PALMERSTON NORTH CITY COUNCIL

ATTACHMENTS

COMMITTEE OF COUNCIL UNDER SEPARATE COVER

9AM, MONDAY 20 FEBRUARY 2017

COUNCIL CHAMBER, FIRST FLOOR, CIVIC ADMINISTRATION BUILDING
32 THE SQUARE, PALMERSTON NORTH

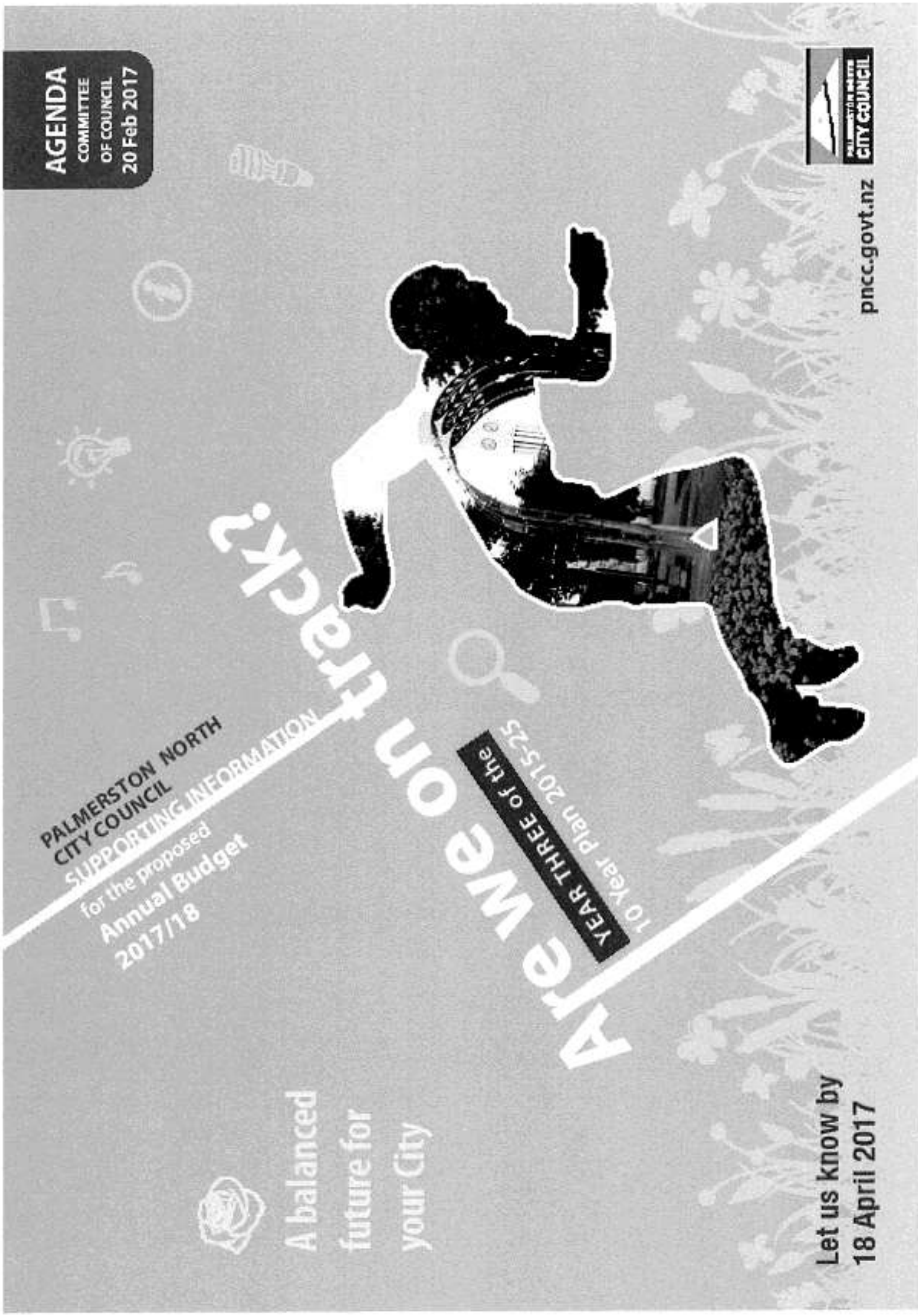
COMMITTEE OF COUNCIL MEETING

20 February 2017

UNDER SEPARATE COVER

5. Annual Budget (Plan) 2017/18 (Year three of the 10 Year Plan 2015-25) - Adopting Supporting Information and the Consultation Document

ITEM 5 - ATTACHMENT 1



ANNUAL BUDGET 2017/18
(previously known as the Annual Plan)

SUPPORTING INFORMATION

Contents

INTRODUCTION

- Financial Overview and Statements
- Annual Plan Disclosure Statement

Financial Overview and Statements

Overview

The Council's Annual Budget[1] covers the period 1 July 2017 to 30 June 2018. 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 which generation will benefit when considering its approach to funding
- Managing debt within defined levels
- Looking after the City's infrastructure provided by previous generations for the use by current and future generations
- Leaving financial capacity for future generations so they are capable of funding unanticipated high priority programmes
- Taking account of ability to pay over the longer term
- Having robust systems and processes.

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

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 assets though there is only minimum provision for unforeseen events
- Forecasts net debt at 30 June 2018 of $127m - $24m less than assumed in the 10 Year Plan (based on a forecast balance at 1 July 2017 of $111m)
- An increase in the total rates requirement for 2017/18 of 3.1% - compared with 4.5% 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 2017/18 in the 10 Year Plan.

Parameter	10 Year Plan	Annual Budget	Limit
Increase in total rates	4.5%	3.1%	4.2%[2]
Net debt as a % of total assets	9.6%	8.2%	< 20%
Net debt as a % of total revenue	128.2%	109.5%	< 175%
Net interest as a % of total revenue	8.0%	5.9%	< 15%
Net interest as a % of annual rates income	10.4%	7.7%	< 20%

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

[2] Based on September2016 BERL local government cost indicator of 1.9% and a rating base growth assumption of 0.3%. The 10YP assumed a limit of 4.8% based on a cost indicator of 2.5% and a rating growth assumption of 0.3%.

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 $18.9m for capital renewals during 2017/18.

The Council's prospective Statement of Comprehensive Revenue and Expense (next page) shows that after including capital revenue of $17.18m there is a surplus of $11.67m projected for the year. The Council is therefore deemed to have a 'balanced budget' for the year.

These forecast financial statements were authorised for issue by Palmerston North City Council on 6 March 2017.

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 2016/17 $'000s		10 YP 2017/18 $'000s	AB 2017/18 $'000s
	Revenue		
	Operating Revenue		
87,275	Rates	91,170	89,959
375	Interest & Dividends	240	340
3,074	Operating Subsidies & Grants	2,649	2,757
23,021	Other Operating Revenue	23,970	23,139
113,746		118,029	116,195
	Capital Revenue		
8,541	Capital Subsidies & Grants	6,981	13,452
1,347	Development Contributions	1,731	1,731
2,000	Vested Assets	2,000	2,000
11,888		10,712	17,183
125,634	TOTAL REVENUE	128,741	133,377
	Expenses		
83,186	Expenses	83,349	84,456
6,288	Interest	9,485	6,926
27,845	Depreciation	28,708	30,320
117,319	TOTAL EXPENSES	121,542	121,702
8,315	SURPLUS/(DEFICIT)	7,199	11,675
	Other Comprehensive Revenue and Expense		
34,344	Gain on property revaluations	-	-
42,659	TOTAL COMPREHENSIVE REVENUE AND EXPENSE	7,199	11,675
3.9%	**RATES INCREASE**	4.5%	3.1%

PROSPECTIVE STATEMENT OF CHANGES IN EQUITY

Budget 2016/17 $'000s		10 YP 2017/18 $'000s	AB 2017/18 $'000s
1,329,071	Opening Balance	1,390,582	1,371,480
42,659	Total Comprehensive Revenue and Expense	7,199	11,675
1,371,730		1,397,782	1,383,156

PROSPECTIVE STATEMENT OF FINANCIAL POSITION

2016/17 Budget $'000s		2017/18 10 YP $'000s	2017/18 AB $'000s
7,089	Current Assets	6,313	7,860
	Non-Current Assets		
2,199	Investment Fund	-	-
12,433	Investments in CCOs and industry companies	14,424	12,941
17,487	Investment Property & Other Financial Assets	17,344	6,116
1,480,647	Property, Plant & Equipment	1,534,300	1,519,286
1,519,854	**TOTAL ASSETS**	**1,572,380**	**1,546,204**
30,071	Current Liabilities	20,432	32,393
	Non-Current Liabilities		
1,149	Employee Entitlements	1,066	1,338
115,046	Term Liabilities	151,330	127,194
1,858	Provisions	1,770	2,123
	Equity		
1,023,056	Retained Earnings	1,034,326	1,035,748
348,674	Other Reserves	363,456	347,408
1,519,854	**TOTAL LIABILITIES/EQUITY**	**1,572,380**	**1,546,204**

PROSPECTIVE STATEMENT OF CASH FLOWS

Budget 2016/17 $'000s		10 YP 2017/18 $'000s	AB 2017/18 $'000s
	Operating Activities		
	Cash Provided		
87,275	Rates	91,170	89,959
175	Interest	40	40
200	Dividends	200	300
3,074	Operating Subsidies & Grants	2,649	2,757
23,021	Other Operating Revenue	23,970	23,139
8,541	Capital Subsidies & Grants	6,981	13,452
1,347	Development Contributions	1,731	1,731
	Cash Disbursed		
(6,288)	Interest	(9,485)	(6,926)
(83,186)	Expenses	(83,349)	(84,456)
34,160		33,907	39,996
	Investing Activities		
	Cash Provided		
3,000	Investment Reductions	6,643	2,591
-	From Asset Sales	-	-
	Cash Disbursed		
(50,676)	Capital Expenditure	(52,343)	(58,523)
	Investments	(2,000)	-
(47,676)		(47,700)	(55,932)
	Financing Activities		
	Cash Provided		
13,516	Borrowing	13,793	15,936
	Cash Disbursed		

-	Loan Repayment	-	-
13,516		13,793	15,936
-	Net Increase / (Decrease)	-	-
373	Cash at beginning	580	679
373	**CASH AT YEAR END**	**580**	**679**

Budget 2016/17 $'000s		10YP 2017/18 $'000s	AB 2017/18 $'000s
1,840	Rates revenue shown above includes the following amounts for metered water revenue	1,950	1,980

Annual Budget (Plan) Disclosure Statement

For the year ending 30 June 2018

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 - income	Total rates will be no more than 2% of the City's rateable land value	1.4%	Yes
Rates affordability benchmark - increases	Total rates will increase by no more than the Local Government Cost Index plus the growth in the rating base plus 2%	3.1%	Yes
Debt affordability benchmark	Net external debt as a percentage of total assets will not exceed 20%	8.2%	Yes
Debt affordability benchmark	Net external debt as a percentage of total revenue will not exceed 175%	109.5%	Yes
Debt affordability benchmark	Net interest as a percentage of total revenue will not exceed 15%	5.9%	Yes
Debt affordability benchmark	Net interest as a percentage of annual rates income will not exceed 20%	7.7%	Yes
Debt affordability benchmark	Liquidity available will exceed 110% of existing external debt	130.9%	Yes
Balanced budget benchmark	100%	106.5%	Yes
Essential services benchmark	100%	194.5%	Yes
Debt servicing benchmark	10%	5.3%	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 2017/18 (year three of the 10 Year Plan). It also shows any changes from what we said in year three of the 10 year Plan.

- Groups of Activities – Introduction
- Leadership
  - Councillor Leadership and Decision Making
  - Direction Setting
- Community Support
  - Cemeteries
  - Civil Defence
  - Housing
- Work and City Promotion
- Leisure
  - Arts and Culture
  - City Library and Community Development
  - Parks, Sport and Recreation
- Regulatory
- Roading and Parking
- Rubbish and Recycling
- Stormwater
- Wastewater
- Water
- Support Services
  - Commercial or Strategic Investments
  - Corporate Support
  - Customer Services

Groups of Activities

What we are planning to do during 2017/18 (year three of the 10 Year Plan) and why

Introduction

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

LEADERSHIP			
Councillor Leadership and Decision Making		Direction Setting	
SOCIAL	ECONOMIC	LEISURE	ENVIRONMENTAL
Cemeteries Civil Defence Housing	Work and City Promotion	Arts and Culture City Library and Community Development Parks, Sport and Recreation	Regulatory Roading and Parking Rubbish and Recycling Stormwater Wastewater Water
SUPPORT SERVICES			
Commercial or Strategic Investments	Corporate Support	Customer Services	

We have 18 Activities. This section explains what we plan to do in each Activity during year three of the 10 Year Plan (2017/18) and, on average, what it is expected to cost ratepayers. For comparative purposes it shows the annual budget for 2016/17 and the 10 Year Plan for 2017/18. These figures have been adjusted where necessary as indicated.

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

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

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

The full 10 Year Plan explains why the Council has grouped the Activities together and how they contribute to the Council's Vision and Goals. It also contains information on what people expect from the Council and what the Council provides.

For a copy of the 10 Year Plan you can visit the Council's website pncc.govt.nz/10yearplan contact our Customer Services Centre on 06 356 8199 or email info@pncc.govt.nz

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/annualbudget 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
AB - 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 2016/17
Explanation indicated

WHAT'S NEW IN 2017/18
Explanation indicated

Groups of Activities

What we are planning to do during 2017/18 (year three of the 10 Year Plan) and why

Introduction

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

LEADERSHIP			
Councillor Leadership and Decision Making		Direction Setting	
SOCIAL	ECONOMIC	LEISURE	ENVIRONMENTAL
Cemeteries Civil Defence Housing	Work and City Promotion	Arts and Culture City Library and Community Development Parks, Sport and Recreation	Regulatory Roading and Parking Rubbish and Recycling Stormwater Wastewater Water
SUPPORT SERVICES			
Commercial or Strategic Investments	Corporate Support	Customer Services	

We have 18 Activities. This section explains what we plan to do in each Activity during year three of the 10 Year Plan (2017/18) and, on average, what it is expected to cost ratepayers. For comparative purposes it shows the annual budget for 2016/17 and the 10 Year Plan for 2017/18. These figures have been adjusted where necessary as indicated.

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

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

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

The full 10 Year Plan explains why the Council has grouped the Activities together and how they contribute to the Council's Vision and Goals. It also contains information on what people expect from the Council and what the Council provides.

For a copy of the 10 Year Plan you can visit the Council's website pncc.govt.nz/10yearplan contact our Customer Services Centre on 06 356 8199 or email info@pncc.govt.nz

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/annualbudget 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
AB - 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 2016/17
Explanation indicated

WHAT'S NEW IN 2017/18
Explanation indicated

Key points and highlights of proposed Annual Budget 2017/18

- Our Annual Budget for 2017/18 is based on year three of the 10 Year Plan 2015-25.
- We're not proposing any major changes to activities and services.
- We're proposing some minor changes that will allow us to keep a good balance between what people expect us to do and what it costs.
- Many of the proposed changes are a continuation of decisions made for the 2016/17 budget. They're about improving the way we consult and communicate with residents; making Palmerston North a more exciting place to live and visit with more events and festivals; and improving the way people move around the city.
- The year three forecast has been adjusted to reflect:
  - Updated project timing
  - Decisions made when adopting this year's Annual Budget
  - Lower inflation and interest rates
  - A desire to keep rate increases as low as possible without impacting too much on the things we need to do
- The proposed budget assumes Council's outstanding debt will be $127m by 30 June 2018. This is $24m less than assumed in the 10 Year Plan. We need to be conservative in our use of debt given we're uncertain about what we need to commit for wastewater treatment.
- There'll be a total rates increase of 3.1%. We previously estimated it would be 4.5%. Rates for most properties will increase by less than this. That's because our city has been growing so they're more properties to share the cost.
- Land values used as the base for calculating rates remain the same as the current year. This means there won't be high increases in rates for some properties as occurred in this current year (2016/17) when there were significant land value increases.
- Rates for an average residential property (land value of $147,000) will increase by $60 to $2,442.

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

The proposed Annual Budget for 2017/18 includes funding for the continuation of new programmes we committed to in 2016/17. A number of other changes are proposed and summarised below:

Rubbish and recycling

The proposed changes will not impact most people. They include:

- Closing the Bunnythorpe Transfer Station because the cost per user per visit is higher than we can justify. It's also possible the site will be impacted in the future by improvements to roads in the area. This will save $25,000 a year.
- Increasing gate fees for general rubbish at the Ashhurst Transfer Station to try and cover the full cost of transporting and disposing of general rubbish from the facility. We don't provide rubbish disposal facilities in the remainder of the city so feel users should pay the full cost of this service. This will reduce rates by $15,000 a year.
- Moving to weekly instead of twice-weekly collections of rubbish and recycling in the CBD. This will save $24,000 a year.
- Reducing the weighbridge hours of operation at Awapuni Material Recovery Facility from 58 to 50 hours a week. This will save $15,000 a year.

The total savings from all these changes would be $79,000 a year.

Water

- In the 10 Year Plan we budgeted for increased water monitoring costs because we were expecting the government to bring in new compliance requirements. We feel we can meet any additional requirements without extra funding, so can reduce the budget by $20,000 each year.
- We also planned to increase pest management and monitoring in the water catchment area but feel we can continue with the current levels of activity and spending. This will save $43,000 a year.
- In line with Ministry of Health guidelines we currently fluoridate the public water supplies for Palmerston North and Ashhurst, but not for Longburn and Bunnythorpe. The proposed budget includes provision to introduce fluoridated water supplies in Longburn and Bunnythorpe. (See page 64.)

Ashhurst Service Centre (Four Square)

Council payments can currently be made at the Ashhurst Service Centre. However last year only 335 payments were made, and the cost per payment is twice the cost of making a payment at our building in the city. We're proposing to remove this payment option which will save $9,000 a year. People can make their payments using Easypay direct debit, online or at the Council building.

Other proposed changes include:

- Removing the Bike Manawatū off-road cycling track project from our budget. It was dependent on external funding and this now looks unlikely. (See page 46.)
- Removing the budget to provide social support to our social housing tenants. This is already being delivered by other organisations. (See page 39.)

Putting the following projects back a year and reviewing them through the 10 year Plan process:

- Development of Peace Tree Reserve. (See page 45.)
- Reconfiguration of Victoria Esplanade Park Road entrance and parking. (See page 45.)
- Shade and shelter development at Manawatū Community Athletics Track. (See page 43.)
- Construction of cycle/pedestrian pathway from Railway Road to Bunnythorpe. (See page 53.)

Either adding or bringing forward funding for the following:

- Heating and ventilation improvements at the Central Library. (See pages 39 and 40.)
- Digitisation of library material. (See pages 39 and 40.)
- Library of the Future. (See page 40.)
- Additional storage for City Archives. (See page 40.)
- New generator at Central Energy Trust Arena. (See page 46.)
- Construction of duplicate water pipeline from Lower Dam to Harts Road Reservoirs. (See page 63.)
- Extending the LED street lighting upgrade to include major roads. (See page 53.

Activity Financial Statements

Budget 2016/17 $'000s	Whole of Council	10YP 2017/18 $'000s	AB 2017/18 $'000s
	Revenue		
	Leadership		
138	Councillor Leadership and Decision Making	11	13
165	Direction Setting	171	198
	Community Support		
598	Cemeteries	616	609
-	Civil Defence	-	-
2,500	Housing	2,559	2,521
1,057	Work and City Promotion	1,090	1,073
	Leisure		
-	Arts and Culture	-	-
666	City Library and Community Development	687	623
1,876	Parks, Sport and Recreation	2,048	1,925
4,258	Regulatory	4,541	4,521
6,571	Roading and Parking	6,355	6,231
3,031	Rubbish and Recycling	3,124	2,971
24	Water	25	24
994	Wastewater	1,042	927
2	Stormwater	2	2
	Support Services		
3,418	Commercial or Strategic Investments	3,418	3,405
1,174	Corporate Support	1,171	1,192
-	Customer Services	-	-
26,471	Total Revenue	26,859	26,236
	Expenses		
	Leadership		
3,918	Councillor Leadership and Decision Making	3,745	3,683
5,395	Direction Setting	5,303	5,340

Budget 2016/17 $'000s	**Whole of Council**	10YP 2017/18 $'000s	AB 2017/18 $'000s
	Community Support		
1,032	Cemeteries	1,102	1,139
470	Civil Defence	464	489
2,743	Housing	3,066	2,618
4,442	Work and City Promotion	4,514	4,443
	Leisure		
6,768	Arts and Culture	6,990	6,905
13,267	City Library and Community Development	12,875	13,756
16,328	Parks, Sport and Recreation	17,360	18,797
7,413	Regulatory	7,797	7,489
24,821	Roading and Parking	25,477	24,961
7,233	Rubbish and Recycling	7,382	7,288
7,786	Water	8,612	8,109
8,800	Wastewater	9,296	9,384
3,532	Stormwater	3,813	3,468
	Support Services		
2,995	Commercial or Strategic Investments	3,189	3,286
375	Corporate Support	556	549
	Customer Services	-	
117,319	Total Expenses	121,542	121,702
90,848	**NET OPERATING COST OF ACTIVITY GROUPS**	**94,683**	**95,466**
	Rating Requirement		
(27,845)	Less Depreciation	(28,708)	(30,320)
-	Less Transfers To/(From) Reserves	-	-
18,846	Plus Net Capital Renewal (3 Year Average)	19,742	18,950
5,426	Plus Debt Repayment	5,453	5,864
87,275	**RATES REQUIREMENT**	**91,170**	**89,959**
3.9%		4.5%	3.1%

Budget 2016/17 $'000s	Whole of Council	10YP 2017/18 $'000s	AB 2017/18 $'000s
	Capital Expenditure		
	Capital Renewals		
	Leadership		
-	Councillor Leadership and Decision Making	-	-
-	Direction Setting	-	-
	Community Support		
67	Cemeteries	198	197
-	Civil Defence	-	-
633	Housing	745	739
449	Work and City Promotion	83	82
	Leisure		
148	Arts and Culture	157	134
1,699	City Library and Community Development	1,363	2,083
2,887	Parks, Sport and Recreation	3,835	3,110
44	Regulatory	-	6
5,876	Roading and Parking	5,337	5,633
278	Rubbish and Recycling	308	306
3,022	Water	3,236	2,980
2,709	Wastewater	3,399	3,355
825	Stormwater	278	266
	Support Services		
1,206	Commercial or Strategic Investments	1,300	1,265
1,931	Corporate Support	1,166	1,864
-	Customer Services	-	-
21,773	Total Capital Renewals	21,406	22,020

Budget 2016/17 $'000s	Whole of Council	10YP 2017/18 $'000s	AB 2017/18 $'000s
	Capital New		
	Leadership		
-	Councillor Leadership and Decision Making	-	-
-	Direction Setting	-	-
	Community Support		
160	Cemeteries	54	38
	Civil Defence		
250	Housing	1,687	1,387
	Work and City Promotion		
	Leisure		
561	Arts and Culture	105	248
1,217	City Library and Community Development	1,130	3,770
4,592	Parks, Sport and Recreation	6,966	7,963
12	Regulatory		
12,785	Roading and Parking	13,535	18,261
651	Rubbish and Recycling	515	421
6,203	Water	1,035	1,755
1,030	Wastewater	4,218	1,345
1,116	Stormwater	1,459	1,191
	Support Services		
19	Commercial or Strategic Investments	23	23
308	Corporate Support	210	104
-	Customer Services	-	-
28,903	Total Capital New	30,937	36,503
50,676	**Total Capital Expenditure**	**52,343**	**58,523**
	Funded By		
2,409	External Revenue Renewal	2,261	2,412
6,131	External Revenue New	4,720	11,040

Budget 2016/17 $'000s	**Whole of Council**	10YP 2017/18 $'000s	AB 2017/18 $'000s
1,347	Development Contributions	1,731	1,731
	Asset Sales		
18,846	Rates	19,742	18,950
21,942	New Borrowing / (Repayment)	23,889	24,391
50,676	Total	52,343	58,523

Councillor Leadership and Decision Making - Activity Financial Statements

Budget 2016/17 $'000s		10YP 2017/18 $'000s	AB 2017/18 $'000s	INFORMATION / MAIN REASON FOR CHANGE
	Revenue			
9	Councillor Meetings and Administration	10	10	
128	Elections	1	3	
138	Total Revenue	11	13	
	Expenses			
2,449	Councillor Meetings and Administration	2,562	2,310	Change in cost allocation assumption.
304	Elections	61	61	
1,165	Mayoral and Chief Executive's Office	1,122	1,312	Additional administrative support for community engagement alongwith a change to overhead allocation assumptions.
3,918	Total Expenses	3,745	3,683	
3,781	**NET OPERATING COST OF ACTIVITY**	**3,734**	**3,670**	
	Rating Requirement			
(2)	Less Depreciation	(2)	(2)	
3	Plus Debt Repayment	3	3	
3,781	**RATES REQUIREMENT**	**3,735**	**3,670**	

Councillor Leadership and Decision Making - Operational

Status	ID-Name	10YP 2017/18 $'000s	AB 2017/18 $'000s	Information / Main reason for change
✓	377-Councillors' Training	33	33	
✓	1213-Elected Member Community Engagement	11	10	
✸	1266-Additional Administrative Support to Community Engagemer	-	50	Increasing community engagement requires an increase in administrative resources for this area.
		44	**93**	

Direction Setting - Activity Financial Statements

Budget 2016/17 $'000s		10YP 2017/18 $'000s	AB 2017/18 $'000s	INFORMATION / MAIN REASON FOR CHANGE
	Revenue			
165	Environment Policy and District Planning	171	198	
165	Total Revenue	171	198	
	Expenses			
3,808	Environment Policy and District Planning	3,629	3,526	Reduction in external contractors.
1,587	Strategy Development and 10 Year Planning	1,674	1,814	Additional resourcing for bylaws reviews.
5,395	Total Expenses	5,303	5,340	
5,230	**NET OPERATING COST OF ACTIVITY**	**5,132**	**5,142**	
	Rating Requirement			
5,230	**RATES REQUIREMENT**	**5,132**	**5,142**	

Direction Setting - Operational

Status	ID-Name	10YP 2017/18 $'000s	AB 2017/18 $'000s	Information / Main reason for change
✓	751-City-wide - Research into Sustainability Issues that Impact on the City and its Environment	27	26	
✓	762-City-wide - Urban Design and Placemaking - Delivering	50	49	
✓	764-City-wide - Sustainability Awareness Raising	97	25	$70k transferred to Fee for Service grants funding pool within the Leisure group of activities.
✓	765-City-wide - Ridepro Carpooling Initiative	6	5	
✓	1145-Green Corridors Project - Continued Development	34	34	
➤	1180-Focus Group Research	26	-	Timing aligned with actual work schedule.
✓	1190-Smokefree Education	11	10	
✓	1264-Development Contributions Fees - Support for Community Groups	21	20	
✱	1281-Massey University Refectory	-	50	Contribution to Massey University's heritage upgrade of the Refectory building. This would make it more accessible for community use.
		273	**220**	

Cemeteries - Activity Financial Statements

Budget 2016/17 $'000s		10YP 2017/18 $'000s	AB 2017/18 $'000s	INFORMATION / MAIN REASON FOR CHANGE
	Revenue			
598	Cemeteries	616	609	
598	Total Revenue	616	609	
	Expenses			
1,032	Cemeteries	1,102	1,139	
1,032	Total Expenses	1,102	1,139	
434	**NET OPERATING COST OF ACTIVITY**	**486**	**530**	
	Rating Requirement			
(122)	Less Depreciation	(131)	(169)	
114	Plus Net Capital Renewal (3 Year Average)	108	107	
25	Plus Debt Repayment	25	28	
451	**RATES REQUIREMENT**	**489**	**496**	
	Capital Expenditure			
67	Renewal	198	197	
160	New	54	38	
226	Total Capital Expenditure	252	234	
	Funded By			
114	Rates	108	107	
112	New Borrowing / (Repayment)	144	127	
226	Total	252	234	

Cemeteries - Operational

Status	ID-Name	10YP 2017/18 $'000s	AB 2017/18 $'000s	Information / Main reason for change
✓	1168-Terrace End Cemetery - Maintenance Enhancement	10	10	
		10	**10**	

Cemeteries - Capital Renewal

Status	ID-Name	10YP 2017/18 $'000s	AB 2017/18 $'000s	Information / Main reason for change
✓	37-Terrace End Cemetery - Site Enhancements	9	9	
✓	278-Kelvin Grove Cemetery - Roading and Footpath Refurbishmen	71	71	
✓	564-Crematorium - Replacement of Cremator Refractory Brick Lini	118	117	
TOTAL		**198**	**197**	
Funded by Council (Rates and Borrowing)		198	197	

Cemeteries - Capital New

Status	ID-Name	10YP 2017/18 $'000s	AB 2017/18 $'000s	Information / Main reason for change
✓	107-Kelvin Grove Cemetery - Ash Plot Developments and Childrens Burial Area Extension	38	38	
➤	484-Natural Burial Cemetery	16	-	Deferred to 2018/19.
TOTAL		**54**	**38**	
Funded by Council (Rates and Borrowing)		54	38	

Civil Defence - Activity Financial Statements

Budget 2016/17 $'000s		10YP 2017/18 $'000s	AB 2017/18 $'000s	INFORMATION / MAIN REASON FOR CHANGE
	Revenue			
-	Civil Defence	-	-	
-	Total Revenue	-	-	
	Expenses			
470	Civil Defence	464	489	
470	Total Expenses	464	489	
470	**NET OPERATING COST OF ACTIVITY**	**464**	**489**	
	Rating Requirement			
(11)	Less Depreciation	(1)	(13)	
459	**RATES REQUIREMENT**	**463**	**476**	

Housing - Activity Financial Statements

Budget 2016/17 $'000s		10YP 2017/18 $'000s	AB 2017/18 $'000s	INFORMATION / MAIN REASON FOR CHANGE
	Revenue			
2,500	Social Housing	2,559	2,521	
2,500	Total Revenue	2,559	2,521	
	Expenses			
2,743	Social Housing	3,066	2,618	Change in depreciation assumptions following the revaluation of assets along with a delay in the capital programmes.
2,743	Total Expenses	3,066	2,618	
244	**NET OPERATING COST OF ACTIVITY**	**507**	**97**	
	Rating Requirement			
(725)	Less Depreciation	(803)	(673)	
701	Plus Net Capital Renewal (3 Year Average)	736	722	
11	Plus Debt Repayment	43	15	
230	**RATES REQUIREMENT**	**483**	**161**	
	Capital Expenditure			
633	Renewal	745	739	
250	New	1,687	1,387	
883	Total Capital Expenditure	2,432	2,125	
	Funded By			
701	Rates	736	722	
182	New Borrowing / (Repayment)	1,696	1,403	
883	Total	2,432	2,125	

Housing - Capital Renewal

Status	ID-Name	10YP 2017/18 $'000s	AB 2017/18 $'000s	Information / Main reason for change
✓	180-City-wide - Community Housing Refurbishments	660	654	
✓	304-Public Rental Housing - Replacement of Structures, Internal Fitout and Services	85	84	
TOTAL		745	739	
Funded by Council (Rates and Borrowing)		745	739	

Housing - Capital New

Status	ID-Name	10YP 2017/18 $'000s	AB 2017/18 $'000s	Information / Main reason for change
➢	357-Papaioea Place Community Housing - Eco Friendly Unit Replacements	1,687	1,387	Timing of work adjusted from 10YP, total value across the five years unchanged.
TOTAL		1,687	1,387	
Funded by Council (Rates and Borrowing)		1,687	1,387	

Work and City Promotion - Activity Financial Statements

Budget 2016/17 $'000s		10YP 2017/18 $'000s	AB 2017/18 $'000s	INFORMATION / MAIN REASON FOR CHANGE
	Revenue			
-	Business Support	-	-	
66	City Marketing and Branding	68	67	
991	Convention Centre	1,022	1,007	
1,057	Total Revenue	1,090	1,073	
	Expenses			
104	Business Support	107	105	
2,661	City Marketing and Branding	2,713	2,558	Additional festivals planned as per operational programmes on next page. Events funding moved to City Library and Community Development activity.
1,678	Convention Centre	1,694	1,779	
4,442	Total Expenses	4,514	4,443	
3,386	**NET OPERATING COST OF ACTIVITY**	**3,424**	**3,369**	
	Rating Requirement			
(311)	Less Depreciation	(300)	(327)	
243	Plus Net Capital Renewal (3 Year Average)	108	105	
27	Plus Debt Repayment	11	31	
3,345	**RATES REQUIREMENT**	**3,243**	**3,178**	
	Capital Expenditure			
449	Renewal	83	82	
449	Total Capital Expenditure	83	82	
	Funded By			
243	Rates	108	105	
207	New Borrowing / (Repayment)	(25)	(24)	
449	Total	83	82	

Work and City Promotion - Operational

Status	ID-Name	10YP 2017/18 $'000s	AB 2017/18 $'000s	Information / Main reason for change
✓	1154-Sort It Employment Expo	16	15	
✓	1251-i-Site - Provision for Increased Opening Hours	36	34	
✱	1268-International Relations	-	153	To strengthen sister city relationships in order to boost inward business and education investment.
✱	1272-City of Palmerston North Gold Cup Festival	-	50	An annual, week-long festival for Palmerston North to be the home of racing including galloping, harness and greyhounds.
✱	1273-Palmy Unleashed	-	165	A strategic approach to placemaking.
✱	1280-Winter Festival	-	50	A winter festival with indoor and outdoor events that will also be promoted to supporters of the British Lions rugby tour.
✱	1290-Support for Priority Economic Sectors	-	42	Sponsorship for the New Zealand rural games and New Zealand Food Awards.
		52	**510**	

Work and City Promotion - Capital Renewal

Status	ID-Name	10YP 2017/18 $'000s	AB 2017/18 $'000s	Information / Main reason for change
✓	251-Convention Centre - Replacement of Equipment	35	35	
✓	1166-Convention Centre - Equipment Purchases	47	47	
TOTAL		**83**	**82**	
Funded by Council (Rates and Borrowing)		83	82	

Arts and Culture - Activity Financial Statements

Budget 2016/17 $'000s		10YP 2017/18 $'000s	AB 2017/18 $'000s	INFORMATION / MAIN REASON FOR CHANGE
	Revenue			
-	Grants to Arts and Cultural Groups	-	-	
-	Total Revenue	-	-	
	Expenses			
1,130	Grants to Arts and Cultural Groups	1,185	1,132	
1,744	Other Cultural Facilities	1,820	1,837	
3,895	Te Manawa	3,985	3,936	
6,768	Total Expenses	6,990	6,905	
6,768	**NET OPERATING COST OF ACTIVITY**	**6,990**	**6,905**	
	Rating Requirement			
(1,521)	Less Depreciation	(1,532)	(1,575)	
92	Plus Net Capital Renewal (3 Year Average)	254	153	
140	Plus Debt Repayment	105	150	
5,479	**RATES REQUIREMENT**	**5,816**	**5,633**	
	Capital Expenditure			
148	Renewal	157	134	
561	New	105	248	
709	Total Capital Expenditure	262	381	
	Funded By			
72	External Revenue New	-	72	
92	Rates	254	153	
546	New Borrowing / (Repayment)	9	157	
709	Total	262	381	

Arts and Culture - Operational

Status	ID-Name	10YP 2017/18 $'000s	AB 2017/18 $'000s	Information / Main reason for change
✓	778-Arts Strategy Implementation	34	33	
✓	831-Regent Theatre Additional Funding	132	-	Budget transferred into core existing levels of service, no budget decrease.
✓	913-Christmas in The Square	53	51	
✓	1157-World War 1 Commemoration	42	82	Brought forward from 2018/19.
✓	1199-Regent Theatre - Increased Operating Grant to Allow for Better Front of House Hospitality	32	-	Budget transferred into core existing levels of service, no budget decrease.
✓	1200-Caccia Birch - Increased Operating Grant	28	27	
✓	1201-Globe Theatre - Increased Operating Grant	21	20	
		342	**213**	

Arts and Culture - Capital Renewal

Status	ID-Name	10YP 2017/18 $'000s	AB 2017/18 $'000s	Information / Main reason for change
✓	213-Cultural Facilities - Replacement of Structures, Internal Fitout and Services	157	134	Part of budget transfer out to new programme 1291-Library Roof and HVAC replacement.
TOTAL		**157**	**134**	
Funded by Council (Rates and Borrowing)		157	134	

Arts and Culture - Capital New

Status	ID-Name	10YP 2017/18 $'000s	AB 2017/18 $'000s	Information / Main reason for change
✓	902-Seismic Strengthening of Council Owned Buildings	105	104	
➤	1325-C/fwd - Globe Theatre - Mobility Access to Main Auditorium (subject to part external funding)	-	143	Carry forward programme 1176 from 2016/17. Assumes $72k will be funded from rates, borrowing, and the balance from external sources.
TOTAL		**105**	**248**	
Funded by Council (Rates and Borrowing)		105	176	

City Library and Community Development - Activity Financial Statements

Budget 2016/17 $'000s		10YP 2017/18 $'000s	AB 2017/18 $'000s	INFORMATION / MAIN REASON FOR CHANGE
	Revenue			
354	Main Library - Living Room of the City	365	280	Budget revised to reflect actual revenue received.
31	Library Books and Content	32	47	
282	Grants/Community Centres/Branch Libraries	290	296	
666	Total Revenue	687	623	
	Expenses			
4,268	Main Library - Living Room of the City	4,315	5,367	Revaluation of assets has resulted in higher depreciation. Also changes to the timing of programme 1101 has resulted in higher interest.
3,173	Library Books and Content	3,303	3,037	Changes in the way costs are allocated between Main Library and Content
5,826	Grants/Community Centres/Branch Libraries	5,258	5,352	Community Events grant funding transferred from Work and City Promotion.
13,267	Total Expenses	12,875	13,756	
12,601	**NET OPERATING COST OF ACTIVITY**	**12,189**	**13,133**	
	Rating Requirement			
(2,032)	Less Depreciation	(1,925)	(2,125)	
1,662	Plus Net Capital Renewal (3 Year Average)	1,360	1,585	
255	Plus Debt Repayment	273	300	
12,486	**RATES REQUIREMENT**	**11,896**	**12,893**	
	Capital Expenditure			
1,699	Renewal	1,363	2,083	
1,217	New	1,130	3,770	
2,916	Total Capital Expenditure	2,494	5,852	
	Funded By			
77	External Revenue New	-	-	

Budget 2016/17 $'000s		10YP 2017/18 $'000s	AB 2017/18 $'000s	INFORMATION / MAIN REASON FOR CHANGE
1,662	Rates	1,360	1,585	
1,177	New Borrowing / (Repayment)	1,134	4,267	
2,916	Total	2,494	5,852	

City Library and Community Development - Operational

Status	ID-Name	10YP 2017/18 $'000s	AB 2017/18 $'000s	Information / Main reason for change
➢	395-Welcome To New Residents	13	-	Deferred to 2018/19.
✓	803-Maori/Pasifika Community Development	64	62	
✓	811-Digital Resources and Content	63	62	
✓	812-Youth Council Grants and Scholarships	6	6	
✓	931-CBD - CCTV Monitoring	13	13	
✓	1148-City Library and Community Services - Website and Virtual Services Upgrade and Renewal	16	15	
✓	1149-Digital Citizenship Programme	21	20	
✗	1210-Social Support to Social Housing	52	-	Social support is better provided by external agencies and not facilitated by Council funding.
	1323-Libraries and Community Services: Digitisation Programme	-	50	Digitisation of negatives in antipation of 150 year celebrations.
		248	228	

City Library and Community Development - Capital Renewal

Status	ID-Name	10YP 2017/18 $'000s	AB 2017/18 $'000s	Information / Main reason for change
✓	178-Central Library Replacement of Furniture and Fittings	53	131	Result of finalising the 2016/17 Annual Plan - mostly deferred to 2017/18.
✓	188-Replacement and Purchase of New Library Materials (Books, ebooks and non-Book Purchases)	780	768	
➢	202-Central Library Interior Design Renewals	195	304	Result of finalising the 2016/17 Annual Plan - deferred to 2017/18.
✓	203-Interior Design of Community Libraries, Youth Space, and Mobile Library	52	52	
✓	265-City-wide - Community Centre Refurbishments	10	10	
✓	1138-Digital Technology to Support 21st Century Citizens and Service (Renewal)	105	104	
✓	1139-Radio Frequency Identification (RFID) Materials	105	104	
✓	1143-Pataka Ipurangi (Archives Digital Library)	63	63	
✸	1291-Library Roof and HVAC Replacement	-	546	Urgent work required to Central Library roof and heating and ventilation systems.
	TOTAL	**1,363**	**2,083**	
	Funded by Council (Rates and Borrowing)	1,363	2,083	

City Library and Community Development - Capital New

Status	ID-Name	10YP 2017/18 $'000s	AB 2017/18 $'000s	Information / Main reason for change
≺	336-City Archives - Additional Storage	-	471	A change in timing is required to better align with the timing of the outcome of community consultation on the future layout of the Library buildings.
≺	1101-The Library of the Future	894	2,935	A change in timing is required to better align with the timing of the outcome of community consultation on the future layout of the Library buildings.
✓	1137-Digital Technology to Support 21st Century Citizens and Services	26	26	
➤	1141-Community Learning and Transformation Space	105	183	Timing of works delayed from original 10YP plan to now be done all within 2017/18.
➤	1147-Open Libraries Project	52	-	Deferred to 2019/20.
✓	1150-City Libraries - Building Security System Replacement	53	52	
	1306-Library HVAC Upgrade	-	103	Urgent work required to Central Library roof and heating and ventilation systems.
TOTAL		**1,130**	**3,770**	
Funded by Council (Rates and Borrowing)		1,130	3,770	

Parks, Sport and Recreation - Activity Financial Statements

Budget 2016/17 $'000s		10YP 2017/18 $'000s	AB 2017/18 $'000s	INFORMATION / MAIN REASON FOR CHANGE
	Revenue			
1,658	Central Energy Trust Arena	1,823	1,688	Some grants and subsidies now relate to capital expenditure rather than operations.
8	City-Wide Reserves	8	23	
106	Local Reserves	109	108	
105	Sportsfields	108	106	
1,876	Total Revenue	2,048	1,925	
	Expenses			
4,798	Central Energy Trust Arena	5,032	5,661	Changes in the way costs are allocated across this group of activities along with depreciation revised depreciation assumptions following the revaluation of assets has resulted in a slight change from the 10YP.
4,740	City-Wide Reserves	5,143	5,088	
3,071	Local Reserves	2,914	3,342	
1,897	Sportsfields	2,429	2,824	
1,822	Swimming Pools	1,842	1,882	
16,328	Total Expenses	17,360	18,797	
14,452	**NET OPERATING COST OF ACTIVITY**	**15,312**	**16,872**	
	Rating Requirement			
(3,482)	Less Depreciation	(3,570)	(4,805)	
2,800	Plus Net Capital Renewal (3 Year Average)	3,351	3,092	
861	Plus Debt Repayment	901	984	
14,630	**RATES REQUIREMENT**	**15,994**	**16,144**	
	Capital Expenditure			
2,887	Renewal	3,835	3,110	
4,592	New	6,966	7,963	
7,479	Total Capital Expenditure	10,801	11,073	

Budget 2016/17 $'000s		10YP 2017/18 $'000s	AB 2017/18 $'000s	INFORMATION / MAIN REASON FOR CHANGE
	Funded By			
1	External Revenue Renewal	146	145	
1,769	External Revenue New	1,336	3,580	
128	Development Contributions	165	165	
2,800	Rates	3,351	3,092	
2,782	New Borrowing / (Repayment)	5,804	4,090	
7,479	Total	10,801	11,073	

Parks, Sport and Recreation - Operational

Status	ID-Name	10YP 2017/18 $'000s	AB 2017/18 $'000s	Information / Main reason for change
✓	268-Arapuke Forest Park/Kahuterawa Pest Control and Biodiversity Protection and Enhancement	80	78	
✓	355-Arapuke Forest Harvest and Replanting	73	71	
✓	799-National Sports Events and Cycling Support	85	83	
✓	835-Ashhurst Domain - Biodiversity Improvements as Part of Manawatu Gorge Project	44	43	
➤	991-Shade and Shelter Development - Manawatu Community Athletics Track	75	-	Deferred to 2018/19.
✓	1073-Reserve Management Planning	64	62	
✓	1080-Biodiversity Strategy - Increased Funding for Plant and Animal Pest Control	19	19	
✸	1212-Hockey Turf - Grant for Share of Construction	500	500	Provision for a third hockey turf to be built and owned by a non PNCC party.
✓	1249-Arapuke Forest Park - Contribution to Manawatu Mountain Bike Club for Trail Development	20	20	
		960	**877**	

Parks, Sport and Recreation - Capital Renewal

Status	ID-Name	10YP 2017/18 $'000s	AB 2017/18 $'000s	Information / Main reason for change
✓	98-City-wide Reserves - Renewals (Victoria Esplanade, Memorial Park, Ashhurst Domain and The Square)	252	250	
✓	173-City-wide - Playground Renewals	262	261	
✓	174-City-wide - Replacement of Furniture on Reserves	61	60	
✓	177-City-wide - Replacement of Gardens on Reserves	31	31	
✓	184-City-wide - Walkway Renewals	46	46	
×	186-City-wide - Public Toilet Refurbishments and Replacements	26	-	Combined with programme 234.
✓	190-City-wide - Replacement of Trees on Reserves	13	13	

Status	ID-Name	10YP 2017/18 $'000s	AB 2017/18 $'000s	Information / Main reason for change
✓	194-City-wide - Renewal of Bridges on Reserves	73	73	
✓	195-City-wide - Renewal of Hardsurface Areas on Reserves	67	67	
✓	234-Sportsfields Changing Room Refurbishments	700	42	Now includes programme 186.
✓	254-City-wide - Sportsfield Carpark and Hardsurface Area Resurfacing	194	193	
✓	257-Fitzherbert/Manawaroa/Ongley Parks - Cricket Block Replacements	47	47	
✓	258-City-wide - Refurbishment and Replacement of Boundary Fences on Reserves	46	46	
✓	266-Fitzherbert Park - Hockey Turf Refurbishment (subject to part external funding)	541	537	
✓	271-Sportsfields Hardsurfaces - Takaro, Wallace and Awapuni Court Renewals	52	52	
✓	596-Lido Pool - Asset Renewals	215	214	
✓	598-Freyberg Community Pool - Renewal of Capital Plant and Equipment	64	63	
✓	819-Central Energy Trust Arena - Replacement of Equipment	44	44	
✓	1051-Central Energy Trust Arena - Combined Asset	890	863	
✓	1108-Hokowhitu Lagoon - Bank Renewal	210	208	
TOTAL		**3,835**	**3,110**	
Funded by Council (Rates and Borrowing)		3,690	2,966	

Parks, Sport and Recreation - Capital New

Status	ID-Name	10YP 2017/18 $'000s	AB 2017/18 $'000s	Information / Main reason for change
✓	93-Memorial Park - Capital Development Programme	52	52	
✓	94-City-wide - Purchase of Land to Extend Walkways Network	66	66	
✓	95-City-wide - Construction of Walkways	71	71	

Status	ID-Name	10YP 2017/18 $'000s	AB 2017/18 $'000s	Information / Main reason for change
✓	111-Edwards Pit Park	52	52	
➢	140-Peace Tree Reserve Development	210	-	Deferred to 2018/19.
	144-Urban Growth - Whakarongo - Reserves Land Purchases	687	682	
✓	157-City-wide - Playground Development	168	167	
✓	158-City-wide - Safety Improvements to Reserves	35	34	
✓	160-City-wide - Improved Access to Reserves for Persons with Disabilities	38	38	
✓	161-City-wide - New Public Toilets	346	344	
✓	165-Arapuke Forest Park/Kahuterawa - Development	45	44	
➢	368-Victoria Esplanade - New Aviary (subject to part external funding)	-	2,743	Assumes majority funding from external sources.
➢	560-Te Motu o Poutoa / Anzac Park Reserve Development	334	-	Deferred to 2019/20.
✓	587-Linklater Reserve Development	278	276	
➢	708-Urban Growth - Reserves Land Purchase Aokautere Area	630	-	Deferred to 2018/19.
➢	716-Urban Growth - Whakarongo - Walkways Land Purchases	359	-	Deferred to 2018/19.
	752-Manawatu Riverside - Framework Implementation	278	276	
✓	967-Edibles Planting	5	5	
➢	990-Central Energy Trust Arena - Covered Embankment (subject to part external funding)	2,000	500	Covering rescoped and deferred to 2018/19.
➢	999-C/fwd - Victoria Esplanade - New Aviary (subject to part external funding)	-	543	Carry forward balance of programme 368 from 2016/17. Assumes majority funding from external
✓	1077-Biodiversity Enhancement Through Native Planting	21	20	
➢	1081-Victoria Esplanade - Park Road Entrance and Parking Reconfiguration	26	-	Deferred to 2018/19.
✓	1084-Central Energy Trust Arena - Masterplan Priority 1 Projects	787	1,300	Purchase of retractable seating at Arena 2 costs increased.
✓	1171-City-wide - Increased Smokefree Signage	10	10	
✓	1172-Drinking Fountains at Recreational Facilities	31	31	
✓	1175-Parks and Reserves - Shade Trees	26	26	
✱	1181-Hokowhitu Lagoon - Canoe Polo Club Court Improvements	52	51	To increase the provision of canoe polo court suitable space.
✓	1182-Recreation Spaces - Improved Lighting	21	21	

Status	ID-Name	10YP 2017/18 $'000s	AB 2017/18 $'000s	Information / Main reason for change
×	1202-Bike Manawatu Off-road Cycling Park (subject to full external funding)	336	-	Budget provision removed.
➢	1278-C/fwd - Junior Road Safety Park (New Community Project) (subject to part external funding)	-	450	Carry forward balance of programme 1076 from 2016/17. Assumes $100,000 will be funded by rates and borrowing and the balance from external sources.
	1318-Central Energy Trust Arena - New Generator	-	120	Purchase generators to replace current hiring options.
➢	1326-C/fwd - Panieri Park - Purchase of Adjacent Land	-	40	Carry forward balance of programme 1282 from 2016/17.
TOTAL		6,966	7,963	
Funded by Council (Rates and Borrowing)		5,630	4,382	

Regulatory - Activity Financial Statements

Budget 2016/17 $'000s		10YP 2017/18 $'000s	AB 2017/18 $'000s	INFORMATION / MAIN REASON FOR CHANGE
	Revenue			
617	Animal Control	644	633	
2,239	Building Control	2,358	2,434	
340	Support Services	352	365	
630	Planning Services - Private	651	651	
431	Public Health	536	438	New Food Act results in a reduction in the number of inspections.
4,258	Total Revenue	4,541	4,521	
	Expenses			
697	Animal Control	711	684	
3,768	Building Control	4,091	3,801	Council has now built up sufficient reserves for leaking buildings support and can now reduce the amount funded annually from rates.
395	Support Services	384	416	
612	Planning Services - Private	619	652	
693	Planning Services - Public	693	697	
1,249	Public Health	1,300	1,239	
7,413	Total Expenses	7,797	7,489	
3,155	**NET OPERATING COST OF ACTIVITY**	**3,256**	**2,968**	
	Rating Requirement			
(23)	Less Depreciation	(22)	(24)	
19	Plus Net Capital Renewal (3 Year Average)	16	21	
-	Plus Debt Repayment		2	
3,151	**RATES REQUIREMENT**	**3,250**	**2,967**	
	Capital Expenditure			
44	Renewal	-	6	

Budget 2016/17 $'000s		10YP 2017/18 $'000s	AB 2017/18 $'000s	INFORMATION / MAIN REASON FOR CHANGE
12	New	-	-	
56	Total Capital Expenditure	-	6	
	Funded By			
19	Rates	16	21	
37	New Borrowing / (Repayment)	(16)	(15)	
56	Total	-	6	

Regulatory - Operational

Status	ID-Name	10YP 2017/18 $'000s	AB 2017/18 $'000s	Information / Main reason for change
✓	130-Earthquake Prone Buildings - Assessment of Compliance with the Building Act	130	127	
✓	1204-Additional Resources - Building Compliance Resources	-	-	
✓	1205-Additional Resources - Support Services	-	-	
✓	1206-Additional Resources - Training Programme for Building Officer Cadets	60	59	
		190	**185**	

Regulatory - Capital Renewal

Status	ID-Name	10YP 2017/18 $'000s	AB 2017/18 $'000s	Information / Main reason for change
✸	1269-Bylaw Signage - Replacement	-	6	To ensure that signs meets the bylaw requirements.
TOTAL		-	**6**	
Funded by Council (Rates and Borrowing)		-	6	

Roading and Parking - Activity Financial Statements

Budget 2016/17 $'000s		10YP 2017/18 $'000s	AB 2017/18 $'000s	INFORMATION / MAIN REASON FOR CHANGE
	Revenue			
-	Footpaths	-	-	
3,625	Parking	3,841	3,656	Increasing time limit and free Saturday morning parking up to 11am results in fewer infringements and less parking income.
1,688	Roads	1,376	1,399	
195	Street Facilities	198	205	
559	Street Lighting	424	454	
505	Traffic Services	516	518	
6,571	Total Revenue	6,355	6,231	
	Expenses			
2,155	Footpaths	1,789	2,300	Change in depreciation assumptions following the revaluation of assets along with interest rate assumptions has resulted in changes across these sub activities.
3,248	Parking	2,991	2,794	
12,832	Roads	13,899	12,957	
2,599	Street Facilities	2,916	2,864	
1,858	Street Lighting	1,767	1,710	
2,128	Traffic Services	2,115	2,335	
24,821	Total Expenses	25,477	24,961	
18,249	**NET OPERATING COST OF ACTIVITY**	**19,122**	**18,730**	
	Rating Requirement			
(9,456)	Less Depreciation	(10,031)	(10,057)	
3,477	Plus Net Capital Renewal (3 Year Average)	3,568	3,527	
1,270	Plus Debt Repayment	1,230	1,446	
13,540	**RATES REQUIREMENT**	**13,889**	**13,646**	

Budget 2016/17 $'000s		10YP 2017/18 $'000s	AB 2017/18 $'000s	INFORMATION / MAIN REASON FOR CHANGE
	Capital Expenditure			
5,876	Renewal	5,337	5,633	
12,785	New	13,535	18,261	
18,661	Total Capital Expenditure	18,871	23,894	
	Funded By			
2,409	External Revenue Renewal	2,115	2,267	
4,214	External Revenue New	3,384	7,388	
539	Development Contributions	692	692	
3,477	Rates	3,568	3,527	
8,022	New Borrowing / (Repayment)	9,111	10,020	
18,661	Total	18,871	23,894	

Roading and Parking - Operational

Status	ID-Name	10YP 2017/18 $'000s	AB 2017/18 $'000s	Information / Main reason for change
✓	1115-Massey and Research Institutes Development (Food HQ) - Investigation	-	163	Programme originally planned to be completed in 2016/17, now extended for a further two years.
✓	1167-Placemaking Co-created Project	52	36	Change in accounting treatment: transfer of operational budget to programme 1330 (capital programme).
✓	1207-Additional Resources - City Networks	104	181	Result of finalising the 2016/17 Annual Plan. Offset by other savings elsewhere.
✓	1262-Ashhurst Christmas Lights	2	2	
✸	1313-City-wide - Cycle Awareness Markings at Roundabouts	-	5	Sharrows (cycle awareness markings) at the approaches to all roundabouts in the City.
		158	387	

Roading and Parking - Capital Renewal

Status	ID-Name	10YP 2017/18 $'000s	AB 2017/18 $'000s	Information / Main reason for change
✓	64-City-wide - Footpath Renewals and Replacements	685	684	
✓	74-City-wide - Street Light Replacements	135	135	
✓	82-City-wide - Off Street Parking Resurfacing, Remarking and Signage Replacement	10	10	
✓	115-City-wide - Sealed Pavement Renewals	1,420	1,418	
✓	122-City-wide - Road Drainage Replacements	480	480	
✓	139-City-wide - Sealed Road Resurfacing	1,780	1,778	
✓	155-City-wide - Street Tree Replacements	62	62	
✓	162-City-wide - Vehicle Crossing Replacements	420	419	
✗	175-City-wide - Traffic Signals Renewals	249	-	Work completed earlier than expected. Only remaining area to upgrade is The Square which will be done as part of the streetscape upgrade.
✓	181-City-wide - Bus Shelter Upgrades and Replacements	34	34	
✓	648-City-wide - Replacement of Deteriorating Cycle Stands	11	11	
✓	742-Campbells Road - Bridge Renewal	52	52	
➤	1238-C/fwd - Kairanga Bunnythorpe Road (Jacks Creek) - Bridge Renewal	-	550	Carry forward balance of programme 741 from 2016/17.
TOTAL		**5,337**	**5,633**	
Funded by Council (Rates and Borrowing)		3,221	3,366	

Status	ID-Name	10YP 2017/18 $'000s	AB 2017/18 $'000s	Information / Main reason for change

Roading and Parking - Capital New

Status	ID-Name	10YP 2017/18 $'000s	AB 2017/18 $'000s	Information / Main reason for change
➤	57-Manawatu River - Downstream Pedestrian/Cycle Bridge Construction (subject to part external funding)	3,157	6,700	Work was originally planned to be spanned across four years, will now be completed within one year.
✓	114-City-wide - New Cycle Stands and Shelters	18	18	
✓	148-City-wide - Bus Stop Improvements	36	36	
✓	163-City-wide - New Street Tree Planting	28	28	
✓	201-City-wide - Roading Subdivision Contributions	166	166	
✓	228-Upgraded Strategic Routes to HPMV Standard	1,349	1,348	
✓	244-The Square East Side - Streetscape Upgrade	1,895	1,894	
✓	279-City-wide - Minor Road Projects	725	725	
✓	506-City-wide - Split Rubbish/Recycling Bins	22	22	
✓	829-City-wide - Undergrounding of Power and Telecom Cables	978	977	
➤	910-Ferguson Street (Linton Street to Pitt Street) - Road Widening and Traffic Signal Installation	1,262	-	Deferred to 2018/19.
➤	977-Manawatu River (Fitzherbert Bridge to Linton) - Cycle/Pedestrian Pathway (subject to part external funding)	-	1,354	Budgeted expenditure carried forward from previous years.
✓	1003-Urban Growth - Whakarongo - Intersection Upgrades	143	143	
✓	1007-Urban Growth - Whakarongo - Internal Roads	119	119	
◄	1037-Mangaone Stream Shared Path - Underpass at Botanical	280	-	Work planned for 2017/18 now completed in 2016/17.
◄	1038-Mangaone Stream Shared Path - Underpass at Highbury Avenue	280	-	Work planned for 2017/18 now completed in 2016/17.
➤	1039-City East (Mangaone Stream to Manawatu River) - Shared Path Connection	389	-	Deferred to 2018/19.
➤	1086-City-wide - Street Lighting Upgrade to Current LEDs	-	2,561	Budgeted expenditure reduced for 2016/17 and reallocated to later years.
➤	1090-Industrial Growth - NEIZ - Intersection Upgrades	684	-	Deferred to 2018/19.
➤	1095-Palmerston North to Bunnythorpe - Cycle/Pedestrian Pathway	168	-	Deferred to 2018/19.
➤	1134-City Entrance Corridors - Streetscape Improvements	363	-	Deferred to 2018/19.
✓	1155-City-wide - Street Seats	11	11	
➤	1183-Stoney Creek Road (School) Safety Upgrade	1,347	-	Deferred to 2018/19.
✓	1216-City-wide - Additional Cycle Lanes	104	102	Some budget transferred out to new programme 1313 (operating programme).

Status	ID-Name	10YP 2017/18 $'000s	AB 2017/18 $'000s	Information / Main reason for change
➢	1225-C/fwd - Manawatu River (Ashhurst to Riverside Drive) - Cycle/Pedestrian Pathway	-	926	Carry forward balance of programme 235 from 2016/17.
✓	1257-City-wide - Cycle Phases at Intersections	10	41	Result of finalising the 2016/17 Annual Plan, the Council increased this budget to $40k to allow more intersections to have cycle phases installed each year.
➢	1276-C/fwd - City Boundary Entrance Treatments	-	254	Carry forward balance of programme 977 from 2016/17.
➢	1287-C/fwd - Urban Growth - Whakarongo - James Line Upgrade	-	692	Carry forward balance of programme 167 from 2015/16.
➢	1327-C/fwd - Walker's Road - New Shared Pathway (subject to part external funding)	-	130	Carry forward balance of programme 1315 from 2016/17.
	1330-Placemaking Co-created Project	-	15	Change in accounting treatment: transfer of operational budget from programme 1167 to capital expenditure.
TOTAL		13,535	18,261	
Funded by Council (Rates and Borrowing)		10,150	10,873	

Rubbish and Recycling - Activity Financial Statements

Budget 2016/17 $'000s		10YP 2017/18 $'000s	AB 2017/18 $'000s	INFORMATION / MAIN REASON FOR CHANGE
	Revenue			
1,434	Waste Minimisation	1,472	1,491	
1,280	Waste Management	1,326	1,233	
316	Landfill Management	326	246	Budget revised to reflect actual tenancies at the Awapuni site.
3,031	Total Revenue	3,124	2,971	
	Expenses			
5,281	Waste Minimisation	5,375	5,578	
1,651	Waste Management	1,700	1,457	Changes in the way costs are allocated between these sub activities.
301	Landfill Management	307	253	
7,233	Total Expenses	7,382	7,288	
4,202	**NET OPERATING COST OF ACTIVITY**	**4,258**	**4,317**	
	Rating Requirement			
(684)	Less Depreciation	(733)	(737)	
335	Plus Net Capital Renewal (3 Year Average)	398	227	
1,211	Plus Debt Repayment	1,224	1,279	
5,064	**RATES REQUIREMENT**	**5,147**	**5,087**	
	Capital Expenditure			
278	Renewal	308	306	
651	New	515	421	
929	Total Capital Expenditure	823	727	
	Funded By			
335	Rates	398	227	
594	New Borrowing / (Repayment)	425	500	
929	Total	823	727	

Rubbish and Recycling - Operational

Status	ID-Name	10YP 2017/18 $'000s	AB 2017/18 $'000s	Information / Main reason for change
✓	374-Waste Minimisation - Funding to Assist Activities	179	174	
✓	1207-Additional Resources - City Networks	-	80	Result of finalising the 2016/17 Annual Plan. Offset by other savings elsewhere.
		179	**254**	

Rubbish and Recycling - Capital Renewal

Status	ID-Name	10YP 2017/18 $'000s	AB 2017/18 $'000s	Information / Main reason for change
✓	185-Awapuni Resource Recovery Park and Rubbish Transfer Stations - Roading, Drainage and Infrastructure Replacements	53	125	A change in priorities has resulted in a change in the timing of works between programmes 185 and 649 from what was originally in the 10YP.
✓	612-Recycling - Wheelie Bin and Crate Replacements	223	50	Budget transferred to programmes 185 and 649 due to changing priorities.
✓	649-Recycling - Materials Recovery Facility Renewals	33	131	
TOTAL		**308**	**306**	
Funded by Council (Rates and Borrowing)		308	306	

Rubbish and Recycling - Capital New

Status	ID-Name	10YP 2017/18 $'000s	AB 2017/18 $'000s	Information / Main reason for change
✓	657-Recycling - Wheelie Bins and Crates to Additional Properties	37	37	
✓	721-Awapuni Landfill - Cover and Landscape	84	84	
×	994-Recycling - Installation of Eddy Current at the Materials Recovery Facility	168	-	Business requirement no longer exists
✓	1106-Recycling - Install RFID Tags on Existing Recycling Wheelie Bins	226	300	Further analysis of this programme has resulted in a cost revision in order to deliver a successful project.
TOTAL		**515**	**421**	
Funded by Council (Rates and Borrowing)		515	421	

Stormwater - Activity Financial Statements

Budget 2016/17 $'000s		10YP 2017/18 $'000s	AB 2017/18 $'000s	INFORMATION / MAIN REASON FOR CHANGE
	Revenue			
2	Stormwater Collection and Disposal	2	2	
2	Total Revenue	2	2	
	Expenses			
3,532	Stormwater Collection and Disposal	3,813	3,468	Change to interest rate assumptions.
3,532	Total Expenses	3,813	3,468	
3,530	**NET OPERATING COST OF ACTIVITY**	**3,811**	**3,466**	
	Rating Requirement			
(1,615)	Less Depreciation	(1,681)	(1,631)	
396	Plus Net Capital Renewal (3 Year Average)	434	413	
213	Plus Debt Repayment	214	226	
2,523	**RATES REQUIREMENT**	**2,779**	**2,473**	
	Capital Expenditure			
825	Renewal	278	266	
1,116	New	1,459	1,191	
1,941	Total Capital Expenditure	1,737	1,457	
	Funded By			
137	Development Contributions	176	176	
396	Rates	434	413	
1,409	New Borrowing / (Repayment)	1,127	868	
1,941	Total	1,737	1,457	

Stormwater - Operational

Status	ID-Name	10YP 2017/18 $'000s	AB 2017/18 $'000s	Information / Main reason for change
✓	1247-Three Waters Public Education - Stormwater	12	11	
		12	**11**	

Stormwater - Capital Renewal

Status	ID-Name	10YP 2017/18 $'000s	AB 2017/18 $'000s	Information / Main reason for change
✓	1062-City-wide - Stormwater Renewal Works	278	266	
TOTAL		**278**	**266**	
Funded by Council (Rates and Borrowing)		278	266	

Stormwater - Capital New

Status	ID-Name	10YP 2017/18 $'000s	AB 2017/18 $'000s	Information / Main reason for change
✓	51-City-wide - Stormwater Subdivision Contributions	107	106	
➤	1001-Urban Growth - Whakarongo - Installation of Stormwater Systems	711	-	Deferred to 2018/19.
✓	1060-City-wide - Stormwater Improvement Works	641	614	Revised cost assumptions.
➤	1284-C/fwd - Urban Growth - Whakarongo - Installation of Stormwater Systems	-	471	Carry forward balance of programme 1001 from 2016/17.
TOTAL		**1,459**	**1,191**	
Funded by Council (Rates and Borrowing)		1,459	1,191	

Wastewater - Activity Financial Statements

Budget 2016/17 $'000s		10YP 2017/18 $'000s	AB 2017/18 $'000s	INFORMATION / MAIN REASON FOR CHANGE
	Revenue			
318	Treatment and Disposal	333	222	
676	Wastewater Collection	709	705	
994	Total Revenue	1,042	927	
	Expenses			
4,272	Treatment and Disposal	4,620	4,921	Utility cost increases.
4,528	Wastewater Collection	4,676	4,463	Change to interest rate assumptions.
8,800	Total Expenses	9,296	9,384	
7,807	**NET OPERATING COST OF ACTIVITY**	**8,253**	**8,457**	
	Rating Requirement			
(2,949)	Less Depreciation	(2,979)	(3,022)	
3,249	Plus Net Capital Renewal (3 Year Average)	3,005	2,930	
409	Plus Debt Repayment	443	443	
8,516	**RATES REQUIREMENT**	**8,723**	**8,809**	
	Capital Expenditure			
2,709	Renewal	3,399	3,355	
1,030	New	4,218	1,345	
3,738	Total Capital Expenditure	7,617	4,700	
	Funded By			
298	Development Contributions	383	383	
3,249	Rates	3,005	2,930	
191	New Borrowing / (Repayment)	4,229	1,386	
3,738	Total	7,617	4,700	

Wastewater - Operational

Status	ID-Name	10YP 2017/18 $'000s	AB 2017/18 $'000s	Information / Main reason for change
✓	725-Three Waters Public Education - Wastewater	12	11	
	1319-Totara Road Wastewater Treatment Plant - Consent Renewal Upgrade Options Analysis	-	620	Transfer out of core operating budget into operating programme to enable greater transparency of expenditure.
		12	**631**	

Wastewater - Capital Renewal

Status	ID-Name	10YP 2017/18 $'000s	AB 2017/18 $'000s	Information / Main reason for change
✓	54-City-wide - Wastewater Pipe Renewal	1,480	1,443	Revised cost assumptions.
✓	65-City-wide - Wastewater Pump Station Renewal	48	48	
✓	179-Totara Road Wastewater Treatment Plant - Minor Equipment Renewals	64	64	
✓	621-Totara Road Wastewater Treatment Plant - Digester Lids Refurbishment	481	469	
✓	1056-Totara Road Wastewater Treatment Plant - Replacement of Inlet Screens (Renewal)	1,604	1,290	Change in accounting treatment: transfer of renewal component of growth budget from programme 570.
✓	1059-Totara Road Wastewater Treatment Plant - Replacement of Grit Removal Systems	53	42	Change in accounting treatment: transfer of renewal component of growth budget from programme 572.
TOTAL		**3,730**	**3,355**	
Funded by Council (Rates and Borrowing)		3,730	3,355	

Wastewater - Capital New

Status	ID-Name	10YP 2017/18 $'000s	AB 2017/18 $'000s	Information / Main reason for change
✓	73-City-wide - Wastewater Subdivision Contributions	107	106	
➢	210-Urban Growth - Installation of Wastewater Systems for New Industrial Areas - NEIZ Extension Area	2,138	200	Deferred to 2018/19.

Water - Activity Financial Statements

Budget 2016/17 $'000s		10YP 2017/18 $'000s	AB 2017/18 $'000s	INFORMATION / MAIN REASON FOR CHANGE
	Revenue			
20	Water Collection	21	21	
3	Water Distribution	3	3	
24	Total Revenue	25	24	
	Expenses			
2,374	Water Collection	5,906	2,865	Re-categorisation of expenditure and revised interest rate assumptions.
3,742	Water Distribution	1,441	3,592	
1,671	Water Treatment	1,265	1,653	
7,786	Total Expenses	8,612	8,109	
7,762	**NET OPERATING COST OF ACTIVITY**	**8,587**	**8,085**	
	Rating Requirement			
(2,631)	Less Depreciation	(2,692)	(2,813)	
3,182	Plus Net Capital Renewal (3 Year Average)	3,751	3,473	
391	Plus Debt Repayment	447	469	
8,704	**RATES REQUIREMENT**	**10,093**	**9,214**	
	Capital Expenditure			
3,022	Renewal	3,236	2,980	
6,203	New	1,035	1,755	
9,225	Total Capital Expenditure	4,271	4,735	
	Funded By			
245	Development Contributions	315	315	
3,182	Rates	3,751	3,473	
5,798	New Borrowing / (Repayment)	204	947	
9,225	Total	4,271	4,735	

Status	ID-Name	10YP 2017/18 $'000s	AB 2017/18 $'000s	Information / Main reason for change
	570-Totara Road Wastewater Treatment Plant - Replacement of Inlet Screens (Growth)	-	314	Change in accounting treatment: transfer of growth component of renewals budget from programme 1056.
	572-Totara Road Wastewater Treatment Plant - Replacement of Grit Removal Systems (Growth)	-	10	Change in accounting treatment: transfer of growth component of renewals budget from programme 1059.
×	630-City-wide - Seismic Strengthening to Wastewater Structures	214	-	Analysis has found structures within safety margins. Work no longer required.
➤	638-Totara Road Wastewater Treatment Plant - Primary Treatment Duplication	214	-	Deferred to 2018/19.
➤	1000-Urban Growth - Whakarongo - Installation of Wastewater Systems	1,112	614	Budgeted expenditure reduced for 2017/18 and reallocated to later years.
✓	1048-Totara Road Wastewater Treatment Plant - Construction of New Food Waste Facilities	102	101	
TOTAL		**3,886**	**1,345**	
Funded by Council (Rates and Borrowing)		3,886	1,345	

Water - Operational

Status	ID-Name	10YP 2017/18 $'000s	AB 2017/18 $'000s	Information / Main reason for change
✓	1052-Turitea Dams - Implementation of the Dam Safety Assurance Programme	67	31	Revised cost assumptions.
✓	1246-Three Waters Public Education - Water	12	11	
		79	**42**	

Water - Capital Renewal

Status	ID-Name	10YP 2017/18 $'000s	AB 2017/18 $'000s	Information / Main reason for change
✓	199-City-wide - Water Bores and Headworks Renewal	73	200	
✓	207-Turitea Water Treatment Plant - Equipment and Facility Renewals	107	160	
✓	214-City-wide - Water Toby and Meter Replacements	136	135	
✓	218-City-wide - Water Pipe Replacements	2,129	2,076	
✓	640-Turitea Water Treatment Plant - Replacement of Sludge Pipeline to Wastewater Treatment Plant	363	-	Completed earlier than originally planned.
✓	1058-City-wide - Water Bores Renewals and Redevelopment	428	409	
TOTAL		**3,236**	**2,980**	
Funded by Council (Rates and Borrowing)		3,236	2,980	

Water - Capital New

Status	ID-Name	10YP 2017/18 $'000s	AB 2017/18 $'000s	Information / Main reason for change
✓	91-Turitea Water Treatment Plant - Construction of Duplicate Water Pipeline from Lower Dam to Harts Road Reservoirs	-	200	Brought forward from 2018/19.
✓	246-City-wide - Water Subdivision Contributions	222	221	
✪	592-Turitea Water Treatment Plant - Sludge Handling and Disposal Improvements	-	500	Improvements to wastewater and sludge handling at the Water Treatment Plant.

✓	610-Turitea Valley Road/Pacific Drive - New Water Supply Link Pipe and Reservoir	107	104	Revised cost assumptions.
✓	651-City-wide - Seismic Strengthening of Water Structures	214	208	
➢	1004-Urban Growth - Whakarongo - Installation of Water Supply Systems	492	296	Budgeted expenditure reduced for 2017/18 and reallocated to later years.
➢	1286-C/fwd - Urban Growth - Installation of Water Supply Systems to an Expanded North East Industrial Zone	-	176	Carry forward balance of programme 1005 from 2016/17.
	1331-Fluoridation for Bunnythorpe and Longburn water schemes	-	50	Including these communities to be the same as the rest of the city.
TOTAL		**1,035**	**1,755**	
Funded by Council (Rates and Borrowing)		1,035	1,755	

Commercial or Strategic Investments - Activity Financial Statements

Budget 2016/17 $'000s		10YP 2017/18 $'000s	AB 2017/18 $'000s	INFORMATION / MAIN REASON FOR CHANGE
	Revenue			
2,546	External Contracts	2,634	2,629	
453	Investment Property	498	392	Budget revised to reflect actual tenancies.
158	Investments (including Investment Fund)	23	23	
200	Investments in Companies (including Airport)	200	300	
60	Print Synergy	62	61	
3,418	Total Revenue	3,418	3,405	
	Expenses			
1,672	External Contracts	1,812	1,893	
517	Investment Property	512	588	
355	Investments (including Investment Fund)	361	339	
494	Investments in Companies (including Airport)	563	495	
(43)	Print Synergy	(58)	(28)	
2,995	Total Expenses	3,189	3,286	
(423)	**NET OPERATING COST OF ACTIVITY**	**(229)**	**(119)**	
	Rating Requirement			
(1,081)	Less Depreciation	(1,079)	(1,174)	
1,241	Plus Net Capital Renewal (3 Year Average)	1,420	1,296	
329	Plus Debt Repayment	160	125	
66	**RATES REQUIREMENT**	**272**	**127**	
	Capital Expenditure			
1,206	Renewal	1,300	1,265	
19	New	23	23	
1,225	Total Capital Expenditure	1,324	1,288	

	Funded By		
1,241	Rates	1,420	1,296
(17)	New Borrowing / (Repayment)	(96)	(8)
1,225	Total	1,324	1,288

Commercial or Strategic Investments - Capital Renewal

Status	ID-Name	10YP 2017/18 $'000s	AB 2017/18 $'000s	Information / Main reason for change
✓	63-Council's Plant and Vehicles - Replacements	1,020	1,003	
✓	80-Council's Plant and Equipment - Replacement	168	166	
✓	86-Council Wide - Furniture Replacements	26	10	Accounting policy change has resulted in minor capital purchases now being deemed an operating expense.
✓	270-Holiday Park - Renewal of Facilities	63	62	
✓	311-Gordon Kear Forest Replant	24	23	
TOTAL		**1,300**	**1,265**	
Funded by Council (Rates and Borrowing)		1,300	1,265	

Commercial or Strategic Investments - Capital New

Status	ID-Name	10YP 2017/18 $'000s	AB 2017/18 $'000s	Information / Main reason for change
✓	245-Gordon Kear Forest - Development of Internal Roading	23	23	
TOTAL		**23**	**23**	
Funded by Council (Rates and Borrowing)		23	23	

Corporate Support - Activity Financial Statements

Budget 2016/17 $'000s		10YP 2017/18 $'000s	AB 2017/18 $'000s	INFORMATION / MAIN REASON FOR CHANGE
	Revenue			
332	Civic Administration Building	342	337	
802	Financial Services	829	815	
40	Human Resources	-	40	Externally funded activity.
1,174	Total Revenue	1,171	1,192	
	Expenses			
362	Civic Administration Building	755	431	Changes in the way costs are allocated.
581	Communication	408	673	New programme 1271 on the next page.
335	Financial Services	403	325	
40	Human Resources	-	40	Externally funded activity not allocated across Council.
(19)	Information Services	(59)	1	
1,298	Total Expenses	1,508	1,470	
125	**NET OPERATING COST OF ACTIVITY**	**337**	**278**	
	Rating Requirement			
(1,199)	Less Depreciation	(1,227)	(1,174)	
(923)	Less Internal Rates Recovered	(951)	(921)	
1,337	Plus Net Capital Renewal (3 Year Average)	1,233	1,296	
282	Plus Debt Repayment	375	363	
(379)	**RATES REQUIREMENT**	**(233)**	**(158)**	
	Capital Expenditure			
1,931	Renewal	1,166	1,864	
308	New	210	104	
2,239	Total Capital Expenditure	1,377	1,968	

Funded By

1,337	Rates	1,233	1,296
902	New Borrowing / (Repayment)	143	672
2,239	Total	1,377	1,968

Corporate Support - Operational

Status	ID-Name	10YP 2017/18 $'000s	AB 2017/18 $'000s	Information / Main reason for change
✱	1271-Community Engagement and Communications	-	113	To support Council engagement in regard to media releases and articles.
✉	1321-Advanced Investigation Into New IT Capital Programmes	-	80	Change in accounting treatment: transfer of capital renewal budget programme 55.
		-	193	

Corporate Support - Capital Renewal

Status	ID-Name	10YP 2017/18 $'000s	AB 2017/18 $'000s	Information / Main reason for change
✓	53-Computer Replacement - Rolling Replacements	471	463	
×	55-Application Software Upgrade	80	-	Change in accounting treatment: transfer of capital renewal budget to operating programme 1321.
✓	58-Network Additions and Upgrades	41	41	
✓	68-Aerial Photography	84	83	
✓	85-Council's Depot Buildings and Structures - Replacement of Components as Required	89	88	
✓	272-Staff Cafeteria - Replacement of Equipment	6	6	
➤	281-Civic Administration Building - Refurbishments	315	1,103	Carry forward expenditure from 2016/17 to 2017/18.
✓	318-Telecommunications Replacement - Council Buildings	81	80	
TOTAL		**1,166**	**1,864**	
Funded by Council (Rates and Borrowing)		1,166	1,864	

Corporate Support - Capital New

Status	ID-Name	10YP 2017/18 $'000s	AB 2017/18 $'000s	Information / Main reason for change
✓	60-Information Management Strategic Plan Project - New Software Applications	105	104	
➤	1187-PNCC Website Customisation	105	-	Deferred to 2018/19.
TOTAL		**210**	**104**	
Funded by Council (Rates and Borrowing)		210	104	

Customer Services - Activity Financial Statements

Budget 2016/17 $'000s		10YP 2017/18 $'000s	AB 2017/18 $'000s	INFORMATION / MAIN REASON FOR CHANGE
	Revenue			
-	Customer Services	-	-	
-	Total Revenue	-	-	
	Expenses			
	Customer Services	-	-	
	Total Expenses	-	-	
	NET OPERATING COST OF ACTIVITY	-	-	
	Rating Requirement			
-	Less Depreciation	-	-	
-	**RATES REQUIREMENT**	-	-	

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

ITEM 5 - ATTACHMENT 1

Significant Forecasting Assumptions

Significant forecasting assumptions and risks underlying the financial estimates in the Annual Budget are identified in the 10 Year Plan 2015-25 (see page 185) and cover the following issues:

Issue	Level of uncertainty of assumption at time of adoption of 10 Year Plan
1. Population & Household Growth	Medium
2. Worldwide Economic Position	Low
3. Social Change	Low
4. Climate Change	Low
5. Energy Price Change	Medium
6. Natural Disasters & Adverse Weather Events	Medium
7. Services Provided by Council	Medium
8. Continuity of External Funding	Low
9. Sources of Funds for Future Replacement of Assets	Low
10. NZTA Subsidy	Low
11. Investments & Return on Investments	Low
12. Airport Dividend	Medium
13. Forestry	Low
14. Revaluation of Property, Plant & Equipment Assets	Low
15. Asset Lives	Low
16. Depreciation	Low
17. Inflation	Medium
18. Interest Rates for Borrowings	Medium
19. Resource Consents	High
20. Turitea Windfarm	Medium
21. Weathertight (Leaky) Homes Claims	Medium
22. Insurance	Low
23. Earthquake Prone Buildings	Medium
24. Additional Road Crossing of Manawatū River	Low
25. Legal Expenses	Low
26. Delivery of Services Reviews	Low

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

Inflation – inflation rates are now projected to be lower than assumed in the 10 Year Plan – projected costs have been reduced as a result.

Interest rates for borrowing – an average rate of 6.5% was assumed for the 10 Year Plan. This has been reduced to 5.7% given market rates continue to be lower than assumed.

Weathertight (leaky) homes claims – given the level of claims and the current provisions made by the Council the annual provision has been reduced from $0.3m in the 10 Year Plan to nil in 2017/18.

Resource consents – since the adoption of the 10 Year Plan Horizons has accepted Council's proposals to bring forward by six years the timing of the review of the consent for discharge of wastewater from the Council's main wastewater plant to the Manawatū River. Consequently the planned $2.9m capital programme to upgrade the tertiary filtration process to reduce particulate phosphate discharged into the river will no longer proceed. The 10 Year Plan is based on an assumption the Council may have to spend between $35m and $140m ($23m and $100m in current dollars), depending on what treatment is required. Council's longer term planning will take this into account. The 2017/18 budget includes a $620,000 provision for investigations relating to this project.

Insurance – the potential impact of the November 2016 Kaikoura earthquakes on the obtainability and cost of insurance in unknown. It has been assumed it will not be material. Changes to the structure of fire and rescue services from 1 July 2017 are proposed to be funded by restructured and increased fire service levies. Provision of $0.3m has been made in 2017/18 to accommodate the anticipated additional cost.

Rating System, Rates and Funding Impact Statements

1. Introduction

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

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

2. Rating objectives

For many years the Council has embraced the following as being its rating objectives:

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

3. Components of the present rating system - a summary

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

- A common system applies throughout the City.
- Targeted rates, in the form of fixed charges (as proxy user charges) are made to cover the costs of those services which are identifiable by property (water supply, wastewater disposal, and rubbish and recycling). In addition significant non-residential users of water are metered and some non-residential wastewater users are charged on the basis of the number of pans.
- A Uniform Annual General Charge (UAGC) is applied as a fixed amount to every rating unit within the City. It is used as a mechanism to ensure each rating unit contributes a minimum amount of the general rate and also to moderate rates on high land value properties.
- A General Rate, based on the land value, is applied to each rating unit, with different rates (differentials) applying to each property category.

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

- Single unit residential
- Multi-unit residential
- Non-residential
- Rural and semi-serviced.

Differential surcharges (i.e. a higher rate in the $) are applied to multi-unit residential and non-residential properties whilst lower rates are applied to single unit residential and rural/semi-serviced properties.

4. Examples of proposed rates for 2017/18

This table shows what the rates will be for various categories of property for 2017/18 compared with the current year. 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 then quartile 1 is the 250th property from the lowest.

	Land value	Rates 2016/17	Rates 2017/18
Single unit residential			
Average	147,000	2,382	2,442
Median	128,000	2,244	2,301
Quartile 1	101,000	2,048	2,101
Quartile 3	175,000	2,586	2,650
Two unit residential			
Average	160,000	3,789	3,886
Median	139,000	3,557	3,648
Quartile 1	113,000	3,268	3,353
Quartile 3	185,000	4,066	4,170
Non-residential			
Average	574,000	14,162	14,504
Median	315,000	8,181	8,385
Quartile 1	180,000	5,064	5,196
Quartile 3	640,000	15,686	16,063
Rural & semi-serviced (5ha or more)			
Average	643,000	1,553	1,602
Median	350,000	1,147	1,186
Quartile 1	235,000	987	1,023
Quartile 3	680,000	1,604	1,654
Rural & semi-serviced (between 0.2 and 5ha)			
Average	224,000	1,407	1,452
Median	220,000	1,394	1,438
Quartile 1	180,000	1,261	1,302
Quartile 3	260,000	1,527	1,575
Miscellaneous			
Average	395,000	4,310	4,423
Median	235,000	2,832	2,911
Quartile 1	113,000	1,706	1,758
Quartile 3	475,000	5,049	5,179

The three-yearly revaluation of the City for rating purposes was undertaken in 2015 and those valuations are the base for general rates set in 2017/18.

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

- the Council's total rates revenue will increase by 3.1%
- the Uniform Annual General Charge will be \$630 per rating unit (\$610 in 2016/17)
- targeted rates in the form of fixed annual charges will be applied for water supply (\$280); wastewater disposal (\$253); kerbside recycling (\$128); rubbish and public recycling (\$60) (\$268, \$246, \$137 and \$52 respectively in 2016/17)
- a targeted rate for wastewater disposal will be set on non-residential properties on the basis of the number of pans on the rating unit. The charge per pan will be \$253 compared with \$246 per pan in 2016/17
- the examples shown for non-residential, miscellaneous and rural/semi-serviced properties do not include the charges (either fixed or metered) for water, wastewater or kerbside recycling as these vary from property to property but they do include the rubbish and public recycling rate.

5. Components of the Rating System – more detail

5.1 General Rate

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

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

Differential Group		Differential Factor (expressed as % of Group Code MS)	Rate (cents in $ of LV)
Code	Brief Description		
R1	Single unit residential	Balance (approx. 79)	0.7424
R2	Two unit residential	120	1.1340
R3	Three unit residential	130	1.2285
R4	Four unit residential	140	1.3230
R5	Five unit residential	150	1.4175
R6	Six unit residential	160	1.5120
R7	Seven unit residential	170	1.6065
R8	Eight or more unit residential	180	1.7010
MS	Miscellaneous	100	0.9450
CI *	Non-residential (Commercial/Industrial)	250	2.3625
CR	Commercial Research	250	2.3625
CA	Commercial accommodation	250	2.3625
FL	Rural/Semi-serviced (5 hectares or more)	15	0.1418
FS	Rural/Semi-serviced (0.2 hectares or less)	51	0.4820
FM	Rural/Semi-serviced (between 0.2 & 5 hectares)	36	0.3402

*In respect of multi-storey buildings in group code CI an additional surcharge shall be applied equivalent to 5% on the basic general rate. (i.e. group code MS - miscellaneous) for each storey four and over to a maximum of 25%.

5.2 Uniform Annual General Charge

The Council proposes to set a uniform annual general charge of $630 ($610 for 2016/17) on each rating unit.

5.3 Targeted Rates

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

"A separately used or inhabited part of a rating unit includes any portion used or inhabited by the owner or a person other than the owner, who has the right to use or inhabit that portion 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 usually have a separate entrance, kitchen facilities, living facilities and toilet/bathroom facilities.

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

- A single dwelling with flat attached
- Two or more houses, flats or apartments on one certificate of title
- A farm with more than one dwelling
- Individually surveyed lots of vacant land on one certificate of title offered for sale separately or in groups."

5.3.1 *Water Supply*

The Council proposes to set a targeted rate for water supply. 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 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 Council operated waterworks whilst serviceable means the rating unit is not connected to a Council operated waterworks but is within 100 metres of such waterworks.

Rating units which are not connected to the scheme, and which are not serviceable will not be liable for this rate. The estimated rates for the 2017/18 year are:

Connected:	$280	per part
Serviceable:	$140	per part

There are situations where the Council will require water being supplied on a metered basis. Where this occurs the Council proposes instead of the above, to set a metered water targeted rate that is based on the volume of water supplied. All water consumed will be charged at an estimated rate of $1.173 per cubic metre with additional charges based on the size of the meter connection as follows:

Meter size	***Annual Charge $***
Up to 15mm	41.40
19 to 20mm	42.55
25mm	54.05
32mm	78.20
40mm	144.90
50mm	144.90
75 to 80mm	286.35
100mm	365.70
150mm	512.90
200mm	610.65

5.3.2 *Wastewater Disposal*

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

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

The estimated rates for the 2017/18 year are:

Connected:	$253	per part
Serviceable:	$126.50	per part

In addition for the 2017/18 year the Council proposes to set a targeted rate for non-residential rating units of $253 per pan for each pan in excess of three.

5.3.3 *Rubbish and Recycling*

5.3.3.1 *Kerbside Recycling*

The Council proposes to set a targeted rate for kerbside recycling on the basis of a fixed amount per separately used or inhabited part of a rating unit for which the Council is prepared to provide the collection service. Where ratepayers elect, and the Council agrees, additional levels of service may be provided. Each additional level of service will be charged at a rate of $136. 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 2017/18 year are:

Kerbside Recycling	$128	per part

5.3.3.2 Rubbish and Public Recycling

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

The estimated rates for the 2017/18 year are:

Rubbish and public recycling	$60	per part for residential rating units and
	$60	per rating unit for others.

5.3.4 Warm Palmerston North

The Council proposes to set a voluntary targeted rate on properties that have benefited from the installation of insulation through the Warm Up Palmy Home Insulation Scheme. The rate is calculated as a percentage of the service amount (the cost of the installation) until the service amount and the costs of servicing the service amount are recovered. For 2017/18 the rate is proposed to be 16%.

5.4 *Differential Matters and Categories*

5.4.1 Objectives of Differentials for General Rate

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

The Council describes the relationship between the rates charged to each group in terms of a factor expressed as a percentage of the rate which would apply were there no differential rating in place i.e. the group described as Miscellaneous (MS). Each year the Council reviews the differential factors applied to each land use category. The factors proposed for 2017/18 are outlined in 5.1 and remain unchanged from 2016/17. The factors have been developed to address the following matters:

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

5.4.2 Differentials based on Land Use

The Council proposes to differentiate the General Rate on the basis of land use. Properties which have more than one use (or where there is doubt as to the relevant primary use) will be placed in a category with the highest differential factor or if, in the Council's opinion it is fair and reasonable to do so, then the Council may partition the property into parts and allocate each part to the most appropriate category. Note that, subject to the rights of objection to the rating information database set out in sections 29 and 39 of the Local Government (Rating) Act 2002 the Council is the sole determiner of the categories. The following differential categories will be used:

Single Unit Residential (R1)

Every rating unit not otherwise classified:

- Two hectare or less in area having a predominant or exclusive residential use and on which is erected one residential unit; or
- Two hectare or less in area and having no predominant use, on which no building is erected but upon which the erection of residential units is a permitted activity under the City's District Plan.

Multi-unit residential (R2 - R8)

Every rating unit not otherwise classified on which is erected:

- two residential units (R2); 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).

Miscellaneous (MS)

Every rating unit (or division thereof) of the following types:

- non-rateable property as defined in the Local Government (Rating) Act 2002
- property which could be categorised in another group code but which is used for not-for-profit purposes or other community purposes, determined at the Council's discretion
- property that is used for parking that is available for public use in accordance with criteria determined by the Council
- where the ratepayer conducts or permits to be conducted a business, being a Home Occupation as defined in the City's District Plan, and which would otherwise qualify for inclusion in group code R1
- serviced property that is more than two hectare in area, having a predominant or exclusive residential use and on which is erected one residential unit
- vacant, serviced property not classified in group codes R1 or FL or elsewhere as follows:
  - property where non-residential use is a permitted activity under the City's District Plan
  - property over two hectare in area where residential use is a permitted activity under the City's District Plan
- property which, due to its location, would otherwise qualify for inclusion in group code FL, FS or FM but which is not used for predominantly residential, farming, military or not-for-profit community purposes. The Council may determine that only a portion of the property shall be classified as MS and that the remainder is classified as FL, FS or FM, as appropriate.

Non-Residential (CI, CR & CA)

CI – Every rating unit not otherwise classified which has not a predominant or exclusive residential use (except property used for parking and/or vacant serviced property as defined in group code MS). Multi-storey properties, four storeys and over will be levied an additional differential surcharge.

CR – Every rating unit not otherwise classified which is predominantly used for research purposes in accordance with criteria determined by the Council.

CA – Every rating unit on which is erected a licensed hotel or an apartment building or residential institution and including a guest house, rooming house, boarding house, private hotel, motel, residential club or hostel. (Taverns which have no residential accommodation shall be included in group code CI).

Rural & Semi-serviced (FL, FS & FM)

FL – Every rating unit not otherwise classified which does not have access to the City's sewage disposal system and has either (a) an area of five hectares or more or (b) an area less than five hectares but on which there is no residential dwelling unit or non-residential improvements.

In determining whether for rating purposes access is deemed to be available the Council will have regard to the following:

- whether the Council will allow the rating unit to be connected to the sewage disposal system
- whether the rating unit is capable of subdivision and if so, the ratepayer's intentions regarding subdivision
- the scope of any sub-divisional plan deposited with the District Land Registrar
- the portion of the property with access to services, which in the opinion of the Council, would form a reasonable first stage of subdivision
- the prevailing economic climate as it affects subdivision and the supply of serviced land within the City.

Based on its assessment of the matters outlined above the Council will determine one of the following rating approaches:

- reclassify the full property to the higher rated group in the year immediately succeeding access to the system becoming available
- reclassify only a portion of the property to the higher rated group code with the circumstances being reviewed annually
- retain the present classification and review it annually.

FS – Every rating unit which would otherwise qualify for inclusion in group code FL but which has an area of 0.2 hectares or less and on which there is either a residential dwelling or non-residential improvements.

FM – Every rating unit which would otherwise qualify for inclusion in group code FS but which has an area greater than 0.2 hectares and less than five hectares. The Council may consider reclassifying only a portion of the property into a higher rated group code once access is available to the City's sewage disposal system. In that event the same criteria as for group code FL will apply.

6. Early payment of rates

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

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

7. Rates payable by instalment & due dates

The Council provides for rates to be paid in four equal instalments but it reserves the right to issue the first instalment as an interim one based on 25% of the rates payable in the previous rating year. For the 2017/18 year the due dates (i.e. final dates for payment without incurring penalty charges) will be:

Instalment One:	25 August 2017
Instalment Two:	24 November 2017
Instalment Three:	23 February 2018
Instalment Four:	25 May 2018

Ratepayers may elect to pay on a more regular basis if they choose. They may also elect to pay the full year's rates in one lump sum prior to the due date for Instalment Two without incurring penalty charges on Instalment One.

Rates may be paid using any one of a number of payment methods acceptable to the Council including direct debits, cheques by mail, cheques or cash or Eftpos at Council's main office, direct credits and other bank transfer methods. Payment by credit card can be made using the internet, subject to the payment of a fee to cover costs.

Properties which have water provided through a metered supply will be invoiced either monthly or two monthly at the discretion of the Council.

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

Monthly invoicing			
Instalment		Instalment	
1	20 July 2017	7	20 January 2018
2	20 August 2017	8	20 February 2018
3	20 September 2017	9	20 March 2018
4	20 October 2017	10	20 April 2018
5	20 November 2017	11	20 May 2018
6	20 December 2017	12	20 June 2018

Two Monthly invoicing			
Linton, East & North Rounds		Ashhurst, South West, PNCC & Central Rounds	
Instalment		Instalment	
1	20 July 2017	1	20 August 2017
2	20 September 2017	2	20 October 2017
3	20 November 2017	3	20 December 2017
4	20 January 2018	4	20 February 2018
5	20 March 2018	5	20 April 2018
6	20 May 2018	6	20 June 2018

8. Rates penalties

To provide an incentive for rates to be paid by the due date, penalties will be imposed when rates are not paid on time. A penalty of 10 per cent will be added to any portion of an instalment remaining unpaid after the due date for payment.

A second 10 percent penalty will be added to all rates (including penalties) remaining unpaid as at 1 July 2018 with further additional charges of up to 10 percent to be added at six monthly intervals thereafter to all such rates which continue to remain unpaid.

Penalties will not be applied to the metered water targeted rate.

9. Rating base information

The following are projected for the City as at 30 June 2017:

Number of rating units	33,000
Total capital value of all rating units	$14,900,000,000
Total land value of all rating units	$6,400,000,000

10. Rates Summary

	BASIS OF RATES	10YP 2016/17 $000	AB 2016/17 $000	10YP 2017/18 $000	AB 2017/18 $000
General rates					
General rates	rate in $ of LV (differentiated by use)	46,820	48,240	49,425	49,475
UAGC	fixed charge p rating unit	16,925	16,751	17,782	17,401
Targeted rates					
Water					
- connected/ serviceable	fixed charge p SUIP	7,467	6,864	8,143	7,210
- metered	$ p m3 plus fixed charge	1,840	1,840	1,950	1,980
Wastewater					
- connected/ serviceable	fixed charge p SUIP (residential) or p rating unit (non-residential)	7,212	6,628	6,813	6,868
- pans	fixed charge p pan	2,030	1,887	1,910	1,940
Rubbish & recycling					
- kerbside recycling	fixed charge p SUIP	3,650	3,600	4,000	3,390
- rubbish & public recycling	fixed charge p SUIP	1,332	1,464	1,147	1,695
Total Rates Revenue (GST Exclusive)		**$87,276**	**$87,275**	**$91,170**	**$89,959**

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 as the amounts balance each other out.

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

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

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

In addition to the statements mentioned the Council is also providing Activity Financial Statements which shows the revenue and expenses for the services provided, as well as how the rates are calculated (see section 1).

Please Note:

1. In the statements, the term "Other Operating Funding" is an abbreviation of "Local Authority fuel tax, fines, infringement fees and other receipts".

2. The totals appear different between the two statements due to the different way the figures have been categorised. The Funding Impact Statements include rates revenue, whereas the Activity Financial Statements separate rates out to clearly show how they've been calculated. In addition, the Activity Financial Statements include depreciation in the expenses to show the full cost of the activity, while this is not included in the Funding Impact Statements.

Funding Impact Statements

Budget 2015/16 $'000s	Whole of Council	10YP 2017/18 $'000s	AB 2017/18 $'000s
	Sources of Operating Funding		
64,992	General Rates, UAGC & Rates Penalties	67,207	66,850
22,284	Targeted Rates	23,962	23,109
3,074	Subsidies & Grants for Operating Purposes	2,649	2,757
4,369	Fees and Charges	4,656	4,665
375	Interest and Dividends from investments	240	340
18,652	Other Operating Funding *	19,313	18,474
113,746	Total Operating Funding	118,029	116,195
	Applications of Operating Funding		
83,186	Payments to Staff and Suppliers	83,349	84,456
6,288	Finance Costs	9,485	6,926
-	Other operating funding applications	-	-
89,474	Total Applications of Operating Funding	92,834	91,382
24,272	Surplus/(Deficit) of Operating Funding	25,195	24,813
	Sources of Capital Funding		
8,541	Subsidies and Grants for Capital Expenditure	6,981	13,452
1,347	Development & Financial Contributions	1,731	1,731
13,516	Increase/(Decrease) in Debt	13,793	15,936
-	Gross proceeds from sale of assets	-	-
-	Lump sum contributions	-	-
-	Other dedicated capital funding	-	-
23,404	Total Sources of Capital Funding	22,505	31,119
	Applications of Capital Funding		
	Capital Expenditure:-		
2,603	- to meet additional demand	9,029	3,503
23,167	- to improve the level of service	17,726	30,221
24,906	- to replace existing assets	25,588	24,798
-	Increase/(Decrease) in Reserves	-	-
(3,000)	Increase/(Decrease) of Investments	(4,643)	(2,591)
47,676	Total Applications of Capital Funding	47,700	55,932
(24,272)	Surplus/(Deficit) of Capital Funding	(25,195)	(24,813)
-	Total Funding Surplus/(Deficit)	-	-

Funding Impact Statements

Budget 2016/17 $'000s	Leadership - Group of Activities	10YP 2017/18 $'000s	AB 2017/18 $'000s
	Sources of Operating Funding		
9,011	General Rates, UAGC & Rates Penalties	8,868	8,813
-	Targeted Rates	-	-
-	Subsidies & Grants for Operating Purposes	-	-
155	Fees and Charges	160	187
36	Internal Charges & Overheads Recovered	37	36
148	Other Operating Funding *	21	23
9,350	Total Operating Funding	9,086	9,060
	Applications of Operating Funding		
7,280	Payments to Staff and Suppliers	6,888	6,936
-	Finance Costs	-	1
2,067	Internal Charges & Overheads Applied	2,195	2,120
-	Other operating funding applications	-	-
9,347	Total Applications of Operating Funding	9,083	9,057
3	Surplus/(Deficit) of Operating Funding	3	3
	Sources of Capital Funding		
-	Subsidies and Grants for Capital Expenditure	-	-
-	Development & Financial Contributions	-	-
(3)	Increase/(Decrease) in Debt	(3)	(3)
-	Gross proceeds from sale of assets	-	-
-	Lump sum contributions	-	-
-	Other dedicated capital funding	-	-
(3)	Total Sources of Capital Funding	(3)	(3)
	Applications of Capital Funding		
	Capital Expenditure:-		
-	- to meet additional demand	-	-
-	- to improve the level of service	-	-
-	- to replace existing assets	-	-
-	Increase/(Decrease) in Reserves	-	-
-	Increase/(Decrease) of Investments	-	-
-	Total Applications of Capital Funding	-	-
(3)	Surplus/(Deficit) of Capital Funding	(3)	(3)
-	Total Funding Surplus/(Deficit)	-	-

Funding Impact Statements

Budget 2016/17 $'000s	Community Support - Group of Activities	10YP 2017/18 $'000s	AB 2017/18 $'000s
	Sources of Operating Funding		
1,140	General Rates, UAGC & Rates Penalties	1,435	1,133
-	Targeted Rates	-	-
6	Subsidies & Grants for Operating Purposes	6	6
-	Fees and Charges	-	-
-	Internal Charges & Overheads Recovered	-	-
3,092	Other Operating Funding *	3,169	3,124
4,238	Total Operating Funding	4,610	4,263
	Applications of Operating Funding		
1,626	Payments to Staff and Suppliers	1,642	1,493
78	Finance Costs	303	122
1,684	Internal Charges & Overheads Applied	1,753	1,777
-	Other operating funding applications	-	-
3,388	Total Applications of Operating Funding	3,698	3,391
850	Surplus/(Deficit) of Operating Funding	912	872
	Sources of Capital Funding		
-	Subsidies and Grants for Capital Expenditure	-	-
-	Development & Financial Contributions	-	-
259	Increase/(Decrease) in Debt	1,772	1,488
-	Gross proceeds from sale of assets	-	-
-	Lump sum contributions	-	-
-	Other dedicated capital funding	-	-
259	Total Sources of Capital Funding	1,772	1,488
	Applications of Capital Funding		
	Capital Expenditure:-		
-	- to meet additional demand	-	-
-	- to improve the level of service	16	-
1,109	- to replace existing assets	2,668	2,360
-	Increase/(Decrease) in Reserves	-	-
-	Increase/(Decrease) of Investments	-	-
1,109	Total Applications of Capital Funding	2,684	2,360
(850)	Surplus/(Deficit) of Capital Funding	(912)	(872)
-	Total Funding Surplus/(Deficit)	-	-

Funding Impact Statements

Budget 2016/17 $'000s	Work and City Promotion - Group of Activitie	10YP 2017/18 $'000s	AB 2017/18 $'000s
	Sources of Operating Funding		
3,345	General Rates, UAGC & Rates Penalties	3,243	3,178
-	Targeted Rates	-	-
-	Subsidies & Grants for Operating Purposes	-	-
-	Fees and Charges	-	-
28	Internal Charges & Overheads Recovered	28	23
1,057	Other Operating Funding *	1,090	1,073
4,429	Total Operating Funding	4,361	4,275
	Applications of Operating Funding		
3,973	Payments to Staff and Suppliers	4,047	3,903
-	Finance Costs	-	1
187	Internal Charges & Overheads Applied	195	235
-	Other operating funding applications	-	-
4,159	Total Applications of Operating Funding	4,242	4,139
270	Surplus/(Deficit) of Operating Funding	119	136
	Sources of Capital Funding		
-	Subsidies and Grants for Capital Expenditure	-	-
-	Development & Financial Contributions	-	-
179	Increase/(Decrease) in Debt	(36)	(54)
-	Gross proceeds from sale of assets	-	-
-	Lump sum contributions	-	-
-	Other dedicated capital funding	-	-
179	Total Sources of Capital Funding	(36)	(54)
	Applications of Capital Funding		
	Capital Expenditure:-		
-	- to meet additional demand	-	-
-	- to improve the level of service	-	-
449	- to replace existing assets	83	82
-	Increase/(Decrease) in Reserves	-	-
-	Increase/(Decrease) of Investments	-	-
449	Total Applications of Capital Funding	83	82
(270)	Surplus/(Deficit) of Capital Funding	(119)	(136)
-	Total Funding Surplus/(Deficit)	-	-

Funding Impact Statements

Budget 2016/17 $'000s	Leisure - Group of Activities	10YP 2017/18 $'000s	AB 2017/18 $'000s
	Sources of Operating Funding		
32,595	General Rates, UAGC & Rates Penalties	33,706	34,670
-	Targeted Rates	-	-
117	Subsidies & Grants for Operating Purposes	120	119
-	Fees and Charges	-	-
146	Internal Charges & Overheads Recovered	153	146
2,426	Other Operating Funding *	2,614	2,429
35,284	Total Operating Funding	36,593	37,363
	Applications of Operating Funding		
18,657	Payments to Staff and Suppliers	18,526	19,424
1,180	Finance Costs	1,740	1,457
9,636	Internal Charges & Overheads Applied	10,084	10,216
-	Other operating funding applications	-	-
29,474	Total Applications of Operating Funding	30,350	31,098
5,809	Surplus/(Deficit) of Operating Funding	6,243	6,265
	Sources of Capital Funding		
1,918	Subsidies and Grants for Capital Expenditure	1,482	3,797
128	Development & Financial Contributions	165	165
3,249	Increase/(Decrease) in Debt	5,668	7,080
-	Gross proceeds from sale of assets	-	-
-	Lump sum contributions	-	-
-	Other dedicated capital funding	-	-
5,295	Total Sources of Capital Funding	7,314	11,041
	Applications of Capital Funding		
	Capital Expenditure:-		
-	- to meet additional demand	1,885	682
4,797	- to improve the level of service	5,133	10,773
6,307	- to replace existing assets	6,539	5,852
-	Increase/(Decrease) in Reserves	-	-
-	Increase/(Decrease) of Investments	-	-
11,104	Total Applications of Capital Funding	13,557	17,307
(5,809)	Surplus/(Deficit) of Capital Funding	(6,243)	(6,265)
-	Total Funding Surplus/(Deficit)	-	-

Funding Impact Statements

Regulatory - Group of Activities

Budget 2016/17 $'000s		10YP 2017/18 $'000s	AB 2017/18 $'000s
	Sources of Operating Funding		
3,151	General Rates, UAGC & Rates Penalties	3,250	2,967
-	Targeted Rates	-	-
-	Subsidies & Grants for Operating Purposes	-	-
4,214	Fees and Charges	4,496	4,477
1,222	Internal Charges & Overheads Recovered	1,205	1,183
43	Other Operating Funding *	45	44
8,630	Total Operating Funding	8,996	8,672
	Applications of Operating Funding		
5,258	Payments to Staff and Suppliers	5,450	5,215
	Finance Costs	-	1
3,353	Internal Charges & Overheads Applied	3,530	3,433
-	Other operating funding applications	-	-
8,612	Total Applications of Operating Funding	8,980	8,648
19	Surplus/(Deficit) of Operating Funding	16	23
	Sources of Capital Funding		
-	Subsidies and Grants for Capital Expenditure	-	-
-	Development & Financial Contributions	-	-
37	Increase/(Decrease) in Debt	(16)	(17)
-	Gross proceeds from sale of assets	-	-
-	Lump sum contributions	-	-
-	Other dedicated capital funding	-	-
37	Total Sources of Capital Funding	(16)	(17)
	Applications of Capital Funding		
	Capital Expenditure:-		
-	- to meet additional demand	-	-
12	- to improve the level of service	-	-
44	- to replace existing assets	-	6
-	Increase/(Decrease) in Reserves	-	-
-	Increase/(Decrease) of Investments	-	-
56	Total Applications of Capital Funding	-	6
(19)	Surplus/(Deficit) of Capital Funding	(16)	(23)
-	Total Funding Surplus/(Deficit)	-	-

Funding Impact Statements

Budget 2016/17 $'000s	Roading and Parking - Group of Activities	10YP 2017/18 $'000s	AB 2017/18 $'000s
	Sources of Operating Funding		
13,540	General Rates, UAGC & Rates Penalties	13,889	13,646
-	Targeted Rates	-	-
2,707	Subsidies & Grants for Operating Purposes	2,271	2,313
-	Fees and Charges	-	-
-	Internal Charges & Overheads Recovered	-	-
3,864	Other Operating Funding *	4,084	3,919
20,112	Total Operating Funding	20,244	19,878
	Applications of Operating Funding		
9,584	Payments to Staff and Suppliers	8,920	9,025
1,879	Finance Costs	2,578	2,045
3,902	Internal Charges & Overheads Applied	3,948	3,835
-	Other operating funding applications	-	-
15,365	Total Applications of Operating Funding	15,446	14,905
4,747	Surplus/(Deficit) of Operating Funding	4,798	4,973
	Sources of Capital Funding		
6,623	Subsidies and Grants for Capital Expenditure	5,500	9,655
539	Development & Financial Contributions	692	692
6,752	Increase/(Decrease) in Debt	7,882	8,574
-	Gross proceeds from sale of assets	-	-
-	Lump sum contributions	-	-
-	Other dedicated capital funding	-	-
13,914	Total Sources of Capital Funding	14,073	18,921
	Applications of Capital Funding		
	Capital Expenditure:-		
889	- to meet additional demand	2,255	309
11,896	- to improve the level of service	11,280	17,952
5,876	- to replace existing assets	5,337	5,633
-	Increase/(Decrease) in Reserves	-	-
-	Increase/(Decrease) of Investments	-	-
18,661	Total Applications of Capital Funding	18,871	23,894
(4,747)	Surplus/(Deficit) of Capital Funding	(4,798)	(4,973)
-	Total Funding Surplus/(Deficit)	-	-

Funding Impact Statements

Budget 2016/17 $'000s	Rubbish and Recycling - Group of Activities	10YP 2017/18 $'000s	AB 2017/18 $'000s
	Sources of Operating Funding		
-	General Rates, UAGC & Rates Penalties	-	-
5,064	Targeted Rates	5,147	5,087
245	Subsidies & Grants for Operating Purposes	252	320
-	Fees and Charges	-	-
688	Internal Charges & Overheads Recovered	621	15
2,786	Other Operating Funding *	2,872	2,651
8,783	Total Operating Funding	8,892	8,073
	Applications of Operating Funding		
(360)	Payments to Staff and Suppliers	(517)	(275)
511	Finance Costs	625	474
7,086	Internal Charges & Overheads Applied	7,161	6,367
-	Other operating funding applications	-	-
7,237	Total Applications of Operating Funding	7,270	6,566
1,546	Surplus/(Deficit) of Operating Funding	1,622	1,506
	Sources of Capital Funding		
-	Subsidies and Grants for Capital Expenditure	-	-
-	Development & Financial Contributions	-	-
(617)	Increase/(Decrease) in Debt	(798)	(780)
-	Gross proceeds from sale of assets	-	-
-	Lump sum contributions	-	-
-	Other dedicated capital funding	-	-
(617)	Total Sources of Capital Funding	(798)	(780)
	Applications of Capital Funding		
	Capital Expenditure:-		
-	- to meet additional demand	-	-
472	- to improve the level of service	-	-
457	- to replace existing assets	823	727
-	Increase/(Decrease) in Reserves	-	-
-	Increase/(Decrease) of Investments	-	-
929	Total Applications of Capital Funding	823	727
(1,546)	Surplus/(Deficit) of Capital Funding	(1,622)	(1,506)
-	Total Funding Surplus/(Deficit)	-	-

Funding Impact Statements

Budget 2016/17 $'000s	Stormwater - Group of Activities	10YP 2017/18 $'000s	AB 2017/18 $'000s
	Sources of Operating Funding		
2,523	General Rates, UAGC & Rates Penalties	2,779	2,473
-	Targeted Rates	-	-
-	Subsidies & Grants for Operating Purposes	-	-
-	Fees and Charges	-	-
-	Internal Charges & Overheads Recovered	-	17
2	Other Operating Funding *	2	2
2,525	Total Operating Funding	2,781	2,493
	Applications of Operating Funding		
965	Payments to Staff and Suppliers	921	960
338	Finance Costs	568	378
614	Internal Charges & Overheads Applied	643	516
-	Other operating funding applications	-	-
1,916	Total Applications of Operating Funding	2,132	1,854
609	Surplus/(Deficit) of Operating Funding	648	639
	Sources of Capital Funding		
-	Subsidies and Grants for Capital Expenditure	-	-
137	Development & Financial Contributions	176	176
1,195	Increase/(Decrease) in Debt	913	642
-	Gross proceeds from sale of assets	-	-
-	Lump sum contributions	-	-
-	Other dedicated capital funding	-	-
1,332	Total Sources of Capital Funding	1,089	818
	Applications of Capital Funding		
	Capital Expenditure:-		
454	- to meet additional demand	818	577
662	- to improve the level of service	641	614
825	- to replace existing assets	278	266
-	Increase/(Decrease) in Reserves	-	-
-	Increase/(Decrease) of Investments	-	-
1,941	Total Applications of Capital Funding	1,737	1,457
(609)	Surplus/(Deficit) of Capital Funding	(648)	(639)
-	Total Funding Surplus/(Deficit)	-	-

Funding Impact Statements

Wastewater - Group of Activities

Budget 2016/17 $'000s		10YP 2017/18 $'000s	AB 2017/18 $'000s
	Sources of Operating Funding		
-	General Rates, UAGC & Rates Penalties	-	-
8,516	Targeted Rates	8,723	8,809
-	Subsidies & Grants for Operating Purposes	-	-
-	Fees and Charges	-	-
378	Internal Charges & Overheads Recovered	19	31
994	Other Operating Funding *	1,042	927
9,888	Total Operating Funding	9,784	9,767
	Applications of Operating Funding		
2,454	Payments to Staff and Suppliers	2,220	3,083
706	Finance Costs	1,275	749
3,069	Internal Charges & Overheads Applied	2,840	2,561
-	Other operating funding applications	-	-
6,229	Total Applications of Operating Funding	6,336	6,393
3,658	Surplus/(Deficit) of Operating Funding	3,448	3,374
	Sources of Capital Funding		
-	Subsidies and Grants for Capital Expenditure	-	-
298	Development & Financial Contributions	383	383
(218)	Increase/(Decrease) in Debt	3,786	943
-	Gross proceeds from sale of assets	-	-
-	Lump sum contributions	-	-
-	Other dedicated capital funding	-	-
80	Total Sources of Capital Funding	4,169	1,326
	Applications of Capital Funding		
	Capital Expenditure:-		
294	- to meet additional demand	3,357	1,244
226	- to improve the level of service	315	101
3,218	- to replace existing assets	3,944	3,355
-	Increase/(Decrease) in Reserves	-	-
-	Increase/(Decrease) of Investments	-	-
3,738	Total Applications of Capital Funding	7,617	4,700
(3,658)	Surplus/(Deficit) of Capital Funding	(3,448)	(3,374)
-	Total Funding Surplus/(Deficit)	-	-

Funding Impact Statements

Budget 2016/17 $'000s	Water - Group of Activities	10YP 2017/18 $'000s	AB 2017/18 $'000s
	Sources of Operating Funding		
-	General Rates, UAGC & Rates Penalties	-	-
8,704	Targeted Rates	10,093	9,214
-	Subsidies & Grants for Operating Purposes	-	-
-	Fees and Charges	-	-
254	Internal Charges & Overheads Recovered	222	184
24	Other Operating Funding *	25	24
8,981	Total Operating Funding	10,341	9,422
	Applications of Operating Funding		
1,820	Payments to Staff and Suppliers	1,779	1,739
799	Finance Costs	1,379	914
2,789	Internal Charges & Overheads Applied	2,985	2,827
-	Other operating funding applications	-	-
5,409	Total Applications of Operating Funding	6,143	5,480
3,572	Surplus/(Deficit) of Operating Funding	4,198	3,942
	Sources of Capital Funding		
-	Subsidies and Grants for Capital Expenditure	-	-
245	Development & Financial Contributions	315	315
5,407	Increase/(Decrease) in Debt	(242)	478
-	Gross proceeds from sale of assets	-	-
-	Lump sum contributions	-	-
-	Other dedicated capital funding	-	-
5,652	Total Sources of Capital Funding	73	793
	Applications of Capital Funding		
	Capital Expenditure:-		
966	- to meet additional demand	714	692
4,776	- to improve the level of service	107	654
3,483	- to replace existing assets	3,450	3,389
-	Increase/(Decrease) in Reserves	-	-
-	Increase/(Decrease) of Investments	-	-
9,225	Total Applications of Capital Funding	4,271	4,735
(3,572)	Surplus/(Deficit) of Capital Funding	(4,198)	(3,942)
-	Total Funding Surplus/(Deficit)	-	-

Funding Impact Statements

Support Services - Group of Activities

Budget 2016/17 $'000s		10YP 2017/18 $'000s	AB 2017/18 $'000s
	Sources of Operating Funding		
(314)	General Rates, UAGC & Rates Penalties	39	(30)
-	Targeted Rates	-	-
-	Subsidies & Grants for Operating Purposes	-	-
-	Fees and Charges	-	-
43,390	Internal Charges & Overheads Recovered	45,149	42,854
4,592	Other Operating Funding *	4,589	4,598
47,668	Total Operating Funding	49,777	47,422
	Applications of Operating Funding		
32,853	Payments to Staff and Suppliers	34,422	33,874
796	Finance Costs	1,018	784
10,830	Internal Charges & Overheads Applied	11,148	9,682
-	Other operating funding applications	-	-
44,479	Total Applications of Operating Funding	46,588	44,341
3,189	Surplus/(Deficit) of Operating Funding	3,189	3,081
	Sources of Capital Funding		
-	Subsidies and Grants for Capital Expenditure	-	-
-	Development & Financial Contributions	-	-
(2,726)	Increase/(Decrease) in Debt	(5,131)	(2,415)
-	Gross proceeds from sale of assets	-	-
-	Lump sum contributions	-	-
-	Other dedicated capital funding	-	-
(2,726)	Total Sources of Capital Funding	(5,131)	(2,415)
	Applications of Capital Funding		
	Capital Expenditure:-		
-	- to meet additional demand	-	-
326	- to improve the level of service	234	127
3,137	- to replace existing assets	2,467	3,130
-	Increase/(Decrease) in Reserves	-	-
(3,000)	Increase/(Decrease) of Investments	(4,643)	(2,591)
463	Total Applications of Capital Funding	(1,943)	666
(3,189)	Surplus/(Deficit) of Capital Funding	(3,189)	(3,081)
-	Total Funding Surplus/(Deficit)	-	-

SECTION 3

ADDITIONAL INFORMATION

- Levels of Service, Performance Measures and Targets

Levels of Service and Performance Measures

This section 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.

All of our performance measures are measured annually, unless stated otherwise. The 'Current Results' column reflects the latest position. Any annual survey results that are known prior to the relevant Annual Plan being adopted are included, e.g. Communitrak survey results.

Note that the Communitrak survey is carried out every three years.

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.

More information about each of the Council's activities can be found in the full 10 Year Plan which you can view on the Council's website pncc.govt.nz/10yearplan/ or by phoning us on 06 356 8199 and asking for a copy.

COUNCILLOR LEADERSHIP AND DECISION MAKING

WHAT WE DO (Levels of Service)	HOW WE SHOW WE ARE DOING A GOOD JOB (Performance Measures)	OUR CURRENT RESULTS (2015/16)	OUR TARGETS (2018/19 on to be reviewed in 10 Year Plan) 2016/17	2017/18
The Council encourages and provides opportunities for all people to get involved in its decision making in ways that are appropriate to their preferences and needs.	Council prepares an Annual Report on its Significance and Engagement Policy.	Report prepared and presented to Council.	Report prepared and key outcomes described.	Report prepared and key outcomes described.
	Council holds at least 20 "Let's Talk with a Councillor" meetings each year.[1]	Not met.	At least 20 meetings held.	At least 20 meetings held.
	Resident satisfaction with the way Council involves them in decision making. (Communitrak Survey.[2])	81%.	At least 75%.	No measure.
The Council provides information to people on what it is doing in a way that is appropriate to their preferences and needs.	Resident satisfaction with the quality of information Council provides them. (Communitrak Survey.[2])	80%.	At least 85%.	No measure.
The Council manages its Councillor Leadership and Decision Making Activity in a financially sustainable way.	10 Year Plan levels of service and programmes are achieved within budget.	Services were provided. However budget exceeded due to requirement to hold more hearings, higher Councillor meeting printing costs and higher Mayoral and Chief Executive Officer operating costs.	Services provided within budget.	Services provided within budget.

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

[1] Note: in March 2016 Councillors narrowed the criteria for what counts as a "Let's Talk" session. It now only covers meetings specifically organised as a Let's Talk with a Councillor meeting and the 10 Year Plan / Annual Plan community engagement meetings

[2] Communitrak Survey is every three years. Satisfaction percentages exclude "don't knows" and "neither satisfied or dissatisfied".

DIRECTION SETTING

WHAT WE DO (Levels of Service)	HOW WE SHOW WE ARE DOING A GOOD JOB (Performance Measures)	OUR CURRENT RESULTS (2015/16)	OUR TARGETS (2018/19 on to be reviewed in 10 Year Plan)	
			2016/17	2017/18
The Council has plans and policies in place for the sustainable well-being of Palmerston North. The Council works with stakeholders to take a collaborative approach to planning for a sustainable City.	A 10 Year Plan that gives effect to Council's strategic direction is adopted every three years. In the other years an Annual Plan is adopted.	Completed.	Annual Plan adopted.	10 Year Plan adopted.
	The District Plan is reviewed in a way that gives effect to Council's strategic direction.	Residential Zone - Hearings completed. Rural Zone, Industrial Growth and Boundary Change - Hearings completed. Recreation Zone - Notified and submission process in train.	Plan reviewed. Specific projects will be identified from the Annual Plan.	Plan reviewed. Specific projects will be identified from the Annual Plan.
	City strategies are reviewed and monitored in a way that gives effect to Council's strategic direction.	Events and Festivals and Domestic Energy Strategies reviewed. Economic Development Strategy also reviewed and a new Heritage Strategy developed. Sustainable City Strategy to be reviewed 2016/17.	Strategies reviewed. Specific strategies will be identified from the Annual Plan.	Strategies reviewed. Specific strategies will be identified from the Annual Plan.
	An Annual Strategy Monitoring Report is prepared.[3]	Annual report presented to Council in November 2015.	Report prepared and key outcomes described.	Report prepared and key outcomes described.
	Council participates in Regional InterAgency Network Meetings.	Council participated in meetings and facilitated the presentation of the Emergency Housing research report.	Meetings attended. Council will describe the Network's key achievements.	Meetings attended. Council will describe the Network's key achievements.
The Council applies Urban Design Principles through the District Plan, infrastructure and strategic projects.	Major projects include urban design principles and design review processes[4].	City Centre Streetscape Plan developed. Queen Street Renewal. Plans for Cuba Street Renewal.	Specific projects will be identified from the Annual Plan.	Specific projects will be identified from the Annual Plan.

[3] The Council also monitors its strategies through its online State of the City Monitoring tool - go to www.pncc.govt.nz and search for "our performance".

[4] The Urban Design Principles are:
- Creating vibrant and distinctive places for people
- Providing choice in terms of lifestyle
- Easy access to amenities
- Celebrating what is unique about a place
- Embracing sustainability

The Council advocates to central government on major issues affecting the City.	Council advocates on relevant issues.	The Council advocated on a range of issues, including the Productivity Commission's report on Using Land for Housing, the NZ Fire Service Review, earthquake prone buildings legislation, the licensing process for psychoactive substances, reducing harm from commercial sunbeds, the Horizons Regional Pest Management Plan.	Council will describe topics it has advocated on.	Council will describe topics it has advocated on.
The Council manages its Direction Setting Activity in a financially sustainable way.	10 Year Plan levels of service and programmes are achieved within budget.	Services provided within budget.	Services provided within budget.	Services provided within budget.

CEMETERIES

WHAT WE DO (Levels of Service)	HOW WE SHOW WE ARE DOING A GOOD JOB (Performance Measures)	OUR CURRENT RESULTS (2015/16)	OUR TARGETS (2018/19 on to be reviewed in 10 Year Plan)	
			2016/17	2017/18
The Council provides cemeteries and a crematorium that are accessible, well maintained and take into account the cultural and religious needs of the community.	Resident satisfaction with the Council's cemeteries. (Communitrak Survey[5].)	91%.	First survey to set baseline.	No measure.
	A 30 year asset management plan is in place for the cemeteries and major AMP projects approved in the 10 Year Plan are achieved.	Asset Management Plans were adopted by the Council in December 2014 and are due to be reviewed in 2017/18.	AMP in place and major projects (cemetery renewals, new burial berms) achieved.	AMP in place and major projects (cemetery renewals) achieved.
The Council manages its Cemeteries Activity in a financially sustainable way.	10 Year Plan levels of service and programmes are achieved within budget.	Service provided. However budget exceeded due to unplanned cremator maintenance required and higher costs of investigating natural burial options.	Services provided within budget.	Services provided within budget.

[5] Communitrak Survey is every three years. Satisfaction percentages exclude "don't knows".

CIVIL DEFENCE

WHAT WE DO (Levels of Service)	HOW WE SHOW WE ARE DOING A GOOD JOB (Performance Measures)	OUR CURRENT RESULTS (2015/16)	OUR TARGETS (2018/19 on to be reviewed in 10 Year Plan) 2016/17	2017/18
The Council is prepared for civil defence and rural fire emergencies by having emergency plans, an emergency operating centre, and trained volunteers.	The Council's Civil Defence Plan is consistent with the Manawatu-Wanganui Civil Defence and Emergency Management Group Plan. Key annual actions described.	Group Plan has fully adopted and signed off by Minister for Civil Defence.	Plans consistent. Priorities will be set once the Group Plan is reviewed.	Plans consistent. Priorities will be set once the Group Plan is reviewed.
	The Council has trained volunteers able to respond to emergencies.[6]	Ongoing programme of training carried out and scheduled for forthcoming year, with particular focus on EMIS (Emergency Management Information System) and ITF (Integrated Training Framework). Approximately 70 volunteers currently trained - includes Rural Fire, Rescue and EOC.	At least 90 emergency operating centre, rural fire and REST volunteers.	At least 90 emergency operating centre, rural fire and REST volunteers.
	The Council's Rural Fire Plan passes audit by the National Rural Fire Authority every five years.	No measure.	No measure.	No measure.
The Council carries out public education to prepare people to look after themselves, their families and their neighbours in an emergency.	Council engages residents and organisations on civil defence preparedness through presentations, events and other information.	Continual community engagement met through community meetings and presentations to groups, schools and businesses.	Engagement techniques will be described.	Engagement techniques will be described.
The Council works collaboratively with other emergency service organisations.	Council participates in Coordinating Executive Group (CEG) and Emergency Management Committee (EMC) meetings attended.	EMC meetings held quarterly meetings and representation held at CEG.	Meetings attended. Council will describe the Group's key achievements.	Meetings attended. Council will describe the Group's key achievements.
The Council manages its Civil Defence Activity in a financially sustainable way.	10 Year Plan levels of service and programmes are achieved within budget.	Services provided within budget.	Services provided within budget.	Services provided within budget.

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

HOUSING

WHAT WE DO (Levels of Service)	HOW WE SHOW WE ARE DOING A GOOD JOB (Performance Measures)	OUR CURRENT RESULTS (2015/16)	OUR TARGETS (2018/19 on to be reviewed in 10 Year Plan)	
			2016/17	2017/18
The Council provides housing units for: • low-income older people and • low-income people with long-term disabilities and • low-income people with other barriers to renting in the private market.	Units are in demand and tenanted.	Council has 407 units, 397 of which are tenanted (98%).	At least 95% of available Units are tenanted.	At least 95% of available Units are tenanted.
	Tenants are satisfied with the Council's housing (two-yearly survey).	97%.	At least 90%.	No measure.
	Units meet University of Otago Medical School Supported Warrant of Fitness standards.	All housing complexes except Papaioea Place currently meet the WoF standards. Some maintenance work to be carried out on Papaioea Place exteriors which will address main issues.	All Units meet standards.	All Units meet standards.
The Council maintains and develops the housing units to meet tenants' needs in a cost-effective way.	A 30 year asset management plan is in place for community housing and major AMP projects approved in the 10 Year Plan are achieved.	Asset Management Plans were adopted by the Council in December 2014 and are due to be reviewed in 2017/18.	AMP in place and major projects (bedsit conversions to one-bedroom units and Papaioea Place upgrades as scheduled) achieved.	AMP in place and major projects (bedsit conversions to one-bedroom units and Papaioea Place upgrades as scheduled) achieved.
The Council manages its Housing Activity in a financially sustainable way.	10 Year Plan levels of service and programmes are achieved within budget.	Services provided within budget.	Services provided within budget.	Services provided within budget.

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

WORK and CITY PROMOTION

WHAT WE DO (Levels of Service)	HOW WE SHOW WE ARE DOING A GOOD JOB (Performance Measures)	OUR CURRENT RESULTS (2015/16)	OUR TARGETS (2018/19 on to be reviewed in 10 Year Plan)	
			2016/17	2017/18
The Council works in cooperation with people, organisations and community groups to support priority economic areas.	CEDA reports against the achievement of its Statement of Intent every six months. (The Statement of Intent focusses on supporting business growth, growing education and skills, and enhancing the reputation of the Region.)	CEDA Board established. KPIs for identified and contract finalised.	To be set through contract / statement of intent negotiations.	CEDA reports six-monthly.
The Council provides funding to external organisations to help it achieve its economic development objectives.	KPI and target to be set through negotiation with the new Economic Development CCO.	CEDA Board established. KPIs for identified and contract finalised.	To be set through contract / statement of intent negotiations.	CEDA reports six-monthly.
The Council manages its Work and City Promotion Activity in a financially sustainable way.	10 Year Plan levels of service and programmes are achieved within budget.	Services provided within budget.	Services provided within budget.	Services provided within budget.

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

ARTS and CULTURE

WHAT WE DO (Levels of Service)	HOW WE SHOW WE ARE DOING A GOOD JOB (Performance Measures)	OUR CURRENT RESULTS (2015/16)	OUR TARGETS (2018/19 on to be reviewed in 10 Year Plan) 2016/17	2017/18
The Council empowers and supports the arts and culture sector to strengthen leadership and co-operation in the sector.	Major projects from the Arts Strategy are implemented. Networking opportunities are provided.	Ongoing projects undertaken as part of strategy but overall not as advanced as should be. Arts Strategy being reviewed in 2016/17.	Annual projects and networking opportunities and their outcomes will be described.	Annual projects and networking opportunities and their outcomes will be described.
The Council provides funding and facilities to external organisations to help it achieve its Arts Strategy[7].	Arts and Culture Funding is distributed. The Council will report on the achievements of the funded organisations.	Funding provided.	Funding is distributed and the general outcomes achieved will be described.	Funding is distributed and the general outcomes achieved will be described.
	The Council provides a mix of studio, performance, rehearsal, exhibition, retail and office space for the arts (e.g. Square Edge and The Stomach).	Space available for groups across a wide range of the arts.	Facilities provided for a diverse range of arts groups and outcomes described.	Facilities provided for a diverse range of arts groups and outcomes described.
The Council provides appropriate facilities for the cultural CCOs (Te Manawa, the Regent on Broadway, the Globe Theatre, Caccia Birch).	30 year asset management plans are in place that cover Te Manawa, the Regent, Globe Theatre and Caccia Birch. Major AMP projects approved in the 10 Year Plan are achieved.	Asset Management Plans were adopted by the Council in December 2014 and are due to be reviewed in 2017/18.	AMP in place and major projects (building and asset renewals and scheduled seismic strengthening) achieved.	AMP in place and major projects (building and asset renewals and scheduled seismic strengthening) achieved.
The Council manages its Arts and Culture Activity in a financially sustainable way.	10 Year Plan levels of service and programmes are achieved within budget.	Services provided within budget.	Services provided within budget.	Services provided within budget.

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

CITY LIBRARY AND COMMUNITY DEVELOPMENT

WHAT WE DO (Levels of Service)	HOW WE SHOW WE ARE DOING A GOOD JOB (Performance Measures)	OUR CURRENT RESULTS (2015/16)	OUR TARGETS (2018/19 on to be reviewed in 10 Year Plan) 2016/17	2017/18
The Council provides access to information, ideas, and works of the imagination (books, audio-visual materials and digital content).	Library weekly opening hours.[8]	Libraries were open as scheduled.	The Central Library is open at least 53 hours; community libraries at least 26 hours each; and the mobile library has at least 38 stops.	The Central Library is open at least 53 hours; community libraries at least 26 hours each; and the mobile library has at least 38 stops.
	Total issues or uses of physical materials and online materials (e.g. books, magazines, DVDs, CDs, e-books, and subscriptions). (Note: the use of physical materials is expected to decrease or plateau, while use of e-books and digital content databases is expected to increase.)	Total Issues: Physical items: 1,072,389 (2014/15 1,070,316) Ebooks: 20,532 (2014/15 16,930) EAudio books: 4,183 (2014/15 2,643)	Total use of materials and resources matches or exceeds the previous year's figure.	Total use of materials and resources matches or exceeds the previous year's figure.
	Number of members and visitors to the library facilities and events in community spaces.	Total number of new members 4,928. Central Library visitor count 508,227. Total visitor count across Central, Branches and Mobile Library 711,070. Number visitors attending events 81,153. Number events 1,559	Membership and visitor numbers at least match the annual average of the previous 3 years.	Membership and visitor numbers at least match the annual average of the previous 3 years.
	Resident satisfaction with Council's libraries. (Communitrak Survey[9].)	98%.	At least 95%.	No measure.
The Council provides support for lifelong learning.	Number of participants in lifelong learning initiatives such as Summer Holiday Reading Programme, Local History Week, and Stepping Up Programmes.	81,153 participants at 1,559 events. Council worked with a significant number of organisations to bring literacy and learning programmes to the City. A number of learning programmes initiated, including 3D printing, writing workshops for all ages, researching history and heritage. Regular digital learning programmes.	The number of participants will at least match the previous year's number. The Council will also report on their expectations and the actual outcomes.	The number of participants will at least match the previous year's number. The Council will also report on their expectations and the actual outcomes.

[8] KPI excludes scheduled and well-advertised closures for library developments (e.g. adding RFID barcodes to books and other items).
[9] Communitrak Survey is every three years. Satisfaction percentages exclude "don't knows".

	Number of digital and non-digital help sessions run.	One-on-one tutorials: 491 sessions delivered. Digital help sessions (on demand): 703 provided. Code classes: 62 classes.	The number and length of time spent on one-on-one engagements in all sites and in community spaces is more than in the previous year.	The number and length of time spent on one-on-one engagements in all sites and in community spaces is more than in the previous year.
The Council provides online access to the digital world.	Use of internet and Wi-Fi.	Wi-Fi sessions 109,560. Internet (PC sessions) 105,569. Number of digital resources increased. Number of digital content creation initiatives continued.	Total Wi-Fi and internet sessions, unique sessions and length of sessions increase. (Within this PC usage is expected to plateau.)	Total Wi-Fi and internet sessions, unique sessions and length of sessions increase. (Within this PC usage is expected to plateau.)
The Council provides empowering leadership, funding and support to the community sector to help achieve Council's Social Strategy.	The Council organises an annual Social Well-Being Forum that identifies outcomes and actions to achieve these.	Forum held.	Forum held. Outcomes and actions will be described.	Forum held. Outcomes and actions will be described.
	Funding is distributed to community groups.	All funding streams to specific groups allocated where agreed service outcomes could be achieved. Achievement of outcomes reviewed and considered in awarding of future funding.	Funding distributed and the outcomes achieved will be described.	Funding distributed and the outcomes achieved will be described.
	Hancock Community House is available for community office space and is used by a wide range of community groups.	Fully tenanted by a diverse range of groups with a number of organisations on a waiting list for office space.	Community House space available and tenanted by a diverse range of groups.	Community House space available and tenanted by a diverse range of groups.
The Council makes available community centres for community use.	Community centres are available and well used. (This KPI is to be reviewed as part of the Community Centre Review.)	Some centres fell under 1,000 hours per year. Council is working with community groups to enhance usage.	Each centre used for at least 1,000 hours a year.	Each centre used for at least 1,000 hours a year.
The Council provides funding for events that build city identity and celebrate its diverse communities.	Celebrating Communities funding is distributed to help achieve Council's Events Strategy.	Funding allocated. 29 events funded.	Funding distributed and the outcomes achieved will be described.	Funding distributed and the outcomes achieved will be described.
The Council provides a wide range of activities and support for youth.	Youth Space usage and number of events and activity sessions. Key outcomes will also be described.	Level of visitors increased significantly. Level of events and programmes increased.	The number of visits, events and programmes at least matches the previous year. The outcomes of these will also be described.	The number of visits, events and programmes at least matches the previous year. The outcomes of these will also be described.
The Council manages its City Library and Community Development Activity in a financially sustainable way.	10 Year Plan levels of service and programmes are achieved within budget.	Services provided. However budget exceeded due to higher depreciation on additions than budget provided.	Services provided within budget.	Services provided within budget.

PARKS, SPORT and RECREATION

WHAT WE DO (Levels of Service)	HOW WE SHOW WE ARE DOING A GOOD JOB (Performance Measures)	OUR CURRENT RESULTS (2015/16)	OUR TARGETS (2018/19 on to be reviewed in 10 Year Plan)	
			2016/17	2017/18
The Council provides a well-maintained multi-purpose sports, leisure and cultural facility (Central Energy Trust Arena) that meets a wide range of people's leisure interests.	Key projects from the Arena Master Plan are implemented.	Upgrading of the rear field lighting completed.	Scheduled projects from the Arena Master Plan are achieved.	Scheduled projects from the Arena Master Plan are achieved.
The Council provides parks that are safe and maintained to a high standard appropriate to their range and level of uses. The Council provides multi-use local reserves, playgrounds and City reserves that meet a diverse range of public leisure interests.	Satisfaction with parks (ParksCheck[10].)	82%.	At least 89%.	No measure.
	Resident satisfaction with the Council's parks. (Communitrak Survey[11].)	97%.	At least 95%.	No measure.
	A 30 year asset management plan is in place for the parks and reserves and major AMP projects approved in the 10 Year Plan are achieved.	Asset Management Plans were adopted by the Council in December 2014 and are due to be reviewed in 2017/18.	AMP in place and major projects (reserves and playgrounds renewals, Te Motu o Poutoa / Anzac Park development, scheduled Linklater Reserve developments) achieved.	AMP in place and major projects (reserves and playgrounds renewals, scheduled Linklater Reserve developments) achieved.
The Council's sportsfields are available and widely used by a range of sports groups and codes. The Council's sportsfields are well maintained, accessible and safe to use.	Sportsfields are available for weekend organised use.	Playing fields 97% availability. Training fields 98% availability.	At least 85%.	At least 85%.
	Satisfaction with sportsfields (ParksCheck[12].)	80%.	At least 86%.	No measure.
	Resident satisfaction with Council's sportsfields. (Communitrak Survey[13].)	95%.	At least 90%.	No measure.

[10] ParksCheck Survey is currently every year. It is proposed to change this from yearly to every three years, for the development of the 10 Year Plan.
[11] Communitrak Survey is every three years. Satisfaction percentages exclude "don't knows".
[12] ParksCheck Survey is currently every year. It is proposed to change this from yearly to every three years, for the development of the 10 Year Plan.
[13] Communitrak Survey is every three years. Satisfaction percentages exclude "don't knows".

	A 30 year asset management plan is in place for the sportsfields and major AMP projects approved in the 10 Year Plan are achieved. Show major projects.	Asset Management Plans were adopted by the Council in December 2014 and are due to be reviewed in 2017/18.	AMP in place and major projects (sportsfields renewals) achieved.	AMP in place and major projects (sportsfields renewals, off-road cycling park) achieved.
The Council provides aquatic facilities that are well-supervised, safe to use, value for money and cater for a range of uses. The Council maintains and develops the swimming pools to meet the current and future needs in a cost-effective way.	Satisfaction with swimming pools (PoolCheck[14].)	96%	At least 85%.	No measure.
	Resident satisfaction with Council's swimming pools. (Communitrak Survey[15].)	93%.	At least 90%.	No measure.
	Lido and Freyberg pools comply with NZ recommended standards for pool supervision and water quality.	100% compliance.	100% compliance.	100% compliance.
	A 30 year asset management plan is in place for swimming pools and major AMP projects approved in the 10 Year Plan are achieved.	Asset Management Plans were adopted by the Council in December 2014 and are due to be reviewed in 2017/18.	AMP in place and major projects (modifications to Freyberg toddler pool, aquatics renewals) achieved.	AMP in place and major projects (aquatics renewals) achieved.
The Council provides public toilets that are well-designed, clean and safe to use. The Council proves an adequate number of public toilets that are available where and when people gather.	Number of public toilet facilities (76 facilities in 2015/16 increasing by at least one per year[16]).	77 facilities - new public toilet installed at Colquhoun Park near the playground.	There will be at least 77 facilities.	There will be at least 78 facilities.
	Resident satisfaction with Council's public toilets. (Communitrak Survey[17].)	88%.	At least 80%.	No measure.
The Council manages its Parks, Sport and Recreation Activity in a financially sustainable way.	10 Year Plan levels of service and programmes are achieved within budget.	Services provided. However budget exceeded due to Central Energy Trust Arena lower sponsorship revenue (now capital revenue) and higher operating costs and depreciation.	Services provided within budget.	Services provided within budget.

[14] ParksCheck Survey is currently every year. It is proposed to change this from yearly to every three years, for the development of the 10 Year Plan.
[15] Communitrak Survey is every three years. Satisfaction percentages exclude "don't knows".=
[16] Actual number of new public toilets will depend upon the location and hence cost of the new toilets.
[17] Communitrak Survey is every three years. Satisfaction percentages exclude "don't knows".

REGULATORY

WHAT WE DO (Levels of Service)	HOW WE SHOW WE ARE DOING A GOOD JOB (Performance Measures)	OUR CURRENT RESULTS (2015/16)	OUR TARGETS (2018/19 on to be reviewed in 10 Year Plan)	
			2016/17	2017/18
The Council provides a 24/7 30 minute response service for dog attacks.	Complaints regarding dog attacks are responded to by an Animal Control Officer within 30 minutes of the call being received by Council.	100%. "Response" means Animal Control Officer arrived on site or contacted the complainant.	100%.	100%.
The Council ensures that building work is safe and in accordance with the Building Act by processing building applications, inspecting construction work, inspecting building warrants of fitness, and providing information and advice.	An increasing proportion of building consent applications are processed within statutory timeframes.	97%.	At least 96%.	At least 97%.
	The Council keeps its status as an accredited building consent authority.	BCA accreditation received 20 July 2015.	Accreditation retained.	Accreditation retained.
The Council ensures that resource consent applications are processed within the statutory timeframe.	Resource consent applications are processed within statutory timeframes.	97%.	At least 96%.	At least 96%.
The Council processes food licence applications and ensures food business are complying with food safety legislation.	Food businesses registered under the food hygiene regulations receive annual inspections.	100%.	100%.	100%.
	Food businesses registered with a Food Control Plan receive an annual audit.	Target met. Audits are carried out within the year following the anniversary of FCP being approved. This does not coincide with the financial year.	100%.	100%.
The Council provides a 24/7 one hour response service for noise complaints.[18]	Complaints about noise are responded to within one hour (see note).	96%.	At least 95%.	At least 95%.

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

The Council provides friendly, professional and knowledgeable service to its customers. This includes providing the information they are seeking and giving feedback on the results of their requests and complaints.	An increasing proportion of customers surveyed are satisfied with the friendliness, professionalism, and knowledge of the service they receive. (Surveys to be undertaken throughout the year.)	86% (new survey methodology used).	At least 55%.	At least 60%.
The Council manages its Regulatory Activity in a financially sustainable way.	10 Year Plan levels of service and programmes are achieved within budget.	Services provide within budget.	Services provided within budget.	Services provided within budget.

ROADING and PARKING

WHAT WE DO (Levels of Service)	HOW WE SHOW WE ARE DOING A GOOD JOB (Performance Measures)	OUR CURRENT RESULTS (2015/16)	OUR TARGETS (2018/19 on to be reviewed in 10 Year Plan) 2016/17	2017/18
The Council provides a roading network that has easy and comfortable movement for motorists and cyclists throughout the City with a high level of safety and a low level of delays.	Mandatory: The average quality of ride on the sealed local road network, measured by smooth travel exposure. (At least >80 and <140 good rating. New measure.)	Urban 91 and Rural 84. (Result based on scale of 10-999, where 10 is perfect and 90 to 140 is a good rating.)		
	Mandatory: The change in the number of fatal and serious injury crashes from the previous financial year on the City's local roading network.[19]	Fatal and serious injury crashes: 2013 - 26 (5 year average - 25) 2014 - 23 (5 year average - 22) 2015 - 25 (5 year average - 22.4) (Crashes recorded by calendar year.)	Fewer than the previous year.	Fewer than the previous year.
	Mandatory: Percentage of sealed roads that are resurfaced each year.	4.97% ($246,810m^2$ of $4,962,064m^2$)	Over 3.5%.	Over 3.5%.
	Resident satisfaction with the Council's roads. (Communitrak Survey[20].)	74%.	At least 80%.	No measure.
The Council provides footpaths that are smooth and free of hazards, and pram crossings that are safe and easy to negotiate for a wide range of users.	Mandatory: The percentage of footpaths receiving a grade 4 or 5 condition rating on a 1 (best) to 5 (worst) scale.	Independent survey of 4,180 footpath segments completed: Grade 4 condition rating - 35 (0.8%) Grade 5 condition rating - 0. Where grade 4 or 5 signify "priority maintenance".	Less than or equal to 1%.	Less than or equal to 1%.
	The number of complaints and requests for service about footpaths.	384 complaints/requests.	Reduction in number of complaints and requests for service.	Reduction in number of complaints and requests for service.
	Resident satisfaction with the Council's footpaths. (Communitrak Survey[21].)	72%.	At least 80%[#].	No measure.

[#] Previously 70% (changed Annual Plan 2016/17).
* Measure inadvertently written as 80%, instead of 80 being the lower figure in a targeted range of 80 to 140.
[19] It will be difficult to measure this for a financial year as the New Zealand Transport Authority Crash Analysis System data has a time lag of 3-4 months. The numbers of fatal and serious injuries can vary from year to year so the Council will also report on five-yearly rolling trends.
[20] Communitrak Survey is every three years. Satisfaction percentages exclude "don't knows".

The Council provides facilities which encourage more travel by cycling, walking or public transport.	Resident satisfaction with the Council's onroad cycle lanes. (Communitrak Survey[22].)	81%.	At least 70%.	No measure.
The Council provides car parking that is conveniently available throughout the City to meet the needs of retailers, shoppers, commuters and visitors.	Resident satisfaction with the Council's parking. (Communitrak Survey[23].)	77%.	At least 65%.	No measure.
The Council maintains and develops the roading, footpaths and cycleways to meet current and future needs in a cost-effective way.	A 30 year asset management plan is in place for Council's roading and major AMP projects approved in the 10 Year Plan are achieved.	Asset Management Plans were adopted by the Council in December 2014 and are due to be reviewed in 2017/18.	AMP in place and major projects (road and footpath renewals, Fitzherbert Bridge to Linton cycleway) achieved.	AMP in place and major projects (road and footpath renewals, The Square East Side (ANZ to Plaza) streetscape upgrade, Ferguson Street [Linton Street to Pitt Street] widening, Stoney Creek Road [school] safety upgrade) achieved.
	Mandatory: Percentage of requests for service relating to roads and footpaths responded to (with at least an initial formal response) within three working days.	Of the 5,825 requests for service received, 4,266 (73%) were responded to within three working days.	At least 95%.	At least 95%.
The Council manages its Roading and Parking Activity in a financially sustainable way.	10 Year Plan levels of service and programmes are achieved within budget.	Services provided. However budget exceeded overall by slightly higher depreciation than budgeted. All maintenance and operational programmes completed, however number of capital programmes not achieved.	Services provided within budget.	Services provided within budget.

The Council adopted an Integrated Transport Strategy in 2015/16. It is now preparing a Transport Management Plan. This may lead to new KPIs.

[21] Communitrak Survey is every three years. Satisfaction percentages exclude "don't knows".
[22] Communitrak Survey is every three years. Satisfaction percentages exclude "don't knows".
[23] Communitrak Survey is every three years. Satisfaction percentages exclude "don't knows".

RUBBISH and RECYCLING

WHAT WE DO (Levels of Service)	HOW WE SHOW WE ARE DOING A GOOD JOB (Performance Measures)	OUR CURRENT RESULTS (2015/16)	OUR TARGETS (2018/19 on to be reviewed in 10 Year Plan)	
			2016/17	2017/18
The Council provides a weekly reliable rubbish collection service to maintain hygiene standards in the City.	Rubbish and recycling placed in the Council's official receptacles is collected on the stated day.	100.0%.	At least 98%.	At least 98%.
The Council provides a reliable weekly recycling kerbside collection service to residential areas of the City.	Collection points are available and open for the stated hours. [24]	Available and open for stated hours.	Collections points open and available.	Collections points open and available.
The Council provides reliable rubbish and recycling collection points for customers outside of the kerbside collection service.	Resident satisfaction with the Council's rubbish and recycling collections. (Communitrak Survey[25].)	92%.	At least 85%.	No measure.
The Council provides green waste disposal facilities for the City.	Green waste facility is available and open for the stated hours.	Available and open for stated hours.	Facility open and available.	Facility open and available.
The Council manages waste in an efficient and sustainable way.	• No abatement notices received. • No infringement notices received. • No enforcement orders received. • No convictions received by the Council in relation to resource consents for the Rubbish and Recycling Activity.	No non-compliance notices received.	No notices, orders, or convictions are received.	No notices, orders, or convictions are received.
The Council maintains and develops the rubbish and recycling system to meet the current and future needs in a cost-effective way.	A 30 year asset management plan is in place for rubbish and recycling and major AMP projects approved in the 10 Year Plan are achieved.	Asset Management Plans were adopted by the Council in December 2014 and are due to be reviewed in 2017/18.	AMP in place and major projects (renewals) achieved.	AMP in place and major projects (renewals) achieved.
The Council manages its Rubbish and Recycling Activity in a financially sustainable way.	10 Year Plan levels of service and programmes are achieved within budget.	Services provided within budget.	Services provided within budget.	Services provided within budget.

[24] Ferguson St recycling Centre, Awapuni Resource Recovery Park, Ashhurst transfer station, and Bunnythorpe transfer station. For details on their location and hours go to www.pncc.govt.nz and search for "recycling facilities"

[25] Communitrak Survey is every three years. Satisfaction percentages exclude "don't knows".

STORMWATER

WHAT WE DO (Levels of Service)	HOW WE SHOW WE ARE DOING A GOOD JOB (Performance Measures)	OUR CURRENT RESULTS (2015/16)	OUR TARGETS (2018/19 on to be reviewed in 10 Year Plan)	
			2016/17	2017/18
The Council provides protection for habitable buildings in urban areas from flooding in major flood events.	Mandatory: The number of flood events per year resulting in stormwater from the Council's stormwater system entering a habitable floor in an urban area.	One event (5 May 2016).	No more than 2 flood events.	No more than 2 flood events.
	Mandatory: The number of habitable floors per 1,000 properties within urban stormwater service areas affected by a flood event.	0.12 floors per 1,000 properties.	No more than 0.2 habitable floors per 1,000 properties.	No more than 0.2 habitable floors per 1,000 properties.
The Council provides a reliable stormwater collection service. The Council responds to failures and request for service in a prompt and efficient way.	Mandatory: Median time to attend a flooding event.	Response times not measured because of the urgency in responding to a wide range of calls. Notification of flooding of habitable floors to Council was after the event so response times irrelevant.	Less than or equal to 2 hours.	Less than or equal to 2 hours.
	Mandatory: The number of complaints received about the performance of the Council's stormwater system per 1,000 properties connected.	19 complaints per 1,000 connections (627 in total).	Less than or equal to 10 complaints per 1,000 properties connected.	Less than or equal to 10 complaints per 1,000 properties connected.
	Resident satisfaction with the Council's stormwater services. (Communitrak Survey[26].)	74%.	At least 80%.	No measure.
The Council complies with its resource consents for its discharge from its urban stormwater systems.	Mandatory: Compliance with resource consents for discharge from Council's stormwater system measured by the number of: • abatement notices • infringement notices • enforcement orders • convictions in relation to stormwater resource consents.	No current consent with Horizons Regional Council. No significant stormwater contamination issues during the year. Compliance assessed against general Horizons Regional Council One Plan requirements.	No notices, orders, or convictions are received.	No notices, orders, or convictions are received.

[26] Communitrak Survey is every three years. Satisfaction percentages exclude "don't knows".

The Council maintains and develops the stormwater system to meet current and future needs in a cost-effective way.	A 30 year asset management plan is in place for stormwater and major AMP projects approved in the 10 Year Plan are achieved.	Asset Management Plans were adopted by the Council in December 2014 and are due to be reviewed in 2017/18.	AMP in place and major projects (renewals, stormwater improvement works) achieved.	AMP in place and major projects (renewals, stormwater improvement works, Whakarongo stormwater) achieved.
The Council manages its Stormwater Activity in a financially sustainable way.	10 Year Plan levels of service and programmes are achieved within budget.	Services provided within budget. However the modelling to develop future capital programme of work not complete.	Services provided within budget.	Services provided within budget.

With the KPIs for median times for attending a flood event the Council will also report the maximum times.

A flooding event means stormwater overflows the stormwater system and enters a habitable floor. (Department of Internal Affairs)

WASTEWATER

WHAT WE DO (Levels of Service)	HOW WE SHOW WE ARE DOING A GOOD JOB (Performance Measures)	OUR CURRENT RESULTS (2015/16)	OUR TARGETS (2018/19 on to be reviewed in 10 Year Plan)	
			2016/17	2017/18
The Council provides a safe (i.e. no risk to public health) and reliable wastewater collection service to residential and commercial areas of the City.	Mandatory: Number of dry weather wastewater overflows from the Council's wastewater system per 1,000 connections per year.	1.0 per 1,000 connections (32 in total).	No more than 1 per 1,000 connections.	No more than 1 per 1,000 connections.
	Mandatory: Complaints per 1,000 connections about: • Wastewater odour • Wastewater system faults • Wastewater system blockages • Council's response to issues with the wastewater system.	Total 4.62 per 1,000 connections. Odour: 0.28 complaints per 1,000 connections (9 in total). System faults: 1.98 complaints per 1,000 connections (63 in total). System blockages: 2.36 complaints per 1,000 (75 in total).	No more than 1 per 1,000 connections for each category.	No more than 1 per 1,000 connections for each category.
	Resident satisfaction with the Council's wastewater services. (Communitrak Survey[27].)	98%.	At least 95%.	No measure.
The Council responds to requests for service in relation to sewerage overflows, blockages and faults in a prompt and efficient way.	Mandatory: Median time for attending to overflows resulting from blockages or other faults.	0.7 hours median attendance time. (Maximum time: 25 hours.)	No more than 1.5 hours.	No more than 1.5 hours.
	Mandatory: Median time for resolution of overflows resulting from blockages or other faults.	3 hours median resolution time. (Maximum time: 10 days.)	No more than 8.0 hours (total of 9.5 hours).	No more than 8.0 hours (total of 9.5 hours).
The Council disposes of wastewater to environmentally acceptable standards.	Mandatory: Compliance with resource consents for discharge from Council's wastewater system as measured by the number of: • abatement notices • infringement notices • enforcement notices • convictions received by Council in relation to resource consents.	No non-compliance notices received.	Zero notices or convictions received.	Zero notices or convictions received.

[27] Communitrak Survey is every three years. Satisfaction percentages exclude "don't knows".

The Council maintains and develops the wastewater system to meet current and future needs in a cost-effective way.	A 30 year asset management plan is in place for wastewater and major AMP projects approved in the 10 Year Plan are achieved.	Asset Management Plans were adopted by the Council in December 2014 and are due to be reviewed in 2017/18.	AMP in place and major projects (scheduled wastewater renewals) achieved.	AMP in place and major projects (scheduled wastewater renewals, urban growth projects) achieved.
The Council manages its Wastewater Activity in a financially sustainable way.	10 Year Plan levels of service and programmes are achieved within budget.	Services provided. Budget exceeded due to write off of disk filter capital programme costs now expensed.	Services provided within budget.	Services provided within budget.

With the KPIs for median times for attending and resolving call outs the Council will also report the maximum times.

WATER

WHAT WE DO (Levels of Service)	HOW WE SHOW WE ARE DOING A GOOD JOB (Performance Measures)	OUR CURRENT RESULTS (2015/16)	OUR TARGETS (2018/19 on to be reviewed in 10 Year Plan)	
			2016/17	2017/18
The Council provides a good quality, safe and reliable water supply at a suitable pressure to residential and commercial areas of the City.	Mandatory: Average consumption of drinking water per day per resident.[28]	355 litres per day per resident.	Less than or equal to 360 litres per day per resident.	Less than or equal to 360 litres per day per resident.
	Mandatory: Compliance with Part 4 (bacteria compliance criteria) of the Public Health Act 1956 (as amended by the Health (Drinking Water) Amendment Act 2007).	100% compliance.	100% compliance.	100% compliance.
	Mandatory: Compliance with Part 5 (protozoal compliance criteria) of the Public Health Act 1956 (as amended by the Health (Drinking Water) Amendment Act 2007).	100% compliance.	100% compliance.	100% compliance.
	Mandatory: The number of complaints per 1,000 connections relating to: • Clarity of the drinking water • Taste of the drinking water • Odour of the drinking water • The continuity of Council's water supply • Drinking water pressure or flow • Council's response to any of these issues.	13.4 per 1,000 property connection (412 complaints in total).	Less than or equal to 17 complaints per 1,000 properties connected.	Less than or equal to 17 complaints per 1,000 properties connected.
	Resident satisfaction with the Council's water services. (Communitrak Survey[29].)	94%.	At least 88%.	No measure.

[28] The Department of Internal Affairs includes water used by industry, irrigation, hotels, etc. in its definition of water consumption for this KPI. Thus it overstates the amount the average resident uses each day.
[29] Communitrak Survey is every three years. Satisfaction percentages exclude "don't knows".

The Council responds to failures and request for service in a prompt and efficient way.	Mandatory: Median response time for urgent call out time attendance.	0.4 hours median response time. (Maximum time: 2 hours.)	Less than or equal to 2 hours.	Less than or equal to 2 hours.
	Mandatory: Median response time for resolution of urgent call outs.	0.8 hours median response time. (Maximum time: 18 hours.)	Less than or equal to 7 hours.	Less than or equal to 7 hours.
	Mandatory: Median response time for non-urgent call out time attendance.	1.3 hours median response time. (Maximum time: 69 hours.)	Less than or equal to 10 hours.	Less than or equal to 10 hours.
	Mandatory: Median response time for resolution of non-urgent call outs.	3.8 hours median response time. (Maximum time: 92 hours.)	Less than or equal to 75 hours.	Less than or equal to 75 hours.
The Council uses water resources in an efficient and sustainable way.	Mandatory: Percentage of real water loss from the water reticulation network.	Estimated real loss of 18%.	Less than or equal to 20%.	Less than or equal to 20%.
	Compliance with resource consent monitoring conditions that relate to environmental conditions.	No non-compliance notices received.	100%.	100%.
The Council maintains and develops the water system to meet current and future needs in a cost-effective way.	A 30 year asset management plan is in place for wastewater and major AMP projects approved in the 10 Year Plan are achieved.	Asset Management Plans were adopted by the Council in December 2014 and are due to be reviewed in 2017/18.	AMP in place and major projects (water renewals, Turitea Valley Road/Pacific Drive new water supply link pipe and reservoir) achieved.	AMP in place and major projects (water renewals, achieved.
The Council manages its Water Activity in a financially sustainable way.	10 Year Plan levels of service and programmes are achieved within budget.	Services provided within budget.	Services provided within budget.	Services provided within budget.

With the KPIs for median times for attending and resolving urgent call outs the Council will also report the maximum times.

CUSTOMER SERVICES

WHAT WE DO (Levels of Service)	HOW WE SHOW WE ARE DOING A GOOD JOB (Performance Measures)	OUR CURRENT RESULTS (2015/16)	OUR TARGETS (2018/19 on to be reviewed in 10 Year Plan)	
			2016/17	2017/18
The Council provides a Customer Service Centre from 8am to 5pm Monday to Friday.	At least 95% of phone calls to the Contact Centre are answered before the customer hangs up.	98.2%.	At least 95%.	At least 95%.
The Council provides a prompt 24 hours a day, seven days a week contact centre (telephone, email, fix-it app, and chat service).	At least 80% of phone calls to the Contact Centre are answered within 20 seconds.	84.9%.	At least 80%.	At least 80%.
	Percentage of info@pncc, fix-it app and web chat requests responded to within 30 minutes.[30]	98.3%.	At least 80%.	At least 80%.
The Council provides friendly, professional and knowledgeable service to its customers. This includes providing the information they are seeking and giving feedback on the results of their requests and complaints.	Customers are satisfied with the friendliness, professionalism, and knowledge of the service they receive.	99%.	At least 90%.	At least 90%.
	Customers who lodge fault and service complaints have their complaints responded to a satisfactory standard.	87.8%.	At least 80%.	At least 80%.
The Council manages its Customer Services Activity in a financially sustainable way.	10 Year Plan levels of service and programmes are achieved within budget.	Services provided within budget.	Services provided within budget.	Services provided within budget.

[30] Response time is the time for the initiator of the request to receive acknowledgement from a Customer Services Advisor that the request has been received and sent to the appropriate Unit in Council for action.


AGENDA
COMMITTEE
OF COUNCIL
20 Feb 2017
PALMERSTON NORTH
CITY COUNCIL
Consultation Document
for the proposed
Annual Budget
2017/18
A balanced
future for
your City
Are we on track?
YEAR THREE of the
10 Year Plan 2015-25
Let us know by
18 April 2017
pncc.govt.nz
PALMERSTON NORTH
CITY COUNCIL

Our Annual Budget

Every year we prepare an Annual Budget that sets out what we'll do in the current financial year, and how this impacts your rates and Council's debt. This was previously known as the Annual Plan.

Our Annual Budgets are based on our 10 Year Plan, which sets out what we'll do for residents over a ten-year period. 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. You can find our 10 Year Plan for 2015-25 at pncc.govt.nz/10yearplan

We're now preparing our Annual Budget for 2017/18 and want to hear your thoughts. It'll be based on year three of the 10 Year Plan for 2015-25.

What we need from you

Annual Budget

Aside from some minor changes, which you can read about on page 10, this year's Annual Budget aligns very closely with what we've said we'll do in year three of our 10 Year Plan 2015-25. You can read about our plans for year three (2017/18) in our supporting information at pncc.govt.nz/annualbudget

We'd now like you to look at the minor changes we're proposing and let us know if we're on track.

Does what we're proposing maintain a good balance between what we do and the impact on your rates and the Council's debt?

10 Year Plan

We review our 10 Year Plan every three years, and soon we'll start consulting on the development of our 10 Year Plan for 2018-28. At this stage we'd like you to consider these two questions:

What do you think about our current vision and goals? (see next page)

What are the biggest challenges facing the city?

Let us know by 18 April 2017

Vision and goals

Our vision for your city

We want Palmerston North to be recognised as a vibrant, caring, innovative, sustainable and prosperous city.

Our goals for your city

We want Palmerston North to be:

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

Our goals for your Council

We want to be:

- Financially responsible and ensure residents get value for money from their rates.
- Understanding of the diverse views of the city's people, make prudent decisions, and ensure people know what we're doing and why.

Key things you need to know

KEY THINGS

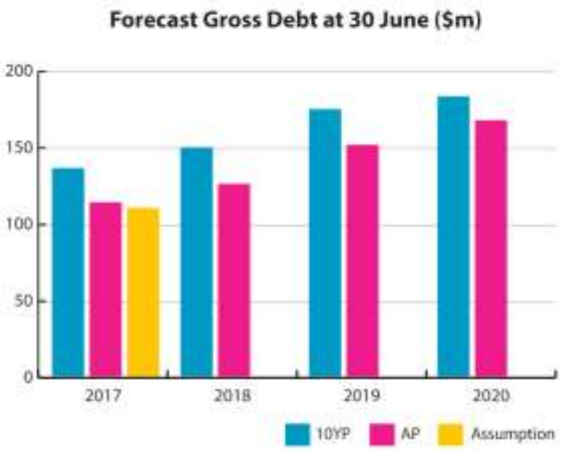
- Our Annual Budget for 2017/18 is based on year three of the 10 Year Plan 2015-25.
- We're not proposing any major changes to activities and services.
- We're proposing some minor changes that you can read about on page 15. These small adjustments will allow us to keep a good balance between what people expect us to do and what it costs.
- Many of the proposed changes are a continuation of decisions made for the 2016/17 budget. They're about improving the way we consult and communicate with residents; making Palmerston North a more exciting place to live and visit with more events and festivals; and improving the way people move around the city.
- The year three forecast has been adjusted to reflect:
  - Updated project timing
  - Decisions made when adopting this year's Annual Budget
  - Lower inflation and interest rates
  - A desire to keep rate increases as low as possible without impacting too much on the things we need to do
- The proposed budget assumes Council's outstanding debt will be $127m by 30 June 2018. This is $24m less than assumed in the 10 Year Plan. We need to be conservative in our use of debt given we're uncertain about what we need to commit for wastewater treatment.
- There'll be a total rates increase of 3.1%. We previously estimated it would be 4.5%. Rates for most properties will increase by less than this. That's because our city has been growing so there are more properties to share the cost.
- Land values used as the base for calculating rates remain the same as the current year. This means there won't be high increases in rates for some properties as occurred in this current year (2016/17) when there were significant land value increases.
- Rates for an average residential property (land value of $147,000) will increase by $60 to $2,442.

Are we on track? - Let us know by 18 April 2017

How to find out more

At the back of this document you can find the following:

- Where to go to find out more
- Dates and times for the meetings you can attend if you'd like to find out more and talk to your Councillors
- Details on how to make a submission and the questions we would like you to consider when you're making your submission
- The submission form for you to fill out and send back to us



HOW TO FIND OUT MORE

UPGRADES AND IMPROVEMENTS

Top ten upgrades and improvements

Artist Impression of the Central Energy Trust Wildbase Recovery Centre.

Every year we plan lots of upgrades and improvements for the city, and 2017/18 is no exception.

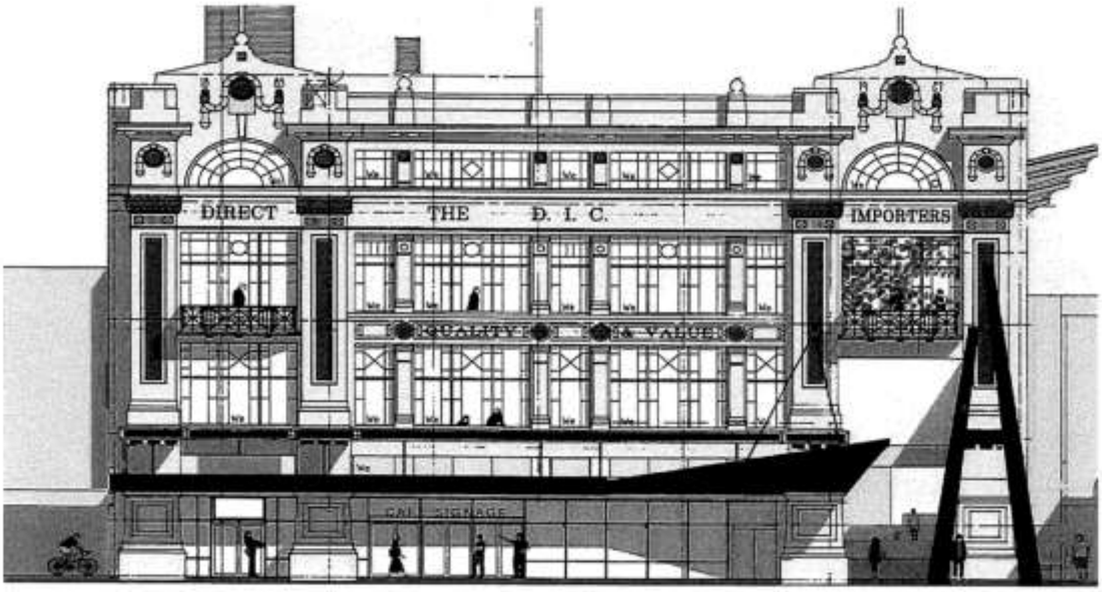
- The Library of the Future project will get underway to transform our Central Library for the next generation (see page 8 for more information).
- The Central Energy Trust Wildbase Recovery Centre will be built in the Victoria Esplanade. It'll house permanent breeding and inflight aviaries alongside nine rehabilitation aviaries for some of our most endangered species. It'll be the only Centre of its kind in the country and an absolute natural treasure.
- A third hockey turf will be developed at Massey University. It'll be a great addition to the raft of sporting facilities already on offer in the city.
- One of the two hockey turfs at the Esplanade will be rejuvenated.

UPGRADES AND IMPROVEMENTS

- New fold-up tiered seating will be built for Arena Two at the Central Energy Trust Arena.
- The He Ara Kotahi cycle and pedestrian bridge across the Manawatū River will be constructed, linking the city with the science research centres, Massey University, and Linton Military Camp.
- The shared pathways to Linton and Massey University will be completed.
- A junior road safety park will be constructed in the Victoria Esplanade.
- The LED street lighting programme will see major progress. The new street lights will consume up to 59% less power which is a saving of more than $400,000 a year. They'll also save up to 70% a year in maintenance costs.
- The streetscape upgrade for Square East, from Church Street to Main Street, will get underway as part of the City Centre Streetscape Plan.

Artists impression of the He Ara Kotahi cycle bridge and pedestrian bridge

UPGRADES AND IMPROVEMENTS



Library of the Future

Libraries are not just about books. They're about people. They're a place for our community. We love our Central Library building and respect its heritage and design, but we also need to make sure it's ready and relevant for the next generation.

Our Library of the Future project focuses on improved layout, better connection to the street, and more access to the latest technology. Our bold redesign provides space to learn, meet, perform, make, watch and chill.

The project is well underway with consultancy, architectural designs, building safety checks, and costing estimates all undertaken. Construction is likely to start at the beginning of the 2017/18 year and will be completed by June 2018.

During construction the whole building will need to be closed for a period of time. The community will be advised of alternative arrangements for the delivery of services during this time.

Read more about our plans at pncc.govt.nz/libraryofthefuture.

Wastewater treatment and the Manawatū River

We currently collect wastewater (sewage) from the main urban area, Ashhurst, Aokautere, Longburn and Bunnythorpe. The wastewater is piped to the Wastewater Treatment Plant in Awapuni where it's treated and discharged into the Manawatū River.

In 2012 Horizons Regional Council found that the treated wastewater was having some greater than expected impacts on the river. To address this, we've agreed with Horizons Regional Council to apply for new consents for the treatment and discharge of the wastewater by June 2022, six years before current consents come to an end.

As part of this process, we'll be considering the best treatment and disposal options for the city. This could mean continuing to discharge the wastewater into the river, moving to a land-based treatment and disposal system, or a combination of both.

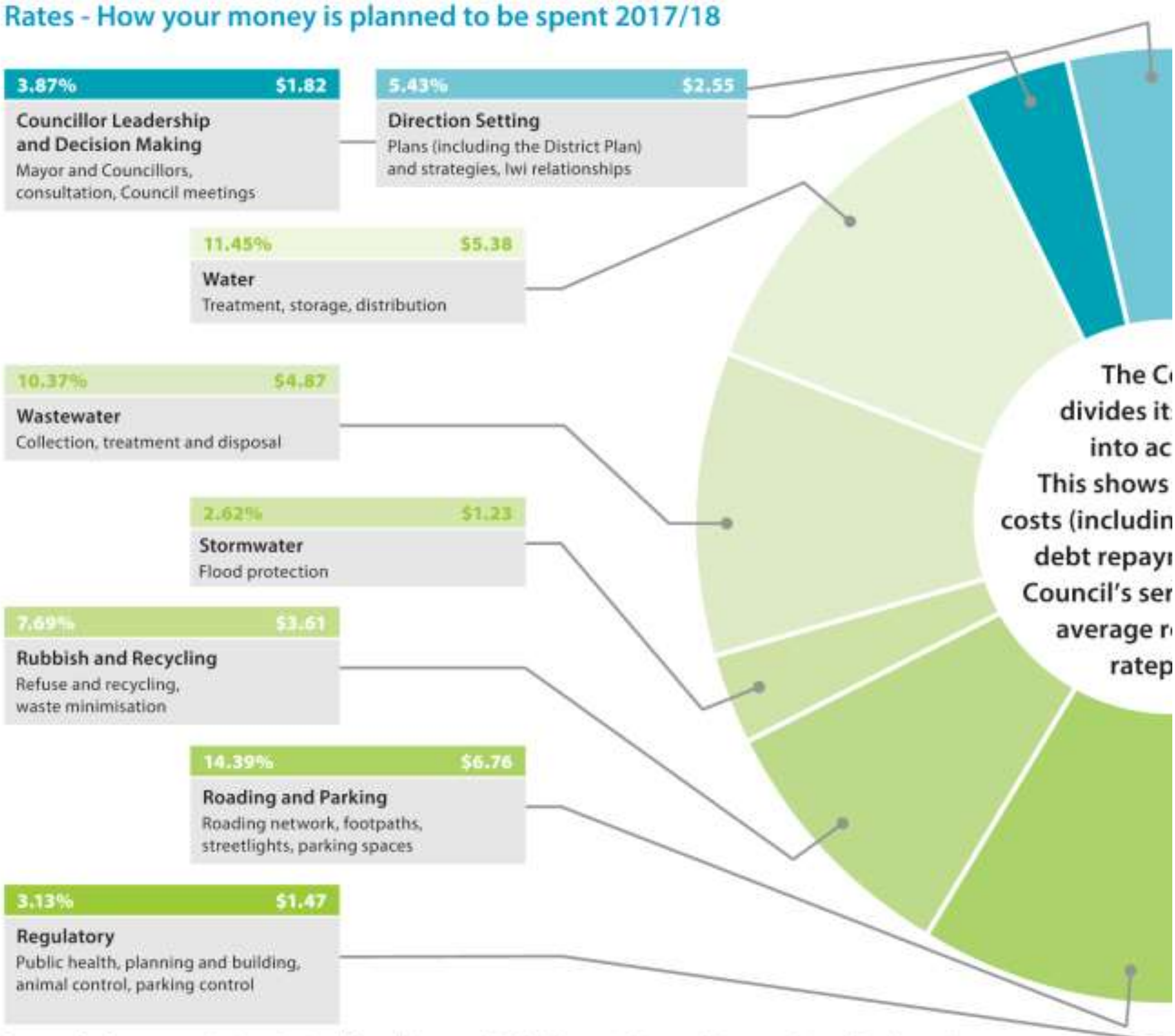
These investigations will take several years and will involve wide community consultation.

The proposed budget for 2017/18 contains a programme of $620,000 for these investigations to take place. In the long-term the new treatment options could range between $35m and $140m ($23m and $100m in current dollars), depending on what treatment is required.

We need to make sure we have the financial capacity for this future expenditure, and the proposed Annual Budget 2017/18 has been prepared with that in mind.

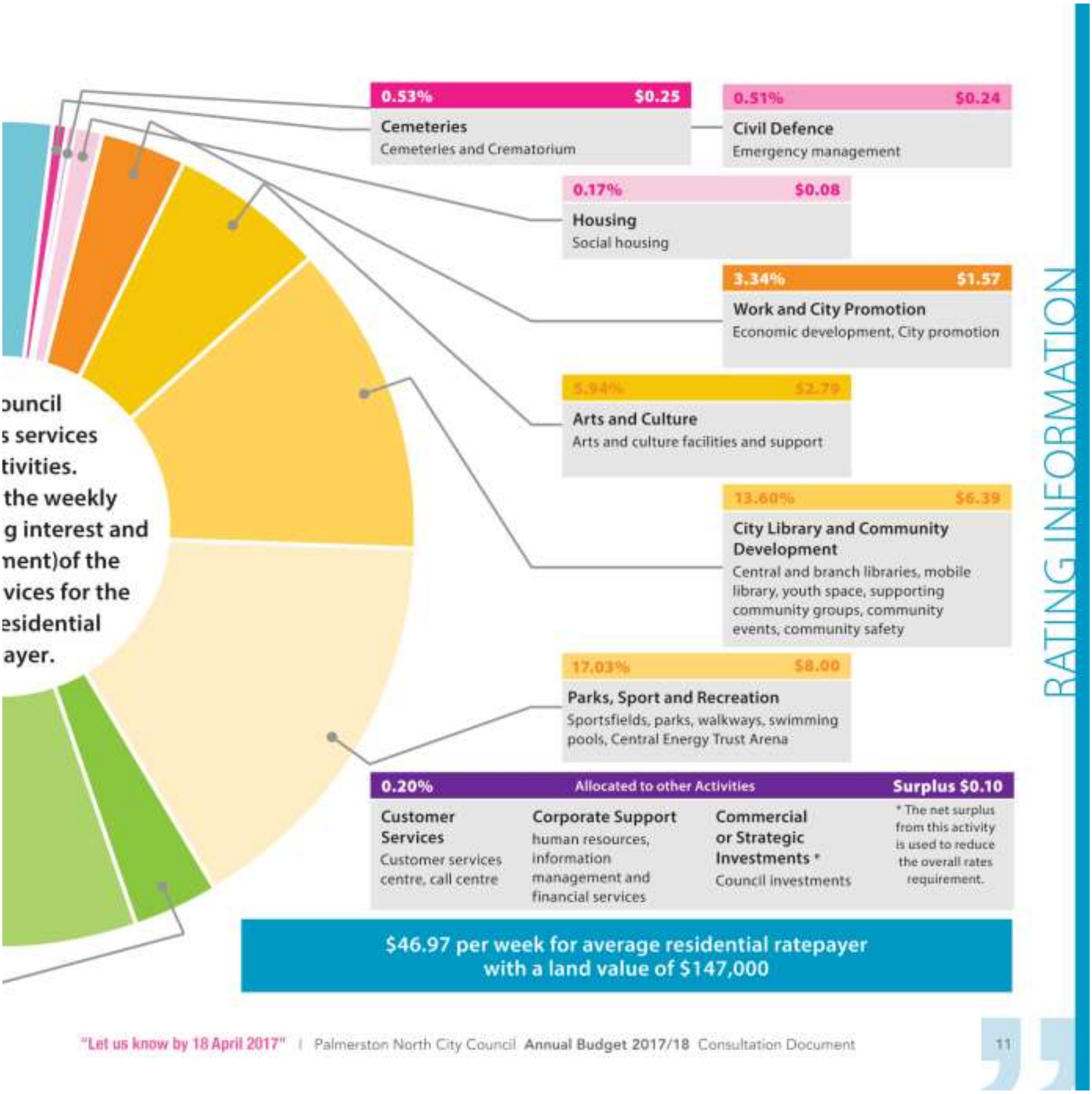
RATING INFORMATION

Rates - How your money is planned to be spent 2017/18



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

ITEM 5 - ATTACHMENT 2



Rating information

Rates - How they are calculated

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 2017/18 the fixed part ($1,351 for residential properties) is proposed to be made up of the following:

Charge type	Fixed Charge		What it pays for
	2016/17	2017/18	
Water	$268	$280	Pays for the cost of providing water
Wastewater	$246	$253	Pays for the cost of treating and disposing of wastewater
Kerbside Recycling	$137	$128	Pays for the cost of kerbside recycling
Rubbish & Public Recycling	$52	$60	Pays for general rubbish & recycling costs including transfer stations, cleaning up fly tipping, community education
General	$610	$630	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

The portion which is based on the land value is charged a rate in the dollar depending on how the property is used.

- Commercial property is charged a higher rate than residential property.
- Residential property is charged a higher rate than rural property.

For 2016/17 the latest 2015 city valuations were used for the first time. As a result, there were significant increases in land values for some residential areas and some properties experienced significant rates increases.

In 2017/18 the same 2015 land values will be used as the rating base. This means most properties will experience a similar percentage increase in rates.

Check your rates online:
pncc.govt.nz/propertysearch
and enter your property address

Examples of residential rates

The following table shows the rates for 2016/17 and the proposed rates for 2017/18 for ordinary residential properties with various land values.

Examples of residential rates		
Land Value	Actual Rates 2016/17	Proposed Rates 2017/18
75,000	1,859	1,908
100,000	2,041	2,093
125,000	2,222	2,279
150,000	2,404	2,465
175,000	2,586	2,650
200,000	2,768	2,836
225,000	2,950	3,021
250,000	3,132	3,207
275,000	3,314	3,393
300,000	3,496	3,578
325,000	3,677	3,764
350,000	3,859	3,949
400,000	4,223	4,321
500,000	4,951	5,063

Council services and household costs

The weekly cost of Council's services shown on pages 10-11 compare with these other household costs:

Cost per week	
Telecommunications	$32.70
Newspaper	$7.50
Electricity	$40.00
Milk (4 x 2L/week)	$15.00

RATING INFORMATION

Rates examples

Examples of proposed rates for 2017/18	Land value	Actual Rates 2016/17	Proposed Rates 2017/18
Single unit residential			
Average	147,000	2,382	2,442
Median	128,000	2,244	2,301
Quartile 1	101,000	2,048	2,101
Quartile 3	175,000	2,586	2,650
Two unit residential			
Average	160,000	3,789	3,886
Median	139,000	3,557	3,648
Quartile 1	113,000	3,268	3,353
Quartile 3	185,000	4,066	4,170
Non-residential*			
Average	574,000	14,162	14,504
Median	315,000	8,181	8,385
Quartile 1	180,000	5,064	5,196
Quartile 3	640,000	15,686	16,063
Rural & semi-serviced (5ha or more)			
Average	643,000	1,553	1,602
Median	350,000	1,147	1,186
Quartile 1	235,000	987	1,023
Quartile 3	680,000	1,604	1,654
Rural & semi-serviced (between 0.2 and 5ha)			
Average	224,000	1,407	1,452
Median	220,000	1,394	1,438
Quartile 1	180,000	1,261	1,302
Quartile 3	260,000	1,527	1,575
Miscellaneous			
Average	395,000	4,310	4,423
Median	235,000	2,832	2,911
Quartile 1	113,000	1,706	1,758
Quartile 3	475,000	5,049	5,179

* Non-residential examples do not include any rates for wastewater based on the number of toilet pans or water charged by meter.
The proposed pan charge is $253.

This table shows the proposed 2017/18 rates for various categories of property compared with the current year.

If all of the properties were listed from lowest to highest land value, the 'median' would be the value at the half way point in the list. Quartile one is the value at the first quarter point in the list, and quartile three is the value at the three quarter point in the list.

For example: if there are 1,000 properties sorted from lowest to highest, quartile one is the 250th property from the lowest.

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

The proposed Annual Budget for 2017/18 includes funding for the continuation of new programmes we committed to in 2016/17. A number of other changes are proposed and summarised below. For more information see the supporting information at pncc.govt.nz/annualbudget. Here you'll be able to read about all our proposed activities and services for 2017/18 (year three of the 10 Year Plan).

Rubbish and recycling

The proposed changes will not impact most people. They include:

- Closing the Bunnythorpe Transfer Station because the cost per user per visit is higher than we can justify. It's also possible the site will be impacted in the future by improvements to roads in the area. This will save $25,000 a year.
- Increasing gate fees for general rubbish at the Ashhurst Transfer Station to try and cover the full cost of transporting and disposing of general rubbish from the facility. We don't provide rubbish disposal facilities in the remainder of the city so feel users should pay the full cost of this service. This will reduce rates by $15,000 a year.
- Moving to weekly instead of twice-weekly collections of rubbish and recycling in the CBD. This will save $24,000 a year.
- Reducing the weighbridge hours of operation at Awapuni Material Recovery Facility from 58 to 50 hours a week. This will save $15,000 a year

The total savings from all these changes would be $79,000 a year.

Water

- In the 10 Year Plan we budgeted for increased water monitoring costs because we were expecting the government to bring in new compliance requirements. We feel we can meet any additional requirements without extra funding, so can reduce the budget by $20,000 each year.
- We also planned to increase pest management and monitoring in the water catchment area but feel we can continue with the current levels of activity and spending. This will save $43,000 a year.
- In line with Ministry of Health guidelines we currently fluoridate the public water supplies for Palmerston North and Ashhurst, but not for Longburn and Bunnythorpe. The proposed budget includes provision to introduce fluoridated water supplies in Longburn and Bunnythorpe.

WHAT'S CHANGED

Ashhurst Service Centre (Four Square)

Council payments can currently be made at the Ashhurst Service Centre. However last year only 335 payments were made, and the cost per payment is twice the cost of making a payment at our building in the city. We're proposing to remove this payment option which will save $9,000 a year. People can make their payments using Easypay direct debit, online or at the Council building.

Other proposed changes include:

- Removing the Bike Manawatū off-road cycling track project from our budget. It's dependent on external funding and this now looks unlikely.
- Removing the budget to provide social support to our social housing tenants. This is already being delivered by other organisations.

Putting the following projects back a year and reviewing them through the 10 Year Plan process:

- Development of Peace Tree Reserve
- Reconfiguration of Victoria Esplanade Park Road entrance and parking
- Shade and shelter development at Manawatū Community Athletics Track
- Construction of cycle/pedestrian pathway from Railway Road to Bunnythorpe

Either adding or bringing forward funding for the following:

- Heating and ventilation improvements at the Central Library
- Digitisation of library material
- Library of the Future (see page 8)
- Additional storage for City Archives
- New generator at Central Energy Trust Arena
- Construction of duplicate water pipeline from Lower Dam to Harts Road Reservoirs
- Extending the LED street lighting upgrade to include major roads.

Have your say

Annual Budget

Aside from some minor changes which you have read about in this document, this year's Annual Budget aligns very closely with what we've said we'll do in year three of our 10 Year Plan 2015-25.

You can read about our plans for 2017/18 (year three) in our supporting information at pncc.govt.nz/annualbudget

The question we want you to consider when you're making a submission is:

Does what we're proposing maintain a good balance between what we do and the impact on your rates and the Council's debt?

10 Year Plan

We review our 10 Year Plan every three years, and soon we'll start consulting on the development of our 10 Year Plan for 2018-28.

At this stage we'd like you to answer these two questions in your submission:

What do you think about our current vision and goals? (see page 3)

What are the biggest challenges facing the city?

Let us know by 18 April 2017

At the back of this document you'll find a submission form that you can fill out and send back to us.

You can also tell us what you think by:

go online	pncc.govt.nz/annualbudget
email	submission@pncc.govt.nz
write	Private Bag 11034, The Square, Palmerston North 4442
phone	356 8199
drop in	Customer Services Centre, Civic Administration Building, The Square, Palmerston North

Dates to note

17 March	Submissions open
18 April	Submissions close
3-5 May	Hearings
26 May	Committee of Council considers submissions
26 June	Council adopts Annual Budget

FOR MORE INFORMATION

For more detailed information

phone 356 8199

go online pncc.govt.nz/annualbudget

talk with a Councillor (for contact details go to pncc.govt.nz and search "Talk to")

call in to a library

come to a meeting

attend a hearing (you can do this even if you're not making a submission)

Hearings (have your say in person)

	WED	THU	FRI
MAY	3	4	5
9.00-11.00am	✓	✓	✓
12.00-2.00pm	✓	✓	✓
3.30-5.30pm	✓	✓	✓
7.00-9.00pm	✓	✓	

Come to a meeting

Date	Time	Venue
Wednesday 29 March	3.30pm-5.00pm	**Youth Space** Cnr Coleman Mall and George Street, Palmerston North
Thursday 30 March	10.00am-12noon	**Awapuni Community Library** College Street, Palmerston North
Saturday 1 April	8.00am-11.00am	**Albert Street Market** Cnr Albert and Church Streets Palmerston North
Tuesday 4 April	10.00am-12noon	**Te Patikitiki Community Library** 157 Highbury Avenue, Palmerston North
Tuesday 4 April	6.30pm-8.00pm	**Cornerstone Christian School** 119 Mihaere Drive, Palmerston North
Wednesday 5 April	10.00am-12noon	**Hokowhitu Village Centre** 356 Albert Street, Palmerston North
Thursday 6 April	3.00pm-6.00pm	**Ashhurst Community Library** Cnr Cambridge and Bamfield Streets, Ashhurst
Saturday 8 April	10.00am-1.00pm	**Ashhurst Community Market** Cnr Cambridge and Bamfield Streets, Ashhurst
		Bunnythorpe
		Longburn School Carey Street, Longburn

Let us know by 18 April 2017

SUBMISSION FORM

Annual Budget 2017/18

(Year Three of the 10 Year Plan 2015-25)

This form is for you to tell us what you think about our proposed Annual Budget for 2017/18.

- Print clearly so this form can be photocopied, read and understood.
- Provide all of your contact details including postal address, phone and/or email.
- Make it clear if you're representing an organisation by filling out the relevant field below.

All submissions will be acknowledged in writing and made available to the Mayor and Councillors. They'll consider your views when finalising the Annual Budget 2017/18.

Preferred Title: Mr Mrs Miss Ms Other________________ *Please circle which applies*			
Full Name:			
Name of the organisation you represent *(only if applicable)*:			
Postal Address:			
Phone:	*(mobile)*	*(hm)*	*(wk)*
Email:			

If you'd like to make a personal presentation in support of your submission before a Committee of Councillors, please let us know your choice of dates and times in order of preference. Options are listed on page 18 of the consultation document.

	Preferred dates and times:	
1ST OPTION	*Date:* ____________	*Time:*
2ND OPTION	*Date:* ____________	*Time:*
3RD OPTION	*Date:* ____________	*Time:*

As required by the Local Government Official Information and Meetings Act 1987, all submissions will be regarded as publicly available, including their placement on the Council's website. You can request that your contact details (but not your name) be regarded as confidential by ticking the following box:

WITHHOLD MY CONTACT DETAILS *(but not my name)* ☐

Let us know by 18 April 2017

Three ways to get your submission form to us:

Freepost: Annual Plan Submissions, Palmerston North City Council, FreePost PX33319, Palmerston North DX Sort.

Email: submission@pncc.govt.nz **Hand deliver:** Customer Services Centre, Civic Administration Building, The Square, Palmerston North

PLEASE NOTE:

- Submissions will not be returned, so if you want a copy please keep one.
- All submissions are made available to the public (including on the Council's website).
- If your submission relates to a District Plan matter or other issue currently being or about to be dealt with through another Council process, it'll be redirected to that process.
- If you have a concern about a specific one-off issue, such as broken glass, please call the Customer Services Centre on 06 356 8199 and they'll arrange to have the problem fixed without delay.

CUT HERE

Annual Budget 2017/18

(Year Three of the 10 Year Plan 2015-25)

Does what we're proposing for the Annual Budget 2017/18 maintain a good balance between what we do and the impact on your rates and the Council's debt?

This is your chance to tell us what you think about our proposed programmes of work for 2017/18. Full details of our proposed programmes can be found at pncc.govt.nz/annualbudget. Where possible please give a programme ID-name and make it clear whether or not you support that programme.

What do you think about our current vision and goals (see page 3)? What are the biggest challenges facing the city?

We review our 10 Year Plan every three years, and soon we'll start consulting on the development of our 10 Year Plan for 2018-28. At this stage we'd like your thoughts on these two questions only.

If you need more writing space, just attach additional pages to this form.

CUT HERE

SUBMISSIONS CLOSE AT 4PM TUESDAY 18 APRIL 2017

FOR FURTHER INFORMATION:

Palmerston North City Council | W **pncc.govt.nz** | E **info@pncc.govt.nz** | P **356 8199** | Private Bag 11034, Palmerston North, 4442