 July 2007 (2007 Policy or later) that have paid development contributions at the building consent or service connection stage based on the GFA measure are not assumed to have paid in full should further development occur. Further development of these buildings may create additional units of demand.</p> <p><b>iii)</b> A new or additional building on an allotment with remaining development potential is assumed to create additional units of demand.</p> <p><b>iv)</b> As provided by clause 5.7 of this Policy, non-residential brownfield redevelopment does not create additional units of demand.</p> <p><b>b)</b> Where the underlying allotment has not paid any development contributions in the past based on allotment area (2007 Policy or later) or per additional allotment (2004 and 2006 Policies) and a building has never been located on the allotment, it is assumed that development on the site will create additional units of demand.</p> <p><b>c)</b> Where development contributions are applied at the building consent or service connection stage they will be assessed and measured based on GFA (per 100m<sup>2</sup>) or the</p>	<p><b>d)</b> overall increase in GFA (per 100m<sup>2</sup>). For fees applied at the building consent stage for non-residential development a minimum of 100m<sup>2</sup> GFA, or a minimum increase of 100m<sup>2</sup> GFA, applies to ensure small insignificant buildings and alterations and additions to existing buildings are not levied development contributions. This will also ensure the application of the Policy does not become administratively onerous.</p> <p><b>(e)</b> Refer to the non-residential development contributions assessment flowchart for further guidance.</p> <p><b>.4 Non-Residential Brownfield Redevelopment and Special Circumstances</b></p> <p><b>(a)</b> Refer to clauses 5.5 to 5.7 for further guidance on non-residential brownfield redevelopment and special circumstances.</p> <p><b>(b)</b> Refer to the non-residential development contributions assessment flowchart for further guidance.</p> <p><b>[6.6.7] Measuring Units of Demand – Specific Guidance, Principles and Notes (General)</b></p> <p><b>.1 Stormwater and Local Reserves: Building development in the absence of Subdivision:</b> Where building development occurs in the absence of subdivision in a development contributions area that is subject to local reserves and stormwater charges, the total area of the underlying allotment will determine the stormwater and local reserves fees applicable.</p> <p><b>[7] Development Contributions Assessment Flowcharts</b> The following flowcharts have been included in the Policy to assist with determining whether or not development contributions fees apply. The</p>
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flowcharts are for guidance purposes only.

### [7.1] Residential Development Contributions Assessment Flowchart



### [7.2] Rural Development Contributions Assessment Flowchart

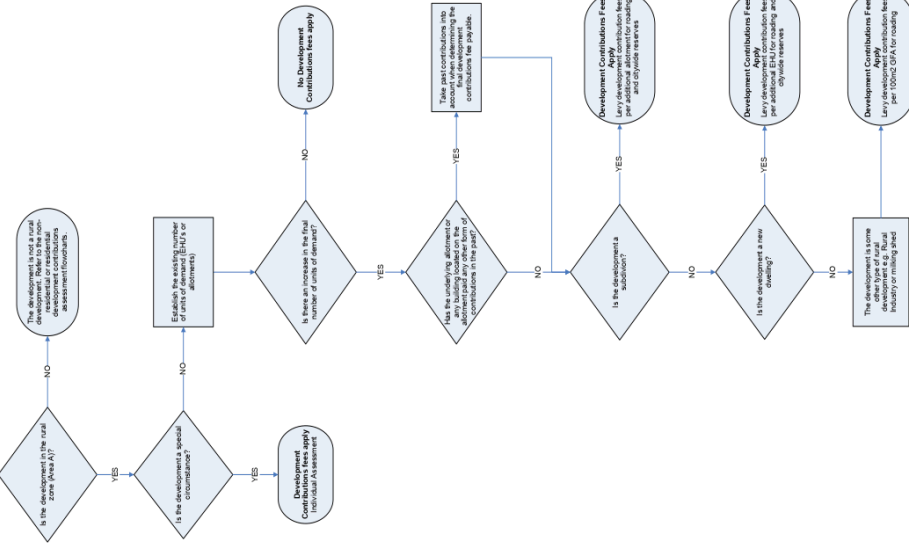






TABLE 5: RESIDENTIAL FEES

COMMUNITY FACILITIES												
DEVELOPMENT CONTRIBUTION AREA	ROADING		WATER		WASTEWATER		STORMWATER		CITYWIDE RESERVES		LOCAL RESERVES	
	SUBDIVISION	BUILDING COST OR SERVICE CONNECTION	SUBDIVISION	BUILDING COST OR SERVICE CONNECTION	SUBDIVISION	BUILDING COST OR SERVICE CONNECTION	SUBDIVISION	BUILDING COST OR SERVICE CONNECTION	SUBDIVISION	BUILDING COST OR SERVICE CONNECTION	SUBDIVISION	BUILDING COST OR SERVICE CONNECTION
MEASURE	Per Additl Allotment	Per EHU	Per Additl Allotment	Per Connected EHU	Per Additl Allotment	Per Connected EHU	Per 700m <sup>2</sup> of Allotment Area	Per 700m <sup>2</sup> of Allotment Area	Per Additl Allotment	Per EHU	Per 700m <sup>2</sup> of Allotment Area	Per 700m <sup>2</sup> of Allotment Area
B	\$3,522	\$3,522	\$1,442	\$1,442	\$3,814	\$3,814	\$0	\$0	\$603	\$603	\$0	\$0
C	\$3,522	\$3,522	\$597	\$597	\$3,814	\$3,814	\$1,843	\$1,843	\$603	\$603	\$3,045	\$3,045
D	\$3,522	\$3,522	\$1,442	\$1,442	\$3,814	\$3,814	\$0	\$0	\$603	\$603	\$384	\$384
E	\$3,522	\$3,522	\$1,442	\$1,442	\$3,814	\$3,814	\$4,303	\$4,303	\$603	\$603	\$832	\$832
F	\$3,522	\$3,522	\$1,442	\$1,442	\$3,814	\$3,814	\$50	\$50	\$603	\$603	\$384	\$384
G	\$3,522	\$3,522	\$1,442	\$1,442	\$3,814	\$3,814	\$574	\$574	\$603	\$603	\$384	\$384
H	\$3,522	\$3,522	\$1,442	\$1,442	\$3,814	\$3,814	\$2,363	\$2,363	\$603	\$603	\$384	\$384
I	\$3,522	\$3,522	\$1,442	\$1,442	\$3,814	\$3,814	\$338	\$338	\$603	\$603	\$384	\$384
J	\$3,522	\$3,522	\$1,442	\$1,442	\$3,814	\$3,814	\$2,433	\$2,433	\$603	\$603	\$384	\$384
K	\$3,522	\$3,522	\$1,442	\$1,442	\$3,814	\$3,814	\$693	\$693	\$603	\$603	\$832	\$832
L	\$3,522	\$3,522	\$1,442	\$1,442	\$3,814	\$3,814	\$1,442	\$1,442	\$603	\$603	\$832	\$832
M	\$633	\$633	\$1,442	\$1,442	\$3,814	\$3,814	\$12,461	\$12,461	\$603	\$603	\$5,497	\$5,497
N	\$3,522	\$3,522	\$1,442	\$1,442	\$3,814	\$3,814	\$0	\$0	\$603	\$603	\$0	\$0
O	\$3,522	\$3,522	\$1,442	\$1,442	\$3,814	\$3,814	\$3,023	\$3,023	\$603	\$603	\$0	\$0
P	\$3,522	\$3,522	\$1,442	\$1,442	\$3,814	\$3,814	\$0	\$0	\$603	\$603	\$0	\$0
Q	\$3,522	\$3,522	\$3,982	\$3,982	\$3,814	\$3,814	\$0	\$0	\$603	\$603	\$0	\$0
R	\$3,522	\$3,522	\$413	\$413	\$62	\$62	\$0	\$0	\$603	\$603	\$0	\$0

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S	\$3,522	\$3,522	\$1,442	\$1,442	\$3,814	\$0	\$0	\$603	\$603	\$384	\$384
T	\$3,522	\$3,522	\$1,442	\$1,442	\$3,814	\$3,415	\$3,415	\$603	\$603	\$8,786	\$8,786
U	\$3,522	\$3,522	\$1,442	\$1,442	\$3,814	\$0	\$0	\$603	\$603	\$0	\$0

SCHEDULE OF DEVELOPMENT CONTRIBUTIONS: RURAL

This schedule should be read in conjunction with Table 4 - Units of Demand for Community Facilities.

The development contribution payable during the life of this Policy shall not be less than the amounts shown in the schedule of fees below and shall increase annually on 1 July of each year, in accordance with the following formula:

$DC = BC \times (PPIC / PPIB)$ .

DC = the development contribution charge for the relevant service or infrastructure payable under the Policy.

BC = the base development contribution charge payable under the Policy as set out in the schedule of fees below.

PPIC = the Producers Price Index – Construction (Outputs) for the current year.

PPIB = the Producers Price Index – Construction (Outputs) for the base year.

TABLE 6: RURAL FEES

COMMUNITY FACILITIES													
DEVELOPMENT CONTRIBUTION AREA	ROADING				WATER		WASTEWATER		STORMWATER		CITYWIDE RESERVES		LOCAL RESERVES
	SUBDIVISION	BUILDING CONSENT OR SERVICE CONNECTION	BUILDING CONSENT OR SERVICE CONNECTION	SUBDIVISION	BUILDING CONSENT OR SERVICE CONNECTION	SUBDIVISION	BUILDING CONSENT OR SERVICE CONNECTION	SUBDIVISION	BUILDING CONSENT OR SERVICE CONNECTION	SUBDIVISION, BUILDING CONSENT OR SERVICE CONNECTION (DWELLINGS ONLY)	BUILDING CONSENT OR SERVICE CONNECTION (OTHER)	SUBDIVISION	BUILDING CONSENT OR SERVICE CONNECTION
		(DWELLINGS ONLY)	(OTHER)										
MEASURE	Per Additional Allotment	Per EHU	Per 100m² GFA	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Per Additional Allotment or Per EHU	Not Applicable	Not Applicable	Not Applicable
A	\$3,522	\$3,322	\$3,522	\$0	\$0	\$0	\$0	\$0	\$0	\$403	\$0	\$0	\$0

**SCHEDULE OF DEVELOPMENT CONTRIBUTIONS: NON-RESIDENTIAL**

This schedule should be read in conjunction with Table 4 - Units of Demand for Community Facilities.

The development contribution payable during the life of this Policy shall not be less than the amounts shown in the schedule of fees below and shall increase annually on 1 July of each year, in accordance with the following formula:

**DC = BC x (PPIC / PPIB).**

DC = the development contribution charge for the relevant service or

infrastructure payable under the Policy.

BC = the base development contribution charge payable under the Policy as set out in the schedule of fees below.

PPIC = the Producers Price Index – Construction (Outputs) for the current year.

PPIB = the Producers Price Index – Construction (Outputs) for the base year.

**TABLE 7: NON-RESIDENTIAL FEES**

COMMUNITY FACILITIES												
DEVELOPMENT CONTRIBUTION AREA	ROADING		WATER		WASTEWATER		STORMWATER		CITYWIDE RESERVES		LOCAL RESERVES	
	SUBDIVISION	BUILDING OR SERVICE CONNECTION	SUBDIVISION	BUILDING OR SERVICE CONNECTION	SUBDIVISION	BUILDING OR SERVICE CONNECTION	SUBDIVISION	BUILDING OR SERVICE CONNECTION	SUBDIVISION	BUILDING OR SERVICE CONNECTION	SUBDIVISION	BUILDING OR SERVICE CONNECTION
MEASURE	Per 100m <sup>2</sup> of Allotment Area	Per 100m <sup>2</sup> GFA	Per 100m <sup>2</sup> of Allotment Area	Per 100m <sup>2</sup> GFA	Per 100m <sup>2</sup> of Allotment Area	Per 100m <sup>2</sup> GFA	Per 700m <sup>2</sup> of Allotment Area	Per 700m <sup>2</sup> of Allotment Area	Not Applicable	Not Applicable	Per 700m <sup>2</sup> of Allotment Area	Per 700m <sup>2</sup> of Allotment Area
B	\$1,127	\$3,522	\$256	\$800	\$1,609	\$5,028	\$0	\$0	\$0	\$0	\$0	\$0
C	\$1,127	\$3,522	\$9	\$3	\$1,609	\$5,028	\$0	\$0	\$0	\$0	\$0	\$0
D	\$1,127	\$3,522	\$256	\$800	\$1,609	\$5,028	\$0	\$0	\$0	\$0	\$0	\$0
E	\$1,127	\$3,522	\$256	\$800	\$1,609	\$5,028	\$0	\$0	\$0	\$0	\$0	\$0



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F	\$1,127	\$3,522	\$256	\$800	\$1,609	\$5,028	\$50	\$50	\$0	\$0	\$0	\$0
G	\$1,127	\$3,522	\$256	\$800	\$1,609	\$5,028	\$574	\$574	\$0	\$0	\$0	\$0
H	\$1,127	\$3,522	\$256	\$800	\$1,609	\$5,028	\$2,363	\$2,363	\$0	\$0	\$0	\$0
I	\$1,127	\$3,522	\$256	\$800	\$1,609	\$5,028	\$338	\$338	\$0	\$0	\$0	\$0
J	\$1,127	\$3,522	\$256	\$800	\$1,609	\$5,028	\$2,433	\$2,433	\$0	\$0	\$0	\$0
K	\$1,127	\$3,522	\$256	\$800	\$1,609	\$5,028	\$693	\$693	\$0	\$0	\$0	\$0
L	\$1,127	\$3,522	\$256	\$800	\$1,609	\$5,028	\$1,442	\$1,442	\$0	\$0	\$0	\$0
M	\$1,127	\$3,522	\$256	\$800	\$1,609	\$5,028	\$12,461	\$12,461	\$0	\$0	\$0	\$0
N	\$1,127	\$3,522	\$256	\$800	\$1,609	\$5,028	\$0	\$0	\$0	\$0	\$0	\$0
O	\$1,127	\$3,522	\$256	\$800	\$1,609	\$5,028	\$3,023	\$3,023	\$0	\$0	\$0	\$0
P	\$1,127	\$3,522	\$256	\$800	\$1,609	\$5,028	\$0	\$0	\$0	\$0	\$0	\$0
Q	\$1,127	\$3,522	\$20	\$62	\$1,609	\$5,028	\$0	\$0	\$0	\$0	\$0	\$0
R	\$1,127	\$3,522	\$255	\$798	\$38	\$119	\$0	\$0	\$0	\$0	\$0	\$0
S	\$1,127	\$3,522	\$256	\$800	\$1,609	\$5,028	\$0	\$0	\$0	\$0	\$0	\$0

**[9] How to Work Out Development Contribution Payable****[STEP 1]**

Go to Appendix A, Map 1 and check what development contribution area your development lies within.

**[STEP 2]**

Establish what type of development it is i.e. residential, rural or non-residential.

Determine the stage of development i.e. subdivision, building consent or service connection.

**[STEP 3]**

Check clause 6.6.4 Measuring Units of Demand – Specific Guidance and Notes.

Check the relevant Development Contribution Flowchart Contained in section 7 to ensure Development Contributions Fees are applicable.

Using the Unit of Demand (Table 4) in Section 6.6.3 establish how many units of demand your development will create for each of the community facilities.

**[STEP 4]**

Go to the relevant Development Contributions Schedule of Fees in Section 8 and identify the fees payable per unit of demand for your development contribution area.

**[STEP 5]**

Apply the Units of Demand to your development i.e. multiply the charges by the number of units of demand applicable.

Calculate your total development contribution by summing the individual community facilities charges established in steps 1-4 and add GST.

**[EXAMPLES]**

In Section 10.1-10.8 working examples of steps 1 through to 5 are provided to help you work out your development contribution payable.

**[10] Examples**

The examples below are intended as a simple illustration of the calculation process associated with the development contributions policy.

The figures used exclude GST.

**[10.1] Development Contributions Calculation – Example 1 (Residential):** Consider the example of a proposed residential subdivision as shown in diagram 1 and 2. The proposed subdivision is for an original lot size of 4000m<sup>2</sup>. The proposed subdivision will result in the creation of 3 new additional allotments each consisting of an area of 1000m<sup>2</sup>. The Development Contributions applied will be worked out in relation to the new units of demand being created (3 additional allotments) that will contain a total area of 3000m<sup>2</sup>. An example to work out the appropriate contribution is set out below.

**Step 1 What Development Contribution Area is the development in? Area H (Residential Activity)**

**Step 2 What is the demand for each Community Facility being created for the proposed development?**

Formula: Row 1 – Row 2 = Row 3					
		Water	Wastewater	Roading	City Reserves
How many final units of demand will there be?	Row 1	4	4	4	4
How many existing units of demand are there?	Row 2	1	1	1	1

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Formula: Row 1 – Row 2 = Row 3			
TOTAL demand created for each community facility	Row 3	3	3

(Note: An existing unit of demand is determined by either an existing equivalent residential unit on the site such as a dwelling or a past contribution has been paid in respect to that development. Refer to Section 11.2 for guidance)

Step 3: Calculate the Area Based Charges

Stormwater: 3000m<sup>2</sup>/700m<sup>2</sup> = 4.2

Local Reserves 3000m<sup>2</sup>/700m<sup>2</sup> = 4.2

These contributions are based on the total land area being developed (less area in road/s) i.e. the measure of a unit of demand is per 700m<sup>2</sup>.

Step 4: Calculate Final Development Contributions Payable

Water: 3 (additional allotments) x \$1,442 = \$4,326

Wastewater: 3 (additional allotments) x \$3,814 = \$11,442

Stormwater: 4.2 (3000 m<sup>2</sup>/700 m<sup>2</sup>) x \$2,363 = \$9,925

Roading: 3 (additional allotments) x \$3,522 = \$10,566

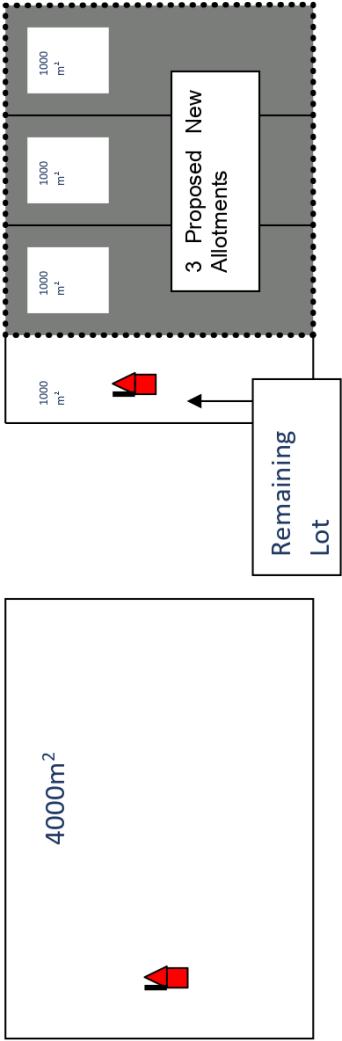
City Reserves: 3 (additional allotments) x \$603 = \$1,809

Local Reserves: 4.2 (3000 m<sup>2</sup>/700 m<sup>2</sup>) x \$384 = \$1,612

**TOTAL DEVELOPMENT CONTRIBUTIONS PAYABLE \$39,681**

Notes: The remaining lot of 1000m<sup>2</sup> as shown in diagram 2 may also create a unit of demand and could be subject to a development contribution. If the remaining lot has a dwelling on it connected to all City services then it will not be subject to a further development contribution levy as it is assumed it has an existing unit of demand. If the remaining lot does not have a dwelling on it and has not paid a past contribution, or it has a dwelling that is not fully connected to infrastructure services then Council officers will assess this at the time of processing the consent for development and will advise applicants if additional contributions are required as a result of additional units of demand being assessed.

Diagram 1 – Original Lot Size    Diagram 2 – Proposed new allotments for original lot



**[10.2] Development Contributions Calculation – Example 2 (Rural):**  
Consider the example of a proposed rural subdivision as shown in diagram 3 and 4. The proposed subdivision is for an original lot size of 16ha. The proposed subdivision will result in the creation of 3 new additional allotments each consisting of an area of 4ha. The Development Contributions applied will be worked out in relation to the new units of demand being created (3 additional allotments) that will contain a total area of 12ha. An example to work out the appropriate contribution is set out below.

**Step 1: What Development Contribution Area is the development in?**  
Area A (Rural Activity)

**Step 2: What is the demand for each Community Facility being created for the proposed development?**

Formula: Row 1 – Row 2 = Row 3					
		Water	Wastewater	Roading	City Reserves
How many final units of demand will there be?	Row 1	N/A	N/A	4	4
How many existing units of demand are there?	Row 2	N/A	N/A	1	1



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TOTAL demand created for each community facility	Row 3	N/A	N/A	3	3
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(Note: An existing unit of demand is determined by either an existing equivalent residential unit on the site such as a dwelling or a past contribution has been paid in respect to that development. Refer to Section 11.2 for guidance)

Step 3: Calculate the Area Based Charges

Not applicable

Step 4: Calculate Final Development Contributions Payable

Roading:	3 (additional allotments)	x	\$3,522 =
	\$10,566		
City Reserves:	3 (additional allotments)	x	\$603 =
	\$1,809		
TOTAL DEVELOPMENT CONTRIBUTIONS PAYABLE			\$12,375

Diagram 3 – Original Lot Size

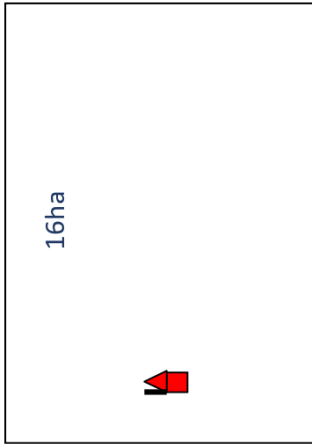
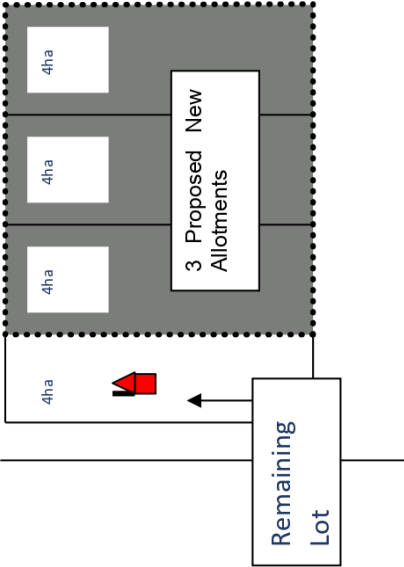


Diagram 4 – Proposed new allotments for original lot



**[10.3] Development Contributions Calculation – Example 3 (Non-Residential):**

Consider the example of a proposed non-residential subdivision. The proposed subdivision is for an original lot size of 10,000m<sup>2</sup> that has not paid any development contributions in the past at the subdivision stage. The original lot has an existing non-residential building located on it that was established prior to 1 July 2004. The proposed development does not meet the definition of a non-residential brownfield redevelopment. The proposed subdivision will result in the creation of 3 additional allotments each consisting of an area of 2000m<sup>2</sup>, leaving a 4000m<sup>2</sup> remaining lot that will provide for the existing building. The development contributions applied will be worked out in relation to the 3 new allotments that will contain a total area of 6000m<sup>2</sup>. The remaining lot of 4000m<sup>2</sup> with the existing building established prior to 1 July 2004 is excluded from the allotment area calculation.

**Step 1: What Development Contribution Area is the development in?**

**Area B (Non-Residential Activity)**

**Step 2: What is the demand for each Community Facility being created for the proposed development?**

Formula: Row 1 – Row 2 = Row 3				
	Water	Wastewater	Roading	City Reserves
How many final units of demand	Row 1 10,000m <sup>2</sup>	10,000m <sup>2</sup>	10,000m <sup>2</sup>	N/A

will there be?					
How many existing units of demand are there?	Row 2	4,000m <sup>2</sup>	4,000m <sup>2</sup>	4,000m <sup>2</sup>	N/A
TOTAL demand created for each community facility	Row 3	6,000m <sup>2</sup>	6,000m <sup>2</sup>	6,000m <sup>2</sup>	N/A

**Step 3: Calculate the Area Based Charges**

Not applicable

**Step 4: Calculate Final Development Contributions Payable**

Water: (6000/100) = 60 Units of Demand (100m<sup>2</sup> of Allotment Area)  
x \$256  
= \$15,360

Wastewater:  
(6000/100) = 60 Units of Demand (100m<sup>2</sup> of Allotment Area)  
x \$1,609  
= \$96,540

Roading: (6000/100) = 60 Units of Demand (100m<sup>2</sup> of Allotment Area)  
x \$1,127  
= \$67,620

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**TOTAL DEVELOPMENT CONTRIBUTIONS PAYABLE** **\$179,520****[10.4] Development Contributions Calculation – Example 4 (Non-Residential):**

Consider the example of a proposed non-residential subdivision. The proposed subdivision is for an original lot size of 8,000m<sup>2</sup> that has not paid any development contributions in the past at the subdivision stage. The original lot has an existing non-residential building located on it that was established after 1 July 2004. The proposed development does not meet the definition of a non-residential brownfield redevelopment. The proposed subdivision will result in the creation of 3 additional allotments each consisting of an area of 1500m<sup>2</sup>, leaving a 3500m<sup>2</sup> remaining lot that will provide for the existing building. The development contribution applied will be worked out in relation to the 3 additional allotments that will contain a total area of 4500m<sup>2</sup>. The remaining lot of 3500m<sup>2</sup> with the existing building established after 1 July 2004 is not included in the allotment area calculation.

**Step 1 What Development Contribution Area is the development in?**  
**Area B (Non-Residential Activity)****Step 2 What is the demand for each Community Facility being created for the proposed development?**

Formula: Row 1 – Row 2 = Row 3				
	Water	Wastewater	Roading	City Reserves
How many final units of demand will there be?	Row 1 8,000m <sup>2</sup>	8,000m <sup>2</sup>	8,000m <sup>2</sup>	N/A
How many existing units of demand are there?	Row 2 3500m <sup>2</sup>	3500m <sup>2</sup>	3500m <sup>2</sup>	N/A
TOTAL demand created for each community facility	Row 3 4,500m <sup>2</sup>	4,500m <sup>2</sup>	4,500m <sup>2</sup>	N/A

**Step 3: Calculate the Area Based Charges**

Not applicable

**Step 4: Calculate Final Development Contributions Payable**

Water: (4500/100) = 45 Units of Demand (100m<sup>2</sup> of Allotment Area)  
x \$256 = \$11,520

Wastewater: (4500/100)  
= 45 Units of Demand (100m<sup>2</sup> of Allotment Area) x \$1609

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= \$72,405

Roading: (4500/100) = 45 Units of Demand (100m2 of Allotment Area)  
x \$1,127

= \$50,715

**TOTAL DEVELOPMENT CONTRIBUTIONS PAYABLE**

**\$134,640**

**[10.5] Development Contributions Calculation – Example 5 (Non-Residential):**

Consider the example of a proposed extension to an existing non-residential building. The existing 5000m<sup>2</sup> building is located on an allotment which has not paid any development contributions in the past at the subdivision stage. The existing building was established after 1 July 2004. The proposed development does not meet the definition of a non-residential brownfield redevelopment. The proposed extension will add 2000m<sup>2</sup> to the building. The development contributions applied will be worked out in relation to the 2000m<sup>2</sup> extension only.

**Step1 What Development Contribution Area is the development in?**

**Area B (Non-Residential Activity)**

**Step 2 What is the demand for each Community Facility being created for the proposed development?**

Formula: Row 1 – Row 2 = Row 3					
	Water	Wastewater	Roading	City Reserves	
How many final units of demand will there be?	Row 1 7,000m <sup>2</sup>	7,000m <sup>2</sup>	7,000m <sup>2</sup>	N/A	
How many existing units of demand are there?	Row 2 5,000m <sup>2</sup>	5,000m <sup>2</sup>	5,000m <sup>2</sup>	N/A	
TOTAL demand created for each community facility	Row 3 2,000m <sup>2</sup>	2,000m <sup>2</sup>	2,000m <sup>2</sup>	N/A	



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**Step 3: Calculate the Area Based Charges**

Not applicable

**Step 4: Calculate Final Development Contributions Payable**

Water:  $(2000/100) = 20$  Units of Demand  $(100m^2 \text{ GFA}) \times \$800 = \$16,000$

Wastewater:  $(2000/100) = 20$  Units of Demand  $(100m^2 \text{ GFA}) \times \$5,028 = \$100,560$

Roading:  $(2000/100) = 20$  Units of Demand  $(100m^2 \text{ GFA}) \times \$3,522 = \$70,440$

**TOTAL DEVELOPMENT CONTRIBUTIONS PAYABLE      \$187,000**

Notes:  
It is assumed for this example the activity is not a special circumstance.  
If the underlying allotment in the above example had paid development contributions in the past then the GFA fees would not be applied.

**[10.6] Development Contributions Calculation – Example 6 (Non-Residential):**

Consider the example of a proposed new non-residential building. The new building is to be located on a vacant allotment which has not paid any development contributions in the past. The proposed development does not meet the definition of a non-residential brownfield redevelopment. The new building will have a GFA of 9,000m<sup>2</sup>. The Development Contributions applied will be worked out in relation to the GFA of 9,000m<sup>2</sup>.

**Step 1 What Development Contribution Area is the development in?**

**Area B (Non-Residential Activity)**

**Step 2 What is the demand for each Community Facility being created for the proposed development?**

Formula: Row 1 – Row 2 = Row 3					
	Water	Wastewater	Roading	City Reserves	
How many final units of demand will there be?	Row 1 9,000m <sup>2</sup>	9,000m <sup>2</sup>	9,000m <sup>2</sup>	N/A	
How many existing units of demand are there?	Row 2 0m <sup>2</sup>	0m <sup>2</sup>	0m <sup>2</sup>	N/A	
TOTAL demand created for each community facility	Row 3 9,000m <sup>2</sup>	9,000m <sup>2</sup>	9,000m <sup>2</sup>	N/A	

**Step 3: Calculate the Area Based Charges**

Not applicable

**Step 4: Calculate Final Development Contributions Payable**

<p>Water: <math>(9000/100) = 90</math> Units of Demand <math>(100\text{m}^2 \text{ GFA}) \times \\$800 = \\$72,000</math></p> <p>Wastewater: Units of Demand <math>(100\text{m}^2 \text{ GFA}) \times \\$5,028 = \\$452,520</math></p> <p>Roading: Units of Demand <math>(100\text{m}^2 \text{ GFA}) \times \\$3,522 = \\$316,980</math></p> <p><b>TOTAL DEVELOPMENT CONTRIBUTIONS PAYABLE \$841,500</b></p> <p>Notes: It is assumed for this example the activity is not a special circumstance. If the underlying allotment in the above example had paid development contributions in the past then the GFA fees would not building. The new building is to be located a recently subdivided 1500m<sup>2</sup> allotment that paid development contributions based on allotment area at the time of subdivision under the 2007 Development Contributions Policy. The proposed new 500m<sup>2</sup> building does not create any additional units of demand.</p> <p><b>TOTAL DEVELOPMENT CONTRIBUTIONS PAYABLE: \$0.</b></p> <p><b>[11] Guidance Notes</b></p> <p><b>[11.1] Boundary Adjustments/Amalgamations</b></p> <p>.1 The Policy does not exempt boundary adjustments or amalgamations from being assessed for development contributions. Boundary adjustments and amalgamations create new lots, but not necessarily additional lots or additional allotment area, through subdivision. Where the new</p>	<p>be applied.</p> <p><b>[10.7] Development Contributions Calculation – Example 7 (Non-Residential):</b> Consider the example of a proposed redevelopment involving the demolition of four existing non-residential buildings established prior to 1 July 2004 and the construction of one new non-residential building. The proposed redevelopment is located in an established area and meets the definition of non-residential brownfield redevelopment. Non-residential brownfield redevelopment generally places negligible increased demand on the capacity of the network infrastructure and therefore does not create additional units of demand.</p> <p><b>TOTAL DEVELOPMENT CONTRIBUTIONS PAYABLE: \$0.</b></p> <p><b>[10.8] Development Contributions Calculation – Example 8 (Non-Residential):</b> Consider the example of a proposed new 500m<sup>2</sup> non-residential lot and the characteristics of that new lot are determined to <b>create additional units of demand</b> then a development contribution will be payable. Each circumstance will be assessed on a case-by-case basis.</p> <p>.2 One example is where a boundary adjustment or an amalgamation includes land where all or part of that land has not had contributions previously paid on it. Council will, in this instance, assess the contributions payable related to the specific development application.</p> <p>.3 The measure of a non-residential unit of demand for water, wastewater and roading is per 100m<sup>2</sup> of allotment area at subdivision or per 100m<sup>2</sup> GFA at building consent. In determining whether a non-residential boundary adjustment</p>
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<p>or amalgamation creates additional units of demand, the following matters will be taken into account:</p> <ul style="list-style-type: none"> <li>a) Previous contributions paid;</li> <li>b) Whether or not the existing allotment(s) meet the definition of non-residential brownfield redevelopment;</li> <li>c) Whether or not the proposed allotment(s) meet the definition of non-residential brownfield redevelopment;</li> <li>d) The current or previous level of demand placed on the network infrastructure, reserves and community facilities;</li> <li>e) The level of demand the proposed boundary adjustment or amalgamation may place on the network infrastructure, reserves and community facilities;</li> <li>f) Whether or not it is more appropriate to levy development contributions at the building consent stage; and</li> <li>g) Any other matters Council considers relevant.</li> </ul> <p><b>[11.2] Past Contributions and Determining an Existing Unit of Demand</b></p> <p><b>1</b> Past contributions will be taken into account in assessing new units of demand. It is incumbent on the applicant to provide the necessary information, where possible, to show contributions have been paid on a particular development. Where past contributions can be validated, what these cover in terms of units of demand under the new Policy, and how they apply to new developments, will depend on the original intent of the contribution or agreement at that time. As the new Policy is different in methodology and application to the previous policy there will need to be an assessment made by Council officers on a case-by-case basis.</p> <p><b>2</b> Where it is proven a past contribution has not been paid on a proposed development, and that development creates a unit of demand as defined in the Policy, then a development contribution will be assessed accordingly.</p>	<ul style="list-style-type: none"> <li><b>3.</b> One example is where no past contribution has been paid on a vacant lot and where an applicant now proposes to build a house or further subdivide the lot. An existing vacant lot does not necessarily mean that there is an existing unit of demand. A determination, by staff on the application, will assess if past contributions were paid and what they covered, and if they were not paid what units of demand the particular proposed development now creates, if any.</li> <li><b>4.</b> Where a site is deemed to have existing units of demand: <ul style="list-style-type: none"> <li>a) Only present or past site coverage or equivalent household units legally established under the RMA or and or the Building Act will be counted as an existing unit(s) of demand; and</li> <li>b) Only site coverage or equivalent household units currently connected, or connected in the past, to Council's integrated network will be counted towards units of demand for water or wastewater.</li> </ul> </li> </ul> <p><b>[11.3] Granting consents does not assume that final contributions payment has been made</b></p> <p>A development contribution can be levied either at the subdivision, building or service connection consent stage. Having a development contribution levied upon the granting of consent does not assume final payment. Under the Policy, payment of contributions is required prior to the issue of either: the 224 certificate (for subdivision), the code compliance certificate or certificate of acceptance (for building consent), or service connection. As such, full and final payment of development contribution charges on a specific development will not be assumed until one of these criteria has been met</p>
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#### [11.4] Development contributions on overlapping consents and future subdivision applications

In the case where two or more overlapping consent applications are being processed simultaneously in the same development area, full contributions (under whatever contribution regime existed at that time) will be levied on both applications until full payment has been received for one or the other as explained above. Once payment has been received for one of the two consents concerned, all contributions applicable to future subdivision applications will be revised to include those contributions already paid.

#### [12] Glossary of Terms

**Accommodation Motel** has the same meaning as Accommodation Motel in the Palmerston North City District Plan

"means land and/or buildings used for transient residential accommodation and includes the provision of playgrounds, spa pools and swimming pools. It does not include restaurants, bars or conference facilities".

**Accessory Building** has the same meaning as accessory building in the Palmerston North City District Plan:

"means a building not being part of the principal building, the use of which is incidental to that of any other building or buildings on the site. In the case of a site on which no building has been erected, it is a building incidental to the use of the principal building permitted on the site. This includes a garage, carport, tool shed, playground, recreation room, glasshouse, shipping container, swimming pool, spa pool and sleepout."

**Activity** means a good or service provided by, or on behalf of, a

local authority or a council-controlled organisation; and includes—  
(a) the provision of facilities and amenities; and  
(b) the making of grants; and  
(c) the performance of regulatory and other governmental functions.

**Allotment** has the meaning given to it in section 218(2) of the Resource Management Act 1991, and for the purposes of the development contributions policy only, excludes allotments to be vested with Council as roads.

**Allotment Area** is the total land area of an allotment, and for the purposes of the development contributions policy only, excludes 'limited development land' as defined in the Palmerston North City District Plan when applying units of demand to stormwater and local reserves only. It does include 'limited development land' where resource consent or building consent is obtained to develop 'limited development land'.

**Applicant** is the person/persons that apply for resource consent, building consent or service connection.

**Asset Management Plan** means Council documents that outline how the Council will manage and provide infrastructure assets.

**Balance Lot** means a remaining allotment not yet intended for development that will be developed at a later date.

**Brownfield Redevelopment** means further development of sites that are developed at or over 40% site coverage, or were at some time in the past, provided the buildings located on the site were established prior to 1 July 2004, and specifically includes:

- further subdivision of the site;
- alterations and additions to existing buildings; and
- the demolition of existing buildings and construction of new buildings.



<p><b>Catchment</b> means the area served by particular infrastructure.</p> <p><b>Capital Expenditure</b> means the cost council expect to incur to provide infrastructure assets for the running of network infrastructure, reserves and community infrastructure.</p> <p><b>Community Facilities</b> means reserves, network infrastructure, or community infrastructure for which development contributions may be required in accordance with section 199 of the Local Government Act 2002.</p> <p><b>Community Infrastructure</b> means the following assets when owned, operated, or controlled by a territorial authority:</p> <ul style="list-style-type: none"> <li>(a) community centres or halls for the use of a local community or neighbourhood, and the land on which they are or will be situated;</li> <li>(b) play equipment that is located on a neighbourhood reserve; and</li> <li>(c) toilets for use by the public.</li> </ul> <p><b>Community Outcomes</b>, in relation to a district or region, — means the outcomes that a local authority aims to achieve in meeting the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions.</p> <p><b>Connected Equivalent Household Unit</b> means an equivalent household unit with an existing unit of demand with direct access to a service connection.</p> <p><b>Consent Holder</b> is the person/persons that are the applicants to which resource consent, building consent or service connection was granted.</p>	<p><b>Development</b> means</p> <ul style="list-style-type: none"> <li>(a) any subdivision, building (as defined in section 8 of the Building Act 2004), land use, or work that generates a demand for reserves, network infrastructure, or community infrastructure; but</li> <li>(b) does not include the pipes or lines of a network utility operator.</li> </ul> <p><b>Development agreement</b> means a voluntary contractual agreement made under sections 207A to 207F between 1 or more developers and 1 or more territorial authorities for the provision, supply, or exchange of infrastructure, land, or money to provide network infrastructure, community infrastructure, or reserves in 1 or more districts or a part of a district.</p> <p><b>Development Contribution</b> means a contribution -</p> <ul style="list-style-type: none"> <li>(a) provided for in a development contribution policy of a territorial authority; and</li> <li>(b) calculated in accordance with the methodology; and</li> <li>(c) comprising-             <ul style="list-style-type: none"> <li>(i) money; or</li> <li>(ii) land, including a reserve or esplanade reserve other than in relation to a subdivision consent), but excluding Maori land within the meaning of Te Ture Whenua Maori Act 1993, unless that Act provides otherwise; or</li> <li>(iii) both.</li> </ul> </li> </ul> <p><b>Development Contribution Areas</b> relate to defined indicative geographical areas to which a development contribution is applicable in relation to the service catchments within those areas for network infrastructure, community infrastructure and reserves.</p> <p><b>Development contribution objection</b> means an objection lodged under clause 1 of Schedule 13A of the LGA02 against a requirement to make a development contribution.</p>
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<p><b>Development Contribution Policy</b> means the policy on development contributions adopted under section 102(1) of the LGA02.</p> <p><b>District</b> means the district of a territorial authority.</p> <p><b>Equivalent Household Unit</b> has the same meaning as Dwelling and Dwelling Unit in the Palmerston North City Council District Plan.</p> <p>"means any self-contained building or structure, or part thereof, that is used (or intended to be used) for a single household, and which is generally not available for public use".</p> <p><b>Financial Contribution</b> has the same meaning as financial contributions in s108(9)(a)-(c) of the Resource Management Act 1991.</p> <p><b>Goods and Services Tax (GST)</b> means goods and services tax under the Goods and Services Tax Act 1985 or any legislation substituted for the same.</p> <p><b>Greenfield Areas</b> are defined as those areas where building capacity exists on the perimeter of the city. Where land is zoned residential or industrial and has capacity to provide for future development it is considered a Greenfield site. Three defined Greenfield areas for the purposes of Development Contributions Policy are Kelvin Grove (including the Whakarongo Residential Area) Aokautere and North East Industrial Zone areas.</p> <p><b>Gross Floor Area (GFA)</b> has the same meaning as Gross Floor Area in the Palmerston North City District Plan:</p> <p>"Is the sum of the gross area of all floors of all buildings on a site, measured from the exterior faces of the exterior walls, or from the centre lines of walls separating two buildings.</p> <p>In particular, gross floor area includes:</p> <p>(a) Elevator shafts, stairwells, and lobbies at each floor;</p>	<p>(b) Floor space in interior balconies and mezzanines;</p> <p>(c) All other floor space not specifically excluded.</p> <p>The gross floor area of a building shall not include:</p> <p>(1) Uncovered stairways;</p> <p>(2) Floor space in terraces (open or roofed), external balconies, breezeways, porches;</p> <p>(3) Roof vehicle parking, lift towers and machinery rooms on the roof, having a floor area of not more than 200 m<sup>2</sup>;</p> <p>(4) Public thoroughfare areas in malls (this does not include food-court areas);</p> <p>(5) Areas used exclusively for fire egress;</p> <p>(6) Switchboard areas / Plant rooms;</p> <p>(7) Public Toilets".</p> <p><b>LGA02</b> means the Local Government Act 2002 or any legislation substituted for the same.</p> <p><b>Limited Development Land</b> has the same meaning as Limited Development Land in the Palmerston North City District Plan:</p> <p>"means any land in Aokautere which is not identified as developable land in Map 10.1 of the District Plan."</p> <p><b>Local Authority</b> means a regional council or territorial authority.</p> <p><b>Massey University – Turitea Campus</b> means land that is occupied by Massey University whether leasehold or freehold that is zoned Institutional within the Palmerston North City District Plan.</p> <p><b>Methodology</b> has the same meaning as methodology in s197 of the Local Government Act 2002.</p> <p><b>Communal Residential Development</b> means any form of residential development that does not meet the definition of an equivalent household unit.</p>
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<p><b>Network Infrastructure</b> means the provision of roads and other transport, water, wastewater, and stormwater collection and management.</p> <p><b>Non-Residential Development</b> means any activity in a non-residentially zoned area, excluding the rural zone, or where the predominant activity is not residential or rural.</p> <p><b>Prepared Food &amp; Beverage Outlet</b> means a business primarily engaged in the preparation and serving of food and beverages for immediate consumption and without limiting the generality of this term includes takeaway food outlets and restaurants.</p> <p><b>Remaining Lot</b> means an allotment created as part of a new subdivision that remains with or provides for an existing building located on the original allotment.</p> <p><b>Residential Development</b> means any activity in a residentially zoned area or where the predominant activity is not non-residential or rural.</p> <p><b>Retirement Village</b> has the same meaning as Retirement Village in the Palmerston North City District Plan:</p> <p>"means a comprehensive development which may include housing, recreational, welfare, and medical facilities which is intended principally or solely for retired persons or people with disabilities".</p> <p><b>RMA 1991</b> means the Resource Management Act 1991.</p> <p><b>Rural Development</b> means any activity in a rural zoned area or where the predominant activity is not non-residential or residential.</p> <p><b>Schedule of Development Contributions</b> means the schedule to the council's development contributions policy required by section 201 of the LGA02 and setting out the information required by section</p>	<p>202, namely;</p> <ul style="list-style-type: none"> <li>the contributions payable in each district in respect of reserves, network infrastructure and community infrastructure</li> <li>the events giving rise to the requirement for development contribution</li> <li>specified by district and by activity.</li> </ul> <p><b>Service Catchment</b> means a catchment defined by reference to the characteristics of the service and the common characteristics of the geographical area (for example stormwater catchments).</p> <p><b>Service Connection</b> means a physical connection to a service provided by, or on behalf of, a territorial authority.</p> <p><b>Service Station</b> has the same meaning as Service Station in the Palmerston North City District Plan.</p> <p>"means a business primarily engaged in the fueling of motor vehicles. This may also include mechanical repairs and servicing of motor vehicles. Retail sales for the convenience of the traveling public may also be included, provided such sales remain incidental and ancillary to the principal use of fueling motor vehicles."</p> <p><b>Site Coverage</b> has the same meaning as Site Coverage in the Palmerston North City District Plan:</p> <p>"means that portion of the net site area, expressed as a percentage, which may be covered by all buildings and storage space, including eaves, balconies and verandas in excess of 0.6 of a metre in width, but excluding uncovered swimming pools, decks of 0.5 of a metre in height or less, and ramps of 0.5 of a metre in height or less with handrails of an additional 0.9 of a metre in height or less. Where no garage is shown at the construction of a dwelling, an allowance for a garage of 18 m<sup>2</sup> will be added to the total building coverage."</p> <p><b>Subdivision</b> has the same meaning as Section 218 of the Resource</p>
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Management Act 1991.

**Third Party Funds** means funding or subsidy, either in full or in part, from a third party.

**Unit of Demand** means measure of demand for community facilities.

**Wet Industry** means any activity which seeks to use water or discharge wastewater at a rate exceeding 25m<sup>3</sup> /ha/day (or per area equivalent).

**Wind Farm** means wind turbines (other than a Domestic Wind Turbine and Microscale wind turbine) used to generate energy from the wind, and includes:

- turbines, including support pylons or towers
- ancillary buildings and structures including substations, maintenance building and communications equipment

A Wind Farm excludes transmission lines and infrastructure associated with transmission lines.





Schedule of Assets For Which Development Contributions Will Be Used (Planned programmes)																								
Prog ID-Desc	Growth Area Description	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	2037/38	2038/39	2039/40	2040/41	Grand Total	A	B
51-Urban Growth - Development Contributions - Stormwater		200	200	200	200	100	10	10	100	100	100	50	50	50	50	50	50	50	50	50	50	1,720	100%	0%
1855-Urban Growth - Aokautere - Reserves - Purchase and Development	Local Reserve Aokautere				1,464	96	185	3	65	75	89	394	75									2,446	100%	0%
1849-City Growth - City Reserves - Ashhurst Domain - Capital New	Local Reserve Ashhurst					85	260	265														610	34%	66%
1860-Urban Growth - Ashhurst - Reserves Purchase and Development	Local Reserve Ashhurst		454	10	247				750	22												1,483	100%	0%
1846-City Growth - City Reserves - Walkway Extensions - Capital New	Local Reserves M - Whakarongo	229	315	229	229	229	229	229	229	229	229	229	229	229	229	229	229	229	229	229	229	4,666	34%	66%
1859-Urban Growth - Whakarongo - Reserves Purchase and Development	Local Reserves M - Whakarongo		27	35		304	12	286		1,241	14	475	157									2,552	100%	0%
1894-City Growth - City Reserves - Manawatu River Park - Marae Tarata Development Plan - Implementation	Local Reserves N - City West	55	100	170	255	350	150	100	100	100	100	100										1,580	34%	66%
1130-Urban Growth - City West - New Community Centre	Local Reserves N - City West		843						298	1,686												2,826	59%	41%
1862-Urban Growth - Kakatangiata - Reserves Purchase and Development	Local Reserves N - City West						1,300		30	626					1,100		9	199	6,125		65	9,454	100%	0%
1861-Urban Growth - Flyers Line - Reserves Purchase and Development	Local Reserves N - City West			756	9	535																1,300	100%	0%
2043-Urban Growth - Napier Road Extension - Reserve and walkways purchase and development	Local Reserves T		378	108																		486	100%	0%
1850-City Growth - City Reserves - Memorial Park - Capital New	Reserves - CityWide	548	219	7	78	58																909	34%	66%
2058-Urban Growth - NEIZ - Transport	Roads - CityWide	7,650		250	1,500	2,000																11,400	80%	20%
201-Urban Growth - Development Contributions - Transport	Roads - CityWide	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	4,000	100%	0%
1695-PNITI – Intersection & bridge improvements	Roads - CityWide	918	5,102	5,237	8,163																	19,420	25%	75%
167-James Line (Schnell Dr to Kelvin Grove Rd) - Improvements	Roads - CityWide				250	1,400																1,650	25%	75%
1684-Urban Growth - Ashhurst - Transport	Roads - CityWide	250	2,700	1,600	1,000																	5,550	75%	25%
2013-PNITI – Strategic Transport Corridor Improvements	Roads - CityWide		250	5,000	8,000	9,000	9,500	17,000	20,000	20,000												88,750	25%	75%
1925-Urban Growth - Development Contributions - Active Transport	Roads - CityWide		130		130	130	130		130		130											780	20%	80%
1682-Pioneer Highway - Improvements	Roads N - City West							200	400	3,200	650	6,250	8,500									19,200	75%	25%
1681-Urban Growth - Kakatangiata - Transport	Roads N - City West	400	5,500	300	2,500		200	450	450	600	600	2,950	450	450	650	950	3,450	450	450	800	4,000	25,600	90%	10%

Schedule of Assets For Which Development Contributions Will Be Used (Planned programmes)

Prog ID-Desc	Growth Area Description	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	2037/38	2038/39	2039/40	2040/41	Grand Total	A	B
197-Urban Growth - NEIZ - Stormwater	Stormwater - Area O	1,300	1,050																			2,350	100%	0%
2034-Urban Growth - Ashhurst - Stormwater	Stormwater Area C			527	110																	637	100%	0%
1704-Urban Growth - Aokautere - Stormwater	Stormwater Area E		350			400			350													1,100	100%	0%
2035-Urban Growth - Napier Rd Extention - Stormwater	Stormwater Area T				200																	200	100%	0%
1001-Urban Growth - Whakarongo - Stormwater	Stormwater M - Whakarongo	3,950	2,000	100																		6,050	100%	0%
1065-Urban Growth - Kakatangiata - Stormwater	Stormwater N - City West			800	350		1,200			500												2,850	100%	0%
210-Urban Growth - NEIZ - Wastewater	Wastewater - CityWide	600	150	500	500	500																2,250	100%	0%
628-Totara Road Wastewater Treatment Plant - Consent Renewal Upgrade	Wastewater - CityWide			17,428	110,376	110,376	111,819															350,000	20%	80%
1412-Urban Growth - Ashhurst - Wastewater	Wastewater - CityWide				300																	300	50%	50%
2030-Urban Growth - Aokautere - Wastewater	Wastewater - CityWide		100	300	350																	750	100%	0%
73-Urban Growth - Development Contributions - Wastewater	Wastewater - CityWide	100	100	100	100	50	50	50	50	50	50	50	50	50	50	75	75	75	75	75	75	1,350	100%	0%
1000-Urban Growth - Whakarongo - Wastewater	Wastewater - CityWide	200	470	267								30										967	100%	0%
1711-Industrial Growth - Longburn Industrial Park - Wastewater	Wastewater Area R (Longburn)	50	600																			650	100%	0%
1055-Urban Growth - Kakatangiata - Wastewater	Wastewater N - City West	53			315	300																668	100%	0%
1841-Urban Growth - Ashhurst - Water Supply	Water - Ashhurst		239			308	218															765	50%	50%
135-Urban Growth - Bunnythorpe Extension - Water Supply	Water - Bunnythorpe				130	1,423																1,553	90%	10%
1005-Urban Growth - NEIZ - Water Supply	Water - CityWide	585		910																		1,495	100%	0%
1004-Urban Growth - Whakarongo - Water Supply	Water - CityWide	379	553	41	1,075	775																2,823	100%	0%
246-Urban Growth - Development Contributions - Water Supply	Water - CityWide	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	5,000	100%	0%
1387-Urban Growth - New North-East Water Supply Bore	Water - CityWide					500	1,000	1,500														3,000	100%	0%
132-City-wide - Water Supply Resilience - Trunk Mains	Water - CityWide	113	1,190	1,495	1,432	1,000	1,000															6,230	10%	90%
1880-Urban Growth - Aokautere - Water Supply	Water - CityWide				200	1,500																1,700	100%	0%
1170-Urban Growth - Kakatangiata - Water Supply	Water - Kakatangiata	250	444		500	250	3,250	1,342		30			1,237									7,303	100%	0%
1815-Industrial Growth - Longburn Industrial Park - Water Supply	Water - Longburn				250	2,750	2,500															5,500	100%	0%

**Schedule of Assets For Which Development Contributions Will Be Used (Planned programmes)**

Prog ID-Desc	Growth Area Description	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	2037/38	2038/39	2039/40	2040/41	Grand Total	A	B
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### Notes

1. Column A - The proportion of capital cost the Council seeks to recover through the DC Policy
2. Column B - The proportion of capital cost the Council proposed to recover from other sources, i.e. rates or third party funding such as NZTA or community trust grants etc.
3. Planned programmes means capital works that are yet to take place
4. All figures are rounded to the nearest thousand dollars and are exclusive of GST

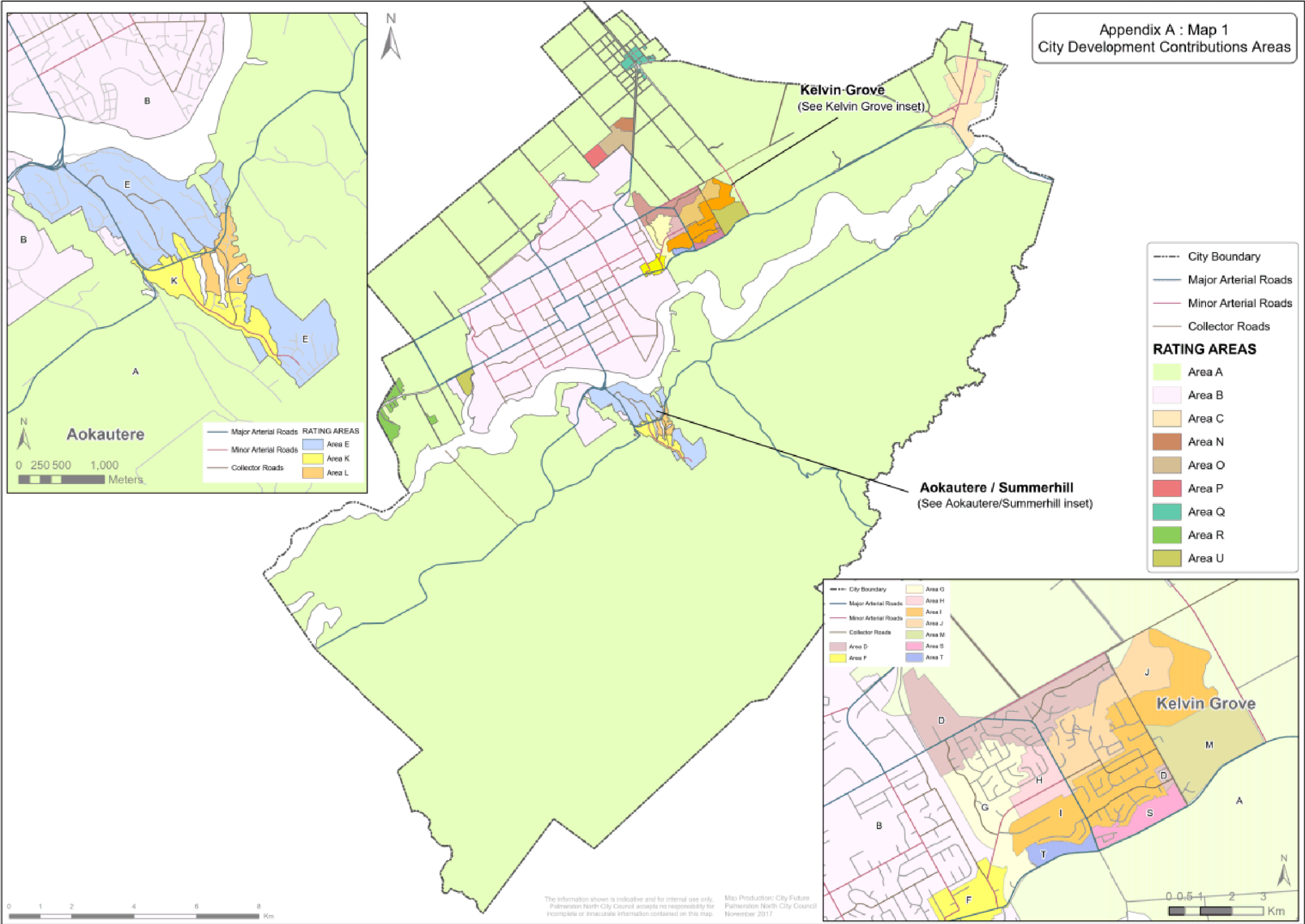
Schedule of Assets For Which Development Contributions Will Be Used (Back works)																	
	2004/ 2005	2005/ 2006	2006/ 2007	2007/ 2008	2008/ 2009	2009/ 2010	2010/ 2011	2011/ 2012	2012/ 2013	2013/ 2014	2014/ 2015	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020	2020/ 2021
1000-Urban Growth - Whakarongo - Installation of Wastewater Systems											14			210	111	458	
1001-Urban Growth - Whakarongo - Installation of Stormwater Systems														329	249	8	200
1003-Urban Growth - Whakarongo - Intersection Upgrades														80	106	113	
1004-Urban Growth - Whakarongo - Installation of Water Supply Systems														121	319		
1005-Industrial Growth - Installation of Water Supply Systems to an Expanded North East Industrial Zone														16	343		
1005-Urban Growth - Installation of Water Supply Systems to an Expanded North East Industrial Zone																	
1007-Urban Growth - Whakarongo - Internal Roads															18		
107-Kelvin Grove Cemetery - Burial (Including Childrens Area) and Ash Plot Developments						14	4										
107-Kelvin Grove Cemetery - Burial (Including Children's Area) and Ash Plot Developments								9									
127-Turitea Valley Road / Pacific Drive - Water Supply Link								1	11								
134-Missoula Reserve - Site Development							209										
140-Peace Tree Reserve Development																	
144-URBAN GROWTH RESERVES - LAND PURCHASE																	
147-Kelvin Grove Cemetery - New Burial Berms (Main Lawn Area)							40										
161-Public Toilets - Citywide programme											9	3	3	32	11	83	18
167-James Line - Reconstruction to Meet Urban Roding Standards (several sections)							63	76	2								
167-Urban Growth - Whakarongo - James Line Upgrade - Stage 3												61	52				
167-Urban Growth - Whakarongo - James Line Upgrade - Stage 4														863	568	121	23
168-Future Urban Growth Area "A" (Anders Road, Kelvin Grove, Racecourse) - New Supporting Roads																	
168-Future Urban Growth Area "A" (yet to be identified) - New Supporting Roads							265										
168-Urban Growth - New Supporting Roads for Growth Area A																	
187-Manawatu River - Te Matai/Staces Road Bridge			195		23	5	6	-32									
201-City Wide - Roding Subdivision Contributions	20	86	-40	381	178	49	46	31	24								
201-City-wide - Roding Subdivision Contributions											12	139	97	240	40	1	395
210-Urban Growth - Installation of Wastewater Systems for New Industrial Areas - NEIZ Extension Area														34	152	6	



Schedule of Assets For Which Development Contributions Will Be Used (Back works)																	
	2004/ 2005	2005/ 2006	2006/ 2007	2007/ 2008	2008/ 2009	2009/ 2010	2010/ 2011	2011/ 2012	2012/ 2013	2013/ 2014	2014/ 2015	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020	2020/ 2021
223-Railway Road (from the Overbridge to El Prado Drive) - Road Reconstruction				24	90	1,288											
246-City-wide - Water Subdivision Contributions						18	64	20		5	200	227	27	38	29	25	
307-Ferguson Street (Linton Street to Pitt Street) - Road Widening and Traffic Signal Installation						5	143	-9									
314-Ferguson / Ruahine Street Intersection - Roundabout Installation							8		3								
323-Grey / Albert Streets - Roundabout Installation							40	1									
375-Awapuni Landfill - Commercial Lease Site Development																	
392-C/Forward - Recreation Hub Development				46	105	21											
394-C/Forward - Sports Facilities Development					227	101											
400-C/Forward - Active Transport Implementatin			16														
434-Parnell Heights Linkage						36	24										
51-City Wide - Stormwater Subdivision Contributions										3							
51-City-wide - Stormwater Subdivision Contributions													29			49	46
570-Totara Road Wastewater Treatment Plant - Replacement of Inlet Screens (Growth)														539			
572-Totara Road Wastewater Treatment Plant - Replacement of Grit Removal Systems (Growth)														3			
578-Tremaine Avenue/North Street - Traffic Signal Installation											5	2					
610-Turitea Valley Road/Pacific Drive - New Water Supply Link Pipe and Reservoir										15	49	311	282	74			
611-Albert Street (Te Awe Awe Street to Featherston Street) - Construction of New Water Supply Pipeline												1					
624-Urban Growth - North East Industrial Zone - Downstream Wastewater Network Upgrade - McGregor Street to Rennie Avenue to Peters Avenue										349							
672-Ngahere Park Road - Strengthening of One-Lane Bridge													29				
69-Manawatu Riverbank (Fitzherbert Avenue to Brightwater Terrace) - Construction of New Water Supply Pipeline						135	138	11	85								
73-City Wide - Wastewater Subdivision Contributions						44	83	37		5	3						
73-City-wide - Wastewater Subdivision Contributions												18	13	21	25	14	
87-Albert Street (Manawatu River to Ferguson Street) - Construction of New Water Supply Pipeline							41	8									
906-Bunnythorpe Wastewater Connection to Palmerston North											4	5					
94-City Wide - Purchase of Land to Extend Walkways Network					103		1	16	4	16							
94-City-wide - Purchase of Land to Extend Walkways Network												5	8				
94-Walkways and Shared Path - Purchase of Land to Extend Network														4	3	21	10
95-City Wide - Construction of Walkways					27	11	11	4	16	7							
95-City-wide - Construction of Walkways											2	2	1				
95-Walkways and Shared Path - Construction														16	2	14	12
96-City Wide - Public Access to Rivers and Streams																	
985-Kelvin Grove Water Supply Zone - New Bore											5	22	40	27	23		
arena strategic plan				149	70												
Capacity upgrade	68	17	-3														

Schedule of Assets For Which Development Contributions Will Be Used (Back works)																	
	2004/ 2005	2005/ 2006	2006/ 2007	2007/ 2008	2008/ 2009	2009/ 2010	2010/ 2011	2011/ 2012	2012/ 2013	2013/ 2014	2014/ 2015	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020	2020/ 2021
Contribution Foodstuffs			-51														
Contribution Neil		-24															
Manawatu Riverbank (Fitz ave to Brightwater tce)				54	114	211	179	18									
Manawatu Riverbank (Fitz - Ferg)				193	44												
Manawatu Riverbank Capacity Upgrade				38	69												
P8661.04 Reserves Basic Capital Development-establishment - KG			103														
P8661.07 Local Reserves land purchase -AOK	257																
P8661.07 Local Reserves land purchase -KG		434	690														
P8661.46 New Local Reserves Amenity Developments -AOK				79	38												
P8663.01 New Public Toilet Developments		12															
P8666.02 New Community Centres			4														
P8667.03 Sportsfields Drainage.	5	37	43	28													
P8667.13 Car parking sports fields	21	12	61	33													
P8667.14 Sport facilities development	58	24	108	78													
P8674.05 Walkway Development	53	24	29	28													
P8674.11 General City Reserves Development				14													
P8701.05 Aokautere Road Construction		304															
P8701.22 Cf Church/Cook Roundabout	14	14	36														
P8701.33 Mihaere Drive Extension	9	331	33														
P8701.49 Rangitikei Street Central Business Zoning (CBZ)	1	3	11														
P8701.52 James Line Rosalie Intersection			1														
P8701.53 James Line Brooklyn Heights Intersection			100														
P8701.56 James Line Upgrade		11	33														
P8701.74 CF Ferguson Street Widening	49	5	8	143	3	51											
P8704.01 CBD Median Parking	5																
P8705.07 Cuba Street Upgrade	2																
P8705.17 CF Bike Plan Implementation	1																
P8706.01 Local Area Traffic Management - Roading			55														
P8706.04 Fitzherbert Intersections	14	10															
P8706.06 Misc Traffic Management Facilities		1															
P8706.08 Tremaine/Vogel Intersection Upgrade	1	68	114														
P8706.10 Traffic Signals Upgrade			24														
Road - TBA	36	13															
Settlers to El Prado	58	88	105	263	295												
Subdivision Extension			3,454														
WW2006	7	9	53	520	22	23											
1170-Urban Growth - City West - Installation of Water Supply Systems																	
1412-Urban Growth - Ashhurst - Wastewater - North St Network Upgrade																	
324-Park Road / Cook Street - Intersection Upgrade																	122
684-Longburn Rongotea Road/No. 1 Line Intersection - Safety Upgrade																8	

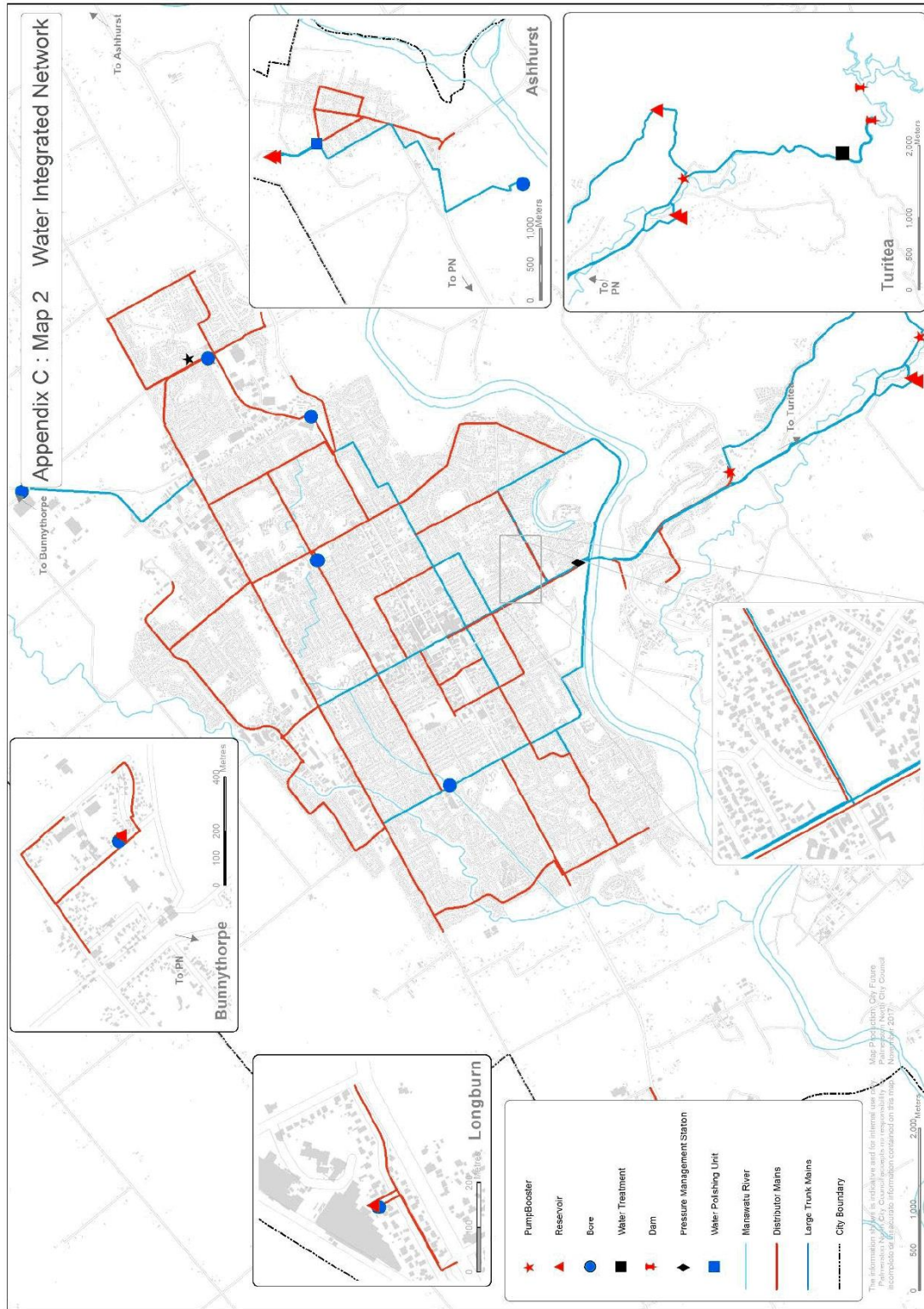
Schedule of Assets For Which Development Contributions Will Be Used (Back works)																	
	2004/ 2005	2005/ 2006	2006/ 2007	2007/ 2008	2008/ 2009	2009/ 2010	2010/ 2011	2011/ 2012	2012/ 2013	2013/ 2014	2014/ 2015	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020	2020/ 2021
1183-Stoney Creek Road (School) Safety Upgrade																481	
1454-City Reserves - Victoria Esplanade Development Plan																2	
708-Urban Growth - Aokautere - Reserves Land Purchase																320	
140-Neighbourhood Reserves- Aokautere - Peace Tree Reserve Development																	152
144-Urban Growth - Whakarongo - Reserves Land Purchases																	12
716-Urban Growth - Whakarongo - Walkways Land Purchases																	2
752-City Reserves - Manawatu River - Framework Implementation																	183
910-Ferguson Street (Linton Street to Pitt Street) - Road Widening and Traffic Signal Installation																	80

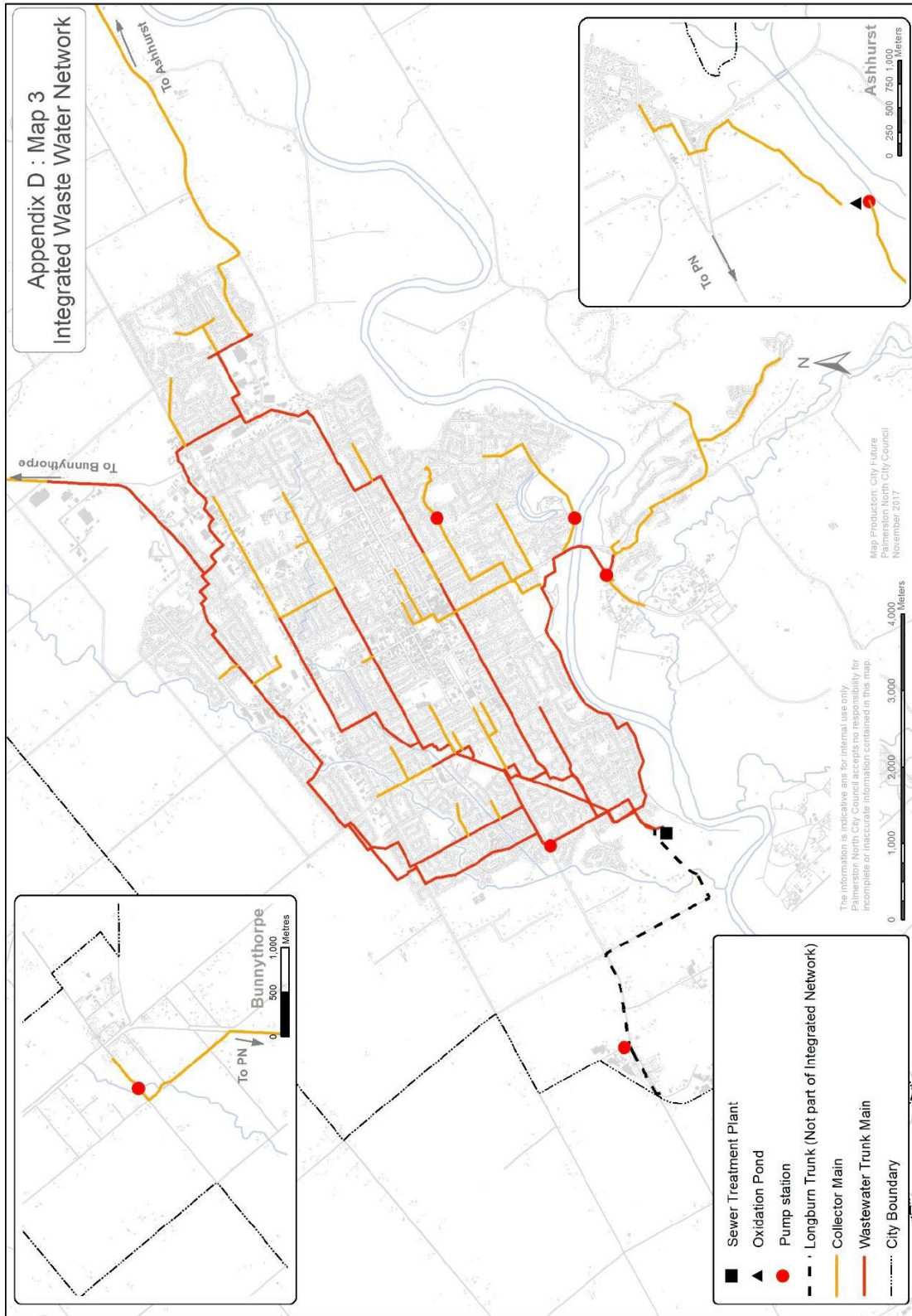




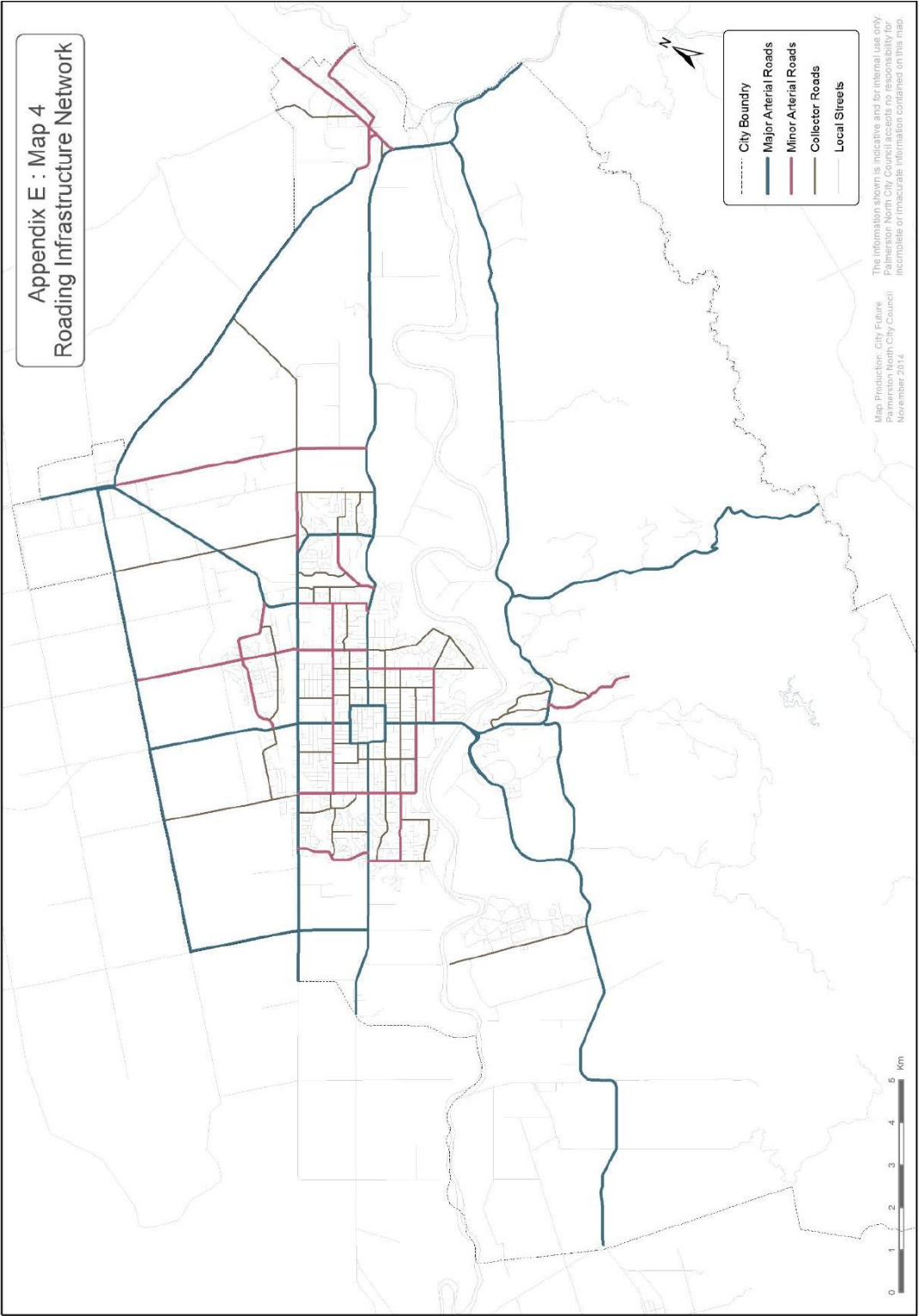


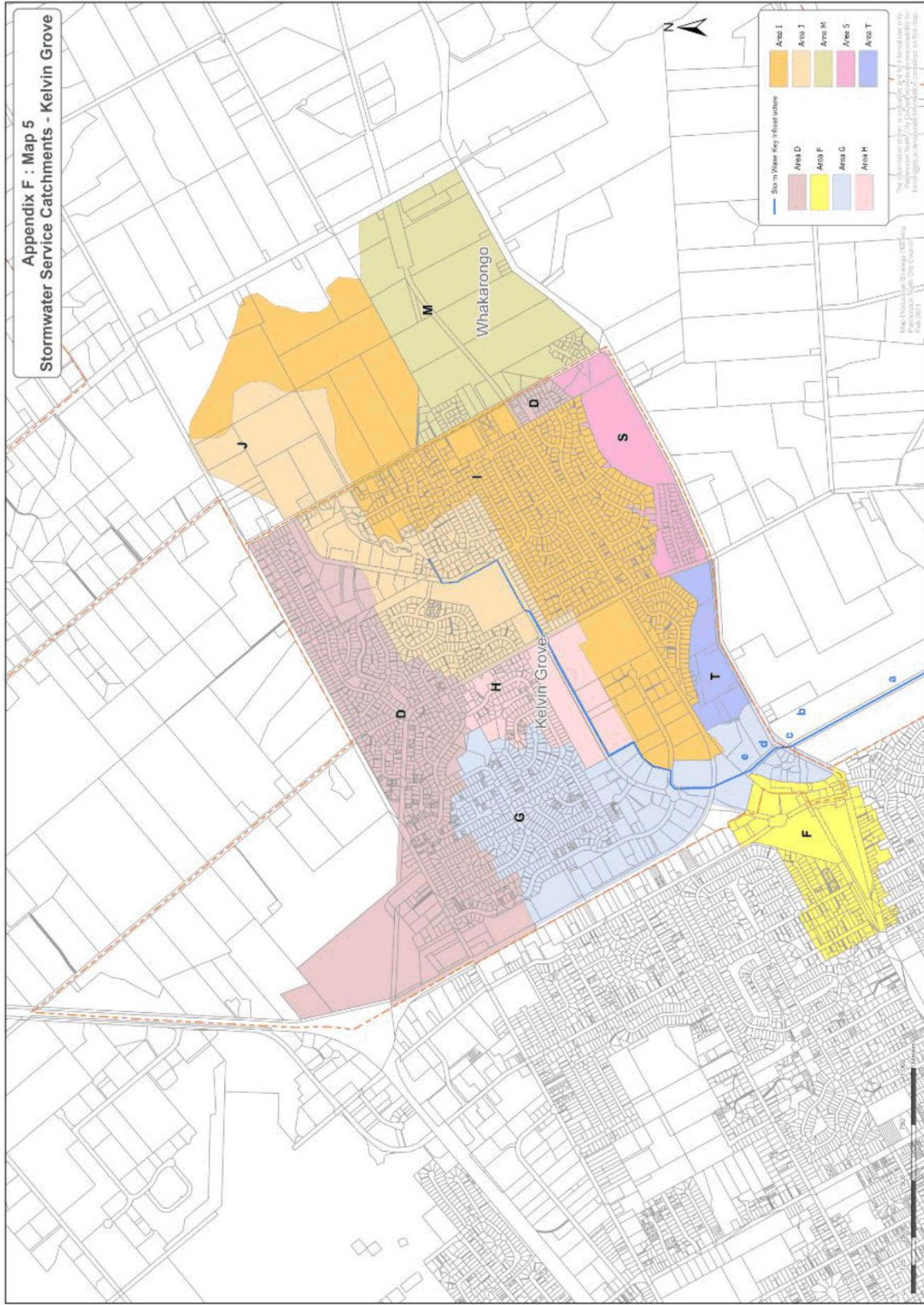
<p>Appendix B</p> <p>Refund of development contributions</p> <p>209 Refund of money and return of land if development does not proceed</p> <p>[1] A territorial authority must refund or return to the consent holder or to his or her personal representative a development contribution paid or land set aside under this subpart if—</p> <p>(a) the resource consent—</p> <p style="padding-left: 20px;">(i) lapses under section 125 of the Resource Management Act 1991</p> <p style="padding-left: 20px;">; or</p> <p style="padding-left: 20px;">(ii) is surrendered under section 138 of that Act; or</p> <p>(b) the building consent lapses under section 52 of the Building Act 2004; or</p> <p>(c) the development or building in respect of which the resource consent or building consent was granted does not proceed; or</p> <p>(d) the territorial authority does not provide the reserve, network infrastructure, or community infrastructure for which the development contribution was required.</p> <p>[2] A territorial authority may retain any portion of a development</p>	<p>contribution or land referred to in subsection (1) of a value equivalent to the costs incurred by the territorial authority in relation to the development or building and its discontinuance.</p> <p>210 Refund of money or return of land if not applied to specified reserve purposes</p> <p>[1] If a development contribution has been required for a specified reserve purpose, a territorial authority must—</p> <p>(a) refund money received for that purpose, if the money is not applied to that purpose within 10 years after the authority receives the money or other period specified in the development contribution policy; or</p> <p>(b) return land acquired for the specified reserve purpose, if the authority does not use the land for that purpose within 10 years after the authority acquires the land or other period agreed by the territorial authority and the person who paid the development contribution.</p> <p>[2] A territorial authority may retain part of the money or land referred to in subsection (1) of a value equivalent to the costs of the authority in refunding the money or returning the land.</p>
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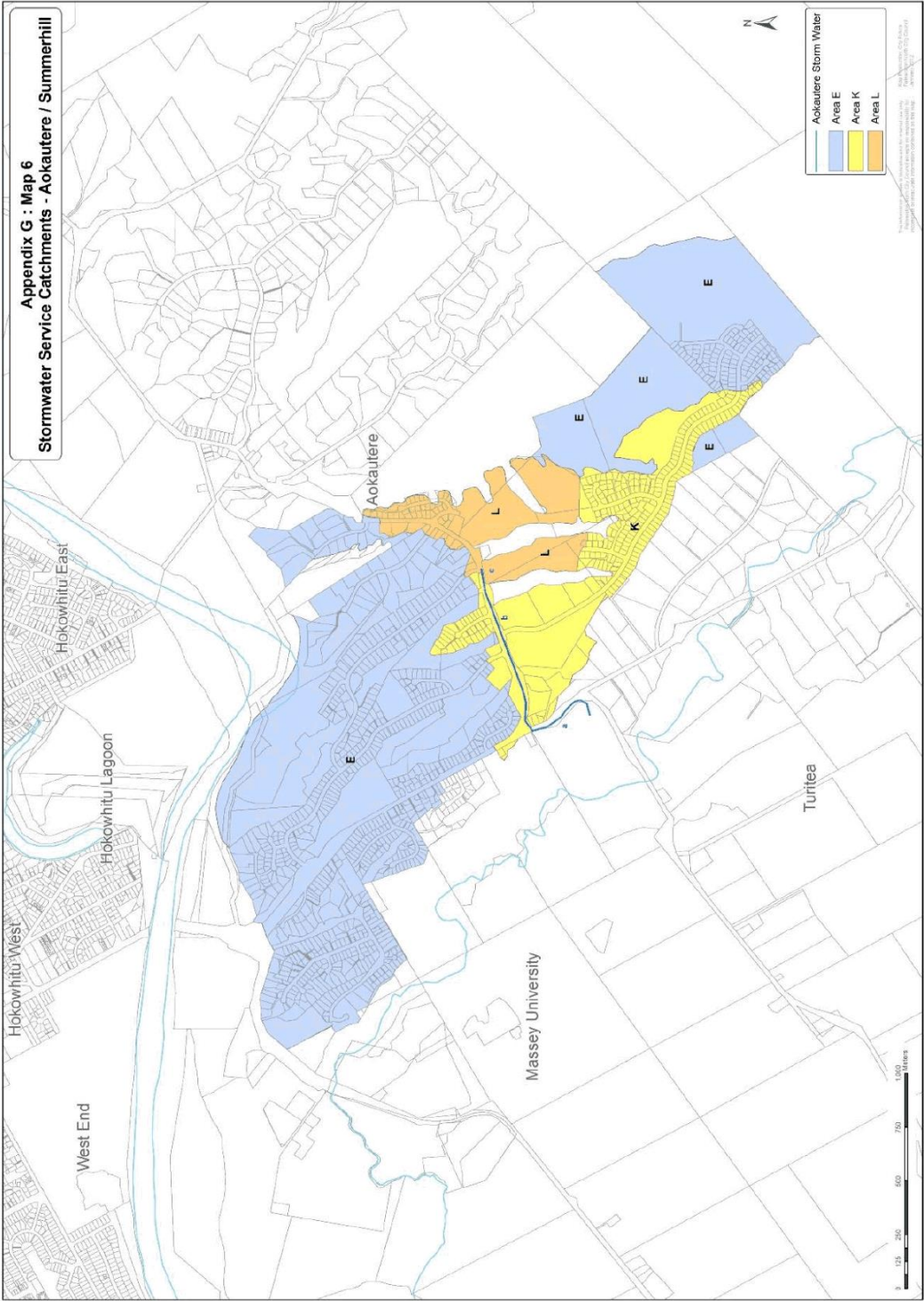


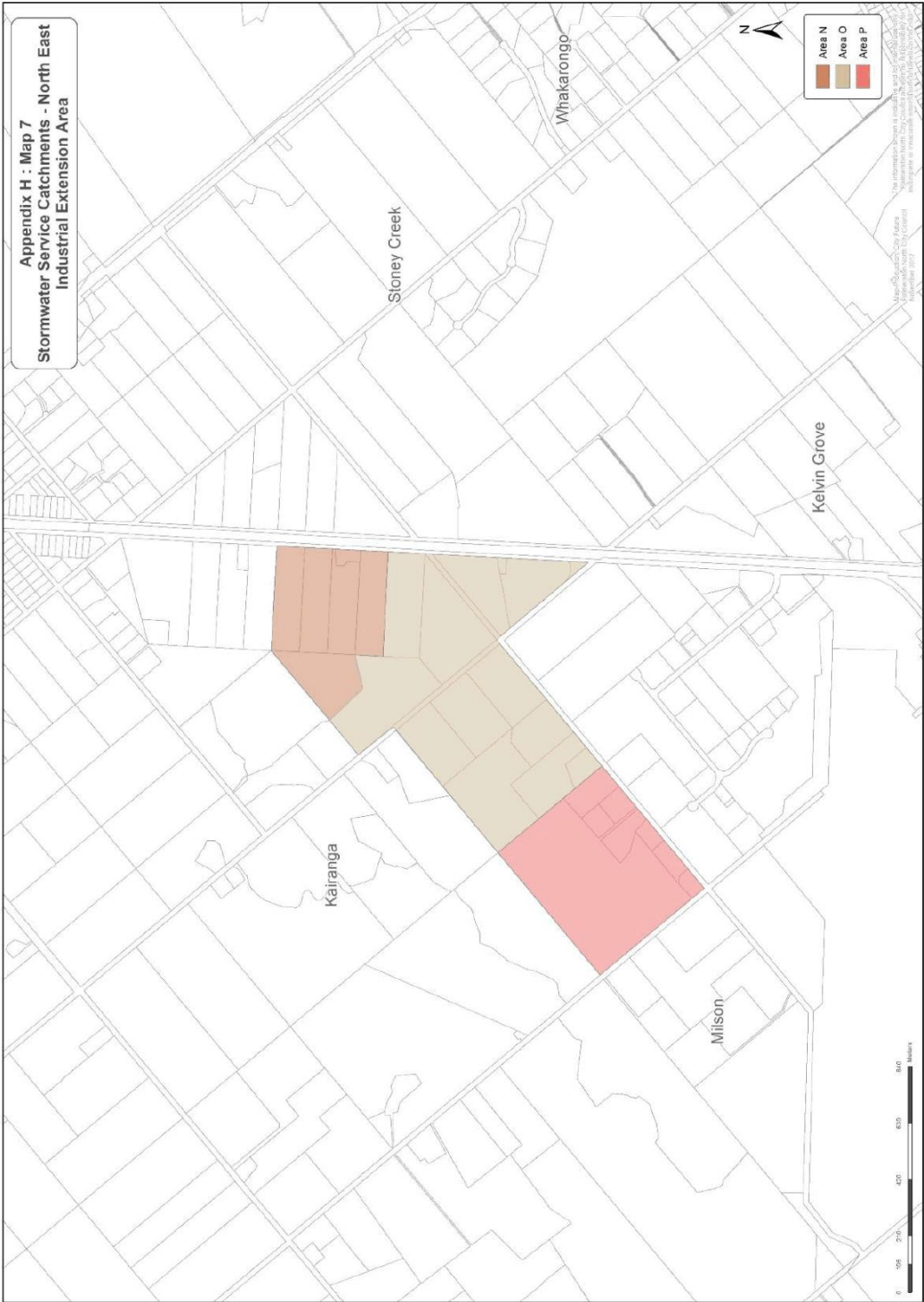






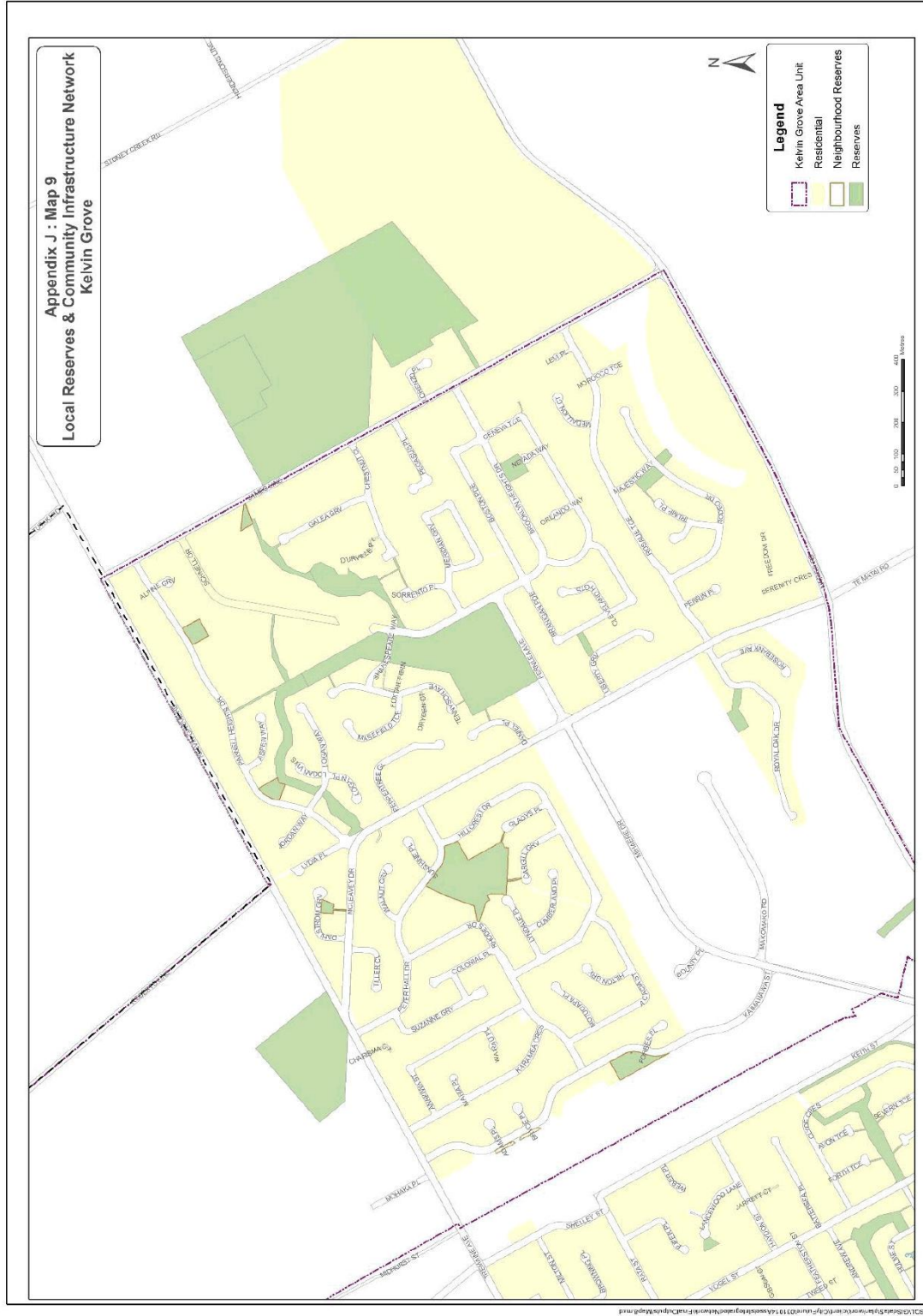


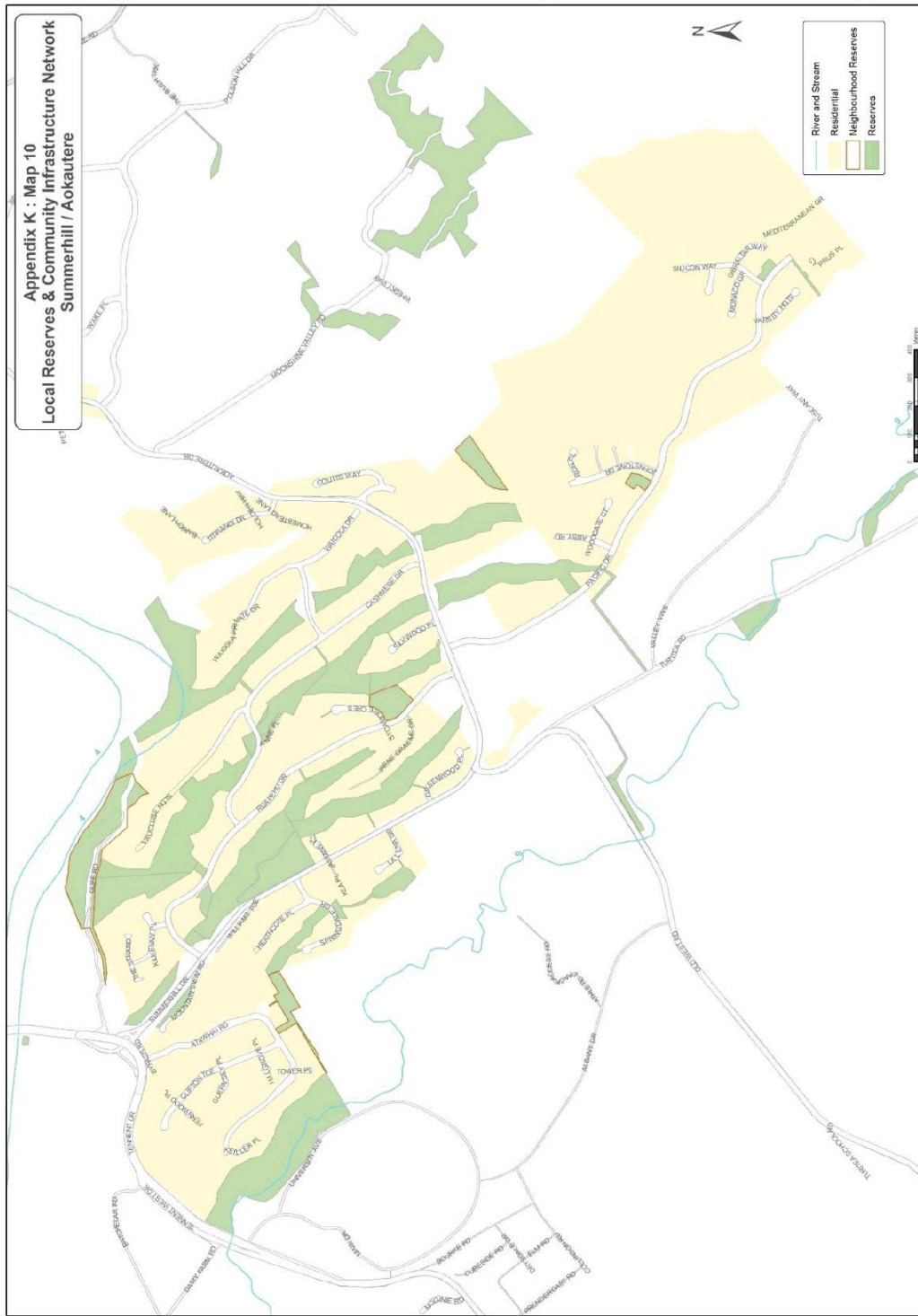












# Significance and Engagement Policy 2021

## Purpose of this Policy

### Significance and Engagement Policy (2021)

This Policy sets out how the Council will determine the significance (importance) of its proposals and decisions – and hence, how it will ensure that its engagement on these proposals and decisions meets community preferences. It also lists Council's strategic assets.

It is a requirement of s76AA of the Local Government Act.

### Context for this Policy

The Council has a Good Governance and Active Citizenship Plan. This Plan sets Council's overall approach and commitment to community engagement. Thus it gives Council's broader context for the Significance and Engagement Policy:

*"The purpose of the Good Governance and Active Citizenship Plan is to have greater community participation in decision-making. Robust decisions are made when the aspirations of all our communities are heard by Elected Members. Participation is not only voting, it is about taking opportunities to voice opinions, make formal submissions, get*

*involved in local projects and initiatives. This is where the benefits of a small city can really be seen.*

*"The purpose of local government is to enable democratic local decision-making and action by, and on behalf of, communities and to promote the social, economic, environmental and cultural well-being of communities in the present and for the future. The Local Government Act was amended in 2019 to make the Chief Executive of the local authority responsible for "facilitating and fostering representative and substantial elector participation in elections and polls held under the Local Electoral Act" Section 42 (2)(da). Appropriate engagement leads to good planning and effective solutions which reflect community aspirations.*

*"A city with 'active citizens' is a place where residents choose to engage and serve their community; where there is access to good information; and where diverse voices contribute ideas and experience to collaborate on inclusive solutions which will benefit this generation and the next. Active citizenship contributes to a healthy democracy where individuals and communities are empowered to have a say; where elected officials are accountable; and where decisions are transparent."*

The Council is also committed to engaging with Rangitāne o Manawatu.

The Council and Rangitāne signed a Partnership Agreement in 2019 that formally acknowledges the status of Rangitāne as mana whenua. This has created a reciprocal working relationship with iwi leadership to align their priorities with those of Council across the suite of strategies and policies that guide our collective decisions. It sets out how Rangitāne and Council will work together and understand each other's aspirations.



### The Meaning of Community Engagement in Decision Making

Community engagement is a very important part of Council's decision making.

Community engagement means Council and people connecting together to share ideas and build understanding.

Key elements of good engagement are:

- Council involving people throughout the process
- Council giving people the time and information they need to have their say
- Council and people listening to each other and feeling listened to
- Council valuing and genuinely considering peoples' ideas
- Council giving people information about the decisions it has made and the reasons for these
- That it is purposeful and aimed at shaping the decisions and actions of Council.

In good community engagement, peoples' ideas may or may not be fully adopted, but they know that they have been genuinely listened to and that their ideas have been fully considered.

Community engagement is a planned process that occurs right through the decision-making process. Hence it is a wider process than consultation, which tends to be more formal and to happen towards the end of the decision-making process.

### The Council's General Approach to Community Engagement

The Council uses a model based on the IAP2 (International Association for Public Participation) continuum to guide its engagement (see the following diagram).

This shows that community engagement for decision making is a continuum. At one end of the continuum the Council gives people information about what it is doing. At the other end Council delegates decision making to the public. In the middle it uses a range of techniques to gather community views and to involve people in making its decisions.

Most of the Council's engagement will be in the middle of the continuum - at the Consult, Involve or Collaborate levels. In general, the more important (or significant) the decision, the more the Council will work at the Involve or Collaborate level.

In some cases the Council will use engagement techniques from a mix of levels and it may use different levels at different points of the engagement. For example, when it is exploring issues and options Council could use Collaborative techniques, and then use techniques from the Consult level to get community views on these options.

The Council also has a set of Community Engagement Principles to guide its community engagement. These principles sit alongside the consultation principles from s82 of the Local Government Act (see Appendix 1), and the wider decision making and consultation requirements in sections 76-90 of the Act.



The Council's Community Engagement Principles say that when it engages with local residents and organisations it will:

- Engage in a way that shows people that their contribution is valued and will be fully considered
- Be clear about the process being used and the level of influence that people have
- Encourage as many people as reasonably possible to take part from the start to the finish of the process, especially affected and interested people
- Make it easy for people to give their views to the Council
- Engage in the community by going to where people are and not always expecting them to come to the Council

- Give people time to think about the issues and respond to them
- Use honest and easy to understand information
- Listen to everybody who engages with the Council and gather other information so that it understands a reasonably wide range of peoples' views
- Tell people what it decides and why
- Use relevant information from previous engagement processes
- Take a common sense, cost effective approach.

### The Local Government Act Meaning of Significance

The LG Act (s5) says that significance means the degree of importance of the issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for:

- a. the district or region;
- b. any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter;
- c. the capacity of the local authority to perform its role, and the financial and other costs of doing so.

Significance is a continuum that ranges from decisions of low significance to decisions of high significance. The Act says that a decision of high significance is 'significant' (s5). The legislation does not contain any specific criteria to distinguish between significant and non-significant decisions. Instead, the legislation says that that is a decision for each Council to make in each instance.

The Council will ensure that its community engagement and decision making is appropriate for the significance of each decision it makes, irrespective of whether or not the decision is significant.

If a decision is significant (under s5) then the Council will meet a higher standard of engagement and (as required by s76(3) of the LG Act) will

ensure that the decision making and consultation principles of s77, 78, 80, 81 and 82 have been appropriately complied with.

### Council's Approach to Significance

Based on the above definitions the Council will determine the significance of a decision by assessing:

- Its impact on the achievement of the Council's 10 Year Plan (Long-Term Plan). The 10 Year Plan sets out what the Council is aiming to achieve (see the following table). In general, a significant decision is one that has high and ongoing impact on the achievement of the Council's 10 Year Plan
- Its impact on those persons who are particularly affected by or interested in the decision. In general, a significant decision is one that has high and ongoing impact on or interest from many people across the community
- Its impact on the Council's resources and capacity to perform its role. In general, a significant decision is one that has high and ongoing cost.

It is the Council that decides whether or not a decision is significant. In making this decision the Council will take into account community views.

The Council has no pre-set triggers or thresholds to determine what is high or ongoing.

In making its decision the Council will take into account all three of the above criteria - a single criterion on its own does not necessarily determine significance. The Council will also consider the cumulative impact of closely related decisions.

### 10 Year Plan Vision and Goals

#### Vision:

Palmerston North: Small city benefits, Big city ambition  
He iti rā, he iti pounamu

#### Goals:

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

**A creative and exciting city**  
He tāone whakaitihihi, tapatapahi ana

**Connected and safe communities**  
He hapori tūhonohono, he hapori haumaruru

**An eco city**  
He tāone taufaitao

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

All reports that go to Council will contain an assessment of the significance of the recommended decisions. If the recommendations are considered to be significant a recommendation confirming this and that the Council has engaged appropriately will be included. A statement showing how the Council will (or has) appropriately observe(d) the applicable sections of the Act will also be included.

Whether or not a decision is significant, the Council will still engage appropriately.

Most recommended Council decisions will not be significant.

If the Council substantially changes the report's recommendations then it will have to assess the significance of the new recommendations before it adopts them.

### **Council's Strategic Assets**

The Significance and Engagement Policy must list Council's strategic assets.

A strategic asset is any "asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority's capacity to achieve or promote any outcome that the local authority determines to be important to the current or future well-being of the community" (LG Act s5).

The Act also says that any housing Council owns to provide affordable housing as part of its social policy and any airport company shares are strategic assets.

In general, if Council is making a decision about a strategic asset it will use a greater degree of engagement than it will for a non-strategic asset. In particular, the Council cannot transfer ownership or control of a strategic asset unless it has first consulted with the community through a Long-Term Plan Consultation Document (LG Act s97).

The Council's strategic assets are:

- social housing as a whole (for low-income older people or people on low incomes with additional needs)
- public rental housing as a whole
- shares in Palmerston North Airport Ltd
- road and traffic network as a whole (including footpaths, street lighting & parking)
- wastewater reticulation network and treatment plant as a whole

- water supply, treatment, storage and reticulation network as a whole
- stormwater network and land drainage system as a whole
- Te Marae o Hine - The Square as a whole
- reserves zoned for recreation purposes or subject to the Reserves Act as a whole
- the Esplanade, Ongley Park, Fitzherbert Park and Manawarua Park as a whole
- aquatic facilities as a whole
- Central Energy Trust Arena as a whole
- walkways as a whole
- Ashurst Domain as a whole
- Memorial Park as a whole
- the parts of the Manawatū River Park owned by Council, as a whole
- Linklater Park as a whole
- Te Manawa
- the Regent Theatre
- the Globe Theatre
- Caccia Birch
- City Library (including community libraries and mobile library) as a whole
- archives as a whole
- Square Edge
- community centres as a whole
- Hancock Community House
- cemeteries and crematorium as a whole
- that portion of the Civic Administration Building sited on The Square - Te Marae o Hine.

The Council considers each asset and groups of assets listed above as a single whole asset. This is because the asset or group of assets as a whole delivers the service.

"Strategic assets", therefore refers to the whole asset or group of assets and not individual components unless that component substantially



## Section 4 – Significance and Engagement Policy

Palmy 2021-2031

affects the ability of the Council to deliver the service. If the Council is considering a decision on any individual component of a strategic asset that substantially affects the ability of the Council to deliver or promote its services then that component will be treated as strategic.

The Council recognises that there will be some assets that, although not fitting the legal definition of strategic asset, are of high community importance and interest. The Council will appropriately engage with the community on issues relating to these assets. In these cases proposals or decisions regarding these assets may be significant.

### Monitoring and Review

This Policy will be reviewed every three years through the 10 Year Plan.

It will be monitored as part of Council's monitoring of the Good Governance and Active Citizenship Plan.

### Appendix 1:

#### Local Government Act s82 Principles of Consultation

- (1) Consultation that a local authority undertakes in relation to any decision or other matter must be undertaken, subject to subsections (3) to (5), in accordance with the following principles:

- a. that persons who will or may be affected by, or have an interest in, the decision or matter should be provided by the local authority with reasonable access to relevant information in a manner and format that is appropriate to the preferences and needs of those persons;
- b. that persons who will or may be affected by, or have an interest in, the decision or matter should be encouraged by the local authority to present their views to the local authority;
- c. that persons who are invited or encouraged to present their views to the local authority should be given clear information by the local authority concerning the purpose of the consultation and the scope of the decisions to be taken following the consideration of views presented;
- d. that persons who wish to have their views on the decision or matter considered by the local authority should be provided by the local authority with a reasonable opportunity to present those views to the local authority in a manner and format that is appropriate to the preferences and needs of those persons;
- e. that the views presented to the local authority should be received by the local authority with an open mind and should be given by the local authority, in making a decision, due consideration;
- f. that persons who present views to the local authority should have access to a clear record or description of relevant decisions made by the local authority and explanatory material relating to the decisions, which may include, for example, reports relating to the matter that were considered before the decisions were made.