

PALMERSTON NORTH CITY COUNCIL

ATTACHMENTS EXTRAORDINARY COMMITTEE OF COUNCIL UNDER SEPARATE COVER

1PM, WEDNESDAY 2 MARCH 2022
COUNCIL CHAMBER, FIRST FLOOR, CIVIC ADMINISTRATION BUILDING
32 THE SQUARE, PALMERSTON NORTH

EXTRAORDINARY COMMITTEE OF COUNCIL MEETING

2 March 2022

Under Separate Cover

4. Annual Budget (Plan) 2022/23 - Adopting Supporting Information and the Consultation Document

- | | |
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| 9. Consultation Document | Page 4 |
| 10. Supporting Information for proposed Annual Budget | Page 28 |



Matawhānui Papaioea
Palmerston North vision

**He iti rā,
he iti pounamu**

**Small city benefits,
big city ambition**

Whāinga 1: He tāone auaha, he tāone tiputipu
Goal 1: An innovative and growing city

Whāinga 2: He tāone whakaihiihi, tapatapahi ana
Goal 2: A creative and exciting city

Whāinga 3: He hapori tūhonohono, he hapori haumaruru
Goal 3: A connected and safe community

Whāinga 4: He tāone tautaiāo
Goal 4: An eco city

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



2021 was tough for everyone, a second year navigating the ever-changing restrictions and shifting sands of the Covid-19 pandemic.

It's hard out there for individuals, families and businesses alike, with petrol, mortgage rates and the price of food increasing.

We're also not immune to these issues. Just like you, we're seeing price hikes for everything we do, from construction and supply issues, to the interest for our debt. The flow on effect of these, plus supply chain constraints and difficulty getting skilled contractors that we need to deliver our projects, has also impacted on what we have been able to deliver.

We know that is not ok when your other bills are going up too. So, we've taken a hard look at our work, thinking about what we could delay and what is still feasible, considering major supply chain issues and the current shortage of available contractors.

As a council we take our role in supporting our economy seriously. Our construction projects typically involve a number of contractors, all employing locals and sourcing from local suppliers. Supporting our businesses and the employment they provide signals that we believe in Palmy's potential and will continue to invest in our city's economy.

We've done our best to strike a balance allowing us to continue delivering, and improving, your essential services, while deferring some work until later. We want to hear from you if we've got that balance right. What services do you consider an absolute must? What type of things do you think we could do without for a while? This is the place for you to tell us what the priorities are for you. Please see the information at the back of this booklet to make a submission.

Difficult decisions are best looked at from all angles, with all the information available so please let us know your views, we're listening.

We've achieved some great things over the last 12 months!

Bunnythorpe Community Centre

Bunnythorpe residents now have a place to meet and be together following the completion of their 168m² community centre.

Duplicate water main

Palmy now has a resilient drinking water supply, following the two-year construction of a second water main. This means that if we have an earthquake, or operational issues, we should still be able to supply the city water.

Memorial Park upgrades

The city's most accessible playground was the highlight of winter for Palmy kids in 2021, followed by the opening of the region's only free splashpad over summer.



Manawatū River Entrance Victoria Esplanade

Our residents and visitors now have an accessible entrance from our premier park to our awa, made even more special by its ode to the scenic railway and signature lighting.



Peace Tree Reserve

The cutting of a plant that survived the Nagasaki bombing now has prime position at the city's newest reserve in Summerhill.

Major safety upgrades

We upgraded the Monrad/Pencarrow intersection to include a roundabout. We re-aligned the entrance to the Victoria Esplanade at the intersection of Park Rd/Cook St and we made major safety improvements to the Pioneer/Lyndhurst intersection. We also completed a major revitalisation of the Cloverlea roundabout, and added asphalt speed bumps at locations in Milson, Cloverlea, Highbury and Summerhill.

Major city water upgrades

2021/22 has been a big year for our water network, with major projects along Tremain Ave, Church St, Victoria Ave, Keith St, the Cloverlea roundabout and many suburban streets. We've also replaced some of the pumps that help move our wastewater through the various stages of treatment and carried out some seismic upgrades to the Wastewater Treatment Plant.

We've got some important projects coming up too.

Papaioea Place social housing

This coming year will see the completion of our social housing redevelopment at Papaioea Place where we'll finish the remaining seven houses and a tenant's lounge. At completion this innovative project will see the former 48 homes converted into 85 new ones – a 77 per cent increase!



Tamakuku Terrace

We've been converting some of our land on James Line into sections for the public to build their dream home. Construction started in January 2021 and we're planning to issue titles in August 2022.

Railway Road bore

We're preparing for our growth by ensuring we have adequate water for residents and businesses in the North East Industrial Zone. The Department of Internal Affairs contributed \$750,000 towards this project.

City Centre transformation

Our vision to make the city centre a great place to work, play and live will take a major step forward with three major projects. Part of Cuba St Street will be transformed to a more pedestrian friendly connection between our city centre and Central Energy Trust Arena. We'll also be completing the next stage of the Streets for People (The Square) development. And, we'll be making it more efficient for people to move around the city centre, rather than through The Square, by widening Ferguson Street between Linton and Pitt Streets and making safety improvements. We're planning to consult with the public on our Cultural and Civic Masterplan in early 2023, which focuses on vital seismic improvements needed on some of Palmy's favourite cultural destinations.

Cycleways

We've completed two cycleways in our Urban Cycle Network Masterplan and will soon be talking to our community about what's next, focusing on providing safe cycleways while ensuring good outcomes for businesses and residents.

Seismic strengthening

Vital work to safe-guard our essential services continues this year, with a focus on our Water Treatment Plant and Crematorium at the Kelvin Grove Cemetery.

Albert Street river entrance

This popular entranceway will be transformed this year to make our awa more accessible.

Animal shelter

We'll be building a new animal shelter to take care of our city's furry friends in their time of need. Our current animal shelter no longer meets animal welfare standards, so this project is an important step forward.

We have some challenges...

While Palmy is doing relatively well economically, the city has some significant drivers adversely affecting the financial landscape and set to continue to over the next year.

Interest Rates

You've probably noticed the interest rates for some of your debts increasing (especially things like your mortgage rates). Our interest rates for our debts are also increasing. In our 10 Year Plan our assumed interest rate was 2.8 per cent. We have adjusted that in this budget to 3.1 per cent.

Contractor availability

Palmy is going through the highest growth period since the mid 1970's. Building consents have risen significantly over the last few years and there are other very large projects within the region requiring a huge amount of labour such as Te ahu a Turanga gorge highway project and construction of Mercury's Turitea windfarm. While this is great news for our local economy it also means we are competing with many others for the services of a finite group of local contractors. The reality of this is some of our projects are simply unable to be carried out in the projected timeframes.

Supply shortages

It's the same with supply chain issues. Progress may be humming along until we cannot source a certain product or piece of equipment, because it's somewhere in the middle of the ocean.

Inflation

Our budget has an assumed inflation of approximately 2.3 per cent (based on forecasts prepared for local government by BERL). Recent indications are that inflation for many sectors could be significantly higher than this. There is a risk therefore that we will struggle to deliver some services within the budget assumption.

Impact of Covid-19 pandemic

Our budget makes some assumptions as we continue to grapple with the ongoing impacts of the pandemic. These include:

- That we will be able to deliver the normal levels of service, including events, as projections are that the peak of the Omicron wave of infections will have passed before the start of the new financial year in July and that some of the restrictions may have eased by then.
- That there won't be an impact on external revenue.
- That ratepayers will continue to be able to pay their rates. (we accept that in a small number of cases that may not be possible).

Three waters reform

The Government has confirmed that a new entity will take over our water functions from 1 July 2024. A significant number of other councils have expressed serious doubt about the detail of the proposal but the Government continues to signal it remains committed to the reform and the timetable for change. There has been some delay to the planned release of the draft legislation to drive and enable the change. This does not impact on this budget.

Less income from Central Energy Trust Arena, Palmerston North Airport and Palmy Conference + Function Centre

Many of our usually popular venues and businesses are seeing significant loss of revenue as they are heavily hospitality based. With an easing of Covid-19 settings these should begin to ramp up again slowly but there will be a delayed effect on our financial intake for the next financial year.

You can read more about our challenges and the changes we've made to Year 2 of the 10 Year Plan programmes in the supporting information available on our website pncc.govt.nz/annualbudget

What's changed since the 10 Year Plan?

We need less money for:

- Nature Calls – In September 2021, Council selected its Best Practicable Option for how it will manage and treat its wastewater for up to the next 35 years. Now that this decision has been made, this programme moves from an operational programme which has a direct impact on rates immediately, to a capital programme, (for preparing and lodging the resource consent application to Horizons Regional Council, and the future construction) where we pay off the costs over time.
- We've reassessed the timing of our Asset Management improvement plan.

We need more money for some operational programmes. These have a direct impact on rates in the coming year:

- Costs of rising insurance premiums and increasing sums that are insured.
- In 2021, Council brought over the International Education and City Marketing functions from CEDA to be delivered in house.
- Remuneration changes for Elected Members.
- Increased cost for the 2022 Election now that the District Health Board won't be included due to the establishment of Health NZ.
- To ensure Council is meeting the standards for Health and Safety.
- An increase in the remuneration budget to fund increasing services and to be able to recruit and retain staff in a very competitive market.
- Covid-19 Events funding – Following the March 2020 lockdown, we reduced the funding for events due to the ongoing uncertainties. Now that we are in the Traffic light system, there is a good chance that Summer 22/23 will have events, so we need to reinstate the original budgets.
- Anzac Day – It's been costing us more to hire the equipment to host the dawn and civic ceremonies over the past few years. As Anzac Day has been recognised on a Monday, this has also seen an increased cost for staff and contractors.
- Growth planning – We need additional resource so we can re-zone some more land for housing. This funding will provide resources to advance significant residential and industrial planning projects including Aokautere, Kākātangiata, Ashhurst, Roxburgh Crescent and the North East Industrial Zone.
- Manawatū Jets sponsorship – The Manawatū Jets approached Council for sponsorship funding, and this was approved.

Council is also considering two new Operational Programmes:

- Consider forming a heritage advisory panel to advise on Council projects. This has an estimated cost of \$135,000 per year. The additional funding will be used to employ a specialist heritage planner, establish and coordinate the heritage advisory panel and undertake research on heritage themes. The heritage advisory panel will operate on a voluntary basis and provide advice on the preparation and implementation of heritage themes as part of Council projects.
- Consider providing one free rubbish bag per month to low income users to see if this helps reduce the amount of rubbish being put in people's kerbside recycling bins. This has an estimated cost of \$165,000 per year.

Major changes to timing of some Capital Programmes

- The impacts, primarily of Covid-19, have resulted in significant delays to the programme of new capital work for 2021/22. We've reassessed what is realistically achievable and will need to carry forward \$XXXm of incomplete programmes to 2022/23 and 2023/24, and defer \$XXXm work originally planned 2022/23, to later years.

There's been other changes to our Capital Programme costs too.

For Capital Programmes, we borrow money over long periods of time to cover the cost, and slowly pay it back (just like a mortgage). Costs can only be capital if they are for new infrastructure, rather than day to day costs of running the city.

These include:

- Improve participation in Council and Committee meetings by improving audio visual equipment in our Council Chamber.
- Upgrading screens to filter out unwanted items entering our Wastewater Treatment Plant.
- We need more than we'd forecast for meeting the Government's new Healthy Homes standards for our social housing units. These centre around heating and ventilation requirements.
- We need slightly more than forecast to complete the final stage upgrades of Papaioea Place Social Housing, where we are building the final seven homes and a tenants lounge.
- Streets for People – to reflect slight change in project scope we have reduced the budget for this.
- Funding is required to upgrade the Lido filtration system for the outdoor pools and slides, after it was identified that changing the filtration system was the most cost effective long-term solution to address backwash water entering the stormwater system.
- The section of James Line (between Schnell Drive to Kelvin Grove Road) needs ongoing maintenance and we consider it more cost effective to complete the full upgrade now rather than in 2025.
- We need critical equipment to ensure compost processing meets allowable methane standards.
- Due to the city's growth, we need to increase the budget slightly to cover the cost of new wheelie bins and crates.

ITEM 2 - ATTACHMENT 9



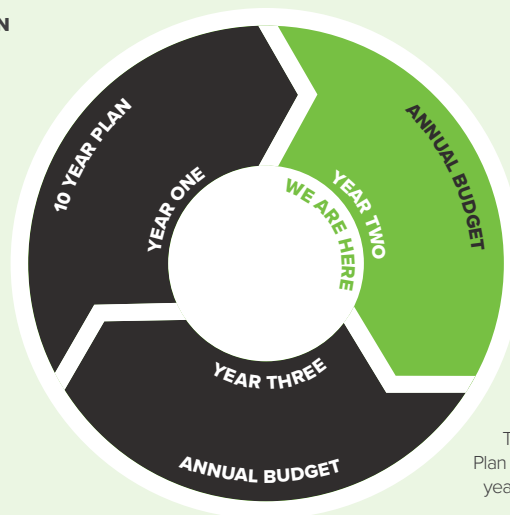
Key Points of the Annual Budget for 2022/23

- Total rates increase of **X.X per cent** (The 10 Year Plan assumed it would be 8.1 per cent).
- Residents will continue to receive the same service from Council with some minor improvements.
- Council's gross debt at **30 June 2023** now projected to be **\$XYZ million – \$XYZ million** less than previously estimated.
- Council's programme of planned capital expenditure has been reviewed and the timing for many projects deferred. Recognising resources and supply chain difficulties.

Our budgeting process

YEAR 1 OF THE 10 YEAR PLAN

Our 10 Year Plan is prepared in consultation with the community. This includes the budget for Year 1 as well as our plans for the future.



YEAR 2 OF THE 10 YEAR PLAN

An Annual Budget for the financial year is prepared and highlights any differences from the 10 Year Plan. It will also set the rates for the financial year. This will be finalised in June 2022.

YEAR 3 OF THE 10 YEAR PLAN

This is based on Year 3 of the 10 Year Plan and will set the rates for the financial year. In Year 3 pre-planning work on the upcoming 10 Year Plan begins.

WHAT IS A 10 YEAR PLAN?

The 10 Year Plan is designed to bring our vision and goals to life, and covers the services we provide, upkeep of the city's infrastructure, and new projects that'll make our city an even better place to live in. We prepare a new 10 Year Plan in consultation with residents every three years.

WHAT IS AN ANNUAL BUDGET?

Every year we prepare an Annual Budget (Annual Plan) that sets out what we plan to do in the current financial year and how this impacts on your rates and Council's debt. Our Annual Budgets are based on our 10 Year plan which sets out what council will do for residents over a ten-year period.

Last year we adopted our 2021-2031 10 Year Plan, which is the basis for this year's Annual Budget (Year 2).

Updated land values will be reflected in 2022/23

Property owners received their updated property rating valuations in December last year. These were carried out by independent valuers Quotable Value (QV) and showed that Palmy's residential market has been very buoyant since the last valuations were issued.

Our capital values (CV) have increased an average of 74 per cent since 2018 and land values (LV) by 93 per cent. The biggest increases were for properties at the lower-priced end of the residential market reflecting the fact that land in particular has become much more sought after.

The increases in values for commercial and industrial land were moderate while residential land now makes up a greater proportion of the total city land value.

These new values become the base for calculating the rates for the next year. They do not mean the Council receives more rates revenue, instead the way rates are apportioned between properties will change. But similarly, if your property's value didn't climb as much as the average your rates may actually come down.

Don't forget, if your household is on a low income you might be eligible for subsidised rates through the rates rebate scheme.



This year we are proposing a total rates increase of **XYZ** per cent.

The increase in land values varied significantly throughout the city.

To moderate the effects of this on rates, in 2022/23 Council is proposing a change which involves:

- Reducing the Uniform Annual General Charge (UAGC) from \$500 to **XYZ** per property
- Decreasing the surcharge that applies to multi-unit residential properties
- Reducing the extent of the discount given to rural and semi-serviced properties (to compensate for the reduced UAGC)
- Increasing the surcharge for non-residential properties from 165 per cent to 180 per cent.






Find out how much your rates could be
pncc.govt.nz/propertysearch



Fixed charges

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

For 2022/23 the cost for providing some key council services, which we call the fixed part of your rates, is made up of the following:

CHARGE TYPE	CHARGE 2021/22	CHARGE 2022/23	WHAT IT PAYS FOR
 UNIFORM ANNUAL GENERAL CHARGE (UAGC)	\$500	\$X	Contributes to paying for all other Council services and acts as a way of ensuring that all properties contribute a more equal share of cost rather than it all being based on the land value
 WATER	\$307	\$X	The cost of providing water
 WASTEWATER	\$296	\$X	The cost of treating and disposing of wastewater
 KERBSIDE RECYCLING	\$130	\$X	The cost of kerbside recycling
 RUBBISH AND PUBLIC RECYCLING	\$66	\$X	General rubbish and recycling costs including transfer stations, cleaning up illegal dumping, community education

Examples of rates for various property types

SINGLE UNIT RESIDENTIAL					
LOWER		AVERAGE		HIGHER	
Land Value 2021/22 \$185,000 Rates you're currently paying: \$2,474		Land Value 2021/22 \$243,000 Rates you're currently paying: \$2,842		Land Value 2021/22 \$280,000 Rates you're currently paying: \$3,077	
Land Value 2022/23 \$360,000		Land Value 2022/23 \$468,000		Land Value 2022/23 \$540,000	
Your rates under the existing system would be \$XXX,XXX	Your rates under the proposed changes would be \$XXX,XXX	Your rates under the existing system would be \$XXX,XXX	Your rates under the proposed changes would be \$XXX,XXX	Your rates under the existing system would be \$XXX,XXX	Your rates under the proposed changes would be \$XXX,XXX

TWO UNIT RESIDENTIAL					
LOWER		AVERAGE		HIGHER	
Land Value 2021/22 \$220,000 Rates you're currently paying: \$4,141		Land Value 2021/22 \$273,000 Rates you're currently paying: \$4,633		Land Value 2021/22 \$300,000 Rates you're currently paying: \$4,884	
Land Value 2022/23 \$450,000		Land Value 2022/23 \$561,000		Land Value 2022/23 \$625,000	
Your rates under the existing system would be \$XXX,XXX	Your rates under the proposed changes would be \$XXX,XXX	Your rates under the existing system would be \$XXX,XXX	Your rates under the proposed changes would be \$XXX,XXX	Your rates under the existing system would be \$XXX,XXX	Your rates under the proposed changes would be \$XXX,XXX

NON-RESIDENTIAL (COMMERCIAL/INDUSTRIAL)					
LOWER		AVERAGE		HIGHER	
Land Value 2021/22 \$230,000 Rates you're currently paying: \$5,783		Land Value 2021/22 \$708,000 Rates you're currently paying: \$16,010		Land Value 2021/22 \$790,000 Rates you're currently paying: \$17,765	
Land Value 2022/23 \$385,000		Land Value 2022/23 \$1,022,000		Land Value 2022/23 \$1,110,000	
Your rates under the existing system would be \$XXX,XXX	Your rates under the proposed changes would be \$XXX,XXX	Your rates under the existing system would be \$XXX,XXX	Your rates under the proposed changes would be \$XXX,XXX	Your rates under the existing system would be \$XXX,XXX	Your rates under the proposed changes would be \$XXX,XXX

The infographic shows rates for properties with lower, average and higher land values in each category. We've included how much you will have paid this year based on your old land value. It then shows two scenarios for what the rates would be using the new land value. One uses the existing rating system, and the other the adjusted system on pages 12-13.

These are just examples.

To find out exactly how much your rates would be visit pncc.govt.nz/propertysearch or call us on 06 356 8199.

* These examples do not include the additional wastewater pan charges where a non-residential property has more than three toilets. They also do not include Palmy Bid rate charged on properties in the City Centre.

** Includes vacant and/or unserviced non-residential or home occupations

RURAL/SEMI-SERVICED (BETWEEN 0.2 AND 5HA)					
LOWER		AVERAGE		HIGHER	
Land Value 2021/22 \$320,000 Rates you're currently paying: \$1,083		Land Value 2021/22 \$829,000 Rates you're currently paying: \$1,905		Land Value 2021/22 \$840,000 Rates you're currently paying: \$1,923	
Land Value 2022/23 \$520,000		Land Value 2022/23 \$1,373,000		Land Value 2022/23 \$1,218,000	
Your rates under the existing system would be \$XXX,XXX	Your rates under the proposed changes would be \$XXX,XXX	Your rates under the existing system would be \$XXX,XXX	Your rates under the proposed changes would be \$XXX,XXX	Your rates under the existing system would be \$XXX,XXX	Your rates under the proposed changes would be \$XXX,XXX

RURAL/SEMI-SERVICED (5HA OR MORE)					
LOWER		AVERAGE		HIGHER	
Land Value 2021/22 \$250,000 Rates you're currently paying: \$1,474		Land Value 2021/22 \$316,000 Rates you're currently paying: \$1,714		Land Value 2021/22 \$365,000 Rates you're currently paying: \$1,892	
Land Value 2022/23 \$435,000		Land Value 2022/23 \$549,000		Land Value 2022/23 \$590,000	
Your rates under the existing system would be \$XXX,XXX	Your rates under the proposed changes would be \$XXX,XXX	Your rates under the existing system would be \$XXX,XXX	Your rates under the proposed changes would be \$XXX,XXX	Your rates under the existing system would be \$XXX,XXX	Your rates under the proposed changes would be \$XXX,XXX

MISCELLANEOUS**					
LOWER		AVERAGE		HIGHER	
Land Value 2021/22 \$145,000 Rates you're currently paying: \$1,737		Land Value 2021/22 \$594,000 Rates you're currently paying: \$5,362		Land Value 2021/22 \$630,000 Rates you're currently paying: \$5,653	
Land Value 2022/23 \$295,000		Land Value 2022/23 \$916,000		Land Value 2022/23 \$965,000	
Your rates under the existing system would be \$XXX,XXX	Your rates under the proposed changes would be \$XXX,XXX	Your rates under the existing system would be \$XXX,XXX	Your rates under the proposed changes would be \$XXX,XXX	Your rates under the existing system would be \$XXX,XXX	Your rates under the proposed changes would be \$XXX,XXX

How your money is spent

How we spend the average residential city ratepayer's rates each week (based on proposed budget for 2022/23).



\$X.XX
XX.XX%

Active communities

Central Energy Trust Arena, reserves, sportsfields, swimming pools, support to recreation groups



\$X.XX
XX.XX%

Transport

Roads, footpaths, shared pathways, streetlights



\$X.XX
XX.XX%

Water

Treatment, storage, distribution



\$X.XX
XX.XX%

Resource recovery

Kerbside recycling, rubbish and public recycling



\$X.XX
XX.XX%

Arts and heritage

Arts, culture and heritage facilities (including Te Manawa, Regent) and support



\$X.XX
XX.XX%

Connected communities

Community centres, Central Energy Trust Wildbase Recovery, public toilets, support to community groups, support to community and commemorative events and social housing



\$X.XX
XX.XX%

City growth

Building and planning services, housing and future development, urban design



\$X.XX
XX.XX%

Eco-City

Environmental sustainability, Manawatū River and environs (including Esplanade), climate change mitigation and adaption



\$X.XX
XX.XX%

Safe communities

Animal control, civil defence and safer community initiatives



\$X.XX
XX.XX%

Wastewater

Collection, treatment, disposal



\$X.XX
XX.XX%

Governance and active citizenship

Mayor and Councillors, Council meetings, consultation, plans (including District Plan) and strategies, iwi relationships



\$X.XX
XX.XX%

Libraries

City and branch libraries, mobile library, youth space



\$X.XX
XX.XX%

Economic development

Economic development, international relations, Conference and Function Centre, city marketing, economic events



\$X.XX
XX.XX%

Stormwater

Flood protection

Horizons Regional Council is responsible for Manawatu River and Mangaone Stream flood protection



\$X.XX
XX.XX%

Organisational performance and strategic investments

Organisational support, Civic Administration Building and strategic investments



\$X.XX
XX.XX%

City shaping

City centre, citymaking, place activation



\$X.XX
XX.XX%

Cemeteries

Cemeteries and crematorium



\$XX.XX
per week for average ratepayer



That's X bottles of milk
or X loaves of bread

Have your say


ONLINE
pncc.govt.nz/annualbudget
  @PNCityCouncil


PHONE US
 06 356 8199


TALK WITH A COUNCILLOR
 For contact details go to pncc.govt.nz/council


VISIT US
 Call in to a library, come to a drop-in session or attend a hearing

KEY DATES	
Submissions open	21 March 2022
Submissions close	21 April 2022
Hearings	10, 12 and 13 May 2022
Committee of Council considers submissions and Budget amendments	26-27 May 2022
Council adopts Annual Budget	29 June 2022

FACEBOOK LIVE SESSION

Tuesday 12 April 6.30 - 7.30pm Join us on facebook.com/PNCityCouncil

DROP-IN SESSIONS You can ask Councillors questions about our Annual Budget.

Friday 8 April*	5 - 7pm	Palmy Conference + Function Centre 354 Main Street, Palmerston North
XYZ X April**	X - Xpm	Customer Service Centre Te Marae o Hine – 32 The Square, Palmerston North

SECTOR SESSION (Sport, Arts, Environment, Business, Community Services).

On Monday 11 April we are holding sector-focused sessions where you can come and talk with a Councillor. There will be a few key contacts from the above five sectors in attendance also.

Monday 11 April	5 - 6pm	Palmy Conference + Function Centre 354 Main Street, Palmerston North
	6 - 7pm	

HEARINGS – 10, 12 AND 13 MAY (Being held virtually due to Covid-19 guidelines)

Tuesday 10 May	9 - 11am	3.30 - 5.30pm	7 - 9pm
Thursday 12 May	9 - 11am	3.30 - 5.30pm	7 - 9pm
Friday 13 May	9 - 11am	3.30 - 5.30pm	7 - 9pm

*This drop in session will require your vaccine pass to be scanned, as per government requirements for event venues.

**The drop in session at our Customer Service Centre does not require a vaccine pass.

Submission Form

Please work your way through the submission form and answer as many questions as you want to. There is space at the end to add any general comments you want to make.

YOUR DETAILS

Name

Organisation you represent (if relevant)

Address

Phone

Email

Signature

All submissions will be acknowledged in writing and given to the Mayor and Councillors, who will consider the views and comments expressed when finalising the Annual Budget.

If you would like to make a personal presentation in support of your submission to the Mayor and Councillors, please tick up to three preferences.

	Tuesday 10 May	Thursday 12 May	Friday 13 May
9 - 11am	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.30 - 5.30pm	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 - 9 pm	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

As required by the Local Government Official Information and Meetings Act 1987, all submissions will be publicly available, including their placement on the Council's website, although you may request that your contact details (but not your name) be regarded as confidential. If you want your contact details withheld please let us know by ticking this box:

☐

YOU CAN GET YOUR SUBMISSION TO US IN ANY OF THESE WAYS

Online:

pncc.govt.nz/annualbudget

Email:

submission@pncc.govt.nz

Phone:

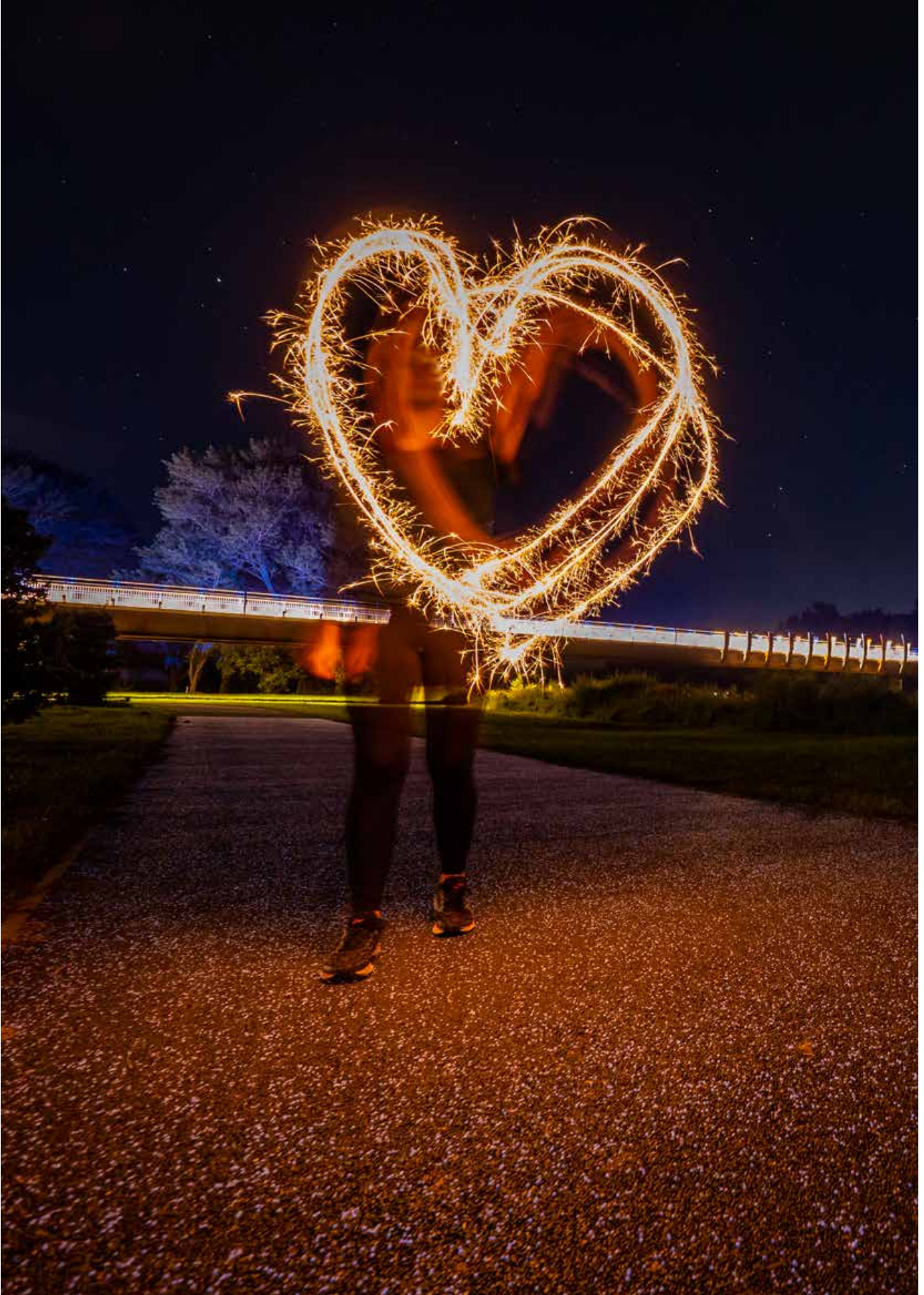
06 356 8199

Freepost:

Annual budget submissions
Palmerston North City Council
Freepost PX33317
Palmerston North DX Sort

Deliver to:

Customer Services Centre
Civic Administration Building
Te Marae o Hine -
32 The Square
Palmerston North
or to any Council library





ITEM 2 - ATTACHMENT 9



Te Kaunihera o Papaioea
Palmerston North City Council
pncc.govt.nz / info@pncc.govt.nz / 06 356 8199



PALMY

ITEM 2 - ATTACHMENT 9

Draft for CoC
2 March 2022

Supporting Information for the Proposed Annual Budget 2022/23 (Year 2 of the 10 Year Plan 2021-2031)



Annual Budget 2022/23 – Supporting Information

ANNUAL BUDGET 2022/23

(previously known as the Annual Plan)

SUPPORTING INFORMATION

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SECTION 1 – IMPLEMENTING THE 10 YEAR PLAN

This shows what we're planning to do, and how much it is expected to cost to implement 2022/23 (year two of the 10 Year Plan). It also shows any changes from what we said in year one of the 10 Year Plan.

Groups of Activities and Goals - Introduction	13
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Goal 1 Innovative & Growing City

City Growth
(includes Housing and Future Development, Urban Design)

Economic Development

Strategic Transport (Roading)

Goal 2 Creative & Exciting City

Active Communities
(includes sport and Recreation, Parks, Sportsfields and Reserves)

Arts, Culture and Heritage
(includes Arts and Cultural Organisations/Groups)

City Shaping
(includes City Making, City Centre and Placemaking)

Annual Budget 2022/23 – Supporting Information

Goal 3 Connected & Safe Community

Connected Communities
(includes Libraries, Community Centres, Community Groups and Social Housing)

Safe Communities
(includes Animal Control, Civil Defence, Public Health and Safer Community Initiatives)

Goal 4 Eco-City

Climate Change

Environmental Sustainability

Manawatu River

Resource Recovery

Waters Plan
(includes Stormwater and Wastewater)

Goal 5 Driven & Enabling Council

Good Governance and Active Citizenship
(includes Organisational Performance and Strategic Investments)

Council's Performance Framework and Rationale for KPIs

SECTION 2 – FINANCIAL AND RATING INFORMATION

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

Significant Forecasting Assumptions	91
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SECTION 3 – ADDITIONAL INFORMATION

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INTRODUCTION

- Financial Overview and Statements
- Annual Budget (Plan) Disclosure Statement

Financial Overview and Statement

Overview

The Council's Annual Budget¹ covers the period 1 July 2022 to 30 June 2023. It incorporates operating and capital expenditure for the period for the core Council entity - consolidated statements have not been prepared to include subsidiaries. In this section financial information is provided at a summary level but more detailed information for each activity and group of activities is included throughout the document.

Financial Strategy

The 10 Year Plan includes the Council's overall Financial Strategy which comprises the following elements:

- Making sure the Council's long-term financial position is sustainable
- Recognising inter-generational funding requirements
- Managing debt within defined levels
- Maintaining the infrastructure provided for the City by previous generations, for the use by current and future generations
- Ensuring financial capacity for future generations so they are able to fund high-priority programmes
- Timely provision of new infrastructure that builds capacity and enables the City to harness new development opportunities while avoiding the risks associated with over provision

The Financial Strategy has close links with the 30 Year Infrastructure Strategy which is also contained in the 10 Year Plan.

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

² Based on September 2021 BERL local government cost indicator of 2.4% plus 3% plus 2.5% (to fund increased renewals) and a rating base growth assumption of

Consistent with the Financial Strategy and its associated funding and financial policies, the Annual Budget achieves the following:

- In general terms maintains the current level of service for each of the Council activities
- An ability to maintain the condition of the City's infrastructure so that it is not being run down
- Forecasts net debt at 30 June 2023 of \$.....m - \$.....less than assumed in the 10 Year Plan (based on a forecast balance at 1 July 2022 of \$181.7m). An increase in the total rates requirement for 2022/23 of% - compared with 8.1% forecast in the 10 Year Plan.

To provide a degree of certainty to ratepayers the Financial Strategy sets limits on rate increases throughout the term of the 10 Year Plan. In addition, it sets limits on what the Council considers to be sustainable levels of debt.

The table below shows the key financial parameters for the Annual Budget compared with those for 2022/23 in the 10 Year Plan.

Parameter	10 Year Plan	Annual Budget	Limit
Increase in total rates	8.1%	%	8.3% ²
Net debt as a % of total assets	12.9%	%	< 20%
Net debt as a % of total revenue	172%	%	< 200%
Net interest as a % of total revenue	4.4%	%	< 15%

0.4%. The 10YP assumed a limit of 9.2% based on a cost indicator of 2.9% plus 3% plus 2.9% (for increased renewals) and a rating growth assumption of 0.4%.

Net interest as a % of annual rates income	5.7%	%	< 20%
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Forecast Financial Statements

The financial information contained in the Annual Budget is a forecast for the purposes of Public Benefit Entity (PBE) Financial Reporting Standard (FRS) 42. This information may not be appropriate for purposes other than those described. It has been prepared on the basis of assumptions (refer to Significant Forecasting Assumptions in section 2) as to future events that the Council reasonably expects to occur, associated with the actions it reasonably expects to take, as at the date the forecast was prepared. The actual results are likely to vary from the information presented and may vary materially depending upon the circumstances that arise during the period. The Annual Budget has been prepared in accordance with generally accepted accounting practice and the Council's accounting policies are outlined in section 3 of the 10 Year Plan. The policies incorporate the latest PBE accounting standards and the changes have had no material effect.

The Funding Impact Statements in section 2 have been prepared in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014. The regulations are not consistent with generally accepted accounting practice.

Rates revenue includes revenue from metered water and is included net of any remissions granted under the Council's Rates Remission Policy. Remissions of \$0.25 million pa have been assumed.

Legislation states that councils are required to operate a 'balanced budget' i.e. income must equal or exceed expenditure (and expenditure must include non-cash items such as depreciation). However, if a council determines that it is prudent not to have a 'balanced budget' (i.e. an operating surplus is not

required), it must make a formal decision to that effect. The decision must be a prudent one and have included consideration of levels of service and useful lifespan of assets. There are grounds for not having a surplus every year to avoid building up unnecessary cash reserves. Council's asset management plans ensure the Council is appropriately planning for renewals and its financial strategy is to make adequate financial provision to fund renewals from rates revenue. Council is making provision to fund from revenue \$.....m for capital renewals during 2022/23.

The Council's Prospective Statement of Comprehensive Revenue and Expense (next page) shows that after including capital revenue of \$.....m there remains a deficit of \$.....m. In addition the Disclosure Statement on page shows the Council will not meet the balanced benchmark of 100% - with a projected outcome of%. Using both of these tests the Council would be deemed to not have a 'balanced budget' for the year. The main reason for this is the Council has decided the budgeted cost for the implementation of a new enterprise resource planning system and digital transformation will be funded from rates over a period of seven years rather than all in the 2022/23 year. The Council believes this is a prudent and reasonable approach.

These forecast financial statements were authorised for issue by Palmerston North City Council on 16 March 2022.

Palmerston North City Council is responsible for these forecast financial statements, including the appropriateness of the assumptions underlying the forecast financial statements and all other disclosures.

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

PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

Budget		10YP	DAB
2021/22		2022/23	2022/23
\$'000s		\$'000s	\$'000s
Revenue			
Operating Revenue			
109,059	Rates	117,887	118,257
17	Interest & Dividends	17	17
4,887	Operating Subsidies & Grants	4,808	5,120
30,184	Other Operating Revenue	31,610	31,768
144,147		154,323	155,163
Capital Revenue			
14,162	Capital Subsidies & Grants	13,632	9,882
2,090	Development Contributions	2,588	2,588
2,000	Vested Assets	2,000	2,000
18,252		18,220	14,470
162,398	TOTAL REVENUE	172,542	169,632
Expenses			
111,497	Expenses	115,782	118,193
5,090	Interest	6,775	6,468
38,210	Depreciation and amortisation	40,368	38,858
154,797	TOTAL EXPENSES	162,924	163,519
7,601	SURPLUS/(DEFICIT)	9,618	6,113
Other Comprehensive Revenue and Expense			
7,066	Gain on property revaluations	21,948	46,838
14,667	TOTAL COMPREHENSIVE REVENUE AND EXPENSE	31,566	52,952

Budget		10YP	DAB
2021/22		2022/23	2022/23
\$'000s		\$'000s	\$'000s
8.2%	RATES INCREASE	8.1%	8.4%

PROSPECTIVE STATEMENT OF CHANGES IN EQUITY

Budget		10YP	DAB
2021/22		2022/23	2022/23
\$'000s		\$'000s	\$'000s
1,697,304	Opening Balance	1,711,972	1,866,758
14,667	Total Comprehensive Revenue and Expense	31,566	52,952
1,711,972		1,743,537	1,919,710

PROSPECTIVE STATEMENT OF FINANCIAL POSITION

2021/22		2022/23	2022/23
Budget		10YP	DAB
\$'000s		\$'000s	\$'000s
13,920	Current Assets	13,920	17,192
Non-Current Assets			
13,926	Investments in CCOs and industry companies	13,052	14,500
4,550	Investment Property & Other Financial Assets	5,424	6,396
1,937,344	Property, Plant & Equipment	2,022,246	28,715,140
1,969,741	TOTAL ASSETS	2,054,642	2,190,700
37,388	Current Liabilities	37,388	34,679
Non-Current Liabilities			
6,648	Employee Entitlements	6,648	6,273
212,347	Term Liabilities	265,683	228,574
1,386	Provisions	1,386	1,464

2021/22		2022/23	2022/23	Budget		10YP	DAB
	Equity				Cash Disbursed		
1,063,037	Retained Earnings	1,072,655	1,111,146	(97,994)	Capital Expenditure	(104,396)	(92,873)
648,935	Other Reserves	670,883	808,563	-	Investments	-	-
1,969,741	TOTAL LIABILITIES/EQUITY	2,054,642	2,190,700	(92,994)		(101,321)	(89,873)
PROSPECTIVE STATEMENT OF CASH FLOWS							
Budget		10YP	DAB	49,184	Cash Provided		
2021/22		2022/23	2022/23		Borrowing	53,336	46,902
\$'000s		\$'000s	\$'000s	-	Cash Disbursed		
	Operating Activities			-	Loan Repayment	-	-
	Cash Provided			49,184		53,336	46,902
109,059	Rates	117,887	118,257	-	Net Increase / (Decrease)	-	-
17	Interest	17	17	679	Cash at beginning	1,279	500
	Dividends			679	CASH AT YEAR END	1,279	500
4,887	Operating Subsidies & Grants	4,808	5,120				
30,184	Other Revenue	31,610	31,768				
14,162	Capital Subsidies & Grants	13,632	9,882				
2,090	Development Contributions	2,588	2,588				
	Cash Disbursed			2021/22		2022/23	2022/23
(5,090)	Interest	(6,775)	(6,468)	\$'000s		\$'000s	\$'000s
(111,497)	Expenses	(115,782)	(118,193)	2,750	Rates revenue shown above includes the following amounts for metered water revenue	2,800	2,800
43,811		47,986	42,972				
	Investing Activities						
	Cash Provided						
-	Investment Reductions	-	-				
5,000	From Asset Sales	3,075	3,000				

Annual Budget (Plan) Disclosure Statement

For the year ending 30 June 2022

What is the purpose of this statement?

The purpose of this statement is to disclose the Council's planned financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The Council is required to include this statement in its annual plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Benchmark		Planned	Met
Rates affordability benchmark - increases	Total rates will increase by no more than the Local Government Cost Index (LGCI) plus the growth in the rating base plus 3% (to fund the cost of higher standards and new services) plus an allowance for increased funding of asset renewal	%	Yes
Debt affordability benchmark	Net external debt as a percentage of total assets will not exceed 20%	%	Yes
Debt affordability benchmark	Net external debt as a percentage of total revenue will not exceed 200%	%	Yes
Debt affordability benchmark	Net interest as a percentage of total revenue will not exceed 15%	%	Yes
Debt affordability benchmark	Net interest as a percentage of annual rates income will not exceed 20%	%	Yes
Debt affordability benchmark	Liquidity available will exceed 110% of existing external debt	%	Yes
Balanced budget benchmark	100%	%	No
Essential services benchmark	100%	%	Yes
Debt servicing benchmark	10%	%	Yes

Notes

1 Rates affordability benchmark

- (1) For this benchmark:
 - (a) The Council's planned rates income for the year is compared with a quantified limit on rates contained in the Financial Strategy included in the Council's 10 Year Plan
 - (b) The Council's planned rates increases for the year are compared with a quantified limit on rates increases for the year contained in the Financial Strategy included in the Council's 10 Year Plan.
- (2) The Council meets the rates affordability benchmark if:
 - (a) Its planned rates income for the year equals or is less than each quantified limit on rates
 - (b) Its planned rates increases for the year equal or are less than each quantified limit on rates increases.

2 Debt affordability benchmark

- (1) For this benchmark, the Council's planned borrowing is compared with quantified limits on borrowing contained in the Financial Strategy included in the Council's 10 Year Plan.
- (2) The Council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

3 Balanced budget benchmark

- (1) For this benchmark, the Council's planned revenue (excluding development contributions, vested assets, financial contributions, gains on derivative financial instruments, and revaluations of property, plant, or equipment) is presented as a proportion of its planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

- (2) The Council meets the balanced budget benchmark if its revenue equals or is greater than its operating expenses.

4 Essential services benchmark

- (1) For this benchmark, the Council's planned capital expenditure on network services is presented as a proportion of expected depreciation on network services.
- (2) The Council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.

5 Debt servicing benchmark

- (1) For this benchmark, the Council's planned borrowing costs are presented as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).
- (2) Because Statistics New Zealand projects that the Council's population will grow slower than the national population growth rate, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 10% of its planned revenue.

SECTION 1

DETAIL OF HOW WE ARE PLANNING TO GET THERE

This shows what we’re planning to do, and how much it is expected to cost to implement 2022/23 (year two of the 10 Year Plan). It also shows any changes from what we said in year two of the 10 Year Plan.

Goals, strategies and plans

Goal 1 Innovative & Growing City

City Growth
(includes Housing and Future Development, Urban Design)

Economic Development

Strategic Transport (Roading)

Goal 2 Creative & Exciting City

Active Communities
(includes sport and Recreation, Parks, Sportsfields and Reserves)

Arts, Culture and Heritage
(includes Arts and Cultural Organisations/Groups)

City Shaping
(includes City Making, City Centre and Placemaking)

Goal 3 Connected & Safe Community

Connected Communities

(includes Libraries, Community Centres, Community Groups and Social Housing)

Safe Communities
(includes Animal Control, Civil Defence, Public Health and Safer Community Initiatives)

Goal 4 Eco-City

Climate Change

Environmental Sustainability

Manawatu River

Resource Recovery

Waters Plan
(includes Stormwater and Wastewater)

Goal 5 Driven & Enabling Council

Good Governance and Active Citizenship
(includes Organisational Performance and Strategic Investments)

Council’s Performance Framework and Rationale for KPIs

Groups of Activities

What we are planning to do during 2022/23 (year two of the 10 Year Plan) and why

The Council wants Palmerston North to be recognised for the great quality of life that its residents enjoy, and at the same time, for them to have all the lifestyle, education and business opportunities that are available in much larger cities.

This is summed up by Council's Vision:

Palmerston North: Small city benefits, Big city ambition.

The Council has five Goals that describe this Vision in more detail. Each Goal has one strategy which shows how Council will bring the Goals to life. Sitting below the Strategies are Plans that show specific actions for the next three years.

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:	Innovative and growing city	Creative and liveable	Connected communities	Eco city	Driven and enabling council
Plans:	Transport City growth Economic development	Active Communities City shaping Arts and heritage	Connected communities Safe communities	Environmental sustainability Waters Climate change Resource recover Manawatu river	Performance Governance and active citizenship

The Council works on these Strategies and Plans through Activities. Activities are defined in the Local Government Act as goods and services provided by the Council. The Act requires similar Activities to be put together into Groups of Activities for budget purposes.

A guide to the programmes within this section

Rounding

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

Operating programmes

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

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

Capital programmes

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

Programme descriptions

For a more detailed description of the programmes, see our website pncc.govt.nz search Annual Budget or ask for a copy through the Customer Services Centre on 06 356 8199.

Information/main reason for change

Where a programme has changed from the 10 Year Plan, a reason has been noted.

Abbreviations

The following abbreviations appear throughout this section:

10YP - 10 Year Plan

DAB – Proposed Annual Budget

Key

Below is the key to the symbols you will see alongside each programme within this section.

WHAT'S IN	✓
No change to timing - any budget change indicated	
WHAT'S OUT (DELETED)	✗
Explanation indicated	
WHAT'S BEING DONE LATER	>
New year and explanation indicated	
WHAT'S BEING DONE EARLIER	<
New year and explanation indicated	
WHAT'S NEW IN 2022/23	☀
Explanation indicated	

**Key points and highlights of proposed Annual Budget
2022/23**

We've added...

(to be updated following CoC 2 March 2022)

We're undertaking...

**What's changed from what we proposed in the 10 Year
Plan?**

We're deferring...

We're continuing...

We've removed...

We're bringing forward...

We're increasing...

Activity Financial Statements			
Budget	<u>Whole of Council</u>	10YP	AB
2021/22		2022/23	2022/23
\$'000s		\$'000s	\$'000s
Revenue			
	<u>Innovative & Growing City</u>		
6,049	City Growth	6,200	6,440
1,136	Economic Development	1,164	1,164
	<u>Creative & Exciting City</u>		
2,813	Active Communities	3,197	3,172
96	Arts and Heritage	98	98
	City Shaping		
	<u>Connected & Safe Community</u>		
4,789	Connected Communities	4,911	5,084
866	Safe Communities	887	947
	<u>Eco-City</u>		
-	Climate change mitigation and adaption	-	-
-	Environmental sustainability	-	-
10	Manawatu River	10	10
3,105	Resource Recovery	3,232	2,907
-			
8,825	Roading	9,139	9,385
1,197	Active and Public Transport	1,181	1,163
95	<u>Water</u>	98	96
1,431	<u>Wastewater</u>	1,243	1,363
6	<u>Stormwater</u>	6	6
	<u>Driven & Enabling Council</u>		
220	Governance and Active Citizenship	360	360
401	Organisational performance	410	410
4,051	Strategic Investments	4,298	4,298
35,088	Total Revenue	36,436	36,906
Expenses			

	<u>Innovative & Growing City</u>		
9,847	City Growth	10,181	10,420
5,477	Economic Development	5,660	5,745
	<u>Creative & Exciting City</u>		
20,404	Active Communities	21,085	23,118
8,914	Arts and Heritage	9,191	9,832
624	City Shaping	1,018	683
	<u>Connected & Safe Community</u>		
23,084	Connected Communities	23,834	24,484
2,274	Safe Communities	2,506	2,339
	<u>Eco-City</u>		
222	Climate change mitigation and adaption	289	230
1,005	Environmental sustainability	1,060	1,015
142	Manawatu River	403	158
8,416	Resource Recovery	9,156	9,648
	<u>Transport</u>		
26,144	Roading	27,789	26,754
5,817	Active and Public Transport	6,391	4,738
8,938	<u>Water</u>	9,487	9,531
11,940	<u>Wastewater</u>	12,216	11,105
4,435	<u>Stormwater</u>	4,921	4,380
	<u>Driven & Enabling Council</u>		
9,214	Governance and Active Citizenship	9,083	9,595
3,110	Organisational performance	3,602	4,463
4,791	Strategic Investments	5,053	5,279
154,797	Total Expenses	162,924	163,519
<hr/>			
119,709	NET OPERATING COST OF ACTIVITY GROUPS	126,489	126,613
	Rating Requirement		
(38,210)	Less Depreciation	(40,368)	(38,858)
(3,324)	Less Transfers To/(From) Reserves	(3,472)	(3,411)

25,440	Plus Net Capital Renewal (3 Year Average)	28,565	28,181
5,443	Plus Debt Repayment	6,673	5,732
109,059	RATES REQUIREMENT	117,887	118,257
8.2%		8.1%	8.4%
	<u>Capital Expenditure</u>		
	<u>Capital Renewals</u>		
	<u>Innovative & Growing City</u>		
-	City Growth	-	-
661	Economic Development	221	221
	<u>Creative & Exciting City</u>		
4,144	Active Communities	4,791	4,733
885	Arts and Heritage	627	627
	City Shaping		
	<u>Connected & Safe Community</u>		
2,874	Connected Communities	2,715	2,715
131	Safe Communities	513	513
	<u>Eco-City</u>		
	Climate change mitigation and adaption		
	Environmental sustainability		
2	Manawatu River	6	6
421	Resource Recovery	432	393
	<u>Transport</u>		
5,336	Roading	4,831	7,285
872	Active and Public Transport	899	899
4,376	<u>Water</u>	4,925	4,925
5,040	<u>Wastewater</u>	4,459	3,820
875	<u>Stormwater</u>	818	818
	<u>Driven & Enabling Council</u>		
	Governance and Active Citizenship		
2,581	Organisational performance	2,079	2,079
2,320	Strategic Investments	2,882	2,137
30,518	Total Capital Renewals	30,196	31,169

Capital New

<u>Innovative & Growing City</u>			
-	City Growth	-	-
15	Economic Development	7	-
<u>Creative & Exciting City</u>			
3,768	Active Communities	5,197	3,984
2,618	Arts and Heritage	6,162	3,662
4,470	City Shaping	4,411	2,960
<u>Connected & Safe Community</u>			
4,569	Connected Communities	3,779	3,611
2,320	Safe Communities	2,125	2,125
<u>Eco-City</u>			
1,040	Climate change mitigation and adaption	1,066	1,066
105	Environmental sustainability	108	108
2,671	Manawatu River	3,342	713
770	Resource Recovery	459	970
<u>Transport</u>			
17,461	Roading	20,228	26,187
5,631	Active and Public Transport	6,070	2,433
7,724	<u>Water</u>	8,352	5,344
5,826	<u>Wastewater</u>	6,024	6,020
7,062	<u>Stormwater</u>	6,003	1,423
<u>Driven & Enabling Council</u>			
80	Governance and Active Citizenship	-	230
836	Organisational performance	570	570
511	Strategic Investments	296	296
67,476	Total Capital New	74,200	61,704
97,994	Total Capital Expenditure	104,396	92,873

Funded By

4,719	External Revenue Renewal	2,742	2,742
9,443	External Revenue New	10,890	7,140
2,090	Development Contributions	2,588	2,588
5,000	Asset Sales	3,075	3,000
25,440	Rates	28,565	28,181
51,302	New Borrowing / (Repayment)	56,537	49,223
97,994	Total	104,396	92,873

Economic Development - Activity Financial Statements			
Budget 2021/22 \$'000s		10YP 2022/23 \$'000s	AB 2022/23 \$'000s
INFORMATION / MAIN REASON FOR CHANGE			
Revenue			
910	Conference & Function Centre	933	933
126	Economic Development	129	129
100	City Marketing	103	103
1,136	Total Revenue	1,164	1,164
Expenses			
1,875	Conference & Function Centre	1,932	1,964
2,345	Economic Development	2,405	2,430
466	International Relations	511	516
590	City Marketing	607	629
200	Economic Events	205	205
5,477	Total Expenses	5,660	5,745
4,341	NET OPERATING COST OF ACTIVITY	4,496	4,581
Rating Requirement			
(470)	Less Depreciation	(492)	(564)
618	Plus Net Capital Renewal (3 Year Average)	472	473
7	Plus Debt Repayment	9	9
4,497	RATES REQUIREMENT	4,485	4,498
Capital Expenditure			
661	Renewal	221	221
15	New	7	-
676	Total Capital Expenditure	228	221
Funded By			
618	Rates	472	473

58	New Borrowing / (Repayment)	(244)	(252)
676	Total	228	221

Economic Development - Operational**10YP
2022/23 AB
2022/23**

Status	ID-Name	\$'000s	\$'000s	Information / Main reason for change
✓	1344-Major Events Fund	205	205	
✓	1480-Sponsorship Opportunities for Council with economic benefits	53	52	
✓	1842-Information Centre - Building Maintenance	31	30	
✓	1983-Conference & Function Centre - Building Maintenance	21	20	
		310	307	-

Economic Development - Capital Renewal**10YP
2022/23 AB
2022/23**

Status	ID-Name	\$'000s	\$'000s	Information / Main reason for change
✓	251-Conference & Function Centre - Replacement of Equipment	37	37	
✓	664-Conference & Function Centre - Renewals	103	103	
✓	1166-Conference & Function Centre - Equipment Purchases	72	72	
✓	1730-Information Centre - Building Renewals	10	10	
		221	221	-

Economic Development - Capital New**10YP
2022/23 AB
2022/23**

Status	ID-Name	\$'000s	\$'000s	Information / Main reason for change
--------	---------	---------	---------	--------------------------------------

➤	1535-City-wide - Campervan Dump Stations	7	- Strategy for dump stations yet to be determined and scoped. Moved budget out one year.
		7	-

Active Communities - Activity Financial Statements			
Budget 2021/22 \$'000s		10YP 2022/23 \$'000s	AB 2022/23 \$'000s
INFORMATION / MAIN REASON FOR CHANGE			
Revenue			
1,925	Central Energy Trust Arena	1,977	1,952
557	City Reserves	880	880
131	Local Reserves	135	135
120	Sportsfields	123	123
80	Swimming Pools	82	82
2,813	Total Revenue	3,197	3,172
Expenses			
6,614	Central Energy Trust Arena	6,698	6,805
3,798	City Reserves	4,043	5,271
3,359	Local Reserves	3,654	3,908
3,174	Sportsfields	3,245	3,309
1,037	Support to recreation groups	994	1,026
2,424	Swimming Pools	2,451	2,799
20,404	Total Expenses	21,085	23,118
17,591	NET OPERATING COST OF ACTIVITY	17,888	19,946
Rating Requirement			
(5,820)	Less Depreciation	(5,937)	(6,447)
4,492	Plus Net Capital Renewal (3 Year Average)	4,469	4,441
1,027	Plus Debt Repayment	1,149	1,225
17,289	RATES REQUIREMENT	17,570	19,165
Capital Expenditure			
4,144	Renewal	4,791	4,733

Changes in the way labour costs are allocated has resulted in a change of cost structure for each of these sub activities.

3,768	New	5,197	3,984
7,912	Total Capital Expenditure	9,988	8,716
Funded By			
20	External Revenue New	95	-
325	Development Contributions	283	283
4,492	Rates	4,469	4,441
3,075	New Borrowing / (Repayment)	5,141	3,992
7,912	Total	9,988	8,716

Active Communities - Operational

Status	ID-Name	10YP	AB	Information / Main reason for change
		2022/23 \$'000s	2022/23 \$'000s	
✓	355-Arapuke Forest Management	53	53	
✓	799-Events - Major School Sports Events funding (part of Sports Events Partnership Fund)	92	92	
✓	1073-City-wide - Reserve Management Planning	66	66	
✓	1249-Arapuke Forest Park - Contribution to Manawatu Mountain Bike Club for Trail Development	62	62	
✓	1422-Regional Sports Facilities Plan - Investment Process Management (Sport Manawatu)	21	20	
✓	1424-Active Community Access Fund - Low Income Opportunities	10	10	
✓	1431-Walkways and Shared Paths - Art and Heritage Trails	6	6	
✓	1611-Free Swimming for Under 5 Year Olds	151	151	
✓	1726-Property - Condition Assessments	21	20	
✓	1728-Property - Underground Services Investigations	26	25	
➤	1885-Asset Management Improvement Plan Task Programme	411	261	Partial budget deferred one year.
✓	1899-Aquatic facilities and water recreation preliminary feasibility study/needs assessment	51	51	
✓	1913-Review of the Manawatu-Whanganui Regional Sport Facility Plan (PNCC contribution)	21	20	
✓	1973-Arena - Building Maintenance	195	195	

✓	1981-City-wide Reserves - Building Maintenance	82	82	
✓	1985-Swimming Pools - Splashhurst Pool Maintenance Costs	30	29	
✓	1992-Sportsfields - Building Maintenance	46	45	
✓	1997-City Reserves- Memorial Park - Operate New Splashpad	23	22	
✓	2000-City Reserves - Walkways - Maintain existing network	30	29	
✓	2005-Local Reserves - Operation and Maintenance of new assets	98	98	
✓	2011-City Reserves - Victoria Esplanade - Operating Costs	46	45	
✓	2114-Sports Event Partnership Increased Funding	41	40	
*	2125-Support for Manawatu Jets	-	35	Council decision (15/09/2021) to provide funding for five years of \$10,000 per annum and provide venue hire in kind for three years but up to five years upon negotiation.
		1,581	1,457	-

Active Communities - Capital Renewal

		10YP	AB	
		2022/23	2022/23	
Status	ID-Name	\$'000s	\$'000s	Information / Main reason for change
✓	819-Central Energy Trust Arena - Replacement of Equipment	46	46	
✓	1051-CET Arena - Arena Renewals	1,407	1,407	
✓	1759-CET Arena - Grounds Renewals	46	46	
✓	1786-Recreational Buildings - Sports Pavilion and Changing Room Renewals	205	205	

✓	1827-Local Reserves - Renewals	756	698	Purchase of playground equipment was brought in 21/22 to allow construction commencement as soon as practical in 22/23.
✓	1829-Sportsfields and Artificial Turfs - Renewals	258	258	
✓	1830-City Reserves - Memorial Park - Renewals	267	267	
✓	1831-City Reserves - Te Marae o Hine - The Square - Renewals	73	73	
✓	1832-City Reserves - Ashhurst Domain - Renewals	36	36	
✓	1834-City Reserves - Walkways - Renewals	99	99	
✓	1835-City Reserves - Linklater Reserve - Renewals	62	62	
✓	1837-Swimming Pools - Pool Renewals	638	638	
✓	1840-City Reserves - Victoria Esplanade- Renewals	332	332	
✓	1960-Central Energy Trust Arena- Arena 1 Sound System Replacement-oval	205	205	
✓	1962-Arena Security Card System	51	51	
✓	1964-Arena Indoor Stadium Sound System Replacement	154	154	
✓	1965-Arena Kitchen Equipment Replacement	154	154	
		4,791	4,733	-

Active Communities - Capital New

Status	ID-Name	10YP 2022/23 \$'000s	AB 2022/23 \$'000s	Information / Main reason for change
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✓	111-Local Reserves - Roslyn - Edwards Pit Park Development	36	36	
✓	165-Outdoor Adventure Reserves - Arapuke Forest Park/Kahuterawa Development	7	7	
➤	558-Urban Growth - Local Reserves - Takaro - Oriana Reserve Development	101	-	- Reserve development budget moved out 1 year to 2023/24.
✓	967-City-wide - Edibles Planting	5	5	
✓	1099-Parks and Reserves - Shade Development	31	31	
➤	1133-Sportsfields - Artificial Football Field (subject to part external funding)	190	-	- Awaiting results of feasibility study. External funding not yet secured. Delayed one year.
➤	1560-Sportsfields - Bill Brown Park - Additional Carparking	231	35	Design will take 2022/23 year - construction moved out to 2023/24
✓	1845-City Growth - City Reserves - Te Marae o Hine - The Square - Capital New	162	162	
✓	1846-City Growth - City Reserves - Walkway Extensions - Capital New	324	324	
✓	1848-City Growth - City Reserves - Linklater Reserve - Capital New	103	103	
✓	1850-City Growth - City Reserves - Memorial Park - Capital New	225	225	
✓	1851-Sportsfield Improvements - Capital New	12	12	
✓	1852-Local Reserves - Improvements to existing reserves to close identified level of service gaps	154	154	
✓	1853-Local Reserves - Development of Existing Reserves - Capital New	27	27	
✓	1856-Urban Growth - Hokowhitu - Reserves - Purchase and Development	444	444	

➤	1857-Urban Growth - Kakatangita - Kikiwhenua - Reserves - Purchase and Development	2,091	1,295	Budget moved to 2023/24.
✓	1859-Urban Growth - Whakarongo - Reserves Purchase and Development	28	28	
➤	1860-Urban Growth - Ashhurst - Reserves Purchase and Development	466	-	Budget moved to 2023/24.
✓	1884-Local Reserves - Accessibility and Safety Improvements	102	102	
➤	2006-City Centre Play - Fixed Play Development	72	-	Budget moved to 2023/24.
➤	2043-Urban Growth - Napier Road Extension - Reserve and walkways purchase and development	388	-	Budget moved to 2023/24.
*	2138-Lido Backwash Compliance	-	996	Compliance issues have given rise to a change in discharge approach.
		5,197	3,984	-

Arts and Heritage - Activity Financial Statements			
Budget 2021/22		10YP 2022/23	AB 2022/23
\$'000s		\$'000s	\$'000s INFORMATION / MAIN REASON FOR CHANGE
Revenue			
-	Heritage Management	-	-
1	Other Cultural Facilities	1	1
64	Support to arts, culture & heritage groups	66	66
31	Te Manawa	32	32
96	Total Revenue	98	98
Expenses			
195	Heritage Management	200	335
2,160	Other Cultural Facilities	2,344	2,535
2,213	Support to arts, culture & heritage groups	2,203	2,226
4,346	Te Manawa	4,444	4,736
8,914	Total Expenses	9,191	9,832
8,818	NET OPERATING COST OF ACTIVITY	9,093	9,734
Rating Requirement			
(2,049)	Less Depreciation	(2,100)	(2,615)
650	Plus Net Capital Renewal (3 Year Average)	534	533
181	Plus Debt Repayment	243	197
7,600	RATES REQUIREMENT	7,770	7,850
Capital Expenditure			
885	Renewal	627	627
2,618	New	6,162	3,662
3,503	Total Capital Expenditure	6,789	4,289

Funded By			
650	Rates	534	533
2,853	New Borrowing / (Repayment)	6,254	3,755
3,503	Total	6,789	4,289

Arts and Heritage - Operational		10YP	AB	
		2022/23	2022/23	
Status	ID-Name	\$'000s	\$'000s	Information / Main reason for change
✓	778-Arts Initiatives	35	34	
✓	1323-Heritage Digitization Programme (City Library)	51	51	
✓	1447-Earthquake prone heritage building fund	155	155	
✓	1464-Massey Arts Funding	10	10	
✓	1469-Local Heritage Programmes	16	15	
✓	1501-Public Sculptures Trust Funding	51	50	
✓	1536-Regent Theatre - Trustee Meeting Fee Grant	6	6	
✓	1537-Caccia Birch - Trustee Meeting Fee Grant	6	6	
✓	1538-Globe Theatre - Trustee Meeting Fee Grant	5	5	
✓	1554-Military Heritage Commemorations	8	8	
✓	1573-Arts Event Fund	51	50	
✓	1824-Care and Maintenance of Public Art and Historic Objects	24	24	
✓	1988-Creative Sounds - Building Maintenance	10	10	
*	2130-Heritage Advisory Panel – Support delivery of heritage programme	-	135	As directed by the 17 November Arts, Culture and Heritage Committee. To seek to address additional heritage issues.
		430	560	-

Arts and Heritage - Capital Renewal		10YP	AB	
		2022/23	2022/23	
Status	ID-Name	\$'000s	\$'000s	Information / Main reason for change
✓	213-Cultural Facilities - Renewals	616	616	

✓	1144-Manawatu Heritage (Archives Digital Repository) Renewal	10	10	
		627	627	-

Arts and Heritage - Capital New

		10YP 2022/23 \$'000s	AB 2022/23 \$'000s	Information / Main reason for change
Status	ID-Name			
➤	902-Property - Seismic Strengthening of Council Properties	6,162	3,662	Next stage will commence 2022/23. Deferral to reflect contract spend lead in time.
		6,162	3,662	-

City Shaping - Activity Financial Statements			
Budget 2021/22		10YP 2022/23	AB 2022/23
\$'000s		\$'000s	\$'000s INFORMATION / MAIN REASON FOR CHANGE
Revenue			
-	City Centre	-	-
-	Total Revenue	-	-
Expenses			
381	City Centre	769	434 Small alteration to allocation of depreciation.
110	Place activation	112	112
133	Placemaking	136	137
624	Total Expenses	1,018	683
624	NET OPERATING COST OF ACTIVITY	1,018	683
Rating Requirement			
(5)	Less Depreciation	(200)	(16)
39	Plus Debt Repayment	154	43
658	RATES REQUIREMENT	972	710
Capital Expenditure			
4,470	New	4,411	2,960
4,470	Total Capital Expenditure	4,411	2,960
Funded By			
1,509	External Revenue New	2,231	-
2,961	New Borrowing / (Repayment)	2,180	2,960
4,470	Total	4,411	2,960

City Shaping - Operational

Status	ID-Name	10YP	AB	Information / Main reason for change
		2022/23 \$'000s	2022/23 \$'000s	
✓	1167-Placemaking Co-created Project (operational)	36	35	
✓	1273-Palmy Unleashed	77	77	
✓	2017-Citycentre Pop Up Play	31	30	
✓	2054-Funding Palmy BID group	257	250	
		401	392	-

City Shaping - Capital New

Status	ID-Name	10YP	AB	Information / Main reason for change
		2022/23 \$'000s	2022/23 \$'000s	
✓	1330-Placemaking Co-created Project (capital)	16	16	
✓	1476-City Centre Laneways Programme	21	21	
✓	2122-CBD Streets for People	4,375	2,924	Construction contract award anticipated prior to end of 2021/22. Planning currently underway to minimise construction supply delays. Reduced scope reflecting lack of previously assumed external funding.
		4,411	2,960	-

Governance and Active Citizenship - Activity Financial Statements			
Budget		10YP	AB
2021/22		2022/23	2022/23
\$'000s		\$'000s	\$'000s
INFORMATION / MAIN REASON FOR CHANGE			
Revenue			
10	Councillor Meetings and Administration	10	10
210	Direction Setting	215	215
-	Elections	134	134
220	Total Revenue	360	360
Expenses			
2,343	Councillor Meetings and Administration	2,317	2,532
5,372	Direction Setting	4,953	5,176
27	Elections	301	381
1,472	Mayoral and Chief Executive's Office	1,512	1,507
9,214	Total Expenses	9,083	9,595
8,994	NET OPERATING COST OF ACTIVITY	8,723	9,235
Rating Requirement			
(3)	Less Depreciation	(11)	(6)
19	Plus Debt Repayment	8	1
9,010	RATES REQUIREMENT	8,720	9,230
Capital Expenditure			
80	New	-	230
80	Total Capital Expenditure	-	230
Funded By			
80	New Borrowing / (Repayment)	-	230
80	Total	-	230

Governance and Active Citizenship - Operational		10YP	AB	
		2022/23	2022/23	
Status	ID-Name	\$'000s	\$'000s	Information / Main reason for change
✓	1190-Smokefree Education	5	5	
✓	1911-Strategic monitoring	87	87	
✓	1922-Elections- Representation Review	15	15	
✓	1936-Funding for Section 17a Review	31	30	
*	2135-LGNZ Conference	-	21	
*	2139-Delivering Residential and Industrial Growth Planning	-	200	Resources are available to advance District Plan Change proposals through the RMA process in a timely manner.
		138	358	-

Governance and Active Citizenship - Capital New		10YP	AB	
		2022/23	2022/23	
Status	ID-Name	\$'000s	\$'000s	Information / Main reason for change
*	1676-Improve participation in Council and Committee meetings	-	150	Original budget is insufficient to provide and acceptable solution.
➤	2096-C/fwd - Improve participation in Council and Committee meetings	-	80	Carry forward balance of programme 1676-Improve participation in Council and Committee meetings from 2021/22.
		-	230	-

Connected Communities - Activity Financial Statements			
Budget 2021/22		10YP 2022/23	AB 2022/23
\$'000s		\$'000s	\$'000s INFORMATION / MAIN REASON FOR CHANGE
Revenue			
735	Cemeteries	755	755
139	Community Centres	142	142
275	Libraries	282	493
2,939	Social Housing	3,012	3,016
52	Central Energy Trust Wildbase	53	53
40	Community & Commemorative Events	41	Correction to budget. Income not earned from - these types of events.
610	Public Health	625	625
4,789	Total Revenue	4,911	5,084
Expenses			
1,350	Cemeteries	1,368	1,327
1,127	Community Centres	1,061	1,088
9,956	Libraries	10,205	9,923
482	Public toilets	589	795
3,525	Social Housing	3,742	Increased property value results in increased depreciation expense.
2,394	Support to community groups	2,459	2,445
928	Central Energy Trust Wildbase	954	969
1,318	Community & Commemorative Events	1,375	1,608
2,004	Public Health	2,081	2,040
23,084	Total Expenses	23,834	24,484
18,295	NET OPERATING COST OF ACTIVITY	18,923	19,399
Rating Requirement			
(3,661)	Less Depreciation	(3,802)	(4,013)

1,989	Plus Net Capital Renewal (3 Year Average)	2,209	2,205
489	Plus Debt Repayment	577	492
17,113	RATES REQUIREMENT	17,907	18,083
Capital Expenditure			
2,874	Renewal	2,715	2,715
4,569	New	3,779	3,611
7,443	Total Capital Expenditure	6,494	6,326
Funded By			
253	External Revenue New	613	-
1,989	Rates	2,209	2,205
5,201	New Borrowing / (Repayment)	3,672	4,121
7,443	Total	6,494	6,326

Connected Communities - Operational		10YP	AB	
		2022/23	2022/23	
Status	ID-Name	\$'000s	\$'000s	Information / Main reason for change
✓	812-Youth Council Grants and Scholarships	9	9	
✓	1157-Military Heritage Commemorations (Events)	28	40	Current budget inadequate to provide resources for ANZAC parades.
✓	1262-Ashhurst Christmas Lights	2	2	
✓	1448-Welcoming Communities	103	103	
✓	1463-Play Palmy	5	5	
✓	1465-Contestable Community Events Fund	26	26	
✓	1506-Community Events	444	604	\$100k to re-instate to pre covid levels and \$60k for cultural events.
✓	1574-Hancock Community House Management Fund	63	61	
✓	1935-Cats - Public Education & Colonies Management	15	15	
✓	1941-City Library (all sites) - Removal of overdue fines (Youth and Childrens)	41	40	
✓	1952-Companion Card	10	10	
✓	1980-CET Wildbase Recovery Centre - Building Maintenance	37	36	
✓	1982-Library - Building Maintenance	52	52	
✓	1987-Community Centres - Building Maintenance	20	19	
✓	1991-Public Toilets - Building Maintenance	94	94	
✓	2020-Cemeteries - Digitisation of historical cemetery records	21	20	
✓	2023-Increase to Community Development Small Grants Fund #2	62	61	

✓	2115-Social Housing restrict rents to a maximum of 25% of the tenant's benefit or NZ superannuation	144	140	
✓	2116-Funding for Strategic Priority Grants (increased funding)	136	136	
		1,312	1,472	-

Connected Communities - Capital Renewal

Status	ID-Name	10YP	AB	Information / Main reason for change
		2022/23 \$'000s	2022/23 \$'000s	
✓	40-Noise Measuring Equipment for Noise Complaints - Rolling Replacement	46	46	
✓	178-City Library (all sites) Replacement of Shelving, Furniture and Equipment	104	104	
✓	180-Social Housing - Renewals	513	513	
✓	186-Public Toilets - Renewals	164	164	
✓	188-City Library Replacement and Purchase of Library Materials	796	796	
✓	202-Central Library Interior Design Renewals	103	103	
✓	203-Community Libraries, Youth Space, Blueprint and Mobile Library Interior Design Renewals	31	31	
✓	265-Community Centres - Renewals	308	308	
✓	1120-Community Libraries - Renewals	51	51	
✓	1136-CET Wildbase Recovery Centre - Renewals	103	103	
✓	1138-Digital Technology to Support 21st Century Citizens and Service (Renewal)	73	73	
✓	1269-Bylaw Signage - Replacement	6	6	
✓	1742-Social Housing - Grounds Renewals	31	31	

✓	1744-Social Housing - Hard Surface Renewals	103	103	
✓	1769-Community Agency Facilities - Renewals	51	51	
✓	1775-Central Library - Renewals	103	103	
✓	1796-Cemeteries - Building Renewals	41	41	
✓	1828-Cemeteries - Non-Building Asset Renewals	88	88	
		2,715	2,715	-

Connected Communities - Capital New		10YP	AB	
		2022/23	2022/23	
Status	ID-Name	\$'000s	\$'000s	Information / Main reason for change
➤	1130-Urban Growth - City West - New Community Centre	866	-	Programme can not proceed until the greater strategic growth planning is completed for this area. Moved programme out to next 10YP to reassess appropriate timing.
✓	1196-Cemeteries - Kelvin Grove - Renewal of staff facilities	252	252	
✓	1743-Social Housing - Papaioea Place Redevelopment - Stage 3	2,050	2,551	To correct budget to account for GST payable.
✓	1833-City Growth - Cemeteries - Extensions to burial and ashes areas to meet demand	200	200	
✓	1896-Social Housing - Healthy Homes Compliance Items Purchase	410	607	To correct budget to account for GST payable.
✓	1948-Events and Festival Equipment Purchase	2	2	
		3,779	3,611	-

Safe Communities - Activity Financial Statements				
Budget 2021/22 \$'000s		10YP 2022/23 \$'000s	AB 2022/23 \$'000s	INFORMATION / MAIN REASON FOR CHANGE
Revenue				
866	Animal Control	887	947	
866	Total Revenue	887	947	
Expenses				
957	Animal Control	1,178	1,033	
892	Civil Defence	915	907	
424	Safer Community Initiatives	413	400	
2,274	Total Expenses	2,506	2,339	
1,408	NET OPERATING COST OF ACTIVITY	1,619	1,392	
Rating Requirement				
(24)	Less Depreciation	(115)	(177)	
236	Plus Net Capital Renewal (3 Year Average)	242	242	
75	Plus Debt Repayment	127	103	
1,695	RATES REQUIREMENT	1,873	1,560	
Capital Expenditure				
131	Renewal	513	513	
2,320	New	2,125	2,125	
2,451	Total Capital Expenditure	2,638	2,638	
Funded By				
236	Rates	242	242	
2,216	New Borrowing / (Repayment)	2,396	2,396	
2,451	Total	2,638	2,638	

Safe Communities - Operational		10YP	AB	Information / Main reason for change
Status	ID-Name	2022/23 \$'000s	2022/23 \$'000s	
✓	1458-New MPI Code of Welfare compliance	58	58	
✓	1539-City Ambassadors	36	35	
		94	93	-

Safe Communities - Capital Renewal		10YP	AB	Information / Main reason for change
Status	ID-Name	2022/23 \$'000s	2022/23 \$'000s	
✓	1512-CCTV replacements	513	513	
		513	513	-

Safe Communities - Capital New		10YP	AB	Information / Main reason for change
Status	ID-Name	2022/23 \$'000s	2022/23 \$'000s	
✓	1552-Animal Shelter - New Building	2,125	2,125	
		2,125	2,125	-

Climate change mitigation and adaption - Activity Financial Statements

Budget 2021/22 \$'000s		10YP 2022/23 \$'000s	AB 2022/23 \$'000s	INFORMATION / MAIN REASON FOR CHANGE
Revenue				
-	Climate change mitigation and adaption	-	-	
-	Total Revenue	-	-	
Expenses				
222	Climate change mitigation and adaption	289	230	
222	Total Expenses	289	230	
222	NET OPERATING COST OF ACTIVITY	289	230	
Rating Requirement				
-	Less Depreciation	(33)	-	
-	Plus Debt Repayment	23	23	
222	RATES REQUIREMENT	278	253	
Capital Expenditure				
1,040	New	1,066	1,066	
1,040	Total Capital Expenditure	1,066	1,066	
Funded By				
1,040	New Borrowing / (Repayment)	1,066	1,066	
1,040	Total	1,066	1,066	

Climate change mitigation and adaption - Operational		10YP	AB	
		2022/23	2022/23	
Status	ID-Name	\$'000s	\$'000s	Information / Main reason for change
✓	1920-Climate Change and Sustainability Resource	103	103	
		103	103	-

Climate change mitigation and adaption - Capital New		10YP	AB	
		2022/23	2022/23	
Status	ID-Name	\$'000s	\$'000s	Information / Main reason for change
✓	1888-Low Carbon Fund	1,025	1,025	
✓	1924-Improving remote monitoring capabilities	41	41	
		1,066	1,066	-

Manawatu River - Activity Financial Statements			
Budget 2021/22 \$'000s		10YP 2022/23 \$'000s	AB 2022/23 \$'000s
INFORMATION / MAIN REASON FOR CHANGE			
Revenue			
10	Manawatu River	10	10
10	Total Revenue	10	10
Expenses			
142	Manawatu River	403	158
142	Total Expenses	403	158
132	NET OPERATING COST OF ACTIVITY	393	148
Rating Requirement			
-	Less Depreciation	(105)	-
12	Plus Net Capital Renewal (3 Year Average)	12	12
-	Plus Debt Repayment	75	61
144	RATES REQUIREMENT	375	221
Capital Expenditure			
2	Renewal	6	6
2,671	New	3,342	713
2,673	Total Capital Expenditure	3,348	719
Funded By			
12	Rates	12	12
2,661	New Borrowing / (Repayment)	3,336	707
2,673	Total	3,348	719

Significant delays in capital expenditure results in lower depreciation and interest expense.

Manawatu River - Operational		10YP	AB	
		2022/23	2022/23	
Status	ID-Name	\$'000s	\$'000s	Information / Main reason for change
✓	1486-City Reserves - Te Apiti Manawatu Gorge Development	51	50	
✓	1998-City Reserves - Manawatu River Park - Operation and Maintenance	39	38	
		90	88	-

Manawatu River - Capital Renewal		10YP	AB	
		2022/23	2022/23	
Status	ID-Name	\$'000s	\$'000s	Information / Main reason for change
✓	1825-City Reserves - Manawatu River Park - Renewals	6	6	
		6	6	-

Manawatu River - Capital New		10YP	AB	
		2022/23	2022/23	
Status	ID-Name	\$'000s	\$'000s	Information / Main reason for change
➤	1435-City Reserves - Manawatu River Park - Water Front Precinct Lighting	924	-	The process to select artists, finalise costs and secure commissions, will take the next 12 months.
✓	1844-City Growth - City Reserves - Manawatu River Park - Capital New	703	703	
✓	1892-City Growth - City Reserves - Manawatu River Park - Hokowhitu Lagoon Development Plan	10	10	
➤	1894-City Growth - City Reserves - Manawatu River Park - Marae Tarata Development Plan - Implementation	103	-	Delayed to enable stakeholder engagement and plan development to occur after Te Motu o Poutoa consultation.

➤	1895-City Growth - City Reserves - Manawatu River Park - Te Motu o Poutoa Development Plan - Implementation	1,602	- Budget moved out to 2023/24 to allow for ongoing engagement.
		3,342	713
			-

City Growth - Activity Financial Statements			
Budget 2021/22 \$'000s		10YP 2022/23 \$'000s	AB 2022/23 \$'000s
INFORMATION / MAIN REASON FOR CHANGE			
Revenue			
4,747	Building Services	4,866	4,986
1,302	Planning Services - Private	1,334	1,454
6,049	Total Revenue	6,200	6,440
Expenses			
6,406	Building Services	6,609	6,636
524	Housing and Future development	586	572
1,381	Planning Services - Private	1,412	1,571
1,058	Planning Services - Public	1,087	1,148
478	Urban Design	487	493
9,847	Total Expenses	10,181	10,420
3,798	NET OPERATING COST OF ACTIVITY	3,981	3,980
Rating Requirement			
(1)	Less Depreciation	(1)	(1)
(200)	Less Transfers To/(From) Reserves	(308)	(300)
3,597	RATES REQUIREMENT	3,673	3,679
Capital Expenditure			
Funded By			
5,000	Asset Sales	3,075	3,000
(5,000)	New Borrowing / (Repayment)	(3,075)	(3,000)

City Growth - Operational

Status	ID-Name	10YP	AB	Information / Main reason for change
		2022/23 \$'000s	2022/23 \$'000s	
✓	130-Earthquake Prone Buildings - Assessment of Compliance with the Building Act	14	14	
✓	762-City-wide - Urban Design - Delivering Change	51	51	
✓	1264-Development Contributions Fees - Support for Community Groups	22	22	
✓	1485-Property Development - Whakarongo Council Subdivision Development	(3,075)	(3,000)	
✓	1750-Property Development - Summerhays Street Residential Subdivision	10	5	
✓	1914-Electronic District Plan	144	144	
✓	1918-Compliance with new RMA requirements	103	103	
		(2,731)	(2,662)	-

Environmental sustainability - Activity Financial Statements			
Budget 2021/22 \$'000s		10YP 2022/23 \$'000s	AB 2022/23 \$'000s
INFORMATION / MAIN REASON FOR CHANGE			
Revenue			
-	Biodiversity	-	-
-	Total Revenue	-	-
Expenses			
409	Biodiversity	373	341
161	Support to environmental groups	165	165
435	Sustainable Practices	522	510
1,005	Total Expenses	1,060	1,015
1,005	NET OPERATING COST OF ACTIVITY	1,060	1,015
Rating Requirement			
-	Less Depreciation	(4)	-
18	Plus Debt Repayment	22	22
1,023	RATES REQUIREMENT	1,078	1,038
Capital Expenditure			
105	New	108	108
105	Total Capital Expenditure	108	108
Funded By			
105	New Borrowing / (Repayment)	108	108
105	Total	108	108

Environmental sustainability - Operational

Status	ID-Name	10YP	AB	Information / Main reason for change
		2022/23 \$'000s	2022/23 \$'000s	
✓	268-Arapuke Forest Park/Kahuterawa Pest Control and Biodiversity Protection and Enhancement	62	62	
✓	764-City-wide - Council Facility Energy Use Monitoring	59	59	
✓	835-Ashhurst Domain - Biodiversity Improvements as Part of Manawatu Gorge Project	46	45	
✓	1080-City-wide -Biodiversity Increased Plant and Animal Pest Control	31	30	
✓	1145-Green Corridors Project - Continued Development	93	93	
✓	1450-Predator Free Palmerston North	26	25	
✓	1453-Freshwater Body Improvements	42	42	
✓	2055-Investigate Envirohub and Resource Recovery Centre	103	103	
		462	460	-

Environmental sustainability - Capital New

Status	ID-Name	10YP	AB	Information / Main reason for change
		2022/23 \$'000s	2022/23 \$'000s	
✓	1077-Citywide - Biodiversity Enhancement Through Native Planting	31	31	
✓	1451-Property - LED Lighting Upgrades	77	77	
		108	108	-

Resource Recovery - Activity Financial Statements			
Budget 2021/22 \$'000s		10YP 2022/23 \$'000s	AB 2022/23 \$'000s INFORMATION / MAIN REASON FOR CHANGE
Revenue			
223	Landfill Management	231	231
1,261	Waste Management	1,359	1,194
1,621	Waste Minimisation	1,641	1,482
3,105	Total Revenue	3,232	2,907
Expenses			
425	Landfill Management	510	473
1,741	Waste Management	1,879	2,894 Additional resources to meet Councils goals.
6,250	Waste Minimisation	6,766	6,280
8,416	Total Expenses	9,156	9,648
5,311	NET OPERATING COST OF ACTIVITY	5,924	6,740
Rating Requirement			
(923)	Less Depreciation	(957)	(674)
423	Plus Net Capital Renewal (3 Year Average)	571	556
709	Plus Debt Repayment	419	416
5,520	RATES REQUIREMENT	5,958	7,039
Capital Expenditure			
421	Renewal	432	393
770	New	459	970
1,191	Total Capital Expenditure	891	1,363
Funded By			
-	External Revenue New	-	
423	Rates	571	556
768	New Borrowing / (Repayment)	320	807

1,191	Total	891	1,363
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Resource Recovery - Operational		10YP	AB	
		2022/23	2022/23	
Status	ID-Name	\$'000s	\$'000s	Information / Main reason for change
✓	974-City-wide - Rubbish & Recycling - Communication, Education and Resource Materials	31	31	
✓	1425-Awapuni Closed Landfill - Waste Mixed Colour Glass Stockpile Processing	48	48	
✓	1724-City-wide - Diversion of Waste from Landfill - Investigation Studies	207	207	
✓	1908-City-Wide - Rubbish & Recycling - Asset Condition Assessments	52	52	
✓	1909-Waste Minimisation Levy - Contestable Fund	41	41	
✓	2044-City-Wide - Kerbside Food Waste - Investigations and Trial	197	197	
*	2129-Free rubbish bag per month to low income households.	-	165	Aa a result of Council decision an operational programme to provide one free rubbish per month to low income households per year.
		576	741	-

Resource Recovery - Capital Renewal		10YP	AB	
		2022/23	2022/23	
Status	ID-Name	\$'000s	\$'000s	Information / Main reason for change
✓	185-Closed Landfills and Transfer Stations - Site Renewals	36	36	
✓	612-Recycling - City-wide Wheelie Bin and Crate Renewals	120	80	Bins lasting longer than anticipated in budget.
✓	649-Recycling - Materials Recovery Facility Renewals	140	140	
✓	1368-City-wide - Public Space Rubbish & Recycling Bins Renewals	47	47	

✓	1374-City-wide - Recycling Drop Off Facilities - Renewals	9	9	
✓	1721-Composting Activity Site Renewals	8	8	
✓	1784-Rubbish and Recycling Buildings - Renewals	72	72	
		432	393	-

Resource Recovery - Capital New		10YP	AB	
		2022/23	2022/23	
Status	ID-Name	\$'000s	\$'000s	Information / Main reason for change
✓	506-City-wide - Public Space Rubbish & Recycling Bins Development	66	66	
✓	657-Urban Growth - Recycling - City-wide Wheelie Bins and Crates	72	80	Increased housing growth and increasing costs to purchase bins have impacted this programme. Recommended budget increase to accommodate growth, with a reassessment as part of the next 10YP process.
✓	721-Awapuni Closed Landfill - Landscaping Development	26	26	
⚠	1371-Closed Landfills and Transfer Stations - Safety, Security and Development	181	685	Bring forward and increase budget to purchase critical compost machinery (trummel screen) which has a very high operational risk of failure impacting our delivery of green waste services.
✓	1373-City-wide - Recycling Drop Off Facilities - Development	72	72	
✓	1410-Recycling - City-wide Recycling Services to Commercial/orgnisational Properties Development	41	41	
*	2131-Recycling Wheelie Bin Lid Latches purchase and installation	-		
		459	970	-

Active and Public Transport - Activity Financial Statements			
Budget 2021/22 \$'000s		10YP 2022/23 \$'000s	AB 2022/23 \$'000s INFORMATION / MAIN REASON FOR CHANGE
Revenue			
827	Active Transport	853	835
139	Footpaths	143	143
231	Public Transport	185	185
1,197	Total Revenue	1,181	1,163
Expenses			
2,480	Active Transport	2,904	2,224 Change in depreciate rates results in lower depreciation expense.
2,967	Footpaths	3,019	2,224 Change in depreciate rates results in lower depreciation expense.
370	Public Transport	468	289
5,817	Total Expenses	6,391	4,738
4,620	NET OPERATING COST OF ACTIVITY	5,209	3,575
Rating Requirement			
(2,931)	Less Depreciation	(3,152)	(1,810)
520	Plus Net Capital Renewal (3 Year Average)	581	577
387	Plus Debt Repayment	426	334
2,597	RATES REQUIREMENT	3,064	2,676
Capital Expenditure			
872	Renewal	899	899
5,631	New	6,070	2,433
6,503	Total Capital Expenditure	6,969	3,332
Funded By			
367	External Revenue Renewal	378	378

2,595	External Revenue New	2,925	772
520	Rates	581	577
3,020	New Borrowing / (Repayment)	3,085	1,604
6,503	Total	6,969	3,332

Active and Public Transport - Operational		10YP	AB	
		2022/23	2022/23	
Status	ID-Name	\$'000s	\$'000s	Information / Main reason for change
✓	1442-Active Transport Behaviour Change Programmes	84	102	
✓	1494-Active and Public Transport Planning & Investigation	76	76	
✓	1878-Active Transport Innovation	52	52	
✓	1994-Cycle Path Maintenance	49	50	
✓	1995-Footpath Maintenance	35	35	
✓	2021-Innovating Streets	58	58	
✓	2025-Urban Bus Terminal Redevelopment Business Case	51	51	
✓	2037-Additional cycle path sweeping	51	51	
		454	472	-

Active and Public Transport - Capital Renewal		10YP	AB	
		2022/23	2022/23	
Status	ID-Name	\$'000s	\$'000s	Information / Main reason for change
✓	64-City-wide - Footpath Renewals (Waka Kotahi Subsidies)	670	670	
✓	181-City-wide - Public Transport Infrastructure Renewals	31	31	
✓	648-City-wide - Supporting Cycle Infrastructure Renewals	21	21	
✓	2110-City-wide - Footpath Renewals (No Subsidy)	177	177	
		899	899	-

Active and Public Transport - Capital New		10YP	AB
		2022/23	2022/23

Status	ID-Name	\$'000s	\$'000s	Information / Main reason for change
➤	243-Urban Bus Terminal Redevelopment	158		- Co-funding not successful with NZTA for 2021-24 NLTP. Currently working through business case requirements to prepare for future funding opportunities. This is a significant process which has delayed any design work. Moved this out 1 year to 2023/24 to allow this work to be completed.
✓	1121-Tennent Drive Improvements - Food HQ & Massey	268	131	
➤	1559-City-wide - Urban Cycle Infrastructure Network improvements	2,217		- Preparing bid for additional co-funding through Waka Kotahi new Streets for People fund (previously Innovating Streets fund) to deliver part of core cycle network at 90% Waka Kotahi funding. Programme plan involves significant engagement, followed by design during 2022/23 FY, with delivery by 2023/24
✓	1680-City-wide - Public Transport Infrastructure Improvements	93	93	
✓	1925-Urban Growth - Development Contributions - Active Transport	134	134	
✓	2026-Active Transport Measurement	206	206	
✓	2056-City-wide - Supporting Cycle Infrastructure Improvements	103	103	
➤	2057-Regional Shared Path Network Improvements	1,926	800	Programme delayed by late external funding decisions. Budget for Riverside Pathway moved to 2023/24 to allow for land requirements to be finalised.
✓	2120-City-wide - Off Road Shared Path Network Improvements	453	453	
✓	2121-City-wide - Footpath Improvements	513	513	
		6,070	2,433	-

<u>Roading - Activity Financial Statements</u>			
Budget 2021/22		10YP 2022/23	AB 2022/23
\$'000s		\$'000s	\$'000s INFORMATION / MAIN REASON FOR CHANGE
Revenue			
4,854	Parking	5,004	5,254
2,961	Roads	3,094	3,090
110	Street Facilities	118	118
394	Street Lighting	400	400
506	Traffic Services	522	522
8,825	Total Revenue	9,139	9,385
Expenses			
2,728	Parking	2,856	3,161
15,422	Roads	16,657	15,658 Significant delays in capital expenditure results in lower depreciation and interest expense.
3,512	Street Facilities	3,686	3,483 Change in depreciate rates results in lower depreciation expense.
1,851	Street Lighting	1,915	1,913
2,631	Traffic Services	2,674	2,540
26,144	Total Expenses	27,789	26,754
17,319	NET OPERATING COST OF ACTIVITY	18,650	17,370
Rating Requirement			
(10,008)	Less Depreciation	(10,379)	(8,744)
2,480	Plus Net Capital Renewal (3 Year Average)	2,791	2,735
972	Plus Debt Repayment	1,357	1,118
10,764	RATES REQUIREMENT	12,419	12,479
Capital Expenditure			

5,336	Renewal	4,831	7,285
17,461	New	20,228	26,187
22,796	Total Capital Expenditure	25,059	33,473
Funded By			
2,149	External Revenue Renewal	2,364	2,364
3,779	External Revenue New	5,026	5,467
726	Development Contributions	814	814
2,480	Rates	2,791	2,735
13,662	New Borrowing / (Repayment)	14,064	22,092
22,796	Total	25,059	33,473

Roading - Operational		10YP	AB	
		2022/23	2022/23	
Status	ID-Name	\$'000s	\$'000s	Information / Main reason for change
✓	1472-Business Case work for strategic roads (PNITI)	121	121	
✓	1858-Tree Maintenance	103	103	
✓	1932-Urban Transport Improvements - Enabling PNITI - Business Case	52	51	
✓	2001-Transport Network & Asset Management - Operating Cost	116	116	
✓	2007-Road Sealed Pavement Maintenance	126	126	
✓	2009-Transport Advanced Investigation	93	93	
✓	2010-Transport & three waters subdivision public good	155	155	
✓	2018-Transport Bridge Maintenance	64	64	
✓	2028-Street Tree Removals	165	165	
✓	2052- Implement Corridor Access Request Fees	(139)	(134)	
		856	860	-

Roading - Capital Renewal		10YP	AB	
		2022/23	2022/23	
Status	ID-Name	\$'000s	\$'000s	Information / Main reason for change
✓	74-City-wide - Street Light Renewals	103	103	
➤	82-Off-street Parking Renewals	77	-	Review of priority of work shows that this can be delayed to allow for full scoping once higher priority work is completed.
✓	115-City-wide - Sealed Pavement Renewals (Waka Kotahi Subsidies)	1,804	1,804	
✓	122-City-wide - Road Drainage Renewals	382	382	
✓	139-City-wide - Sealed Road Resurfacing	2,217	2,217	

✓	162-City-wide - Vehicle Crossing Renewals	119	119	
➤	556-Carry forward place holder (renewals)	-	2,532	
✓	1805-City-wide - Transport structure component renewal	129	129	
		4,831	7,285	-

Roadings - Capital New

Status	ID-Name	10YP	AB	Information / Main reason for change
		2022/23 \$'000s	2022/23 \$'000s	
➤	167-James Line (Schnell Dr to Kelvin Grove Rd) - Improvements	-	1,443	Design completed 2020/21. This is a high growth area with significant deterioration to roading pavement. Rather than continuing to fund maintenance repairs through rates, opportunity to upgrade final piece of road to urban standard under capital new works.
✓	201-Urban Growth - Development Contributions - Transport	206	206	
✓	279-City-wide - Minor transport improvements	1,315	1,315	
➤	1134-City Entrance Corridors - Streetscape Improvements	103	-	Budget insufficient to complete in 2022/23. Deferred to next 10YP for additional funds for meaningful implementation.
➤	1367-City-wide - Street Light Infill	896	448	Delays created due to belated external funding decisions. Portion of budget moved to 2023/24 to allow for this delayed start to the programme.
✓	1615-City-wide - Parking and Traffic Signs and Marking	52	52	

➤	1695-PNITI – Intersection & bridge improvements	5,260	-	Investigation/ Scoping still being completed for KB Road/Roberts Line intersection upgrade. Design (Cfwd) moved out 1 year to 2022/23 which requires construction to be moved out to 2023/24 to realign timeframes.
✓	1804-Road drainage improvements	82	82	
➤	1807-City-wide - Car park infrastructure improvements	490	490	Programme work is ongoing with technology trials to determine decision making process. This has taken longer than originally anticipated, with work to continue in 2022/23 and 2022/23 budget moved to 2023/24.
✓	1808-City-wide - Street amenity improvements	282	282	
✓	2013-PNITI – Strategic Transport Corridor Improvements	258	258	
✓	2059-Urban Transport Improvements - Enabling PNITI	103	103	
➤	2065-Urban Growth - Whakarongo - Transport	206	-	External development slower than expected. Moved 2022/23 budget and 2021/22 Cfwd out 1 year to realign timeframes.
✓	2111-Kelvin Grove Road - Safety Improvements to intersections	619	619	
✓	2119-Road to Zero - Transport Safety Improvements	1,902	1,902	
➤	2123-Urban Growth - Kakatangiata - Transport	5,671	-	External development slower than expected. Design to move to 2022/23, thus moving construction out to 2023/24.
➤	2124-Urban Growth - Ashhurst - Transport	2,784	-	External development slower than expected. Carry Forward moved to 2022/23 with 2022/23 budget out 1 year to better align to realistic timeframe.
➤	2132-Carry Forward Place holder (Capital New)	-	18,987	Placeholder for estimated carry forwards from 2021/22.
		20,228	26,187	-

Stormwater - Activity Financial Statements			
Budget 2021/22 \$'000s		10YP 2022/23 \$'000s	AB 2022/23 \$'000s
INFORMATION / MAIN REASON FOR CHANGE			
Revenue			
6	Stormwater Collection and Disposal	6	6
6	Total Revenue	6	6
Expenses			
4,435	Stormwater Collection and Disposal	4,921	4,380
4,435	Total Expenses	4,921	4,380
4,429	NET OPERATING COST OF ACTIVITY	4,915	4,374
Rating Requirement			
(1,909)	Less Depreciation	(2,018)	(2,054)
943	Plus Net Capital Renewal (3 Year Average)	971	968
150	Plus Debt Repayment	308	178
3,613	RATES REQUIREMENT	4,176	3,467
Capital Expenditure			
875	Renewal	818	818
7,062	New	6,003	1,423
7,937	Total Capital Expenditure	6,821	2,241
Funded By			
139	Development Contributions	132	132
943	Rates	971	968
6,855	New Borrowing / (Repayment)	5,717	1,141
7,937	Total	6,821	2,241

Stormwater - Operational		10YP	AB	
		2022/23	2022/23	
Status	ID-Name	\$'000s	\$'000s	Information / Main reason for change
✓	1369-City-wide Data Collection and WQ Monitoring	104	104	
✓	1614-Stormwater - Open channels and drains - maintenance	342	342	
✓	1709-City-wide - Stormwater Condition Assessments	114	114	
✓	1710-City-wide - Stormwater Modelling, Consenting and Planning	145	145	
✓	1930-City-wide - Maintenance of Stormwater Treatment Devices	18	18	
✓	2002-Stormwater Reticulation Network Maintenance	25	24	
✓	2003-Stormwater Pump Station Operation & Maintenance	25	24	
		772	769	-

Stormwater - Capital Renewal		10YP	AB	
		2022/23	2022/23	
Status	ID-Name	\$'000s	\$'000s	Information / Main reason for change
✓	20-City-wide - Stormwater Pump Station Renewals	176	176	
✓	1062-City-wide - Stormwater Network Renewal Works	642	642	
		818	818	-

Stormwater - Capital New		10YP	AB	
		2022/23	2022/23	
Status	ID-Name	\$'000s	\$'000s	Information / Main reason for change

✓	51-Urban Growth - Development Contributions - Stormwater	207	207	
➤	197-Urban Growth - NEIZ - Stormwater	1,087		- External development slower than expected. Moved 2022/23 budget out 1 year to accommodate.
➤	1001-Urban Growth - Whakarongo - Stormwater	2,070		- External development slower than expected. Moved both carry forward and budget out 1 year to realign to more realistic timeframe. Delayed by Horizon's resource consent.
✓	1060-City-wide - Stormwater Network Improvement Works	787	787	
➤	1372-City-wide Stormwater Pump Stations Improvement	497		- 2021/22 construction has not commenced as planned. Moved 2022/23 budget to 2023/24 to align with current supply chain timeframes.
➤	1704-Urban Growth - Aokautere - Stormwater	362		- External development slower than expected. Moved 2022/23 budget out 1 year to realign timeframes.
✓	1706-City-wide - Stormwater Network Resilience	223	223	
✓	1707-City-wide - Land purchase associated with streams and channels	207	207	
➤	1708-City-wide - Stormwater Flood Mitigation	564		- Internal capacity issues have delayed commencement of design in 2021/22. Design will go to the design panel. Construction has been moved out to 2023/24 to reflect this.
		6,003	1,423	-

Wastewater - Activity Financial Statements			
Budget 2021/22 \$'000s		10YP 2022/23 \$'000s	AB 2022/23 \$'000s
INFORMATION / MAIN REASON FOR CHANGE			
Revenue			
6	Wastewater Collection	6	6
1,425	Wastewater Treatment and Disposal	1,237	1,357
1,431	Total Revenue	1,243	1,363
Expenses			
5,461	Wastewater Collection	5,629	6,250
6,479	Wastewater Treatment and Disposal	6,587	4,855
11,940	Total Expenses	12,216	11,105
10,509	NET OPERATING COST OF ACTIVITY	10,973	9,742
Rating Requirement			
(4,195)	Less Depreciation	(4,344)	(4,760)
3,905	Plus Net Capital Renewal (3 Year Average)	5,069	5,056
370	Plus Debt Repayment	510	410
10,589	RATES REQUIREMENT	12,208	10,448
Capital Expenditure			
5,040	Renewal	4,459	3,820
5,826	New	6,024	6,020
10,866	Total Capital Expenditure	10,482	9,840
Funded By			
1,407	External Revenue Renewal	-	-
895	External Revenue New	-	900
533	Development Contributions	1,022	1,022
3,905	Rates	5,069	5,056
4,126	New Borrowing / (Repayment)	4,392	2,862

10,866	Total	10,482	9,840
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Wastewater - Operational		10YP	AB	
		2022/23	2022/23	
Status	ID-Name	\$'000s	\$'000s	Information / Main reason for change
✖	1319-Totara Road Wastewater Treatment Plant - Consent Renewal Upgrade Options Analysis	1,212	-	- Change in accounting treatment from Operating to Capital (#2128).
✓	1401-City-wide - Infiltration & Inflow Investigations	259	259	
✓	1716-City-wide - Wastewater Facility Condition Assessment Programme	52	52	
✓	1717-City-wide - Wastewater Pipeline Condition Assessment Programme	181	181	
✓	1718-City-wide Pressure Wastewater systems operation	2	2	
✓	1719-City-wide - Decommissioning of Redundant Wastewater Mains	207	207	
✓	1720-Operate and Maintain Wastewater Network Model	10	10	
✓	1802-Wastewater Pump Stations - Building Maintenance	10	10	
✓	1843-Wastewater Treatment Plant - Building Maintenance	36	35	
✓	1999-Wastewater Reticulation Network Maintenance	73	73	
✓	2004-Wastewater Reticulation Pump Stations Operation & Maintenance	21	20	
		2,063	848	-
Wastewater - Capital Renewal		10YP	AB	
		2022/23	2022/23	
Status	ID-Name	\$'000s	\$'000s	Information / Main reason for change
✓	54-City-wide - Wastewater Pipe Renewal	2,381	2,381	

✓	65-City-wide - Wastewater Pump Station Renewal	311	311	
✓	179-Totara Road Wastewater Treatment Plant - Minor Equipment Renewals	414	414	
✓	1380-Totara Rd WWTP - Biogas Generator Major Overhauls	155	155	
➤	1714-City-wide Wastewater Trunk Mains Renewal	1,139	500	Internal capacity issues have delayed commencement of design in 2021/22. Design will go to the design panel. Construction has been moved out to 2023/24 to reflect this.
✓	1799-Wastewater Treatment Plant - Buildings Renewals	52	52	
✓	1801-Wastewater Pump Stations - Building Renewals	8	8	
		4,459	3,820	-

Wastewater - Capital New

Status	ID-Name	10YP	AB	Information / Main reason for change
		2022/23 \$'000s	2022/23 \$'000s	
➤	66-Totara Road Wastewater Treatment Plant - Resilience Programme	735	300	Lack of internal capacity has delayed the delivery of the 2021/22 programme. Although some equipment purchases can be made in 2022/23, construction is not likely to be complete until 2023/24. Moved budget to realign timeframes.
✓	73-Urban Growth - Development Contributions - Wastewater	104	104	
➤	210-Urban Growth - NEIZ - Wastewater	155		- Is part of greater NEIZ programme which will be under contract prior to end of 2021/22 with construction to commence in early 2022/23.
➤	1000-Urban Growth - Whakarongo - Wastewater	486		- External development slower than expected. Carry forward and defer budget to 23/24 create better timeframe alignment.

➤	1074-Totara Road Wastewater Treatment Plant - Earthquake Strengthening of Civil Structures	1,035	100	Engineers estimate has indicated the budget is insufficient by \$3M. Prioritization review is underway.
➤	1616-City-wide - Wastewater Pump Station - Capacity Upgrade	714	-	- Internal capacity issues have delayed commencement of design in 2021/22. Design will go to the design panel. Construction has been moved out to 2023/24 to reflect this.
➤	1617-Totara Road Wastewater Treatment Plant - Biogas System Improvements	1,190	-	- Engineer's estimate exceeds budget provisions. Concept design phase is under pear review.
➤	1619-Totara Road Wastewater Treatment Plant - Inlet Screens	-	900	Cost escalations and additional work required to implement required solution.
➤	1711-Industrial Growth - Longburn Industrial Park - Wastewater	621	-	- Design work to continue into 2022/23 which will be carry forward budget. Construction expected after consultation in 2023/24. Moving budget forward 1 year allows for better alignment of construction.
➤	1712-City-wide Wastewater wet weather overflow mitigation	621	-	- Lack of internal capacity has delayed the delivery of the 2021/22 programme. By moving budget out 1 year it allows for the completion of the delayed programme.
➤	1821-City-wide Wastewater Pipeline Realignment of at-risk mains	259	-	- Lack of internal capacity has delayed the delivery of the 2021/22 programme. By moving budget out 1 year it allows for the completion of the delayed programme.
➤	2030-Urban Growth - Aokautere - Wastewater	104	-	- External development slower than expected. Moved 2022/23 budget out 1 year to accommodate.
✱	2128-WWTP - Wastewater Discharge Consent Project	-	1,800	Change in accounting treatment from Operating (#1319) to Capital plus additional budget requirement.
➤	2140-Wastewater Carry Forwards	-	2,816	Placeholder for estimated carry forwards from 2021/22.
		6,024	6,020	-

Water - Activity Financial Statements				
Budget 2021/22 \$'000s		10YP 2022/23 \$'000s	AB 2022/23 \$'000s	INFORMATION / MAIN REASON FOR CHANGE
Revenue				
29	Water Collection	30	30	
56	Water Distribution	58	56	
10	Water Treatment	10	10	
95	Total Revenue	98	96	
Expenses				
2,702	Water Collection	2,721	2,418	
4,392	Water Distribution	4,620	5,028	
1,844	Water Treatment	2,145	2,085	
8,938	Total Expenses	9,487	9,531	
8,843	NET OPERATING COST OF ACTIVITY	9,388	9,435	
Rating Requirement				
(3,090)	Less Depreciation	(3,236)	(3,882)	
4,553	Plus Net Capital Renewal (3 Year Average)	5,921	5,898	
631	Plus Debt Repayment	823	665	
10,938	RATES REQUIREMENT	12,896	12,115	
Capital Expenditure				
4,376	Renewal	4,925	4,925	
7,724	New	8,352	5,344	
12,100	Total Capital Expenditure	13,277	10,269	
Funded By				
796	External Revenue Renewal	-	-	
391	External Revenue New	-	-	
367	Development Contributions	337	337	

4,553	Rates	5,921	5,898
5,992	New Borrowing / (Repayment)	7,019	4,034
12,100	Total	13,277	10,269

Water - Operational

Status	ID-Name	10YP	AB	Information / Main reason for change
		2022/23 \$'000s	2022/23 \$'000s	
✓	1246-Three Waters Public Education - Water	41	41	
✓	1798-Water Treatment Plant - Buildings Maintenance	31	30	
✓	1812-City-wide - Water Supply Network Modelling	16	15	
✓	1813-City-wide - Water Supply Condition Assessments	52	52	
✓	1881-Water Pump Station - Building Maintenance	10	10	
✓	1996-Turitea Dams - Catchment Management	104	104	
✓	2053-Implement Commercial Backflow Fee	(49)	(48)	
		204	204	-

Water - Capital Renewal

Status	ID-Name	10YP	AB	Information / Main reason for change
		2022/23 \$'000s	2022/23 \$'000s	
✓	199-City-wide - Water Supply Bore and Network Facility Renewals	518	518	
✓	207-Turitea WTP - Equipment and Facility Renewals	607	607	
✓	214-City-wide - Water Toby and Manifold Renewals	518	518	
✓	218-City-wide - Water Main Renewals	2,394	2,394	
✓	1061-City-wide - Water Supply Reservoir Renewals	311	311	
✓	1700-City-wide - Water Meter Renewals	333	333	

✓	1701-City-wide - Water Supply Valve & Hydrant Renewals	207	207	
✓	1797-Water Treatment Plant - Building Renewals	31	31	
✓	1822- Water Pump Stations - Building Renewals	8	8	
		4,925	4,925	-

Water - Capital New

		10YP	AB	
		2022/23	2022/23	
Status	ID-Name	\$'000s	\$'000s	Information / Main reason for change
➤	124-Turitea WTP - Drinking Water Standards Upgrades	1,697	200	Awaiting confirmation of changes to standards. This will determine the programme of work going forward. Investigation, scope and design have been allowed for in 22/23 when decisions are made.
➤	132-City-wide - Water Supply Resilience - Trunk Mains	1,232	-	Lack of internal capacity has delayed the delivery of the 2021/22 programme. Although some equipment purchases can be made in 2022/23, construction is not now scheduled until 2023/24. Moved budget to realign timeframes.
✓	246-Urban Growth - Development Contributions - Water Supply	259	259	
✓	986-Turitea Dams - Aeration Upgrade	26	26	
➤	1004-Urban Growth - Whakarongo - Water Supply	572	-	External development slower than expected. Moved both 2021/22 carry forward and 2022/23 budget out 1 year to better align to realistic timeframe.
✓	1054-Ashhurst - Water Quality Improvements	207	207	

➤	1170-Urban Growth - Kakatangiata - Water Supply	460	-	External development slower than expected. Moved 2022/23 budget out 1 year to accommodate.
✓	1384-City-wide - Water Supply Resilience - Additional Reservoirs	186	186	
✓	1697-Turitea WTP - Water Supply Resilience - Upgrades	826	826	
➤	1841-Urban Growth - Ashhurst - Water Supply	247	-	Budget moved to 2023/24.
✓	1873-City-wide - Water Main Upgrades - Firefighting	155	155	
✓	1883-Water Operations -Small Plant & Equipment - New	16	16	
➤	2048-City-wide - Water Toby and Manifold enhancements	2,303	576	Project planning underway. Construction will commence in 2022/23 and continue through 2023/24.
➤	2060-City-wide - Commercial Water Meters	166	-	Work underway, this stage will complete in 2022/23. Next stage to commence 2023/24.
➤	2141-Water - Carry forwards	-	2,894	Placeholder for estimated carry forwards from 2021/22.
		8,352	5,344	-

Organisational performance - Activity Financial Statements			
Budget		10YP	AB
2021/22		2022/23	2022/23
\$'000s		\$'000s	\$'000s INFORMATION / MAIN REASON FOR CHANGE
Revenue			
270	Civic Administration Building	277	277
101	Financial Services	103	103
30	Print Synergy	30	30
401	Total Revenue	410	410
Expenses			
724	Civic Administration Building	748	577
()	Customer Services	-	-
579	Financial Services	597	561
	Human Resources		1,000
2,180	Information Services	2,621	2,488
348	Marketing & Communications	362	537
266	Print Synergy	287	314
4,097	Total Expenses	4,615	5,477
3,696	NET OPERATING COST OF ACTIVITY	4,205	5,067
Rating Requirement			
(1,580)	Less Depreciation	(1,928)	(1,606)
(987)	Less Internal Rates Recovered	(1,014)	(1,014)
(2,824)	Less Transfers To/(From) Reserves	(2,857)	(2,803)
2,055	Plus Net Capital Renewal (3 Year Average)	1,901	1,905
284	Plus Debt Repayment	337	330
645	RATES REQUIREMENT	645	1,878
Capital Expenditure			
2,581	Renewal	2,079	2,079
836	New	570	570

3,418	Total Capital Expenditure	2,649	2,649
Funded By			
2,055	Rates	1,901	1,905
1,362	New Borrowing / (Repayment)	747	744
3,418	Total	2,649	2,649

Organisational performance - Operational		10YP	AB	
		2022/23	2022/23	
Status	ID-Name	\$'000s	\$'000s	Information / Main reason for change
✓	1520-Digital Transformation	2,563	2,500	
✓	1572-Enterprise Resource Planning (ERP) System Replacement	1,846	1,846	
✓	1929-Workforce Transformation	256	256	
✓	1990-CAB - Cleaning Budget Shortfall	88	88	
✓	2062-IT Infrastructure Improvements	15	15	
➤	2064-C/fwd - Enterprise Resource Planning (ERP) System Replacement	58	-	
*	2133-Health and Safety Improvement Programme	-	1,000	The proposed programme intends to ensure PNCC has a system which is 'effective' i.e. it is not targeting excellence.
*	2136-City Marketing Campaigns	-	150	To allow for three marketing campaigns a year.
		4,826	5,855	-

Organisational performance - Capital Renewal		10YP	AB	
		2022/23	2022/23	
Status	ID-Name	\$'000s	\$'000s	Information / Main reason for change
✓	53-Computer Replacement - Rolling Replacements	508	508	
✓	58-Network Additions and Upgrades	43	43	
✓	68-Aerial Photography	42	42	
✓	86-Property - Furniture Replacements	103	103	
✓	221-Print Synergy - Replacement of Print Synergy Machinery	10	10	
✓	272-Staff Cafeteria - Replacement of Equipment	6	6	
✓	281-CAB - Renewals	1,179	1,179	
✓	318-Telecommunications Replacement - Council Buildings	157	157	

✓	784-Replacement of Council's Photocopiers/Printers	31	31	
		2,079	2,079	-

Organisational performance - Capital New		10YP 2022/23	AB 2022/23	
Status	ID-Name	\$'000s	\$'000s	Information / Main reason for change
✓	60-Information Management Strategic Plan Project - New Software Applications	109	109	
✓	1826-CAB - Workplace Transformation	308	308	
✓	2047-Property - Furniture transformation	154	154	
		570	570	-

Strategic Investments - Activity Financial Statements			
Budget 2021/22 \$'000s		10YP 2022/23 \$'000s	AB 2022/23 \$'000s
INFORMATION / MAIN REASON FOR CHANGE			
Revenue			
3,796	External Contracts	4,036	4,036
255	Investment Property	261	261
4,051	Total Revenue	4,298	4,298
Expenses			
3,299	External Contracts	3,567	3,767
671	Investment Property	689	712
556	Investments	532	508
264	Investments in Companies (including Airport)	264	292
4,791	Total Expenses	5,053	5,279
740	NET OPERATING COST OF ACTIVITY	755	981
Rating Requirement			
(1,542)	Less Depreciation	(1,555)	(1,491)
(300)	Less Transfers To/(From) Reserves	(308)	(308)
2,564	Plus Net Capital Renewal (3 Year Average)	2,822	2,579
84	Plus Debt Repayment	105	106
1,545	RATES REQUIREMENT	1,820	1,868
Capital Expenditure			
2,320	Renewal	2,882	2,137
511	New	296	296
2,831	Total Capital Expenditure	3,179	2,433
Funded By			
2,564	Rates	2,822	2,579
267	New Borrowing / (Repayment)	357	(146)

2,831	Total	3,179	2,433
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Strategic Investments - Operational		10YP	AB	
		2022/23	2022/23	
Status	ID-Name	\$'000s	\$'000s	Information / Main reason for change
✓	1792-Parks Depot - Building Maintenance	21	20	
➤	1885-Asset Management Improvement Plan Task Programme	205	205	
		226	225	-

Strategic Investments - Capital Renewal		10YP	AB	
		2022/23	2022/23	
Status	ID-Name	\$'000s	\$'000s	Information / Main reason for change
✓	80-Council Small Mobile Plant and Equipment - Replacement	231	231	
✓	85-Depot - Buildings and Structures Renewals	103	103	
✓	1753-Investment Properties - Building Renewals	384	384	
✓	1791-Parks Depot - Building Renewals	5	5	
➤	1879-Council's Plant and Vehicle - Replacements	1,929	1,184	Purchase of vehicles brought forward into 2021/22.
✓	1970-Gordon Kear Forest Culvert Replacements	26	26	
✓	2022-Property - Hard Surfaces Renewals	205	205	
		2,882	2,137	-

Strategic Investments - Capital New		10YP	AB	
		2022/23	2022/23	
Status	ID-Name	\$'000s	\$'000s	Information / Main reason for change
✓	99-New Vehicles and Plant to enable the delivery of improved Council services	296	296	
		296	296	-

SECTION 2

FINANCIAL AND RATING INFORMATION

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

- Significant Forecasting Assumptions
- Rating System, Rates and Funding Impact Statements

Significant Forecasting Assumptions

A forecasting assumption is defined as something the Council accepts as being true for the purposes of future decisions and actions.

Significant forecasting assumptions and risks underlying the financial estimates in the Annual Budget are identified in the 10 Year Plan 2021-2031 (see page 284-5) and cover the following issues:

Issue	Level of uncertainty of assumption	Significance of financial impact on overall position
1. Population & Household Growth	Medium	Medium
2. City Growth – Nature, Type & Location	Medium	High
3. Covid-19 Pandemic	Medium	High
4. Climate Change	Medium	Low
5. Natural Disasters & Adverse Weather Events	High	High
6. Services Provided by Council	High	High
7. Continuity of External Funding	High	Low
8. Sources of Funds for Future Replacement of Assets	Low	Low
9. Waka Kotahi (NZTA) Subsidy	Medium	Medium
10. Airport Shareholding & Dividends	Low	Low
11. Revaluation of Property, Plant & Equipment Assets	Low	Low
12. Asset Lives	Low	Low

13. Depreciation	Low	Low
14. Inflation	Low	Low
15. Interest Rates for Borrowings	Low	Medium
16. Resource Consents (especially wastewater discharge)	High	High
17. Turitea Windfarm	Medium	Low
18. Weathertight (Leaky) Homes Claims	Low	Low
19. Insurance	Low	Low
20. Earthquake-prone Buildings	Medium	High
21. Regional freight ring road including an Additional Road Crossing of Manawatū River	Medium	High
22. Legal Expenses	Low	Low
23. Delivery of Services Reviews	Low	Low
24. Residential Subdivision	Medium	Medium
25. Drinking Water Standards	Medium	Low
26. 3 Waters Reform	High	High
27. Capital Expenditure Delivery	High	High

Some assumptions have changed and impacted on the Annual Budget. Those changes to assumptions and risks are detailed below:

Interest rates for borrowing – an average rate of 2.8% was assumed for the 10 Year Plan. This has been increased to 3.1% given market rates have begun to rise and some of the Council's debt is raised at floating interest rates and its interest rate risk management policy is that there is a mixture of fixed and floating debt within defined bands.

Resource Consents (especially wastewater discharge) - in the 10 Year Plan it was assumed that the cost of obtaining the wastewater discharge consent (\$1.2m in 2022/23) would be treated as an operating cost each year. However during 2021 the Council chose its preferred upgrade option and is now preparing the resource consent application. These means the ongoing costs of this work will be capitalised as part of the upgrade project and will be funded from debt rather than from rates.

Impact of COVID-19 pandemic

At the time of preparation of the Consultation Document and supporting information New Zealand has been placed in the Red traffic light setting under the Government's Covid-19 response framework. Movement to this level, the rapidly increasing number of people with Covid, and the use of vaccine mandates has increased the level of anxiety in the community and spurred some civil unrest. This is having a significant impact on businesses especially those in the hospitality, events and entertainment sectors.

At this stage the proposed budget assumes the Council will be able to deliver the normal levels of service including events, as projections are that the peak of the Omicron wave of infections will have passed before the start of the year and that some the restrictions will have eased by then.

Key financial implications and risks for 2022/23 include:

Social norms – In many parts of the country a significant portion of the population is now working from home and it is too soon to know whether this will be a long-term phenomenon with impacts on the nature and location of Council services. In the short term the Council has needed to adjust the way it delivers some of its services.

Continuity of external funding – In preparing the budget it has been assumed the current Covid restrictions will not materially impact on external revenue

receivable by the Council during 2022/23. There is a risk this assumption could be wrong but if it is then it is unlikely to materially impact on the overall financial position of the Council.

Inflation – The proposed budget incorporates a budget cost level adjustor of approximately 2.3% (based on forecasts prepared for local government by BERL). Recent indications are that inflation for many sectors could be significantly higher than this. There is a risk therefore that Council will struggle to deliver some services at present levels within the budget assumption.

Rates income – Although there is a risk some ratepayers will have difficulty paying their rates commitments (due to the impact of COVID-19 on their business or personal income) it has been assumed that all rates income will be received.

3 waters reform – the Government has further developed its proposals for 3 waters reform and proposes that Councils' waters functions will move to new regional entities from 1 July 2024. A significant number of local authorities have expressed serious doubt about the detail of the proposal but the Government continues to signal it remains committed to the overall thrust of the reform and the timetable for change. There has been some delay to the planned release of the draft legislation to drive and enable the change. This does not impact on the budget for 2022/23.

3 waters "Better-off" Funding – ...

Capital expenditure delivery – Due to significant disruptions to supply chains and the difficulty experienced obtaining internal and external resources \$....m of the planned programmes for 2021/22 have been carried forward to 2022/23 and \$...m to 2023/24. For the same reason \$....m of the programmes originally scheduled for 2022/23 have been deferred to later years.

Rating System, Rates and Funding Impact Statements

1. Introduction

Rating incidence is governed by the Council's Revenue and Financing Policy and its Rating Policies. This section outlines details of the present rating system used by the Council. It also incorporates the Funding Impact Statements in the form prescribed by the Local Government (Financial Reporting and Prudence) Regulations 2014.

At various points within this section a level of rate or charge is outlined. These are indicative figures provided to give ratepayers an estimate of what their level of rates is likely to be in the forthcoming year. They are not necessarily the actual figures as these will not be known until the Council's rating information database is finalised. Rates figures in this section are GST-inclusive unless otherwise specified.

2. Rating Objectives

These are the Council's rating objectives:

- to encourage growth and confidence in the city by operating a stable, easily understood method of setting rates
- to set rates in a manner that is fair and equitable as between various ratepayers and classes of ratepayer, and consistent with Council's planning objectives
- to ensure that all citizens contribute to the cost of providing city services by charging on a user-pays basis where practicable
- to foster the sense of a single community by operating a common system throughout the city.

3. Components of the present rating system - a summary

The Council's rating system, designed to meet these objectives, is utilised to fund the net cost of operations and programmes outlined in the 10 Year Plan and Annual Budget (Plan). It comprises the following components:

A common system applies throughout the city.

Targeted rates, in the form of fixed amounts (as proxy user charges) are made to cover the costs of services that are identifiable by property (water supply, wastewater disposal, and rubbish and recycling). In addition, significant non-residential and some rural users of water are metered and some non-residential wastewater users are charged on the basis of the number of pans. A targeted rate (comprising a fixed amount and a variable amount based on capital value) is made on non-residential properties within the central city Palmy BID area.

A Uniform Annual General Charge (UAGC) is applied as a fixed amount to every rating unit within the city. It is used as a mechanism to ensure each rating unit contributes a minimum amount of the general rate and also to moderate rates on high land-value properties.

A General Rate, based on the land value, is applied to each rating unit, with different rates (differentials) applying to each property category.

The categories in the Council's differential rating scheme reflect differing property use and can be broadly grouped as follows:

- Single-unit residential
- Multi-unit residential
- Non-residential

- Rural and semi-serviced
- Miscellaneous.

Differential surcharges (that is, a higher rate in the dollar) are applied to multi-unit residential and non-residential properties, while lower rates are applied to single unit residential and rural/semi-serviced properties. No surcharge is applied to miscellaneous properties.

4. Examples of proposed rates for 2022/23

Examples of proposed rates for 2022/23 are shown in the following table:

	Old Land Value	New Land Value	Rates 2021/22	Rates 2022/23
Single unit residential				
Average	243,000	468,000	2,842	
Median	230,000	455,000	2,760	
Quartile 1	185,000	360,000	2,474	
Quartile 3	280,000	540,000	3,077	
Two unit residential				
Average	273,000	561,000	4,633	
Median	255,000	525,000	4,466	
Quartile 1	220,000	450,000	4,141	
Quartile 3	300,000	625,000	4,884	
Non-residential				
Average	708,000	1,022,000	16,010	
Median	400,000	620,000	9,420	
Quartile 1	230,000	385,000	5,783	
Quartile 3	790,000	1,110,000	17,765	
Rural & semi-serviced (5ha or more)				
Average	829,000	1,373,000	1,905	
Median	475,000	730,000	1,333	

Quartile 1	320,000	520,000	1,083	
Quartile 3	840,000	1,218,000	1,923	
Rural & semi-serviced (between 0.2 and 5ha)				
Average	316,000	549,000	1,714	
Median	315,000	520,000	1,710	
Quartile 1	250,000	435,000	1,474	
Quartile 3	365,000	590,000	1,892	
Miscellaneous				
Average	594,000	916,000	5,362	
Median	315,000	550,000	3,109	
Quartile 1	145,000	295,000	1,737	
Quartile 3	630,000	965,000	5,653	

If all of the properties in the category of property were listed from lowest to highest land value, then the 'median' is the value at the half way point in the list, quartile 1 is the value at the first quarter point in the list, and quartile 3 is the value at the three-quarter point in the list.

For example, if there are 1,000 properties and they are sorted from the lowest to the highest land value then quartile 1 is the 250th property from the lowest.

The three-yearly revaluation of the city for rating purposes was undertaken in 2021 and those valuations are the base for general rates set in 2022/23.

The examples should be read with regard for the following assumptions:

- the Council's total rates revenue will increase by %
- the Uniform Annual General Charge will be \$ per rating unit (\$500 in 2021/22)
- targeted rates in the form of fixed amounts will be applied for water supply (\$); wastewater disposal

(\$); kerbside recycling (\$); rubbish and public recycling (\$) (\$307, \$296, \$130 and \$66 respectively in 2021/22)

- a targeted rate for wastewater disposal will be set on non-residential properties on the basis of the number of pans, in excess of three, on the rating unit. The charge per pan will be \$ compared with \$296 per pan in 2021/22

The examples shown for non-residential, miscellaneous and rural/semi-serviced properties do not include the charges (either fixed or metered) for water, wastewater or kerbside recycling because these vary from property to property but they do include the rubbish and public recycling rate. They do not include the proposed targeted rates to fund the Palmy BID as these will be applied to selected properties in the defined central city Palmy BID area.

5. Components of the Rating System – more detail

5.1 General Rate

The Council proposes to set a general rate based on the land value of each rating unit in the city.

The general rate will be set on a differential basis based on land use (see description in 5.4), with the differential factors as shown in the following table:

Differential Group		Differential Factor (expressed as % of Group Code MS)		Rate (cents in \$ of LV)
Code	Brief Description	Actual 2021/22	Proposed 2022/23	Proposed 2022/23
R1	Single-unit residential	Balance (approx. 78)	Balance (approx. 72)	
R2	Two unit residential	115	110	

Differential Group		Differential Factor (expressed as % of Group Code MS)		Rate (cents in \$ of LV)
R3	Three unit residential	125	120	
R4	Four unit residential	135	130	
R5	Five unit residential	145	140	
R6	Six unit residential	155	150	
R7	Seven unit residential	165	160	
R8	Eight or more unit residential	175	170	
MS	Miscellaneous	100	100	
CI	Non-residential (Commercial/Industrial)	265	280	
FL	Rural/Semi-serviced (5 hectares or more)	20	25	
FS	Rural/Semi-serviced (0.2 hectares or less)	60	75	
FM	Rural/Semi-serviced (between 0.2 & 5 hectares)	45	50	

5.2 Uniform annual general charge

The Council proposes to set a uniform annual general charge of \$..... (\$500 for 2021/22) on each rating unit.

5.3 Targeted rates

For the purposes of the targeted rates proposed below the term 'residential' is defined as "having a predominant or exclusive residential use and on which one or more residential units is erected."

For the purposes of the targeted rates proposed below, a 'separately used or inhabited part (SUIP) of a rating unit' is defined as:

“Any part of the rating unit that is, or is able to be, separately used or inhabited by the ratepayer, or any other person who has the right to use or inhabit that part by virtue of a tenancy, lease, licence or other agreement.

This definition includes separately used parts, whether or not actually occupied at any particular time, which are provided by the owner for rental (or other form of occupation) on an occasional or long-term basis by someone other than the owner.

For the purposes of the definition, vacant land and vacant premises offered or intended for use or habitation by a person other than the owner and usually used as such are defined as ‘used’.

For the avoidance of doubt, a rating unit that has a single use or occupation is treated as having one SUIP.

For a residential property a SUIP will have a separate entrance, kitchen facilities (including sink or cooking facilities), living facilities and toilet/bathroom facilities.

By way of example the following would be considered to have separately used or inhabited parts of a rating unit:

- A single dwelling with flat attached
- Two or more houses, flats or apartments on one certificate of title.”

The Council does not have a lump sum contribution policy and lump sum contributions will not be invited for any targeted rate.

5.3.1 Water supply

The Council proposes to set targeted rates for water supply. For residential rating units it shall be on the basis of a fixed amount per separately used or inhabited part, and for all other properties a fixed amount per rating unit. The charge will be set on a differential basis based on the availability

of the service (either ‘connected’ or ‘serviceable’). Connected means the rating unit is connected to a Council-operated waterworks while serviceable means the rating unit is not connected to a Council-operated waterworks but is within 100m of such waterworks and Council would allow a connection. The serviceable rate will be 50% of the connected rate.

Rating units that are not connected to the scheme and are not serviceable will not be liable for this rate. The estimated rates for the 2022/23 year are:

Connected:	\$
Serviceable:	\$

There are situations where the Council will require water to be supplied on a metered basis. Where this occurs, the Council proposes instead of the above to set metered water targeted rates that comprise a fixed amount (estimated at \$ per metered connection for connections of 25mm or less and \$ for connections greater than 25mm) and a variable amount (estimated at \$ per cubic metre) based on the volume of water supplied.

5.3.2 Wastewater disposal

The Council proposes to set a targeted rate for wastewater disposal. For residential rating units, it shall be set on the basis of a fixed charge per separately used or inhabited part, and for all other properties a fixed charge per rating unit. The charge will be set on a differential basis based on the availability of the service (either ‘connected’ or ‘serviceable’). Connected means the rating unit is connected to a public wastewater drain, while serviceable means the rating unit is not connected to a public wastewater drain but is within 30m of such a drain, and Council would allow a connection. The serviceable rate will be 50% of the connected rate.

Rating units that are not connected to the scheme, and which are not serviceable will not be liable for this rate.

The estimated rates for the 2022/23 year are:

Connected: \$
Serviceable: \$

In addition, for the 2022/23 year the Council proposes to set a targeted rate for connected non-residential rating units of \$ per pan (water closet or urinal) for each pan in excess of three.

5.3.3 Rubbish and recycling

5.3.3.1 Kerbside recycling

The Council proposes to set a targeted rate for kerbside recycling on the basis of:

- a fixed amount per separately used or inhabited part of a rating unit for residential properties receiving the Council's kerbside collection service
- a fixed amount per rating unit for non-residential and rural/semi-serviced properties receiving the Council's kerbside collection service

Where ratepayers elect, and the Council agrees, additional levels of service may be provided. These additional services could be providing more recycling bins or more frequent service. Each additional level of service will be charged at a rate of \$. This may include charges to non-rateable rating units where the service is provided. Rating units for which the Council is not prepared to provide the service will not be liable for these rates.

The estimated rates for the 2022/23 year are:

Kerbside recycling \$

5.3.3.2 Rubbish and public recycling

The Council proposes to set a targeted rate for rubbish and public recycling on the basis of a fixed amount per separately used or inhabited part of each residential rating unit and a fixed amount per rating unit for all other rating units. Rating units that are vacant land will not be liable for these rates.

The estimated rates for the 2022/23 year are:

Rubbish and public recycling \$.

5.3.4 Warm Palmerston North

The Council proposes to set a targeted rate on properties that have benefited from the installation of insulation through the Warm Palmy Home Insulation Scheme. The rate is calculated as a percentage of the service amount (the cost of the installation) until the service amount and costs of servicing the service amount are recovered. For 2022/23 the rate is proposed to be 16%.

5.3.5 Palmy BID

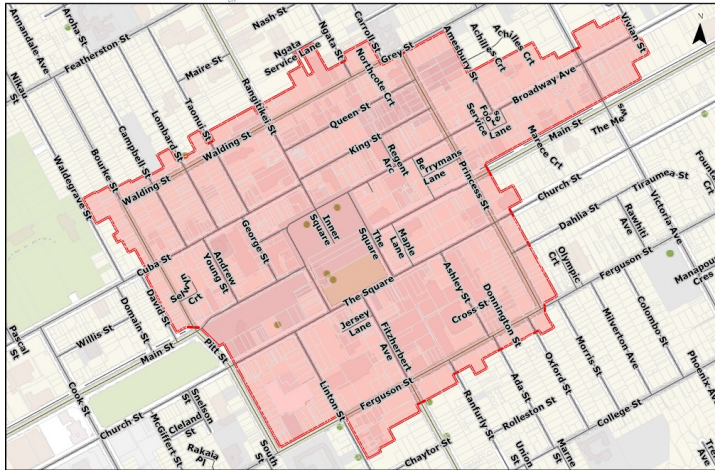
The Council proposes to set targeted rates on those properties within the central city Palmy BID area as shown on the following map that are categorised as non-residential for the Council's general rate. The rate will fund a grant to the Palmy BID group.

The targeted rates will comprise:

A fixed amount of \$342 per rating unit; and

A variable amount of 0.0128 cents in the \$ of the capital value of the rating unit.

PALMY BID RATE AREA



5.4 Differential matters and categories

5.4.1 Objectives of differentials for general rate

The Council believes that a uniform general rate based on land value would not produce a fair and equitable allocation of rates. For this reason, it operates a system of differentials based on land use. Descriptions of the land use categories are shown in 5.4.2.

The Council describes the relationship between the rates charged to each group in terms of a factor expressed as a percentage of the rate that would apply if there were no differential rating in place – that is, the group described as Miscellaneous (MS). Each year, the Council reviews the differential factors applied to each land use category. The factors proposed for 2022/23 are outlined in 5.1 as are the actual for 2021/22. The

changes are being proposed to moderate the impacts of the 2021 city revaluation on rates incidence especially for residential properties.

The factors have been developed to address the following matters:

- rating units containing more than one residential unit will place an increasing demand on Council services as the number of units increase
- the land value for non-residential property is often driven by different influences from the land value for residential or rural land and therefore is not directly comparable as a rating base
- the Council's Revenue and Financing Policy identifies a number of activities where it believes non-residential users gain a greater benefit than other users and should bear a greater share of the cost
- for large rural rating units a pure land value system would produce rates charges that would be unsustainable
- rural and semi-serviced rating units generally have limited or, in some cases, no access to some Council activities funded through the general rate

5.4.2 Differentials based on land use

The Council proposes to differentiate the general rate primarily on the basis of land use. Properties with more than one use will be placed in a category that the Council considers reflects the primary use.

The Council will consider partitioning the property into parts and allocate each part to the most appropriate category in situations such as the following:

- where there are discreet parts of the property used for different purposes such as a retail shop and a residence
- for manager's residences associated with motel complexes
- where part of the property is used for not-for-profit or other community purposes and the remainder is used for other purposes

- where the property is not serviced and is used for commercial, industrial or business purposes but a significant part is used for farming or horticultural purposes
- where a property has a rural zoning but is serviced and has one or more residential units then the first 2ha will be classified as group code R1 and the balance as FM or FL depending on its size.
- where a property that is greater than 5ha (and residential use is a permitted activity under the city's District Plan) becomes serviced the first 5ha (or the area of the actual sub-divisional development if larger than this) will be categorised in group code R1 and the remainder will continue to be treated as not serviced for rating purposes
- where a property that is less than 5ha becomes serviced and features of the land or District Plan requirements impede subdivision the part that reflects the extent of the impediment will continue to be treated as not serviced for rating purposes

Note that, subject to the rights of objection to the rating information database set out in sections 29 and 39 of the Local Government (Rating) Act 2002, the Council is the sole determiner of the categories.

In the context of the general rate, 'serviced' means the property is either connected or serviceable for wastewater disposal. Connected means the rating unit is connected to a public wastewater drain, while serviceable means the rating unit is not connected to a public wastewater drain but is within 30m of such a drain, and Council would allow a connection.

The following differential categories will be used:

Single-unit residential (R1)

Every serviced rating unit not otherwise classified:

- having a predominant or exclusive residential use (excluding home occupations) and on which is erected one residential unit;

or

- being vacant property where residential use is a permitted activity under the city's District Plan.

Multi-unit residential (R2 - R8)

Every serviced rating unit not otherwise classified on which is erected:

- two residential units (R2); or
- three residential units (R3); or
- four residential units (R4); or
- five residential units (R5); or
- six residential units (R6); or
- seven residential units (R7); or
- eight or more residential units (R8).

In determining what is a residential unit, the Council will apply the same criteria as defined for a SUIP, as shown in 5.3.

Miscellaneous (MS)

Every rating unit not otherwise classified of the following types:

- property used primarily for not-for-profit or other community purposes, excluding retail shops
- property owned by the Council that is used by it for parking that is available for public use
- property where the ratepayer conducts or permits to be conducted a business (a Home Occupation, as defined in the city's District Plan), which would otherwise qualify for inclusion in group code R1
- vacant serviced property where non-residential use is a permitted activity under the city's District Plan
- property that is not serviced and would otherwise qualify for inclusion in group code FL, FS or FM but is used for predominantly commercial, industrial or business purposes (excluding farming and horticulture).

- Property not specifically categorised in any of the other group codes.

Non-residential (CI)

Every serviced rating unit, not otherwise classified, used for commercial, industrial or business purposes including licensed hotel, serviced apartments or residential institution including a guesthouse, rooming house, boarding house, private hotel, motel, residential club or hostel.

Rural and semi-serviced (FL, FS and FM)

FL – Every rating unit not otherwise classified that is not serviced and has either

- an area of 5ha or more; or
- an area less than 5ha but on which there is no residential dwelling or non-residential improvements.

When the rating unit becomes serviced, as defined above (and provided it is zoned to permit subdivision), the property will be reclassified to the higher rated differential category in the immediately following year.

FS – Every rating unit not otherwise classified that is not serviced and has an area of 0.2ha or less and on which there is a residential dwelling.

FM – Every rating unit not otherwise classified that is not serviced and has an area greater than 0.2ha and less than 5ha and on which there is either residential dwellings or non-residential improvements.

6. Early payment of rates

Sections 55 and 56 of the Local Government (Rating) Act 2002 empowers councils to accept early payment of rates.

The Council will accept any payment of rates for either the current or future years in advance of the due date.

7. Rates payable by instalment and due dates

The Council provides for rates to be paid in four equal instalments. For the 2022/23 year the due dates (that is, final dates for payment without incurring penalty charges) will be:

Instalment 1:	26 August 2022
Instalment 2:	25 November 2022
Instalment 3:	24 February 2023
Instalment 4:	26 May 2023

Ratepayers may elect to pay on a more regular basis if they choose. They may also elect to pay the full year's rates in one lump sum prior to the due date for instalment 2 without incurring penalty charges on instalment 1. Rates may be paid using any one of a number of payment methods acceptable to the Council, including direct debit, cash or Eftpos at Council's office, direct credit and other bank transfer methods. Payment by credit card can be made using the Internet or at Council's office, subject to the payment of a fee to cover costs.

The due date for metered water targeted rates will be the 20th of the month following the invoice date as follows:

Monthly Invoicing	
Instalment	Due date
1	20 July 2022
2	20 August 2022
3	20 September 2022
4	20 October 2022
5	20 November 2022
6	20 December 2022
7	20 January 2023
8	20 February 2023
9	20 March 2023

10	20 April 2023
11	20 May 2023
12	20 June 2023

Total capital value of all rating units: \$

Total land value of all rating units: \$

Two-monthly invoicing			
Linton, East & North Rounds		Ashhurst, South West, PNCC & Central Rounds	
Instalment	Due date	Instalment	Due date
1	20 July 2022	1	20 August 2022
2	20 September 2022	2	20 October 2022
3	20 November 2022	3	20 December 2022
4	20 January 2023	4	20 February 2023
5	20 March 2023	5	20 April 2023
6	20 May 2023	6	20 June 2023

8. Rates penalties

To provide an incentive for rates to be paid by the due date, penalties will be imposed when rates are not paid on time. A penalty of 10% will be added to any portion of an instalment remaining unpaid after the due date for payment, as outlined in clause 7 above.

A penalty charge of 10% will be added to any outstanding rates (including penalties) assessed in previous years and remaining outstanding at 4 July 2022 and again on 4 January 2023.

Penalty charges will not be applied to the metered water targeted rate.

9. Rating base information

The following are projected as at 30 June 2022:

Number of rating units:

10. Rates Summary

	Basis of rates	10YP 2021/22 \$000	10YP 2022/23 \$000	PAB 2022/23 \$000
General rates				
General rates	rate in \$ of LV (differentiated by use)	67,511	71,845	
UAGC	fixed charge p rating unit	14,252	14,670	
Targeted rates				
Water				
- connected	fixed charge p SUIP (residential) or p rating unit (non-residential)	8,088	9,976	
- serviceable	fixed charge p SUIP (residential) or p rating unit (non-residential)	99	121	
- metered	\$ p m3 plus fixed charge	2,750	2,800	
Wastewater				
- connected	fixed charge p SUIP (residential) or p rating unit (non-residential)	8,177	9,507	
- serviceable	fixed charge p SUIP (residential) or p rating unit (non-residential)	93	94	
- pans	fixed charge p pan	2,319	2,659	
Rubbish & recycling				
- kerbside recycling	fixed charge p SUIP	3,574	3,421	
- rubbish & public recycling	fixed charge p SUIP	1,946	2,536	
Palmy BID	Fixed charge p rating unit & rate in \$ of CV for commercially rated properties in Palmy BID area of central city	125	128	125
		125	129	125
Total Rates Revenue (GST Exclusive)		109,059	117,887	

11. Source and application of funds statements (Funding Impact Statements)

The Local Government (Financial Reporting and Prudence) Regulations 2014 prescribe the format for statements showing the sources and application of funds for the whole of Council and for each group of activities of the Council.

These statements are designed to show where operational and capital funding comes from, and how they are used.

This information is presented in two ways, firstly at the Whole of Council level, and in a slightly different form at the “Group of Activities” level. At the Group of Activities level, internal revenue and expenditure are shown as separate items, while at the Whole of Council level they are not displayed because the amounts balance each other out.

Capital Expenditure is grouped into three broad categories based on which one the programme most relates to. The three categories are:

- to meet additional demand
- to improve the level of service
- to replace existing assets.

The categories do not clearly represent the fact that some programmes will contribute to more than one purpose.

In addition to the statements mentioned, the Council is also providing Activity Financial Statements which show the revenue and expenses for the services provided, as well as how the rates are calculated (see section 2). The Funding Impact Statements differ from the Activity Statements in that they do not include depreciation as an expense, categorise capital revenue as part of operating revenue or include movements in the value of assets. For example, the forecast for 2022/23 assumes:

	\$000
Total comprehensive revenue (as shown on pagein Prospective Statement of Comprehensive Revenue & Expense)	
Less gain on property revaluations Less capital revenue Plus depreciation	
Surplus of operating funding (as shown in Whole of Council Funding Impact Statement on page)	

Please note:

In the Funding Impact Statements the term “Other Operating Funding” is an abbreviation of “Local authority fuel tax, fines, infringement fees and other receipts”.

Funding Impact Statements			
Budget	<u>Whole of Council</u>	10YP	AB
2021/22		2022/23	2022/23
\$'000s		\$'000s	\$'000s
<u>Sources of Operating Funding</u>			
82,012	General Rates, UAGC & Rates Penalties	86,825	88,655
27,046	Targeted Rates	31,062	29,602
4,887	Subsidies & Grants for Operating Purposes	4,808	5,120
7,520	Fees and Charges	7,710	8,004
17	Interest and Dividends from investments	17	17
22,664	Other Operating Funding *	23,901	23,765
144,147	Total Operating Funding	154,323	155,163
<u>Applications of Operating Funding</u>			
111,497	Payments to Staff and Suppliers	115,782	118,193
5,090	Finance Costs	6,775	6,468
-	Other operating funding applications	-	-
116,588	Total Applications of Operating Funding	122,557	124,661
27,559	Surplus/(Deficit) of Operating Funding	31,766	30,502
<u>Sources of Capital Funding</u>			
14,162	Subsidies and Grants for Capital Expenditure	13,632	9,882
2,090	Development & Financial Contributions	2,588	2,588
49,184	Increase/(Decrease) in Debt	53,336	46,902
5,000	Gross proceeds from sale of assets	3,075	3,000
-	Lump sum contributions	-	-
-	Other dedicated capital funding	-	-
70,435	Total Sources of Capital Funding	72,630	62,371
<u>Applications of Capital Funding</u>			
Capital Expenditure:-			
16,658	- to meet additional demand	17,792	1,247
50,818	- to improve the level of service	56,408	60,457
30,518	- to replace existing assets	30,196	31,169
-	Increase/(Decrease) in Reserves	-	-
-	Increase/(Decrease) of Investments	-	-
97,994	Total Applications of Capital Funding	104,396	92,873
(27,559)	Surplus/(Deficit) of Capital Funding	(31,766)	(30,502)
-	Total Funding Surplus/(Deficit)	-	-

<u>Funding Impact Statements</u>			
Budget	<u>Connected & Safe Community - Group of Acti</u>	10YP	AB
2021/22		2022/23	2022/23
\$'000s		\$'000s	\$'000s
<u>Sources of Operating Funding</u>			
18,808	General Rates, UAGC & Rates Penalties	19,781	19,643
-	- Targeted Rates	-	-
52	Subsidies & Grants for Operating Purposes	53	263
1,450	Fees and Charges	1,486	1,546
-	- Internal Charges & Overheads Recovered	-	-
4,153	Other Operating Funding *	4,259	4,222
24,462	Total Operating Funding	25,579	25,675
<u>Applications of Operating Funding</u>			
21,591	Payments to Staff and Suppliers	22,190	22,416
540	Finance Costs	703	686
(458)	Internal Charges & Overheads Applied	(469)	(469)
-	- Other operating funding applications	-	-
21,673	Total Applications of Operating Funding	22,423	22,633
2,789	Surplus/(Deficit) of Operating Funding	3,156	3,041
<u>Sources of Capital Funding</u>			
253	Subsidies and Grants for Capital Expenditure	613	-
-	- Development & Financial Contributions	-	-
6,852	Increase/(Decrease) in Debt	5,364	5,923
-	- Gross proceeds from sale of assets	-	-
-	- Lump sum contributions	-	-
-	- Other dedicated capital funding	-	-
7,105	Total Sources of Capital Funding	5,976	5,923
<u>Applications of Capital Funding</u>			
Capital Expenditure:-			
-	- to meet additional demand	866	-
6,889	- to improve the level of service	5,039	5,736
3,005	- to replace existing assets	3,227	3,227
-	- Increase/(Decrease) in Reserves	-	-
-	- Increase/(Decrease) of Investments	-	-
9,894	Total Applications of Capital Funding	9,132	8,964
(2,789)	Surplus/(Deficit) of Capital Funding	(3,156)	(3,041)
-	Total Funding Surplus/(Deficit)	-	-

Funding Impact Statements			
Budget	Creative & Exciting City - Group of Activities	10YP	AB
2021/22		2022/23	2022/23
\$'000s		\$'000s	\$'000s
Sources of Operating Funding			
25,547	General Rates, UAGC & Rates Penalties	26,312	27,725
-	- Targeted Rates	-	-
64	Subsidies & Grants for Operating Purposes	66	66
-	- Fees and Charges	-	-
1,852	Internal Charges & Overheads Recovered	2,157	1,768
2,844	Other Operating Funding *	3,229	3,204
30,308	Total Operating Funding	31,764	32,763
Applications of Operating Funding			
22,866	Payments to Staff and Suppliers	23,864	24,868
1,237	Finance Costs	1,539	1,644
(183)	Internal Charges & Overheads Applied	(188)	(188)
-	- Other operating funding applications	-	-
23,920	Total Applications of Operating Funding	25,215	26,324
6,388	Surplus/(Deficit) of Operating Funding	6,549	6,439
Sources of Capital Funding			
1,529	Subsidies and Grants for Capital Expenditure	2,326	-
325	Development & Financial Contributions	283	283
7,643	Increase/(Decrease) in Debt	12,029	9,243
-	- Gross proceeds from sale of assets	-	-
-	- Lump sum contributions	-	-
-	- Other dedicated capital funding	-	-
9,498	Total Sources of Capital Funding	14,638	9,526
Applications of Capital Funding			
Capital Expenditure:-			
41	- to meet additional demand	1,326	471
10,814	- to improve the level of service	14,444	10,135
5,030	- to replace existing assets	5,417	5,359
-	- Increase/(Decrease) in Reserves	-	-
-	- Increase/(Decrease) of Investments	-	-
15,885	Total Applications of Capital Funding	21,188	15,966
(6,388)	Surplus/(Deficit) of Capital Funding	(6,549)	(6,439)
-	Total Funding Surplus/(Deficit)	-	-

Funding Impact Statements			
Budget	Driven & Enabling Council - Group of Activities	10YP	AB
2021/22		2022/23	2022/23
\$'000s		\$'000s	\$'000s
<u>Sources of Operating Funding</u>			
11,201	General Rates, UAGC & Rates Penalties	11,184	12,976
-	Targeted Rates	-	-
-	Subsidies & Grants for Operating Purposes	-	-
210	Fees and Charges	215	215
32,229	Internal Charges & Overheads Recovered	33,519	33,114
4,462	Other Operating Funding *	4,853	4,853
48,102	Total Operating Funding	49,771	51,157
<u>Applications of Operating Funding</u>			
45,874	Payments to Staff and Suppliers	47,303	48,958
454	Finance Costs	572	502
(109)	Internal Charges & Overheads Applied	(112)	(112)
-	Other operating funding applications	-	-
46,219	Total Applications of Operating Funding	47,762	49,348
1,883	Surplus/(Deficit) of Operating Funding	2,008	1,810
<u>Sources of Capital Funding</u>			
-	Subsidies and Grants for Capital Expenditure	-	-
-	Development & Financial Contributions	-	-
4,446	Increase/(Decrease) in Debt	3,819	3,503
-	Gross proceeds from sale of assets	-	-
-	Lump sum contributions	-	-
-	Other dedicated capital funding	-	-
4,446	Total Sources of Capital Funding	3,819	3,503
<u>Applications of Capital Funding</u>			
Capital Expenditure:-			
-	- to meet additional demand	-	-
1,428	- to improve the level of service	866	1,096
4,901	- to replace existing assets	4,961	4,216
-	Increase/(Decrease) in Reserves	-	-
-	Increase/(Decrease) of Investments	-	-
6,329	Total Applications of Capital Funding	5,827	5,312
(1,883)	Surplus/(Deficit) of Capital Funding	(2,008)	(1,810)
-	Total Funding Surplus/(Deficit)	-	-

Funding Impact Statements			
Budget	Eco-City - Group of Activities	10YP	AB
2021/22		2022/23	2022/23
\$'000s		\$'000s	\$'000s
Sources of Operating Funding			
1,390	General Rates, UAGC & Rates Penalties	1,731	1,512
5,520	Targeted Rates	5,958	7,039
340	Subsidies & Grants for Operating Purposes	352	352
-	- Fees and Charges	-	-
-	- Internal Charges & Overheads Recovered	-	-
2,775	Other Operating Funding *	2,890	2,565
10,025	Total Operating Funding	10,931	11,468
Applications of Operating Funding			
8,660	Payments to Staff and Suppliers	9,477	10,140
233	Finance Costs	363	270
(31)	Internal Charges & Overheads Applied	(32)	(32)
-	- Other operating funding applications	-	-
8,862	Total Applications of Operating Funding	9,809	10,378
1,162	Surplus/(Deficit) of Operating Funding	1,122	1,090
Sources of Capital Funding			
-	- Subsidies and Grants for Capital Expenditure	-	-
-	- Development & Financial Contributions	-	-
3,847	Increase/(Decrease) in Debt	4,291	2,166
-	- Gross proceeds from sale of assets	-	-
-	- Lump sum contributions	-	-
-	- Other dedicated capital funding	-	-
3,847	Total Sources of Capital Funding	4,291	2,166
Applications of Capital Funding			
Capital Expenditure:-			
-	- to meet additional demand	-	-
4,586	- to improve the level of service	4,975	2,857
423	- to replace existing assets	438	399
-	- Increase/(Decrease) in Reserves	-	-
-	- Increase/(Decrease) of Investments	-	-
5,009	Total Applications of Capital Funding	5,413	3,256
(1,162)	Surplus/(Deficit) of Capital Funding	(1,122)	(1,090)
-	- Total Funding Surplus/(Deficit)	-	-

Funding Impact Statements			
Budget	Innovative & Growing City - Group of Activities	10YP	AB
2021/22		2022/23	2022/23
\$'000s		\$'000s	\$'000s
Sources of Operating Funding			
8,093	General Rates, UAGC & Rates Penalties	8,157	8,177
-	- Targeted Rates	-	-
-	- Subsidies & Grants for Operating Purposes	-	-
5,672	Fees and Charges	5,814	6,054
30	Internal Charges & Overheads Recovered	31	31
1,513	Other Operating Funding *	1,551	1,551
15,309	Total Operating Funding	15,553	15,813
Applications of Operating Funding			
14,885	Payments to Staff and Suppliers	15,374	15,630
5	Finance Costs	12	8
(6)	Internal Charges & Overheads Applied	(6)	(6)
-	- Other operating funding applications	-	-
14,884	Total Applications of Operating Funding	15,380	15,632
426	Surplus/(Deficit) of Operating Funding	173	182
Sources of Capital Funding			
-	- Subsidies and Grants for Capital Expenditure	-	-
-	- Development & Financial Contributions	-	-
(4,750)	Increase/(Decrease) in Debt	(3,020)	(2,961)
5,000	Gross proceeds from sale of assets	3,075	3,000
-	- Lump sum contributions	-	-
-	- Other dedicated capital funding	-	-
250	Total Sources of Capital Funding	55	39
Applications of Capital Funding			
Capital Expenditure:-			
-	- to meet additional demand	-	-
15	- to improve the level of service	7	-
661	- to replace existing assets	221	221
-	- Increase/(Decrease) in Reserves	-	-
-	- Increase/(Decrease) of Investments	-	-
676	Total Applications of Capital Funding	228	221
(426)	Surplus/(Deficit) of Capital Funding	(173)	(182)
-	- Total Funding Surplus/(Deficit)	-	-

Funding Impact Statements			
Budget	Transport - Group of Activities	10YP	AB
2021/22		2022/23	2022/23
\$'000s		\$'000s	\$'000s
Sources of Operating Funding			
13,361	General Rates, UAGC & Rates Penalties	15,483	15,155
-	- Targeted Rates	-	-
4,201	Subsidies & Grants for Operating Purposes	4,337	4,320
134	Fees and Charges	139	134
-	- Internal Charges & Overheads Recovered	-	-
5,686	Other Operating Funding *	5,844	6,094
23,382	Total Operating Funding	25,803	25,703
Applications of Operating Funding			
17,881	Payments to Staff and Suppliers	19,054	19,337
1,274	Finance Costs	1,731	1,739
(133)	Internal Charges & Overheads Applied	(137)	(137)
-	- Other operating funding applications	-	-
19,022	Total Applications of Operating Funding	20,648	20,938
4,360	Surplus/(Deficit) of Operating Funding	5,155	4,765
Sources of Capital Funding			
8,889	Subsidies and Grants for Capital Expenditure	10,693	8,982
726	Development & Financial Contributions	814	814
15,323	Increase/(Decrease) in Debt	15,366	22,244
-	- Gross proceeds from sale of assets	-	-
-	- Lump sum contributions	-	-
-	- Other dedicated capital funding	-	-
24,939	Total Sources of Capital Funding	26,873	32,040
Applications of Capital Funding			
Capital Expenditure:-			
8,700	- to meet additional demand	8,867	206
14,392	- to improve the level of service	17,432	28,415
6,207	- to replace existing assets	5,729	8,184
-	- Increase/(Decrease) in Reserves	-	-
-	- Increase/(Decrease) of Investments	-	-
29,299	Total Applications of Capital Funding	32,028	36,804
(4,360)	Surplus/(Deficit) of Capital Funding	(5,155)	(4,765)
-	Total Funding Surplus/(Deficit)	-	-

<u>Funding Impact Statements</u>			
Budget	<u>Stormwater - Group of Activities</u>	10YP	AB
2021/22		2022/23	2022/23
\$'000s		\$'000s	\$'000s
<u>Sources of Operating Funding</u>			
3,613	General Rates, UAGC & Rates Penalties	4,176	3,467
-	- Targeted Rates	-	-
-	- Subsidies & Grants for Operating Purposes	-	-
-	- Fees and Charges	-	-
-	- Internal Charges & Overheads Recovered	-	-
6	Other Operating Funding *	6	6
3,619	Total Operating Funding	4,183	3,473
<u>Applications of Operating Funding</u>			
2,293	Payments to Staff and Suppliers	2,496	2,120
250	Finance Costs	425	224
(17)	Internal Charges & Overheads Applied	(18)	(18)
-	- Other operating funding applications	-	-
2,526	Total Applications of Operating Funding	2,903	2,327
1,093	Surplus/(Deficit) of Operating Funding	1,279	1,146
<u>Sources of Capital Funding</u>			
-	- Subsidies and Grants for Capital Expenditure	-	-
139	Development & Financial Contributions	132	132
6,705	Increase/(Decrease) in Debt	5,409	963
-	- Gross proceeds from sale of assets	-	-
-	- Lump sum contributions	-	-
-	- Other dedicated capital funding	-	-
6,844	Total Sources of Capital Funding	5,541	1,095
<u>Applications of Capital Funding</u>			
Capital Expenditure:-			
5,450	- to meet additional demand	3,726	207
1,612	- to improve the level of service	2,277	1,216
875	- to replace existing assets	818	818
-	- Increase/(Decrease) in Reserves	-	-
-	- Increase/(Decrease) of Investments	-	-
7,937	Total Applications of Capital Funding	6,821	2,241
(1,093)	Surplus/(Deficit) of Capital Funding	(1,279)	(1,146)
-	- Total Funding Surplus/(Deficit)	-	-

Funding Impact Statements			
Budget	Wastewater - Group of Activities	10YP	AB
2021/22		2022/23	2022/23
\$'000s		\$'000s	\$'000s
Sources of Operating Funding			
-	General Rates, UAGC & Rates Penalties	-	-
10,589	Targeted Rates	12,208	10,448
230	Subsidies & Grants for Operating Purposes	-	120
6	Fees and Charges	6	6
-	Internal Charges & Overheads Recovered	-	-
1,195	Other Operating Funding *	1,237	1,237
12,020	Total Operating Funding	13,451	11,812
Applications of Operating Funding			
7,350	Payments to Staff and Suppliers	7,350	5,833
406	Finance Costs	534	524
(11)	Internal Charges & Overheads Applied	(12)	(12)
-	Other operating funding applications	-	-
7,745	Total Applications of Operating Funding	7,872	6,345
4,275	Surplus/(Deficit) of Operating Funding	5,579	5,466
Sources of Capital Funding			
2,302	Subsidies and Grants for Capital Expenditure	-	900
533	Development & Financial Contributions	1,022	1,022
3,756	Increase/(Decrease) in Debt	3,881	2,452
-	Gross proceeds from sale of assets	-	-
-	Lump sum contributions	-	-
-	Other dedicated capital funding	-	-
6,591	Total Sources of Capital Funding	4,903	4,374
Applications of Capital Funding			
Capital Expenditure:-			
1,003	- to meet additional demand	1,470	104
4,823	- to improve the level of service	4,554	5,916
5,040	- to replace existing assets	4,459	3,820
-	Increase/(Decrease) in Reserves	-	-
-	Increase/(Decrease) of Investments	-	-
10,866	Total Applications of Capital Funding	10,482	9,840
(4,275)	Surplus/(Deficit) of Capital Funding	(5,579)	(5,466)
-	Total Funding Surplus/(Deficit)	-	-

<u>Funding Impact Statements</u>			
Budget	<u>Water - Group of Activities</u>	10YP	AB
2021/22		2022/23	2022/23
\$'000s		\$'000s	\$'000s
<u>Sources of Operating Funding</u>			
-	General Rates, UAGC & Rates Penalties	-	-
10,938	Targeted Rates	12,896	12,115
-	Subsidies & Grants for Operating Purposes	-	-
48	Fees and Charges	49	48
201	Internal Charges & Overheads Recovered	208	208
47	Other Operating Funding *	49	49
11,234	Total Operating Funding	13,203	12,420
<u>Applications of Operating Funding</u>			
5,396	Payments to Staff and Suppliers	5,603	5,026
691	Finance Costs	896	871
(38)	Internal Charges & Overheads Applied	(40)	(40)
-	Other operating funding applications	-	-
6,049	Total Applications of Operating Funding	6,459	5,857
5,184	Surplus/(Deficit) of Operating Funding	6,744	6,563
<u>Sources of Capital Funding</u>			
1,188	Subsidies and Grants for Capital Expenditure	-	-
367	Development & Financial Contributions	337	337
5,361	Increase/(Decrease) in Debt	6,196	3,369
-	Gross proceeds from sale of assets	-	-
-	Lump sum contributions	-	-
-	Other dedicated capital funding	-	-
6,916	Total Sources of Capital Funding	6,533	3,706
<u>Applications of Capital Funding</u>			
Capital Expenditure:-			
1,464	- to meet additional demand	1,538	259
6,260	- to improve the level of service	6,813	5,085
4,376	- to replace existing assets	4,925	4,925
-	Increase/(Decrease) in Reserves	-	-
-	Increase/(Decrease) of Investments	-	-
12,100	Total Applications of Capital Funding	13,277	10,269
(5,184)	Surplus/(Deficit) of Capital Funding	(6,744)	(6,563)
-	Total Funding Surplus/(Deficit)	-	-

SECTION 3

ADDITIONAL INFORMATION

- Levels of Service, Performance Measures and Targets

Levels of Service and Performance Measures

This section contains an extract from the 10 Year Plan which shows the Council's planned levels of service for each of the activities and the measures we intend to use to report back on our performance.

More information about each of the Council's activities can be found in the full 10 Year Plan 2018-2028 which you can view on the Council's website www.pncc.govt.nz and searching [10 Year Plan](#) or by phoning us on 06 356 8199 and asking for a copy.

As the 10 Year Plan was adopted in July 2021 the '2020/21' in brackets reflects the position as at that time.

The Council reports its performance in relation to levels of service in Annual Reports which can also be viewed on the Council's website or by phoning us and asking for a copy.

All of our performance measures will be measured annually, unless stated otherwise.

City Growth - Te tipu o te tāone nui

Levels of service	Measures of Success (with results from 2020/21)	Targets Year 1 2021-22	Targets Year 2 2022-23	Targets Year 3 2023-24	Targets 4-10
Provide enough development capacity to meet expected demand for housing and business in the short, medium and long term.	Enough land is zoned, infrastructure enabled and feasible to develop, to meet growth demand. (new – currently have 6 years capacity)	At least three years of housing and business land with services is immediately available.	At least three years of housing and business land with services is immediately available.	At least three years of housing and business land with services is immediately available.	At least three years of housing and business land with services is immediately available.
Perform the regulatory planning role under the Local Government Act and Resource Management Act.	Resource consent applications are processed within statutory frameworks. (65% not met due to workload)	At least 95%. (See note)	At least 95%. (See note)	At least 95%. (See note)	At least 95%. (See note)
	Building consent applications are processed within statutory frameworks. (met – 95%)	At least 95%. (See note)	At least 95%. (See note)	At least 95%. (See note)	At least 95%. (See note)
Provide public spaces (streets, open spaces, civic and community buildings and infrastructure) that are sustainable, connected, diverse, integrated, adaptable, interesting, comfortable and safe. Work with the development community to increase knowledge and influence urban design outcomes.	City-wide urban design principles are reflected in planning advice and decision-making. (met through projects at Manawatū River, City Centre, Esplanade and Central Energy Trust Arena)	Narrative measure outlining how urban design principles are being implemented.	Narrative measure outlining how urban design principles are being implemented.	Narrative measure outlining how urban design principles are being implemented.	Narrative measure outlining how urban design principles are being implemented.
	There is an increase in range of building types being built in the city centre and local neighbourhoods (e.g. different densities, co-housing, CBD residential, green buildings). (new – currently there is little	Narrative measure outlining the trends in the range of building types.	Narrative measure outlining trends in the range of building types.	Narrative measure outlining trends in the range of building types.	Narrative measure outlining trends in the range of building types.

Levels of service	Measures of Success (with results from 2020/21)	Targets Year 1 2021-22	Targets Year 2 2022-23	Targets Year 3 2023-24	Targets 4-10
	innovation in the type of houses being built to meet changing demographics and needs)				

Note:

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

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

Economic Development – Te whakawhanake ōhanga

Levels of service	Measures of Success (with results from 2020/21)	Targets Year 1 2021-22	Targets Year 2 2022-23	Targets Year 3 2023-24	Targets 4-10
Support economic wellbeing through funding of external organisations.	Funding is distributed and the key objectives achieved. (met – e.g. through CEDA’s response to Covid-19)	Narrative measure outlining outcomes achieved by the funded organisations.	Narrative measure outlining outcomes achieved by the funded organisations.	Narrative measure outlining outcomes achieved by the funded organisations.	Narrative measure outlining outcomes achieved by the funded organisations.
Achieve a positive city reputation.	Measure of success and targets to be determined (Activity is in process of being transferred to Council.)	To be determined.	To be determined.	To be determined.	To be determined.

Transport – Tūnuku

Levels of service	Measures of Success (with results from 2019-20)	Targets Year 1 2021-22	Targets Year 2 2022-23	Targets Year 3 2023-24	Targets 4-10
Provide an integrated multi-modal transport network that connects people and goods with destinations in a safe, efficient and sustainable manner and evolves to meet new transport demands with less reliance on private motor-vehicles.	The change in the number of fatal and serious injury crashes from the previous year on the city's local road network (mandatory measure). (Not met – increase from 24 to 43)	Fewer than the previous year. Narrative measure outlining long-term accident trends and causes.	Fewer than the previous year. Narrative measure outlining long-term accident trends and causes.	Fewer than the previous year. Narrative measure outlining long-term accident trends and causes.	Fewer than the previous year. Narrative measure outlining long-term accident trends and causes.
	The average quality of ride on the sealed local road network, measured by smooth travel exposure (mandatory measure). (met – 82%)	Greater than 80%.	Greater than 80%.	Greater than 80%.	Greater than 80%.
	The percentage of the sealed local road network that is resurfaced (mandatory measure). (Not met – 3%)	More than 3.5%.	More than 3.5%.	More than 3.5%.	More than 3.5%.
	The percentage of footpaths that meet Council standard (mandatory measure). (met – 93%)	Greater than 93% rated 3 or above (see note)	Greater than 93% rated 3 or above (see note)	Greater than 93% rated 3 or above (see note)	Greater than 93% rated 3 or above (see note)
	Percentage of requests for service relating to roads and footpaths responded to (with at least an initial response) within three working days (mandatory measure). (Not met 82.7% of all requests)	Greater than 95% of safety and critical requests.	Greater than 95% of safety and critical requests.	Greater than 95% of safety and critical requests.	Greater than 95% of safety and critical requests.

Note

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

Active Communities – He hapori whakahohe

Levels of service	Measures of Success (with results from 2019-20)	Targets Year 1 2021-22	Targets Year 2 2022-23	Targets Year 3 2023-24	Targets 4-10
Provide a wide range of accessible and well-maintained play, active recreation and sports facilities to increase levels of physical activity and participation in sport and active recreation and meet a diverse range of local communities. (Note: these facilities are city reserves, suburb reserves, local reserves, sports fields, the Central Energy Trust Arena, walkways and shared paths, and swimming pools).	Increase in use of parks, sports fields and playgrounds (new – baseline to be set)	Narrative measure outlining Parks Check Survey results.	Narrative measure outlining Parks Check Survey results.	Narrative measure outlining Parks Check Survey results.	Narrative measure outlining Parks Check Survey results.
	Increase in use of aquatic facilities (Not met due to covid – previous full year of usage was 380,000 at Lido and 178,500 at Freyberg)	Usage numbers at Lido, Freyberg and Ashhurst Pools.	Usage numbers at Lido, Freyberg and Ashhurst Pools.	Usage numbers at Lido, Freyberg and Ashhurst Pools.	Usage numbers at Lido, Freyberg and Ashhurst Pools.
	Increase in use of Central Energy Trust Arena for community sport and active recreation. (new – baseline to be set)	Narrative measure outlining number of community events and hours.	Narrative measure outlining number of community events and hours.	Narrative measure outlining number of community events and hours.	Narrative measure outlining number of community events and hours.
	Increase in satisfaction of Council's sport and recreation facilities. (new – overall satisfaction with Council's management and maintenance of open spaces is 86% (12% neutral and 2% dissatisfied. 2021 survey)	Narrative measure outlining trends in user and resident feedback and surveys.	Narrative measure outlining trends in user and resident feedback and surveys.	Narrative measure outlining trends in user and resident feedback and surveys.	Narrative measure outlining trends in user and resident feedback and surveys.
Work in partnership with external recreation organisations, and facility providers, to help increase levels of participation in play, active recreation and sport.	Council works in partnership with external organisations. (Met. Council supports Sport Manawātū to encourage community participation in play, active recreation and sport)	Narrative measure outlining partnership initiatives designed to increase participation and their outcomes.	Narrative measure outlining partnership initiatives designed to increase participation and their outcomes.	Narrative measure outlining partnership initiatives designed to increase participation and their outcomes.	Narrative measure outlining partnership initiatives designed to increase participation and their outcomes.

Arts and Heritage – Te toi me te taonga tuku iho

Levels of service	Measures of Success (with results from 2019-20)	Targets Year 1 2021-22	Targets Year 2 2022-23	Targets Year 3 2023-24	Targets 4-10
Provide support to community organisations, cultural Council-Controlled Organisations and individuals to help make Palmerston North a creative and exciting city.	Increase in patronage of Council-owned cultural facilities (Te Manawa, Globe Theatre, Regent Theatre, and Square Edge), as measured by reports provided by operators. (New – see CCO pages in Section 4 of the LTP for current figures)	Annual patronage numbers for the CCOs increase.	Annual patronage numbers for the CCOs increase.	Annual patronage numbers for the CCOs increase.	Annual patronage numbers for the CCOs increase.
Maintain and enhance cultural facilities that provide a range of opportunities for people to access and participate in the arts.	Funding is distributed and the key objectives achieved. (met – see CCO pages in Section 4 of the LTP for current results)	Narrative measure outlining outcomes achieved by the CCOs.	Narrative measure outlining outcomes achieved by the CCOs.	Narrative measure outlining outcomes achieved by the CCOs.	Narrative measure outlining outcomes achieved by the CCOs.
Work closely with Rangitāne o Manawātū to support it to be kaitiaki of its heritage places and to increase the wider community's understanding and appreciation of Rangitāne o Manawātū heritage.	Sites of significance to Rangitāne o Manawātū are identified, protected or acknowledged. (met – e.g. through District Plan change C)	Narrative measure outlining the number and description of sites.	Narrative measure outlining the number and description of sites.	Narrative measure outlining the number and description of sites.	Narrative measure outlining the number and description of sites.
Invest in cultural heritage buildings and places to give the community the opportunity to use and	Increase in investment of earthquake-prone heritage buildings. (new – Council is currently working with building owners, e.g. the old Post Office)	Narrative measure outlining investment in buildings and its outcomes.	Narrative measure outlining investment in buildings and its outcomes.	Narrative measure outlining investment in buildings and its outcomes.	Narrative measure outlining investment in buildings and its outcomes.

Levels of service	Measures of Success (with results from 2019-20)	Targets Year 1 2021-22	Targets Year 2 2022-23	Targets Year 3 2023-24	Targets 4-10
appreciate their heritage values.					
Promote and celebrate local history.	Heritage is part of the multi-disciplinary approach to working on Council projects. (new – occurs through Arts and Heritage Plan)	Narrative measure outlining the projects and their multi-disciplinary nature.	Narrative measure outlining the projects and their multi-disciplinary nature.	Narrative measure outlining the projects and their multi-disciplinary nature.	Narrative measure outlining the projects and their multi-disciplinary nature.

City Shaping – Te hanga o te tāone nui

Levels of service	Measures of Success (with results from 2019-20)	Targets Year 1 2021-22	Targets Year 2 2022-23	Targets Year 3 2023-24	Targets 4-10
Implement the City Centre Streetscape Plan to increase city centre vibrancy and improve the perception of the city.	City Centre Streetscape Plan is successfully implemented. (Completion of Square East (between Plaza and bus depot)) (Not met) City Centre Streetscape Plan (pncc.govt.nz)	Narrative measure outlining progress on implementing the Plan.	Narrative measure outlining progress on implementing the Plan.	Narrative measure outlining progress on implementing the Plan.	Narrative measure outlining progress on implementing the Plan.
Implement City Shaping Plan actions in partnership with other agencies. Provide seed funding and support for people to lead public space projects to develop accessible, active, comfortable and social public places. Promote multidisciplinary working on Council and community projects to drive outcomes that deliver on multiple Council objectives.	A wide range of public space projects are implemented. (Met)	Narrative measure outlining the public space projects, their multi stakeholder / multidisciplinary nature, and their outcomes.	Narrative measure outlining the public space projects, their multi stakeholder / multidisciplinary nature, and their outcomes.	Narrative measure outlining the public space projects, their multi stakeholder / multidisciplinary nature, and their outcomes.	Narrative measure outlining the public space projects, their multi stakeholder / multidisciplinary nature, and their outcomes.

Connected Communities – He hapori tūhonohono

Levels of service	Measures of Success (with results from 2019-20)	Targets Year 1 2021-22	Targets Year 2 2022-23	Targets Year 3 2023-24	Targets 4-10
<p>Provide city libraries that collect, curate and provide access to knowledge, ideas and works of the imagination that are primarily focused on meeting the needs of communities with the greatest needs and reflect the diverse and changing needs of communities.</p> <p>Provide library programmes that support the development of literacy in all its forms.</p>	Library users are satisfied with the services and programmes provided (physical and online) (Met – 773,450 visits (covid affected), items used 4.12 times)	More than 800,000 visits a year. Average use per item per year is at least 4 (physical items). Narrative measure outlining the development and use of digital collections. Narrative measure outlining the results of user and residents' satisfaction surveys.	More than 800,000 visits a year. Average use per item per year is at least 4 (physical items). Narrative measure outlining the development and use of digital collections. Narrative measure outlining the results of user and residents' satisfaction surveys.	More than 800,000 visits a year. Average use per item per year is at least 4 (physical items). Narrative measure outlining the development and use of digital collections. Narrative measure outlining the results of user and residents' satisfaction surveys.	More than 800,000 visits a year. Average use per item per year is at least 4 (physical items). Narrative measure outlining the development and use of digital collections. Narrative measure outlining the results of user and residents' satisfaction surveys.
	Library programmes reflect the changing needs of communities. (Met – 2350 programmes)	Narrative measure number and description of programmes and their outcomes.	Narrative measure number and description of programmes and their outcomes.	Narrative measure number and description of programmes and their outcomes.	Narrative measure number and description of programmes and their outcomes.
Provide public toilets throughout the city, to a standard that meets public expectations.	Accessible and gender-neutral toilets are provided throughout the city, and especially in places where there is the most community activity. (Met – all renewals and new installations are accessible and gender neutral)	Narrative measure outlining number, type and location of toilets, plus annual satisfaction survey results)	Narrative measure outlining number, type and location of toilets, plus annual satisfaction survey results)	Narrative measure outlining number, type and location of toilets, plus annual satisfaction survey results)	Narrative measure outlining number, type and location of toilets, plus annual satisfaction survey results)

Levels of service	Measures of Success (with results from 2019-20)	Targets Year 1 2021-22	Targets Year 2 2022-23	Targets Year 3 2023-24	Targets 4-10
Support community centre management groups to provide community centres that are responsive to the needs of their communities.	Community centres are well used. (Not met due to covid. Aim is to have an average 1400 hours usage per year)	Narrative measure outlining use of centres and range of use with them)	Narrative measure outlining use of centres and range of use with them).	Narrative measure outlining use of centres and range of use with them).	Narrative measure outlining use of centres and range of use with them).
Provide cemetery services that are responsive to community needs.	Visitors to cemeteries are satisfied with the services provided (New – 69% satisfied 24% neutral, 6% dissatisfied (2021 survey))	Narrative measure outlining user and residents' survey trends.	Narrative measure outlining user and residents' survey trends.	Narrative measure outlining user and residents' survey trends.	Narrative measure outlining user and residents' survey trends.
Provide warm, safe and accessible social housing for older people, people with disabilities, and other people on low incomes who experience barriers to renting in the private market.	Council's social housing tenants are satisfied with the social housing service they receive (two yearly survey, next in 2023 – aim is 90% satisfied, current figure is 96%).	Narrative measure outlining survey results and tenant feedback.	Narrative measure outlining survey results and tenant feedback.	Narrative measure outlining survey results and tenant feedback.	Narrative measure outlining survey results and tenant feedback.
	Council's social housing is warm and safe, as shown by compliance with the Otago Medical School He Kainga Oranga Rental Housing Warrant of Fitness Standard. New Council housing is accessible (as shown by Lifemark 4 Star Design Standard accreditation) (New – Council's social housing meets the Otago Medical School and the new Healthy Homes Standards)	Standards met.	Standards met.	Standards met.	Standards met.

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

Safe Communities – He hapori haumarū

Levels of service	Measures of Success (with results from 2019-20)	Targets Year 1 2021-22	Targets Year 2 2022-23	Targets Year 3 2023-24	Targets 4-10
Coordinate and facilitate the work of the Safety Advisory Board (SAB) to enable the fulfilment of its strategic plan.	The SAB carries out a range of successful initiatives. (met – recent initiatives include a safe trading zone in The Square, City Ambassadors, and helping frontline workers be more effective with vulnerable communities).	Narrative measure (outlining description of SAB initiatives and their outcomes).	Narrative measure (outlining description of SAB initiatives and their outcomes).	Narrative measure (outlining description of SAB initiatives and their outcomes).	Narrative measure (outlining description of SAB initiatives and their outcomes).
Achieve the Manawatū-Whanganui Civil Defence Emergency Management Group goals to build resilience and disaster preparedness for civil defence and emergency situations.	Increasing preparedness for emergencies in Palmerston North. (new – through working with local communities, schools, businesses and community groups).	Narrative measure outlining Manawatū-Whanganui CDEM preparedness 2-yearly survey trends and description of initiatives.	Narrative measure outlining Manawatū-Whanganui CDEM preparedness 2-yearly survey trends and description of initiatives.	Narrative measure outlining Manawatū-Whanganui CDEM preparedness 2-yearly survey trends and description of initiatives.	Narrative measure outlining Manawatū-Whanganui CDEM preparedness 2-yearly survey trends and description of initiatives.
Enforces bylaws and legislation in relation to supply and sale of alcohol, stray and aggressive dogs, keeping animals, food and commercial premises, gambling, and excessive noise.	Bylaws are reviewed on legal timeframe and enforced. (new – recently reviewed Water Supply Bylaw and are reviewing Trade Waste and Stormwater Drainage Bylaws).	Narrative measure outlining description of programme to develop and review bylaws and their outcomes.	Narrative measure outlining description of programme to develop and review bylaws and their outcomes.	Narrative measure outlining description of programme to develop and review bylaws and their outcomes.	Narrative measure outlining description of programme to develop and review bylaws and their outcomes.

Climate Change – Te āhuarangi hurihuri

Levels of service	Measures of Success (with results from 2019-20)	Targets Year 1 2021-22	Targets Year 2 2022-23	Targets Year 3 2023-24	Targets 4-10
Foster sustainable practices and behaviours so that city residents and organisations become more sustainable.	Increase in sustainable practices. (met. Current initiatives include running an 8-week Sustainable Living Course in local neighbourhoods)	Narrative measure outlining projects and initiatives that foster sustainable practices / behaviours and their impacts.	Narrative measure outlining projects and initiatives that foster sustainable practices / behaviours and their impacts.	Narrative measure outlining projects and initiatives that foster sustainable practices / behaviours and their impacts.	Narrative measure outlining projects and initiatives that foster sustainable practices / behaviours and their impacts.
Develop policies and plans and work with city stakeholders to achieve the target of a 30% reduction in greenhouse gas emissions by 2031 and continue to reduce greenhouse gas emissions from Council's own activities.	Decrease in Council's total organisational emissions. (new – PNCC emissions have fallen from 26,444tCO ₂ e in 2015/16, to 21,260tCO ₂ e in 2018/19: a 20% reduction. Non-landfill related emissions have fallen from 6,719tCO ₂ e to 5266tCO ₂ e: down 22%.	Narrative measure outlining greenhouse gas reduction initiatives and their impacts.	Narrative measure outlining greenhouse gas reduction initiatives and their impacts.	Narrative measure outlining greenhouse gas reduction initiatives and their impacts.	Narrative measure outlining greenhouse gas reduction initiatives and their impacts.
Work with iwi and community groups to re-establish bush, particularly along waterways, and to control introduced predators.	Measured through Manawatū River level of service. (new)	(see Manawatū River Activity)	(see Manawatū River Activity)	(see Manawatū River Activity)	(see Manawatū River Activity)

Environmental Sustainability – Te toitūtanga taiao

Levels of service	Measures of Success (with results from 2019-20)	Targets Year 1 2021-22	Targets Year 2 2022-23	Targets Year 3 2023-24	Targets 4-10
Foster sustainable practices and behaviours so that city residents and organisations become more sustainable.	Increase in sustainable practices. (met. Current initiatives include running an 8-week Sustainable Living course in local neighbourhoods)	Narrative measure outlining projects and initiatives that foster sustainable practices / behaviours and their impacts.	Narrative measure outlining projects and initiatives that foster sustainable practices / behaviours and their impacts.	Narrative measure outlining projects and initiatives that foster sustainable practices / behaviours and their impacts.	Narrative measure outlining projects and initiatives that foster sustainable practices / behaviours and their impacts.
Work with iwi and community groups to re-establish bush, particularly along the waterways, and to control introduced predators.	Measured through Manawatū River level of service (see next Activity)	(see next Activity)	(see next Activity)	(see next Activity)	(see next Activity)

Manawatū River – Te awa o Manawatū

Levels of service	Measures of Success (with results from 2019-20)	Targets Year 1 2021-22	Targets Year 2 2022-23	Targets Year 3 2023-24	Targets 4-10
<p>Understand the relationship Rangitane o Manawatū has with Manawatū River.</p> <p>Increase use of the Manawatū River environment for passive and active recreation.</p> <p>Increase the health and amenity of the river environment through increased biodiversity.</p>	<p>Increase in the public use of the river environment.</p> <p>Increase in native planting and observed biodiversity improvements in suitable locations in the river environment.</p> <p>Greater connectivity of features within the Manawatu River Park. (new – recent projects are Green Corridors, Urban Eels and Esplanade Entranceways)</p>	<p>Narrative measure outlining public use of the river, biodiversity and native plantings, and connectivity of features.</p>	<p>Narrative measure outlining public use of the river, biodiversity and native plantings, and connectivity of features.</p>	<p>Narrative measure outlining public use of the river, biodiversity and native plantings, and connectivity of features.</p>	<p>Narrative measure outlining public use of the river, biodiversity and native plantings, and connectivity of features.</p>

Resource Recovery – Te whakaaraara rawa

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

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

Levels of service Stormwater Drainage	Measures of Success (with results from 2019-20)	Targets Year 1 2021-22	Targets Year 2 2022-23	Targets Year 3 2023-24	Targets 4-10
Provide stormwater services to protect buildings from inundation from flooding in major events.	The number of flood event per year resulting in stormwater from the Council's stormwater system entering a habitable floor in an urban area (mandatory measure). (met – none)	Less than 5.	Less than 5.	Less than 5.	Less than 5.
	The number of habitable floors per 1,000 properties within urban stormwater service areas affected by a flood event (mandatory measure). (met – none)	Less than 2.	Less than 2.	Less than 2.	Less than 2.
	Median time to attend a flooding event (note: a flooding event is one resulting in stormwater entering a habitable building) (mandatory measure). (met – none)	Less than 2 hours.	Less than 2 hours.	Less than 2 hours.	Less than 2 hours.
	The number of complaints received about the performance of Council's stormwater system per 1,000 properties connected (mandatory measure). (met – 9.6)	Less than 15.	Less than 15.	Less than 15.	Less than 15.
	Compliance with resource consents for discharge from Council's stormwater system as measured by the number of abatement notices, infringement notices,	100%.	100%.	100%.	100%.

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

	Compliance with resource consents for discharge from Council's wastewater system as measured by the number of abatement notices, infringement notices, enforcement notices and convictions received by Council in relation to resource consents. (met – 100%)	100%.	100%.	100%.	100%.
Levels of service Water Supply	Measures of Success (with results from 2019-20)	Targets Year 1 2021-22	Targets Year 2 2022-23	Targets Year 3 2023-24	Targets 4-10
Provide water services for the provision of safe and readily available water.	Compliance with Part 4 (bacteria compliance criteria) of the Public Health Act 1956 (as amended by the Health (Drinking Water) Amendment Act 2007 (mandatory measure). (met – 100%)	100%.	100%.	100%.	100%.
	Compliance with Part 5 (protozoal compliance criteria) of the Public Health Act 1956 (as amended by the Health (Drinking Water) Amendment Act 2007 (mandatory measure). (met – 100%)	100%.	100%.	100%.	100%.
	The number of complaints per 1,000 connections relating to clarity, taste, odour, continuity of supply, drinking water pressure or flow, and Council's response to any of these (mandatory measure). (Not met – 43.65)	Less than 40.	Less than 40.	Less than 40.	Less than 40.

	Average consumption of drinking water per day per resident (mandatory measure). (met 197 litres)	Less than 360 litres.	Less than 360 litres.	Less than 360 litres.	Less than 360 litres.
	Median response time for urgent call out attendance (mandatory measure). (met – 0.225 hours)	Less than 2 hours.	Less than 2 hours.	Less than 2 hours.	Less than 2 hours.
	Median response time for resolution of urgent call outs (mandatory measure). (met 0.73 hours)	Less than 7 hours.	Less than 7 hours.	Less than 7 hours.	Less than 7 hours.
	Median response time for non-urgent call out attendance (mandatory measure). (met – 2.03 hours)	Less than 10 hours.	Less than 10 hours.	Less than 10 hours.	Less than 10 hours.
	Median response time for resolution of non-urgent call outs (mandatory measure). (met 4.8 hours)	Less than 75 hours.	Less than 75 hours.	Less than 75 hours.	Less than 75 hours.
	Percentage of real water loss from the water reticulation network (mandatory measure). (met – 18.2%)	Less than 20%.	Less than 20%.	Less than 20%.	Less than 20%.

Good Governance and Active Citizenship – Te mahere mō te mana urungi papai tonu me te kirirautanga hohe

Levels of service	Measures of Success (with results from 2019-20)	Targets Year 1 2021-22	Targets Year 2 2022-23	Targets Year 3 2023-24	Targets 4-10
Actively engage residents in decision-making and provide a range of opportunities for residents to engage with decision-making processes.	More than two out of every three residents (in the Residents Survey) are 'satisfied' with both the 'opportunity to have a say' and the 'ease of having a say'. New measure. Currently: Opportunity to have a say: 44% satisfied, 42% neutral, 13% dissatisfied. Ease of having a say: 34%, 46%, 19% respectively – 2020 results.	Narrative measure outlining satisfaction trends.	Narrative measure outlining satisfaction trends.	Narrative measure outlining satisfaction trends.	Narrative measure outlining satisfaction trends.