



**PAPAIOEA**  
**PALMERSTON**  
**NORTH**  
**CITY**

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# **PALMERSTON NORTH CITY COUNCIL**

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AGENDA

## **COUNCIL**

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**9AM - DELIBERATIONS ANNUAL BUDGET  
2023/24, WEDNESDAY 31 MAY 2023**

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

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# MEMBERS

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<b>Grant Smith (Mayor)</b>	
<b>Debi Marshall-Lobb (Deputy Mayor)</b>	
<b>Mark Arnott</b>	<b>Leonie Hapeta</b>
<b>Brent Barrett</b>	<b>Lorna Johnson</b>
<b>Rachel Bowen</b>	<b>Billy Meehan</b>
<b>Vaughan Dennison</b>	<b>Orphée Mickalad</b>
<b>Lew Findlay (QSM)</b>	<b>Karen Naylor</b>
<b>Roly Fitzgerald</b>	<b>William Wood</b>
<b>Patrick Handcock (ONZM)</b>	<b>Kaydee Zabelin</b>

AGENDA ITEMS, IF NOT ATTACHED, CAN BE VIEWED AT

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

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**Waid Crockett**

**Chief Executive | PALMERSTON NORTH CITY COUNCIL**

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# COUNCIL MEETING

31 May 2023

## ORDER OF BUSINESS

**1. Karakia Timatanga**

**2. Apologies**

**3. Notification of Additional Items**

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

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

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

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

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

**5. Public Comment**

To receive comments from members of the public on matters specified on this agenda or, if time permits, on other matters.

(NOTE: If Council wishes to consider or discuss any issue raised that is not specified on the agenda, other than to receive the comment made or refer it to the Chief Executive, then a resolution will need to be made.)

**6. Confirmation of Minutes**

Page 7

“That the minutes of the ordinary meeting of 16 May 2023 Part I Public be confirmed as a true and correct record.”

## REPORTS

**7. Urban Growth Work Programme: Analysis of Budgetary Need for the 2023/24 Financial Year**

Page 21

Memorandum, presented by Michael Duindam, Acting Planning Manager, and David Murphy, Chief Planning Officer.

**8. 2023/24 Annual Budget - Deliberations**

Page 41

Memorandum, presented by Steve Paterson, Strategy Manager - Finance.

## RECOMMENDATIONS FROM COMMITTEE MEETINGS

**9. Presentation of the Part I Public Strategy & Finance Committee's Recommendations from its 10 May 2023 Meeting**

Page 253

That the Committee's recommendations be adopted or otherwise dealt with.

**10. Presentation of the Part I Public Community Committee's Recommendations from its 24 May 2023 Meeting**

Page 255

That the Committee's recommendations be adopted or otherwise dealt with.

**11. Exclusion of Public**

To be moved:

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

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

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

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

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

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

**12. Karakia Whakamutunga**



## PALMERSTON NORTH CITY COUNCIL

**Minutes of the Council Meeting Part I Public, held in the Council Chamber, First Floor, Civic Administration Building, 32 The Square, Palmerston North on:**

**Tuesday 16 May 2023 – 9.00am  
Wednesday 17 May 2023 – 9.00am, 1.00pm and 5.30pm**

The meeting commenced at 9.00am.

**Members Present:** The Mayor Grant Smith (Chair), Deputy Mayor Debi Marshall-Lobb, and Councillors Mark Arnott, Brent Barrett, Rachel Bowen, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

**Apologies:** Councillors Roly Fitzgerald and Vaughan Dennison.

Councillor Patrick Hancock left the meeting at 9.20am during consideration of clause 73. He entered the meeting again at 9.21am after consideration of clause 73. He was not present for clause 73.

### **Karakia Timatanga**

Deputy Mayor Debi Marshall-Lobb opened the meeting with karakia.

### **70-23 Apologies: Session 1 – 9.00am, 16 May 2023**

Moved Grant Smith, seconded Debi Marshall-Lobb.

### **RESOLVED**

1. That Council resolves to receive the apologies from Councillors Roly Fitzgerald and Vaughan Dennison.

Clause 70-23 above was carried 14 votes to 0, the voting being as follows:

#### **For:**

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Lew Findlay, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

## 71-23 **Late Item / Notification of Additional Item**

Moved Grant Smith, seconded Debi Marshall-Lobb.

### **RESOLVED**

1. That Council receive the late item for the following reasons:

#### **Remit to Local Government New Zealand 2023 Annual General Meeting**

Reason for lateness:

The remit was received after the agenda was published.

Reason for urgency:

Hamilton City Council have requested a response by Friday 19 May 2023.

Clause 71-23 above was carried 14 votes to 0, the voting being as follows:

#### **For:**

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Lew Findlay, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

## 72-23 **Petition: Excessive use of Motorbikes on Mangaone Stream Walkway**

Ian Duncan and Pauline Duncan, residents in Westbrook, presented a petition (signed by 67 residents) seeking Council assistance with excessive use of motorbikes on Mangaone Stream Walkway.

The following additional comments were made:

- Reconstructed turnstiles to be made with a sturdier material.
- Unable to resolve through numerous communication with Police.
- Noted recent incident of Police being injured down Maxwells Line and historic fatality of a child on the walkway.
- Witnessed unrestrained child passengers.

Moved Grant Smith, seconded Debi Marshall-Lobb.

### **RESOLVED**

1. That Council receive the petition for information.

Clause 72-23 above was carried 14 votes to 0, the voting being as follows:

#### **For:**

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Lew Findlay, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.



### **73-23 Confirmation of Minutes**

Councillor Pat Handcock left the meeting at 9.20am.

Moved Grant Smith, seconded Debi Marshall-Lobb.

#### **RESOLVED**

1. That Council resolves the minutes of the Council meeting of 3 May 2023 Part I Public and Part II Confidential, be confirmed as a true and correct record.

Clause 73-23 above was carried 13 votes to 0, the voting being as follows:

#### **For:**

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Lew Findlay, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

Councillor Pat Handcock entered the meeting again at 9.21am.

### **74-23 Appointment of Chairs for following sessions**

Moved Grant Smith, seconded Patrick Handcock.

#### **RESOLVED**

1. That the Chairs for the remaining sessions be agreed as follows:

Wednesday 17 May 2023, 9.00am to 11.00am: Deputy Mayor Debi Marshall-Lobb

Wednesday 17 May 2023, 1.00pm to 3.00pm: Councillor Orphée Mickalad

Wednesday 17 May 2023, 5.30pm to 7.30pm: Councillor Kaydee Zabelin

Clause 74-23 above was carried 13 votes to 0, with 1 abstention, the voting being as follows:

#### **For:**

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Lew Findlay, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Billy Meehan, Karen Naylor, William Wood and Kaydee Zabelin.

#### **Abstained:**

Councillor Orphée Mickalad.

### **75-23 Extension of meeting time**

Moved Grant Smith, seconded Debi Marshall-Lobb.

#### **RESOLVED**

1. That Council resolves as per Standing Order 2.1.7 that the meeting be extended until 8.00pm on Wednesday 17 May 2023.

Clause 75-23 above was carried 14 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Lew Findlay, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

**76-23**

**Hearing of Submissions: Draft Annual Budget 2023/24 - Session 1, 9.00am, 16 May 2023**

Moved Grant Smith, seconded Debi Marshall-Lobb.

**RESOLVED**

1. That Council receive the submissions on the draft Annual Budget 2023/24 and hear from presenters who wish to be heard in support of their submission.
2. That Council note the Procedure for Hearing of Submissions, as described in the procedure sheet.

Clause 76-23 above was carried 14 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Lew Findlay, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

Council considered submissions on the Draft Annual Budget 2023/24 together with supporting oral statements including additional tabled material.

The following persons appeared before Council and made oral statements in support of their submissions and replied to questions from Elected Members.

**Environment Network Manawatū (ENM) (45)**

Helen King, Madz BatchEl and Dave Mollard (MFAN) spoke to their submission and made the following additional comments:

- Current location is at capacity to facilitate current activities.
- Different activities are scattered at different venues whereas encompassing them all in one location will make this more visible to the public.

**Manawatū Food Action Network (MFAN) (44)**

Dave Mollard, Helen King and Madz BatchEl spoke to their submission and made the following additional comments:

- A recent hui held had approximately 70 people in attendance

giving an example of community involvement.

- Advocated for communities to lead their own community.
- Wanted to see the city's resources unlocked to be used to counter food insecurity.

### **Swimming Manawatū (57)**

Sarah Laurence (Chair) spoke to her submission and made the following additional comments:

- Highlighted difference between swimming as a recreation and as a sport. Competitive swimming requires one of two pool layouts, essentially a pool length of 25 or 50 meter pools.
- Referenced the Manawatu and Whanganui Region Sport Facilities plan, and hoped this report would be updated as a result of the needs assessment project underway.
- Insufficient aquatic facilities to cater for entire community's needs currently; hindered community growth and progression of the sport.
- Current facilities not fit for current era - measurements outdated; limited access by users and not available all year round.
- Noted the safety recommendation for elite swimmers per lanes of 2-3 approximately; currently at 8 approximately around peak times.
- Challenged Council to audit the success of the investment in the budget in regards to the arrangement with Community Leisure Management (CLM). Assess how this best serves the community independent of CLMs own survey.
- Highlighted Hawkes Bay facilities as a model of positive investment outcome.
- Not satisfied that covering the Lido outdoor pool is an appropriate fix in the long term.

### **Ryan (59)**

Ryan spoke to his submission and made the following additional comments:

- Overcrowding when trying to train, often navigating through the lane with other users.
- Current pools restricted for competitions to a few times throughout the year; restrictive in depth and quality is under par.

### **Te Pū Harakeke – Community Collective Manawatū (98)**

Tim Kendrew (Manager) and Justin Ngai (Programme Coordinator) spoke to their submission and made the following additional comments:

- Families commonly prioritising housing costs over food.
- Sector is understaffed of qualified professionals.
- Encouraged Council to look through the wellbeing lens when making decisions.

### **Community Leisure Management Limited (77)**

Lynden Noakes (Lido Facility Manager) and Bridget Cairns (Palmerston North General Manager) spoke to their submission and made no additional comments.

### **Bunnythorpe Community (81)**

Flo Gibson and Jo Jamieson (Chair) spoke to their submission and made no additional comments.

Further information (photos and additional written information) was tabled at the meeting for circulation to Elected Members.

### **Te Araroa Manawatū Trust (47)**

David Grant (Chair) and Brian Way spoke to their submission and made no additional comments.

Further information (PowerPoint presentation) was tabled at the meeting for circulation to Elected Members.

### **Karakia Whakamutunga**

Deputy Mayor Debi Marshall-Lobb closed Session 1 with karakia.

The meeting adjourned (Session 1 finished) at 10.56am.

The meeting resumed (Session 2 started) at 9.01am Wednesday 17 May 2023.

### **Karakia Timatanga**

Councillor Kaydee Zabelin opened Session 2 with karakia.

### **77-23 Apologies: Session 2 – 9.00am, 17 May 2023**

Moved Brent Barrett, seconded Patrick Handcock.

### **RESOLVED**

1. That Council resolves to receive the apology for late arrival from The

Mayor, Grant Smith.

Clause 77-23 above was carried 15 votes to 0, the voting being as follows:

**For:**

Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

**Hearing of Submissions: Draft Annual Budget 2023/24 - Session 2, 9.00am, 17 May 2023**

The Mayor entered the meeting at 9.41am.

The Council considered submissions on the Draft Annual Budget 2023/24 with supporting oral statements including additional tabled material.

The following persons appeared before the Council and made oral statements in support of their submission and replied to questions from Elected Members.

**Age Friendly Palmerston North (49)**

Marian Dean spoke to her submission and made no additional comments.

**St Matthews Anglican Church (78) and River Stop Awapuni (76)**

David Chapple and Bev Page spoke to two submissions simultaneously and made the following additional comments.

- Cycleway appears unfinished and requested Council to include this as an area to slow traffic.

Further information (photos) was tabled at the meeting for circulation to Elected Members.

**Pathway Presbyterian Church (46)**

Judy Seccomb and Roy Tankersley spoke to their submission and made no additional comments.

**Manawatu Tenants Union (39)**

Cameron Jenkins (Coordinator) spoke to the submission and made the following additional comment:

- There is an over-representation of non-tenant renters such as boarders renting a room.

**Athena Women's Collective (92)**

Jean Hera, Maryanne Mechen and Kerry Hocquard spoke to their submission and made the following additional comment:

- Need to have a more streamlined process to access facilities and funding for small community projects for those who do not want to work under an umbrella association or form an association of their own.

### **Whatunga Tuao Volunteer Central (21)**

Kate Aplin spoke to her submission and made no additional comments.

### **Peter and Isobel Wilson (28)**

Peter and Isobel Wilson spoke to their submission and made no additional comments.

Further written information was tabled at the meeting for circulation to Elected Members.

## **78-23**

**Remit to Local Government New Zealand 2023 Annual General Meeting**  
Memorandum, presented by Hannah White, Democracy & Governance Manager.

Elected Members agreed to endorse all three remit proposals.

Moved Brent Barrett, seconded Grant Smith.

### **RESOLVED**

1. That Council endorse the 2023 remit proposal on Virtual Quorum from Hamilton City Council (Attachment 1).

Clause 78.1-23 above was carried 12 votes to 3, with 1 abstention, the voting being as follows:

#### **For:**

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Roly Fitzgerald, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Orphée Mickalad, Karen Naylor and Kaydee Zabelin.

#### **Against:**

Councillors Lew Findlay, Billy Meehan and William Wood.

#### **Abstained:**

Councillor Vaughan Dennison.

Moved Brent Barrett, seconded Grant Smith.

2. That Council endorse the 2023 remit proposal on Kiwisaver for Elected Members from Hamilton City Council (Attachment 2).

Clause 78.2-23 above was carried 16 votes to 0, the voting being as follows:

#### **For:**

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad,

Karen Naylor, William Wood and Kaydee Zabelin.

Moved Brent Barrett, seconded Grant Smith.

3. That Council endorse the 2023 remit proposal on the development of a shared understanding and centralised framework of wellbeing from Hamilton City Council (Attachment 3).

Clause 78.3-23 above was carried 16 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

The meeting adjourned (Session 2 finished) at 11.03am.

The meeting resumed (Session 3 started) at 1.01pm.

**79-23 Apologies: Session 3 – 1.00pm, 17 May 2023**

Moved Patrick Handcock, seconded Brent Barrett.

**RESOLVED**

1. That Council resolves to receive the apologies for an early departure from The Mayor, Grant Smith (Council business).

Clause 79-23 above was carried 16 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

**Hearing of Submissions: Draft Annual Budget 2023/24 - Session 3, 1.00pm, 17 May 2023**

The Committee considered submissions on the draft Annual Budget 2023-24 together with supporting oral statements including additional tabled material.

The following persons appeared before the Council and made oral statements in support of their submissions and replied to questions from Elected Members.

**Awapuni Community Centre (56)**

Allan Burne spoke to his submission and made the following additional comments:

- Asked for further consideration for security alarms.
- The centre is used regularly and needs to be maintained to a standard considerate of current and future demands with better mobility scooter access for himself and all users.

### **John Bent (75)**

John Bent spoke to his submission and made the following additional comments:

- Explained 'nice-to-haves' as rate payer responsibilities versus tax payer responsibilities.
- That the function and focus of Council should include preparation for the 'inevitable'.

### **Nui Community – Papaioea Pasifika Community Trust (103)**

Sunlou Liuvaie (Chair) and Annie Scoon (Operations Manager) spoke to their submission and made no additional comment.

### **Pasifika Reference Group (101)**

Courtney Manu (Co-Chair) spoke to her submission and made the following additional comments:

- The need to develop the Pacifica Centre now is integral to the success of the pacific community.
- To have a focus on youth and their aspirations outside of education.
- Would like to explore partnership with Council and/or other partners, for housing and housing needs for Pacifica; housing needs to be affordable with consideration to include 'Talano' protocols.
- Long term goal to see Pacifica people living in varied locations across the city.
- Underrepresented in statistics where decisions are made regarding public housing.

### **Hugh Wilde (61)**

Hugh Wilde spoke to his submission and made no further additional comment.



### **Federated Farmers New Zealand (74)**

Peter Matich (Policy Manager) and Murray Holdaway (former Provincial President Manawatu/Rangitikei) spoke to their submission and made the following additional comment:

- Consideration of Rural Rating Differential.

### **Ross Linklater (97)**

Ross Linklater spoke to his submission and made the following additional comments.

- Safety for cyclists is a main concern.
- To consider more hitching rails for bikes in the inner city.

Further information (map) was tabled at the meeting for circulation to Elected Members.

The meeting adjourned (Session 3 finished) at 2.48pm.  
The meeting resumed (Session 4 started) at 5.31pm.

### **80-23 Apologies: Session 4 – 5.30pm, 17 May 2023**

Moved Kaydee Zabelin, seconded William Wood.

#### **RESOLVED**

1. That Council resolves to receive the apologies from The Mayor Grant Smith and Councillors Lew Findlay and Rachel Bowen; and lateness for Councillors Roly Fitzgerald and Billy Meehan. Early departure for Councillor Dennison.

Clause 80-23 above was carried 11 votes to 0, the voting being as follows:

#### **For:**

Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Vaughan Dennison, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

### **Hearing of Submissions: Draft Annual Budget 2023/24 - Session 4, 5.30pm, 17 May 2023**

The Committee considered submissions on the Draft Annual Budget 2023-24 together with supporting oral statements including additional tabled material.

The following persons appeared before the Council and made oral statements in support of their submissions and replied to questions from Elected Members.

### **Big Street Bikers (89)**

Cleve Cameron spoke to his submission and made the following additional comments:

- Proposal for a 10yr term.
- Maintenance of the project would require hiring someone locally.

Further information (PowerPoint presentation) was tabled at the meeting for circulation to Elected Members.

### **Paul Smillie (110)**

Paul Smillie spoke to his submission and made the following additional comments:

- For Council to look to align with other Councils in New Zealand.
- To use a rating system that measures the market value as close as can be.

### **Venessa Pokaia (105) and Cushla Kerr (106)**

Venessa Pokaia and Cushla Kerr spoke to their submissions simultaneously and made the following additional comments:

- One of the values of a cultural hub is to provide a safe place for all hours; a place of refuge.
- Different tikanga with Opie Reserve proposals.
- Proposed location will be better suited to all in comparison to other facilities.

### **Ice Breaker Aquatics (31)**

Jeff Cruickshank spoke to his submission and made the following additional comments:

- Emphasised the critical need for a new aquatics facility.
- Noted media reports 30% of submissions to this draft agenda are around aquatics.
- Aquatics facilities are not just for swimming; many other sports use aquatics facilities.
- Current club trains at Boys High pool which is near capacity.
- Lack of engagement in community to promote the sport.
- Current facilities are outdated making it challenging to deliver

high quality experiences residents need and deserve.

- Covering the Lido outdoor pool is not a sustainable solution or long term financially viable option.
- Proposal of a new multi-purpose 50 metre by 10 lane pool better value for money and will safeguard the future needs of the community.

The meeting adjourned 6.30pm.

The meeting resumed 6.37pm.

### **Viva Café and Bar (66)**

Deniz Gultekin spoke to his submission and made the following additional comment:

- Requests bike racks and seats down Cuba Street to bring people to the area. Approximately 15 bike racks would suffice with seating.

### **Mike Moleta (104)**

Mike Moleta spoke to his submission and made the following additional comments:

- He is a parent of two children who play water sports.
- Requested Council to continue the quest for a multi-use indoor 50 meter pool with depth.
- No locally suitable facilities for water-polo.
- Water sports training is restricted due to space.
- Competitive water sports players cannot properly train for national meets locally.
- The lack of proper training facilities restricts uptake into aquatic sports.
- It is hard as a parent to attend his children's sport games due to time and cost for travel to competitions and training.
- There is disadvantage for the area not being able to attract nationally held sports events.

### **Karakia Whakamutunga**

Deputy Mayor Debi Marshall-Lobb closed the meeting with karakia.

The meeting closed at 6.55pm Wednesday 17 May 2023.

Confirmed 31 May 2023

**Mayor**

## MEMORANDUM

**TO:** Council

**MEETING DATE:** 31 May 2023

**TITLE:** Urban Growth Work Programme: Analysis of Budgetary Need for the 2023/24 Financial Year

**PRESENTED BY:** Michael Duindam, Acting Planning Manager, and David Murphy, Chief Planning Officer

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

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### RECOMMENDATIONS TO COUNCIL

1. That Council refer additional budget of \$491,100 for accelerating Urban Growth Work to deliberations on the 2023/24 Annual Plan.
  2. That Council note additional budget of \$491,100 in 2023/24 could be reduced if the Council was willing to accept the risks and lost opportunities associated with deferring work on one or a combination of the “other plan changes or projects” listed in Table 3 of the Memorandum.
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### 1. ISSUE

- 1.1 The Quarterly Performance and Financial Report presented to the 22 March 2023 Strategy and Finance Committee showed that Measure 01 of the City Growth Plan of the Long-Term Plan (“Performance Measure 01”) was not achieved for the quarter ending 31 December 2022.
- 1.2 Performance Measure 01 requires that enough land is zoned and infrastructure-ready to meet housing and business growth demand. The associated target requires at least three years of land and supporting infrastructure to be in place to support housing and business development now. This measure has not been achieved for several years. The shortage is related to inadequate land supply and infrastructure provision for areas already zoned. There is now a critical shortage in both housing and industrial land supply that requires addressing to comply with central government urban development requirements.
- 1.3 Elected Members have asked for a report outlining the resources needed to accelerate the urban growth programme in order to meet Performance Measure 01.
- 1.4 The budgetary needs analysis in section 5 of this memorandum only relates to the next financial year (2023/24). Longer term budgetary challenges

associated with providing sufficient resourcing of the urban growth work programme will need to be addressed as part of the 2024-34 10 Year Plan.

- 1.5 The urban growth outcomes required by Performance Measure 01 are long-term in nature. Planning for urban growth and providing supporting infrastructure is a long-term process involving multiple stakeholders and partner investment to enable spade-ready land. For example, Council rezoned Whakarongo 8 years ago. To date the only land developed within Whakarongo is the 79 lots within stage one of the Council Tamakuku development and approximately 20 lots on the lower terrace. The lack of supporting infrastructure is a major barrier to further development. Whakarongo is anticipated to provide approximately 550 lots.
- 1.6 Similarly, Kikiwhenua was rezoned 3 years ago but development has not occurred due to unavailability of three waters infrastructure and the differing priorities of Waka Kotahi with those of the City regarding the lowering of speed limits on State Highway 56. Given the scale and complexity of the growth pressures facing the City, achieving Performance Measure 01 will require a focused effort over the next decade, particularly in the context of proposed Resource Management Reform.
- 1.7 In terms of business zoned land, commercial development is directed towards one of the business zones in the existing urban area where there is capacity and a policy preference for further development, redevelopment and intensification. Further work is required to rezone additional greenfield land for small to medium industrial development and large floor plate development as part of the implementation of the Te Utanganui Master Plan (scheduled to be reported to the 21 June Economic Growth Committee).

**2. BACKGROUND**

- 2.1 As technical work on the City Planning Team's urban growth work programme has progressed over the course of the last 2 years it has become evident that the budgeted quantum to support the size, scale and complexity of the work programme has been insufficient.
- 2.2 The City has been experiencing significant growth and its role as a regional centre is strengthening. The City is a major economic hub for the Manawatu-Whanganui region with more than \$8 billion of public and private infrastructure investment planned within the Region over the next 10 Years. By 2030 the City's population is projected to reach 100,000 residents.<sup>1</sup>
- 2.3 The implications for how we plan and resource urban growth as the City transitions from being provincial in scale to a metropolitan regional centre over the next decade are significant.

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<sup>1</sup> Based on 2021-31 Long Term Plan growth projections

- 2.4 To provide context, the 2021-31 Long-Term Plan approved \$890,000 of consultancy budget to support the urban growth work programme in 2021/22.
- 2.5 In April 2022 the Acting Chief Executive, under delegation (section 206), authorised the transfer of additional operating budget from the Infrastructure Unit to the City Planning team of \$660,000. The purpose of the request was to maintain the momentum of the urban growth work programme in 2021/22. The total urban growth consultancy budget spend in 2021/22 was \$1,768,676.
- 2.6 Consultancy Budget this financial year (2022/23) to support the urban growth work programme included:
- Long-Term Plan budget of \$656,000
  - One-off Annual Budget programme \$200,000 (to progress residential and industrial growth planning)
  - Repurposed Civic and Cultural Precinct Master Plan Budget \$220,000 (note this was approved in April 2023, late in the financial year).
  - This made a total urban growth consultancy budget of \$1,076,000 for 2022/23. \$692,676 less than that spend in 2021/22. The result being that the City Planning team slowed down progress of this work stream.
- 2.7 On reflection the urban growth component of the City Planning budget was much larger than anticipated when programmes were developed for the 2021-2031 Ten Year Plan (Long-Term Plan). This is reflected in the nature of the budget spend over the last two financial years. In this regard, the budget did not respond to the scale and complexity needed to support planning for growth in the context of transitioning the City to a metropolitan centre over the next decade.
- 2.8 The city is also playing 'catch-up' following previous Council decisions to defer the rezoning of Kākātangiata (then City West) to manage the financial risks associated with the development of Whakarongo and Kākātangiata at the same time. Kākātangiata was also deferred to allow time to better understand liquefaction risks following the Christchurch earthquakes in 2010 and 2011. As demonstrated by both Whakarongo and Kikiwhenua, the zoning of land and provision of infrastructure has long lead-in times.
- 2.9 The following issues provide an overview of the broader reasons why additional budget is needed to support the urban growth work programme:

**Size, Scale, Significance and Complexity of Work**

- 2.10 The urban growth work programme currently has 5 plan changes in progress with the purpose of rezoning land to accommodate approximately 8,760 new homes in the city over the next 30 years. This does not include the work on Proposed Plan Change I: Medium Density Residential, which proposes to

further enable urban intensification. 8,200 of these homes are planned for Aokautere (1000 lots) and Kākātangiata (7,200 lots).

- 2.11 To provide an indication of scale, Proposed Plan Change H: Kākātangiata will be the equivalent of adding a township the size of Feilding to the City.
- 2.12 On the assumption each new home will cost \$800,0000, the planning framework being developed to enable 8,760 homes will inform approximately \$7B of investment over the next 30 years. If Council were to spend \$5M on the plan changes for these homes it would represent approximately 0.07% of the cost of each new home.
- 2.13 **High Evidentiary Threshold** – The evidentiary threshold required to progress plan change proposals through the Resource Management Act (RMA) process has increased over time. A proposal to rezone land needs a wide range of robust and thorough technical evidence to demonstrate the merits underpinning a proposal are sound. The high evidentiary threshold is deemed appropriate given our community and their families will be living in these suburban areas for the next 100 plus years.
- 2.14 **Easily Developed Land Taken** – The easily developed land in the City has been used. Remaining land available to rezone for housing has a number of structural constraints that require extensive technical assessment to resolve. For example, flooding, liquefaction, slope stability, highly productive land, stormwater, noise and protecting the investment made in existing regionally and nationally significant infrastructure (e.g. airport and state highways).
- 2.15 **Required Technical Inputs** – To provide an example of the size, scale and complexity of the technical inputs required to support a plan change, the following 17 technical areas (involving 28 people) are currently engaged in developing technical evidence for Proposed Plan Change H: Kākātangiata - planning; urban design; landscape architecture; transport (planning and modelling); ecology; cultural; social; urban economics; rural economics; noise; geotechnical; contaminated land; legal (not strictly technical but plan changes progress through a legal construct); open space and community facilities; wastewater; water; stormwater; and flooding.
- 2.16 Of the 28 people currently involved in the technical and support areas of the Plan Change, 5 are Council officers.

**Comparative Costs Associated Complex / Large Planning Processes**

- 2.17 The costs associated with large and complex planning processes detailed in table 1 below provide a useful reference when considering the analysis of budget needs in section 5 of the memorandum:



**Table 1: Comparative costs of large and complex planning processes**

<b>Territorial Authority</b>	<b>Process</b>	<b>Cost</b>	<b>Size / Scale</b>
Hamilton City Council	Plan Change (medium and large)	\$600k-1.4m+ (Excluding staff time)	Medium to large rezoning proposals
Hamilton City Council	Plan Change 5	\$1.4m+ (Excluding staff time)	7000 lots 600 ha
Hamilton City Council	Medium Density Residential Zone	\$1.3m+ (Excluding staff time)	City Wide
Tauranga City Council	Tauriko	\$1.1m+ (excluding staff time, not notified)	3000-4000 lots
Tauranga City Council	Private Plan Change	\$570k	600-700 lots
PNCC	Plan Change G: Aokautere	\$800k to date (excluding staff time & hearing costs + \$250-300K)	900 lots
KiwiRail	Freight Hub Designation	\$5m	160 ha
PNCC	Nature Calls	\$9m (Planning cost to date). \$6m budget in current financial year.	City wide infrastructure provision

### **Higher Expectations for Environmental Outcomes**

- 2.18 **City Vision: small city benefits, big city ambition** – As we grow the City the challenge is how we maintain small city benefits (affordability, convenience, connectivity, compact urban form, identity) while providing economic opportunities and jobs as we pursue big city ambition and transition to a metropolitan scale urban centre.
- 2.19 Over time there has been increased expectation around environmental outcomes (urban form, function, connectivity, cultural identity, equity, water quality, and vegetation) from our community, mana whenua and key

partners. This has added to the breadth and complexity of the technical inputs required to support urban growth plan changes through the first schedule RMA process.

- 2.20 Over the past decade national direction through National Policy Statements (Urban Development Capacity 2016, Urban Development 2020, Highly Productive Land 2022, Biodiversity (Draft) 2020, Freshwater Management 2020), various changes to the RMA, and the National Emissions Reduction Plan 2022 have had a significant impact on planning processes.

### **Challenges and Costs Associated with Organisational Skills Shortage**

- 2.21 As noted in paragraph 2.16, of the 28 people currently involved in providing technical input into Kākātangiata, 5 are Council officers. Capacity constraints across the organisation over the last 2 years has meant a heavier reliance on outside consultancy resources to progress not just this particular plan change but the whole urban growth work programme.
- 2.22 As an example, in the last financial year the City Planning team spent \$140,000 on transport assessments to support the rezoning proposals at Kākātangiata and Aokautere. In previous years this is a level of service that was provided internally to support this type of plan change process. It is also noted that availability of consultant resources is becoming increasingly stretched across all technical work streams, particularly in the transport and three waters areas.

## **3. RISKS**

- 3.1 **Resource Management Reform** – Resource Management Reform will mean the substantive strategic planning function will be taken away from Council and given to Regional Planning Committees. These Committees will be responsible for developing Regional Spatial Plans and a Natural and Built Environment Regional Plan.
- 3.2 The transfer of all planning responsibilities to Regional Planning Committees mean these committees will effectively operate independently of Council. The regional focus of the spatial plans and Natural and Built Environment Regional Plans will mean the City's strategic growth priorities will be competing with other growth priorities across the Region. The risk is the Council will lose the ability to make decisions regarding the timing, location and funding of strategic growth options for the City in the future.
- 3.3 The nation-wide transition to the new Resource Management framework is likely to take 7-10 years. In this regard, the City is likely to be operating under the RMA framework over this period. This provides the Council a window of opportunity to lock-in the City's strategic growth priorities in the District Plan over this period while the organisation still retains the decision-making ability.
- 3.4 **Private Plan Changes** – If Council is not timely in the delivery of our urban growth work programme there is a risk that the market will opt to promote

private plan change processes to expediate development plans. This takes Council's planning resource away from progressing the formal urban growth work programme and opens the City up to uncoordinated and ad-hoc development outcomes in the future. Council officers are aware of 2 active private plan change requests that are under development and 1 inactive request.

- 3.5 **Stakeholder and Landowner Relationships** – Council officers have been working with a number of developers and have signalled to affected parties / landowners that these urban growth plan changes are a priority for the City. Delaying the work programme has opened Council up to reputational risk as the market needs certainty around commercial decisions and affected landowners need certainty about how to order their lives in the future.
- 3.6 **Land Supply and Affordability** - the City has a shortage of subdividable greenfield land. The residential greenfield land bank has less than 12 months of capacity remaining. A continued shortage of supply may exacerbate affordability issues currently evident in the city and may push development opportunities to locations outside of the city.

#### 4. PROGRESS UPDATE ON PLAN CHANGES

##### Current District Plan Changes

- 4.1 **Plan Change G: Aokautere (PCG)** – progressing towards a hearing in late 2023 (subject to commissioner availability and finalisation of evidence). As of 30 April 2023, \$155,000 had been spent this financial year. To progress PCG beyond the hearing stage another \$280,000 of work is likely to be required. This includes \$130,000 in 2022/23 and \$150,000 in 2023/24.
- 4.2 **Plan Change H: Kākātangiata (PCH)** – draft masterplan has been produced and technical analysis to support a proposed District Plan change are advanced. Significant work remains to be done, including plan drafting, three waters modelling and servicing assessments, transport assessment and structure planning. A draft plan change is unlikely to be completed until mid-late 2024. As of 30 April 2023, \$186,000 had been spent on PCH this financial year. An additional spend of \$500,000 is expected to be required to progress PCH to notification, this includes a further \$85,000 in 2022/23 and \$415,000 in 2023/24. A further \$300,000 will likely be required to get PCH through the hearing process in 2025.
- 4.3 **Plan Change I: Medium Density Residential Zone (PCI)** – well advanced, but awaiting three waters assessments, which will assist in finalising the extent of the proposed medium density zone. The former Huia Street Reserve, Summerhayes Reserve and the Albert Street depot site are intended to be rezoned to Medium Density Residential Zone as part of PCI. A draft plan change is expected to be completed in October 2023. As of 30 April 2023, \$155,000 had been spent on PCI this financial year. Additional spend of \$70,000 in 2022/23 is expected to be required to progress PCI to notification. A further \$100,000 will likely be required to progress PCI through the hearing

process in late 2024. \$25,000 of this is expected to fall within 2023/24 and another \$75,000 in 2024/25.

- 4.4 **Plan Change E: Roxburgh Crescent (PCE)** – well advanced. Technical reports are largely completed. The outcome on the consultation on the proposed Waterloo Park reserve land swap will determine the final structure plan form. A draft plan change is expected to be completed in September 2023. As of 30 April 2023, \$23,000 had been spent on PCE this financial year. Additional spend of \$25,000 is expected in 2022/23 financial year. A further \$25,000 is expected to be required to progress PCE to notification in late 2023. Another \$75,000 is expected to be required to progress PCE through the hearing process in 2024/25.
- 4.5 **Plan Change F: Ashhurst (PCF)** - technical work is well advanced, but progress has been delayed until flood and stormwater risks are better understood. Flooding and stormwater assessment work is expected to be completed in June 2023. The outcome of this reporting will determine the scope and extent of urban growth options for Ashhurst. Assuming the plan change progresses as planned, costs of \$60,000 are expected to progress the plan change to notification in 2023/24. A further \$100,000 of costs would be expected to progress PCF through the hearing process in 2024/25.
- 4.6 **Plan Change M: Airnoise Contours (PCM)** – preparing plan change proposal for notification in second half of 2023. As of 30 April 2023, \$30,000 had been spent on PCM this financial year. Further costs of \$30,000 are expected in the 2022/23 financial year. Additional costs of \$30,000 are expected to progress the plan change through to notification in late 2023. A further \$70,000 would be expected to progress PCM through the hearing process in 2024/25.

**Other upcoming planning projects (in order of priority)**

- 4.7 **Liquefaction mapping:** In December 2020 Government introduced a requirement for liquefaction to be considered as part of building consenting. To assist with considering the effects of liquefaction Council is required to update its District Plan to include city-wide liquefaction maps and risk assessment framework. Council's building consent processing is currently relying on outdated liquefaction mapping to inform decision-making. Work has not commenced on this. Preparation of this plan change would likely cost \$100,000, with a further \$50,000 to progress through the hearing process.
- 4.8 **Wāhi Tapu:** As part of the Sectional District Plan Review, wāhi tapu were not updated. Rangitāne o Manawatū have requested that a wāhi tapu review be initiated to enable better protection of their cultural heritage. The operative District Plan only contains 7 sites of significance in its Schedule of Objects and Sites of Cultural Heritage value to Tangata Whenua in Section 17 of the District Plan. Council officers have been advised that there are hundreds of potential sites that require protection. A District Plan change to update cultural heritage protections for wāhi tapu will likely be a complex process to work through, given the tensions between protecting sites and objects but also wanting to maintain privacy regarding their location to avoid

desecration of sites. Preparation of this plan change would likely cost \$50,000, with a further \$50,000 to progress through the hearing process.

- 4.9 **National planning standards and e-planning:** Council is required to implement planning standards and introduce an e-plan by 2025. Implementing this would require significant redesign and redrafting of the District Plan. To meet this deadline, the majority of the City Planning function would need to be redirected from urban growth planning. An alternative approach is to incrementally implement the planning standards through the urban growth plan changes through 2023 and 2024 and then follow up with a dedicated “mop-up” Planning Standards District Plan Change from 2025 onwards. This approach is consistent with Council’s decision to undertake a sectional District Plan Review but means Council would fail to meet the Government’s deadline to implement planning standards. This may be largely academic given the new planning legislation is expected to be passed in mid-2023, and that the new planning regime will require the development of a new regional Natural and Built Environment Plan. The system will take at least 5 years to transition. The new planning system is expected to align with the planning standards approach to plan drafting. Therefore, the benefit of implementing planning standards within the required timeframe (or not long after) is that a planning standards compliant District Plan for Palmerston North will more readily transfer into the new Natural and Built Environment Plan, providing a greater opportunity for the City to influence its future, rather than leaving this to a regional committee to decide. With current resourcing it is unlikely that Council could progress a significant urban growth programme and fully implement the National Planning Standards concurrently. To do so would require additional budget of \$200,000 in 2023/24 and 2024/25.
- 4.10 **Industrial Growth:** Council’s Business Needs Assessment is expected to confirm a low vacancy rate for our Industrial Zones and a need to rezone more land for industrial activities to support job growth and efficient markets. The 2019 Housing and Business Needs Assessment signalled that more industrial land would need to be rezoned for small to medium-scale industrial activities within the next 5 years (2024). The Te Utanganui Masterplan will also identify a need to rezone land for more large-scale freight and distribution industrial activities to support the medium and long-term growth of Te Utanganui. The Future Development Strategy will assist in identifying potential opportunities for rezoning and plan changes will need to be notified in 2024. Industrial growth planning is expected to cost \$400,000 (\$150,000 in 2023/24 and \$250,000 in 2024/25) to get to notification stage and a further \$150,000 to progress through a hearing in 2025/26.
- 4.11 **Business Zones Review:** Council’s business zone sections of its District Plan are at their 10-year review period. Minimal changes are expected. A plan change will be prepared to be notified by mid-2025. This plan change is expected to cost less than \$150,000 to progress through to a hearing.
- 4.12 **Designations:** Council is overdue reviewing the designations chapter of its District Plan. Many designations are likely to have lapsed, and the plan should be updated to reflect this. This is a largely administrative plan change and

requires limited budget to progress. This plan change is expected to cost less than \$25,000 to progress through to a hearing.

- 4.13 **Events in City-wide Reserves:** Large events in city-wide reserves are potentially creating technical non-compliances for noise effects. Rather than requiring one-off resource consents for each event, a more efficient and certain approach would be to legitimise events in City-wide Reserves through a discrete District Plan Change, which would likely enable events in a similar way to how noisy events are provided for at the Central Energy Trust Arena. This plan change is expected to cost less than \$50,000 to progress through to a hearing. An alternative approach is for Council to apply for a global resource consent, which would have a similar cost.
- 4.14 **Notable Trees:** The Vegetation Framework set an expectation that the notable tree schedule would be reviewed every 5 years. The last time the notable tree schedule was updated was in 2015. Infill and intensification development has become the primary form of development in the City since 2019. Anecdotally, this has resulted in canopy loss across the urban environment. Updating the notable tree register provides the opportunity to protect trees that have high arboriculture value. This plan change is expected to cost \$75,000 to progress through to a hearing, with costs split \$40,000 in 2023/24 and \$35,000 in 2024/25.
- 4.15 **Road network classification:** Waka Kotahi will be releasing requirements for Councils to update their District Plans to reflect the incoming Road Network Classification. This is a discrete planning issue and low priority and is likely to cost less than \$50,000 to progress through to notification and hearing.
- 4.16 **Omnibus rezoning:** There are several small private sites with discrete zoning adjustments required to meet a current or future need e.g. Birthing Centre. This plan change is anticipated to cost \$100,000 to commission the necessary geotechnical, contaminated land, urban design and transport assessments.
- 4.17 **Future Development Strategy:** Council is required to develop a Future Development Strategy. This strategic document is intended to inform the Long-Term Plan and future land-use planning. This document will be prepared alongside the Long-Term Plan and integrate with Council's broader Strategic direction. The main output of this work will be a spatial plan for the city. It is expected that \$50,000 of consultancy support will be required to progress this work in 2023/24.
- 4.18 To provide further context of the complexity and scale of the residential growth planning in progress, the masterplan for Kākātangiata, structure plans for Aokautere and Roxburgh Crescent, and a map of the spatial extent of the proposed Medium Density Zone have been appended to this memorandum.

## 5. ANALYSIS OF BUDGET NEEDS

5.1 The following tables provide a breakdown of actual spend for City Planning projects for 2021/22, budgeted costs for 2022/23, a forecasted spend for 2023/24 and additional budget required to accelerate the urban growth programme in the 2023/24:

**Table 2: Summary of City Planning budgets**

	<b>Actual 2021/22</b>	<b>Budget 2022/23</b>	<b>Budget 2023/24</b>	<b>Accelerate Urban Growth Programme need 2023/24:</b>
<b>Total \$</b>	1,768,677	1,076,000	678,900	491,100

**Table 3: Breakdown of City Planning budgets by financial year**

	<b>Actual \$ 2021/22</b>	<b>Budget 2022/23</b>	<b>Budget 2023/24</b>	<b>Accelerate Urban Growth Programme need 2023/24:</b>
Te Apiti Masterplan	19,344	-	-	-
Plan Change G: Aokautere	197,481	285,000	150,000	-
Plan Change H Kākātangiata	742,190	270,000	73,900	341,100
Plan Change E: Roxburgh Crescent	47,954	50,000	25,000	-
Plan Change F: Ashhurst Growth	12,960	2,000	60,000	-
Te Utanganui Masterplan	221,645			-
Plan Change M: Airnoise Contour Review	44,701	60,000	30,000	-
Plan Change I: Medium Density Residential Zone	34,579	70,000	25,000	-
Parking framework surveys - strategic transport projects	60,960	-	-	-
Civic and Cultural	275,045	+220,000 (Council	-	-

Precinct Master Plan		approved to repurpose budget for growth)		
Project director for Civic and Cultural Precinct Master Plan	55,613	3,800	-	-
Delivering Residential and Industrial Growth Planning (programme 2139)		200,000	-	-
<b>Other plan changes or projects</b>				
Liquefaction			100,000	
Wāhi tapu			50,000	
National Planning Standards				
Industrial Growth				150,000
Business Zone Review				
Designations			25,000	
Events in City-wide Reserves			50,000	
Notable Trees			40,000	
Road Network Classification				
Omnibus rezoning				
Future Development Strategy			50,000	
Other	56,205	135,200		
<b>Total \$</b>	<b>1,768,677</b>	<b>1,076,000</b>	<b>678,900</b>	<b>491,100</b>

## 6. NEXT STEPS

- 6.1 Additional budget of \$491,100 is required to accelerate urban growth planning work in 2023/24. If additional budget is not provided, then growth



work will need to be delivered at a slower pace and/or projects will need to be reprioritised.





6.2 As noted in the recommendations, the additional \$491,100 in 2023/24 could be reduced if the Council was willing to accept the risks and lost opportunities associated with deferring work on one or a combination of the "other plan changes or projects" listed in table 3. These were liquefaction (\$100,000), wāhi tapu (\$50,000), designations (\$25,000), events in citywide reserves (\$50,000) and notable trees (\$40,000). The Future Development Strategy is critical work.

6.3 Approval of additional budget is recommended to be referred to the 2023/24 Annual Budget deliberation.

**7. COMPLIANCE AND ADMINISTRATION**

Does Council have delegated authority to decide?	<b>Yes</b>
Are the decisions significant?	<b>Yes</b>
If they are significant do they affect land or a body of water?	<b>No</b>
Can this decision only be made through a 10 Year Plan?	<b>No</b>
Does this decision require consultation through the Special Consultative procedure?	<b>No</b>
Is there funding in the current Annual Plan for these actions?	<b>No</b>
Are the recommendations inconsistent with any of Council's policies or plans?	<b>No</b>
The recommendations contribute to Goal 1: An Innovative and Growing City	
The recommendations contribute to the achievement of action/actions in City Growth	
The action is to implement the National Policy Statement on Urban Development Capacity and update the District Plan to rezone identified growth areas for housing needs.	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	<p>The City Growth Plan primarily contributes to the Council's goal of an Innovative and Growing City. The National Policy Statement for Urban Development requires Council to provide enough land to meet the expected demand for development. Well-designed and connected city development will contribute to more affordable housing and long-term prosperity. In this regard, an appropriately resourced urban growth work programme to help Council achieve:</p> <ul style="list-style-type: none"> <li>- The outcomes embodied in Goal 1</li> </ul> <p>10 Year Plan City Growth Performance Measure 01 that requires enough land is zoned and infrastructure ready to meet housing growth demand.</p>

## ATTACHMENTS

1. Kākātangiata Masterplan [↓](#) 
2. Aokautere Structure Plan [↓](#) 
3. Draft Roxburgh Crescent Structure Plan [↓](#) 
4. Proposed Medium Density Residential Zone extent [↓](#) 















## MEMORANDUM

**TO:** Council

**MEETING DATE:** 31 May 2023

**TITLE:** 2023/24 Annual Budget - Deliberations

**PRESENTED BY:** Steve Paterson, Strategy Manager - Finance

**APPROVED BY:** Cameron McKay, Chief Financial Officer

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### RECOMMENDATION(S) TO COUNCIL

1. That Council receive:
  - a. the Engagement Summary (Attachment 1).
  - b. the Summary of Submissions (Attachment 2).
  - c. Officer comments to the Summary of Submissions (Attachment 3).
2. That Council instruct the Chief Executive to prepare a draft of the final Annual Budget document for consideration and adoption by the Council at its meeting on 14 June 2023 and that it incorporate the following:
  - a. The proposed operating budget changes as outlined in clause 2.2.1
  - b. The proposed operating programmes as outlined in the schedule titled "Annual Budget 2023/24 – Schedule of Proposed Operating Programmes" (Attachment 5);
  - c. The proposed capital new programmes including the amendments to carry forwards titled "Annual Budget 2023/24 – Schedule of Proposed Capital New Programmes" (Attachment 6);
  - d. The proposed capital renewal programmes including the amendments to carry forwards titled "Annual Budget 2023/24 – Schedule of Proposed Capital Renewal Programmes" (Attachment 7);
  - e. Any other changes including those resulting from decisions relating to referrals from previous Council meetings (clause 2.2.4 & Attachment 4);
  - f. An assumption that the Uniform Annual General Charge remain at \$200 and that targeted rates for services will be adjusted as necessary to reflect changes to the budgets for the activities concerned.
3. That Council approve the following changes to charges for swimming pools effective from 1 July 2023:
  - a. a maximum increase of \$0.80 for all casual admittance charges; and
  - b. a maximum increase of 15% for all concession charges.

## 1. ISSUE

This report is the vehicle through which the Council formally considers submissions to the Annual Budget. It is also the mechanism by which the Council, in light of community consultation, provides direction to enable officers to prepare a draft of the final Annual Budget.

## 2. BACKGROUND

### 2.1. Community Engagement

The Council decided to consult on the Annual Budget and in doing so sought feedback on the direction, budget and programmes proposed.

The consultation document prompted feedback by posing the following questions:

- What are your thoughts on our proposed annual budget 2023/24?
- What, if anything, would you like to see changed?
- Do you support the programmes we have recommended be deferred? If not, what do you suggest and why?
- Are there any specific activities or services we should be considering more or less of, and why?
- Do you have any ideas around how we could do think differently?
- Do you support the changes we have proposed to the user charges for trade waste, planning and miscellaneous services?

An **Engagement Summary** is attached for information (**Attachment 1**).

124 submissions were received (107 online, 13 emails, 2 letters, 1 form and 1 petition). 38 of the submitters signalled they wished to present orally to one of the four hearings sessions held by the Council. Minutes of those hearings meetings on 16 and 17 May are included in this agenda. Elected members have received copies of all submissions.

A **Summary of Submissions** is attached for information (**Attachment 2**).

As outlined in the summary the key issues/topics raised were:

- Aquatic facilities
- Cycling
- Climate change
- Proposed rates increase
- Safety
- Change to rates based on capital value

Comments made in relation to the user charges for trade waste, planning and miscellaneous services will be considered when reporting back to the Council to adopt these on 14 June.

A **Summary of Submissions (with officer comments)** is also attached for information (**Attachment 3**).

## 2.2. Proposed further changes to the annual budget

Since the proposed annual budget was agreed for consultation, there have been a number of issues that have arisen that need to be considered in addition to the public feedback, when finalising the budget and setting the rates. These are outlined in summary below and in more detail in the attached schedules.

When adopting the draft budget Council recognised that the budgetary assumptions being made for inflation and interest rates contained risks of being too low. The economic conditions still remain volatile and those risks remain.

Although no further change is being suggested to the assumptions, we do need to appreciate that services and programmes may not be able to be delivered within the budgetary provisions made. This will be monitored and reported on throughout the forthcoming year.

### 2.2.1 Proposed adjustments to operating budgets

As part of reviewing the draft budget, officers consider the following adjustments need to be made to operating budgets to either correct errors in the draft or reflect subsequent decisions of the Council:

	\$	Impact on rates	
<b>Grant for Surf Life saving</b>	14,600	Increase	Recommendation of the Community Development Committee 14 September 2022, agreed by Council 5 October 2022 (128-22) – not included in draft in error.
<b>Contribution to FoodHQ</b>	23,100	Increase	Council's \$65k contribution to FoodHQ is partially funded from other entities but the draft budget in error did not correctly record the net sum payable.
<b>Conference &amp; Function Centre revenue</b>	60,000	Increase	Error in draft budget
<b>Consultancy</b>	116,600	Decrease	Error in draft budget

<b>(Advocacy)</b>			
<b>Rating valuation services</b>	34,000	Increase	Council 3 May 2023 (67-23), Council approved up to \$47K.
<b>Insurance</b>	400,000	Increase	A range of insurance options are being considered in an effort to find an acceptable mix within the parameters of the draft annual budget. Latest indicative figures are that, even with changes to levels and nature of cover, the draft budget will not be sufficient. Further premium reductions will be possible only if the Council reduces cover for all buildings to indemnity value. At this stage this approach is not recommended.
<b>Swimming Pool operations</b>	Nil	Would be an increase of \$66k if no increase in entry fees approved	An additional subsidy for swimming pool operating costs would require additional rates funding of \$66k. Instead it is proposed CLM be enabled to increase entry charges – see <b>Attachment 4A</b>

### Rubbish bags

At its meeting on 15 March 2023 Council considered recommendations for increases in the price of kerbside rubbish bags. Council resolved to approve a maximum bag price of \$2.90 – this is considerably less than the sum recommended as being necessary to balance the anticipated deficit in the kerbside bag collection activity. At the time the advice was that a charge of \$3.60 would be necessary to eliminate the deficit and that if the charge was \$3.20 a deficit of \$200k was estimated. Based on the volume assumptions made the current budget now overstates the anticipated revenue by at least \$200k.

It is proposed that no further change be made to the budget, but the activity be monitored throughout the year. If necessary, options will be brought to the Council for consideration.

### 2.2.2 Proposed adjustments to operating programmes

**Attachment 5** is an updated schedule of all operating programmes. Where changes to a programme budget is proposed, commentary is provided.

### 2.2.3 Progress with the 2022/23 capital expenditure programme and impact on proposed 2023/24 programme – capital new and renewal

The proposed budget made an assumption that \$18.27m of capital programmes would need to be carried forward to 2023/24, made up of \$15.87m new and \$2.4m renewals. This assumption has now been reviewed.

Attachments 6 and 7 are updated schedules of capital new programmes and capital renewal programmes. These highlight a number of proposed changes including carry forward assumptions where there is a difference from the assumption in the draft annual budget released for consultation.

Proposed carry forwards now amount to \$16.35m (\$13.3m for capital new and \$3.05m for renewals).

In summary the updated capital programme is recommended to be as follows:

	10YP 2021-31 (2023/24) \$m	Annual Budget for Consultation \$m	Updated Recommendations Proposed Annual Budget \$m
Capital new programmes:			
- Carry forwards		15.87	13.30
- Remainder		<u>50.42</u>	<u>51.78</u>
Total	95.4	66.29	65.08
Capital renewal programmes			
- Carry forwards		2.40	3.05
- Remainder		<u>25.08</u>	<u>24.88</u>
Total	30.1	27.48	27.93
Grand Total	125.5	93.77	93.01

#### 2023/24 Capital Programme - Infrastructure

The proposed capital programme for 2023/24 is a considerable reduction on what was included in the 2021-31 Long-Term Plan. We are delivering fewer programmes, with a large portion of the budget being accounted for through several high-value projects, many of which are already underway. This improves the overall deliverability of the capital programme and will enable a step change in the level of capital spend that can be delivered, as a small number of projects will account for a considerable amount of the overall spend.

Further enhancing the deliverability of the programme in 2023/24 is the high level of programmes, circa \$46m or 50% of the overall capital spend, that are already underway, procured, and committed. This is demonstrated below:

- \$12.7m is committed to projects already in construction.
- \$11.7m is under contract for construction during in the 2023/24 financial year.

- \$10.1m is to be delivered by the in-house workforce.
- \$11.4m Waka Kotahi Transport Choices and Streets for People.

A further circa \$5m is also ready for construction procurement as we move into the new financial year and a further \$1.8m is for design for future years. Noting that having design ready prior to the year of construction is a critical factor in addressing deliverability and much of this work is a continuum of work already underway.

A key programme revision that has occurred since the draft Annual Budget was the reassessment of the Wastewater Discharge Consent Programme. It was anticipated that a core focus of this project in 2023/24 would be responding to Section 92 requests for information. As the consent application process is still being worked through, officers propose the budget be revised from \$5m to \$3m to reflect this delay.

To support the above comments and provide further confidence to Council, Officers have provided programme categorisation and commentary for each of the programmes. A summary of this is provided below.

#### Categorisation of Infrastructure Capital programmes for 2023/24

Category	Definition	Capital New \$m	Renewal \$m
0	Budget committed: includes inhouse work force delivery	21.22	15.22
1	Safety or legislative requirement	16.51	3.54
2	Risk of imminent failure/ deterioration or growth funded	11.02	6.83
3	Community Partnership/ awareness	2.10	0.05
4	Deferred to LTP	-	-
5	Not Required	-	-
6	90-100% externally funded	12.90	-

Carry Forwards from 2022/23 into the 2023/24 programme have been scrutinised and proposed only where required to complete works under contract or ensure sufficient budget is available to deliver the programme. This is evidenced by a very minimal increase in the carry-forward amount since the draft budget, and very few additional carry-forwards being put forward.

#### Impact of capital programme on rates

Capital renewals are funded from external revenue (when available) and then from rates based on the three-year rolling average of anticipated renewals. The current draft of the budget assumes \$27.7m will be sourced from rates in 2023/24 compared with \$28.3m in 2022/23.

New capital expenditure is funded from external revenue (when available) and the balance from debt. The current draft of the budget assumes \$50.8m of additional debt will be raised during the year to fund this capital expenditure. Our interest cost assumption is this will add \$2.13m pa to rates and half of this i.e. \$1.07m for 2023/24. The budget also assumes these capital new programmes will add \$0.76m to operating costs for 2023/24.

#### 2.2.4 Council referrals for consideration

Council itself has resolved that a number of matters are to be considered when finalising the annual budget. These include the following and the background to each of these items is detailed in **Attachment 4**.

Issue	Committee	Resolution	Comment
Achievement of KPI of sufficient zoned land for three years' worth of commercial and residential development	Strategy & Finance Committee 22 March 2023	That the Chief Executive report back on what resources and actions are required to achieve the KPI of sufficient zoned land for three years' worth of commercial and residential development.	See separate agenda item to this meeting.
Additional funding requests from Te Manawa (\$250k) and the Globe (\$50k)	Culture & Sport Committee 19 April 2023	That the Committee refer Te Manawa Museums Trust's request for an additional \$250,000 (for the 2023/24 year) to the Annual Budget deliberations.  That the Committee refer the Globe Theatre Trust's request for an increase of \$50,000 to their Council grant to the Annual Budget deliberations.	See additional supporting material from Te Manawa  <b>(Attachment 4B)</b>
Central Library Roof Works	Council 5 April 2023	That the Chief Executive prepare a programme to repair or replace the roof of the City Library for consideration in the 2023/24 Annual Budget.	See update <b>(Attachment 4C)</b>
Food Resilience Policy	Council 5 October 2022	That investment of \$20,000 for development of a Food Resilience Policy be referred to the Annual Budget 2023/24 budget process for consideration.	

Issue	Committee	Resolution	Comment
Funding of Rural Games NZ	Council 3 May 2023	That Council confirm: OPTION TWO Refer a new programme of up to \$100k (\$75K cash and \$25K in-kind) per year for five years to support the NZ Rural Games to the Annual Budget 2023/24 deliberations in May/June.	See additional material ( <b>Attachment 4D</b> )
NZ Food Awards	Council 5 April 2023	That Council confirm: Option One Include a new programme of up to \$64K over three years to support the New Zealand Food Awards as part of the Annual Budget 2023/24 deliberations in May/June.  (This represents \$12k in 2023/24, \$12k in 2024/25 & \$40k in 2025/26)	See additional material ( <b>Attachment 4E</b> )
College St/ Botanical Rd intersection	Economic Growth Committee 12 April 2023	That the Committee refer an additional Capital New Programme of \$120,000 to the 2023/24 Annual Budget deliberations to enable the right turn infrastructure and phases change work to be implemented at the College St/ Botanical Road intersection (Option 1).	
Artist in Residence Scheme	Arts, Culture & Heritage Committee 10 August 2022	That Council funding of accommodation for the Artist in Residence programme be referred to the Annual Budget 2023/24 process, unless efforts to secure ongoing accommodation are successfully concluded prior to the Annual Budget 2023/24 process.	See additional material ( <b>Attachment 4F</b> )
Grant for Niuvaka Trust	Community Committee 24 May 2023	That the request for funding for \$235k be referred to the Annual Budget deliberations.	Additional material will be circulated or tabled
Age friendly status & funding	Community Committee 24 May 2023	That the Committee refer a programme to develop an Age Friendly strategy/plan to the Annual Budget deliberations.	



### 2.3 Rating incidence

The Consultation Document and Supporting Information contained a number of assumptions about the rating system for 2023/24. In addition to those about the levels of the fixed charges for services, it was also assumed there would be no changes to the differential surcharges and that the Uniform Annual General Charge ("UAGC"- fixed charge) would be \$200. Council instructed that, as part of the reporting back following consultation, information be provided to show the potential impact on rates incidence if the UAGC was assessed at \$200, \$100 and \$50.

The tables following show the impact on rates incidence at the three UAGC levels.

<b>% of total rates</b>	<b>\$200</b>	<b>\$100</b>	<b>\$50</b>
Single unit residential	63.1	62.5	62.2
Multi unit residential	5.6	5.7	5.7
Miscellaneous	2.5	2.5	2.5
Commercial/industrial	25.0	25.6	25.9
Rural/semi-serviced	3.8	3.7	3.7
	100.0	100.0	100.0

<b>Rates share \$m</b>	<b>\$200</b>	<b>\$100</b>	<b>\$50</b>
Single unit residential	87.69	86.85	86.43
Multi unit residential	7.79	7.85	7.87
Miscellaneous	3.48	3.50	3.51
Commercial/industrial	34.73	35.61	36.06
Rural/semi-serviced	5.25	5.13	5.07
	138.94	138.94	138.94

Reducing the UAGC to \$100 would increase the share borne by Commercial/industrial properties by 0.6% or \$0.88m

**Examples of total rates for single unit properties at the three levels of UAGC**

Land Value	Total rates with varying levels of UAGC		
	\$200	\$100	\$50
200,000	2,012	1,941	1,906
250,000	2,228	2,164	2,132
300,000	2,443	2,387	2,359
350,000	2,659	2,610	2,585
400,000	2,874	2,832	2,812
450,000	3,090	3,055	3,038
500,000	3,305	3,278	3,265
550,000	3,521	3,501	3,491
600,000	3,736	3,724	3,717
650,000	3,952	3,946	3,944
700,000	4,167	4,169	4,170
750,000	4,383	4,392	4,397
800,000	4,598	4,615	4,623
850,000	4,814	4,838	4,850
900,000	5,029	5,060	5,076
950,000	5,245	5,283	5,303
1,000,000	5,460	5,506	5,529
468,000	3,167	3,135	3,120

**Selection of examples of total rates for other categories of property at the three levels of UAGC**

	Avg LV	\$200	\$100	\$50
Commercial/industrial	1,022,000	17,335	17,799	18,031
Rural (>5ha)	1,373,000	2,179	2,143	2,124
Rural (>0.2ha & <5ha)	549,000	1,805	1,756	1,731
2 unit residential	561,000	5,463	5,476	5,483

Reducing the UAGC to \$100 would decrease rates for all residential properties with land values less than \$700k. It would also decrease rates for rural properties, and increase rates for multi-unit residential & commercial/industrial properties.








**3. NEXT STEPS**

Direction provided by the Council will assist officers to prepare a draft of the final Annual Budget. It is intended this will be considered and adopted at the Council meeting on 14 June 2023. Council's original timetable assumed adoption would occur at the ordinary Council meeting on 28 June 2023, but it is hoped this will not be necessary. In the past the meeting in mid-June has been a Committee of Council one and that Committee did not have the authority to adopt the budget and set the rates. Given the number of financial system changes due to occur on 1 July 2023 it will greatly assist staff if adoption of the Annual Budget and the setting of the rates can be concluded on 14 June 2023.

**4. COMPLIANCE AND ADMINISTRATION**

Does Council have delegated authority to decide?	<b>Yes</b>
Are the decisions significant?	<b>No</b>
If they are significant do they affect land or a body of water?	<b>No</b>
Can this decision only be made through a 10 Year Plan?	<b>No</b>
Does this decision require consultation through the Special Consultative procedure?	<b>No</b>
Is there funding in the current Annual Plan for these actions?	<b>Yes</b>
Are the recommendations inconsistent with any of Council's policies or plans?	<b>No</b>
The recommendations contribute to Goal 5: A Driven & Enabling Council	
The recommendations contribute to the achievement of action/actions in (Not Applicable)	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	Adopting the Annual Budget is an essential part of the process of facilitating the achievement of the Council's strategic direction.

**ATTACHMENTS**

1. Attachment 1 - Engagement Summary [↓](#) 
2. Attachment 2 - Summary of Submissions [↓](#) 
3. Attachment 3 - Officer Comments on Submissions [↓](#) 
4. Attachment 4 - Additional Information [↓](#) 
5. Attachment 5 - Schedule of Operating Programmes [↓](#) 
6. Attachment 6 - Schedule of Capital New Programmes [↓](#) 
7. Attachment 7 - Schedule of Capital Renewal Programmes [↓](#) 





































































































































































































































































































































































































































































## RECOMMENDATIONS FROM COMMITTEE

**TO:** Council

**MEETING DATE:** 31 May 2023

**TITLE:** Presentation of the Part I Public Strategy & Finance Committee’s Recommendations from its 10 May 2023 Meeting

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Set out below are the recommendations only from the Strategy & Finance Committee meeting Part I Public held on 10 May 2023. The Council may resolve to adopt, amend, receive, note or not adopt any such recommendations. (SO 3.18.1)

**25.3-23 to 25.5-23**      **Quarterly Performance and Financial Report - Period Ending 31 March 2023**

Memorandum, presented by Scott Mancer, Finance Manager, Sue Kelly, Manager - Project Management Office and Andrew Boyle, Head of Community Planning.

The **COMMITTEE RECOMMENDS**

3. That Council approve an overspend in the following operating activity budgets:
  - a. Manawatū River- of \$135,000, and
  - b. Active & Public Transport- of \$480,000.
4. That Council note that the increases in a) and b) are expected to be offset from savings in Council's other activities, with this to be reported back in the 4<sup>th</sup> quarter report.
5. That Council approve a Capital Renewal budget transfer between activities of \$50,000, reducing 1051-CET Arena - Arena Renewals by \$50,000 and increasing 1825-City Reserves - Manawatū River Park – Renewals by \$50,000.

**28-23**      **Amendment to the Palmerston North Traffic and Parking Bylaw 2018 (Light Motor Vehicle Prohibitions) - Deliberations Report**

The **COMMITTEE RECOMMENDS**

2. That Council adopt the proposed amendment for Light Motor Vehicle Prohibitions to the Palmerston North Traffic and Parking Bylaw 2018 and Palmerston North Traffic and Parking Bylaw 2018 Administration Manual, (Attachments 2 and 3 of the memorandum).

**31-23**

**Remit to Local Government New Zealand 2023 Annual General Meeting**

Memorandum, presented by Hannah White, Democracy & Governance Manager.

The **COMMITTEE RECOMMENDS**

1. That Council endorse the 2023 remit proposal from New Plymouth District Council (Attachment 1).

## RECOMMENDATIONS FROM COMMITTEE

**TO:** Council

**MEETING DATE:** 31 May 2023

**TITLE:** Presentation of the Part I Public Community Committee's Recommendations from its 24 May 2023 Meeting

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Set out below are the recommendations only from the Community Committee meeting Part I Public held on 24 May 2023. The Council may resolve to adopt, amend, receive, note or not adopt any such recommendations. (SO 3.18.1)

**18-23**      **Development Subsidy request from the Methodist Church of New Zealand Te Haahi Weteriana o Aotearoa Manawatū Rangitikei Methodist Parish**

Memorandum, presented by Stephanie Velvin, Community Development Manager.

### RECOMMENDATION TO COUNCIL

1. That Council approve a Development Subsidy of \$13,000 for the Methodist Church of New Zealand Te Haahi Weteriana o Aotearoa Manawatū Rangitikei Methodist Parish.