



PAPAIOEA
PALMERSTON
NORTH
CITY

PALMERSTON NORTH CITY COUNCIL

AGENDA

STRATEGY & FINANCE COMMITTEE

9:00 AM, WEDNESDAY 13 NOVEMBER 2024

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

MEMBERS

Vaughan Dennison (Chair)
Karen Naylor (Deputy Chair)
Grant Smith (The Mayor)

Mark Arnott
Brent Barrett
Low Findlay (QSM)
Patrick Handcock
(ONZM)
Leonie Hapeta

Lorna Johnson
Orphée Mickalad
William Wood
Kaydee Zabelin

AGENDA ITEMS, IF NOT ATTACHED, CAN BE VIEWED AT

pncc.govt.nz | Civic Administration Building, 32 The Square
City Library | Ashhurst Community Library | Linton Library

Waid Crockett

Chief Executive | PALMERSTON NORTH CITY COUNCIL

STRATEGY & FINANCE COMMITTEE MEETING

13 November 2024

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 Committee matters.

(NOTE: If the Committee 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 Strategy & Finance Committee meeting of 14 August 2024 Part I Public be confirmed as a true and correct record.

7. Quarterly Performance and Financial Report - period ending 30 September 2024

Page 15

Memorandum, presented by Scott Mancer, Manager - Finance and John Aitken, Manager - Project Management Office.

8. Treasury Report - quarter ending 30 September 2024

Page 81

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

9. Local Water Done Well Funding Reallocation

Page 93

Report, presented by Scott Mancer, Manager - Finance and Julie Keane, Transition Manager.

10. Palmerston North City District Plan: Proposed Plan Change I - Increasing Housing Supply and Choice

Page 99

Memorandum, presented by Jono Ferguson-Pye, City Planning Manager and Sarah Jenkin, Consultant Planner.

11. Elected Member Expenditure 2023/24

Page 113

Memorandum, presented by Scott Mancer, Manager - Finance.

- 12. Deliberations - Draft Dangerous, Affected, and Insanitary Buildings Policy 2024** Page 119
Report, presented by Lili Kato, Policy Analyst.
- 13. Draft Waste Management and Minimisation Bylaw - approval for consultation** Page 157
Report, presented by Peter Ridge, Senior Policy Analyst.
- 14. Policy and bylaw work programme 2024-2027** Page 229
Memorandum, presented by Julie Macdonald, Manager Strategy and Policy.
- 15. Small vehicle fleet ownership and long-term lease investigation results** Page 241
Memorandum, presented by Cameron McKay, General Manager Corporate Services.
- 16. Public Notification of a Community Occupancy Lease to Manawatū Racing Pigeon Club Incorporated** Page 285
Report, presented by Bill Carswell, Manager Property and Resource Recovery.
- 17. Public Notification of a Community Occupancy Lease to Manawatū Woodworkers Guild Incorporated** Page 295
Report, presented by Bill Carswell, Manager Property and Resource Recovery.
- 18. 916 Tremaine Avenue (part of Vautier Park) - Proposal to grant lease of Council land to Red Sox Sports Club Incorporated** Page 307
Memorandum, presented by Bill Carswell, Manager Property and Resource Recovery.
- 19. 65 Totara Road - Proposal to grant lease of Council land to Manawatū Amateur Radio Society Branch 20 NZ Art Incorporated** Page 311
Memorandum, presented by Bill Carswell, Manager Property and Resource Recovery.

20. Committee Work Schedule

21. Karakia Whakamutunga

22. Exclusion of Public

To be moved:

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

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

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

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

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

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

PALMERSTON NORTH CITY COUNCIL

Minutes of the Strategy & Finance Committee Meeting Part I Public, held in the Council Chamber, First Floor, Civic Administration Building, 32 The Square, Palmerston North on 14 August 2024, commencing at 9.00am.

Members Present: Councillor Vaughan Dennison (in the Chair), The Mayor (Grant Smith) and Councillors Karen Naylor, Mark Arnott, Brent Barrett, Lew Findlay, Leonie Hapeta, Lorna Johnson, Orphée Mickalad, William Wood and Kaydee Zabelin.

Non Members: Councillors Rachel Bowen, Debi Marshall-Lobb and Billy Meehan.

Apologies: Councillors Pat Handcock and Leonie Hapeta (early departure).

Councillor Leonie Hapeta left the meeting at 10.05am during consideration of clause 36. She returned to the meeting at 10.08am during consideration of clause 37. She left the meeting at 11.34am during consideration of clause 39. She was not present for clauses 36 and 39 to 45 inclusive.

Councillor Rachel Bowen left the meeting at 10.56am during consideration of clause 37. She was not present for clauses 37 to 45 inclusive.

The Mayor (Grant Smith) was not present when the meeting resumed at 11.17am. He was not present for clauses 38 to 45 inclusive.

Karakia Timatanga

Councillor Kaydee Zabelin opened the meeting with karakia.

33-24 Apologies

Moved Vaughan Dennison, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the Committee receive the apologies.

Clause 33-24 above was carried 14 votes to 0, the voting being as follows:

For:

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

34-24 **Confirmation of Minutes**

Moved Vaughan Dennison, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the minutes of the Strategy & Finance Committee meeting of 8 May 2024 Part I Public and Part II Confidential be confirmed as a true and correct record.

Clause 34-24 above was carried 13 votes to 0, with 1 abstention, the voting being as follows:

For:

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

Abstained:

Councillor Billy Meehan.

35-24 **Quarterly Performance and Financial Report - period ending 30 June 2024**

Memorandum, presented by Scott Mancer, Manager - Finance and John Aitken, Manager – Project Management Office.

Moved Vaughan Dennison, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the Committee receive the memorandum titled 'Quarterly Performance and Financial Report – period ending 30 June 2024', and related attachments, presented on 14 August 2024.
2. That the Committee note that \$1.2M of prior year capital expenditure relating to planning, design and tendering work for the CAB Strengthening Project was written off to expenses in FY2024 due to decisions made through the Long-Term Plan 2024-2034 process.

The **COMMITTEE RECOMMENDS**

3. That Council approve the adjustments to carry forward values, including adjustments to Better off Funding, per the carry forward report (Attachment 6 to the 'Quarterly Performance and Financial Report – period ending 30 June 2024', presented to the Strategy & Finance Committee on 14 August 2024).
4. That Council amend section 5.4.1 of the Delegation Manual to read:
 - 5.4.1 (d) applies except for the Low Carbon fund, where
 - (e) the Chief Executive may allocate up to 100% of the Low Carbon Fund programme budget in any financial year, either alone or in total: to any Activity, whether Capital New or Capital

Renewal.

Clause 35-24 above was carried 14 votes to 0, the voting being as follows:

For:

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

36-24

Treasury Report - year ending 30 June 2024

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

Councillor Leonie Hapeta left the meeting at 10:05am.

Moved Vaughan Dennison, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the Committee note the performance of Council's treasury activity for the year ending 30 June 2024.

Clause 36-24 above was carried 13 votes to 0, the voting being as follows:

For:

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

37-24

City Planning Priorities and 3-Year Work Programme

Memorandum, presented by Jono Ferguson-Pye, City Planning Manager.

Councillor Leonie Hapeta returned to the meeting at 10:08am.

Councillor Rachel Bowen left the meeting at 10:56am.

Moved Vaughan Dennison, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the Committee receive the memorandum titled 'City Planning Priorities and 3-Year Work Programme' presented to the Strategy & Finance Committee on 14 August 2024.

Clause 37-24 above was carried 13 votes to 0, the voting being as follows:

For:

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

The meeting adjourned at 11.00am.

The meeting resumed at 11.17am.

The Mayor (Grant Smith) was not present when the meeting resumed.

38-24 Palmerston North City District Plan: Proposed Plan Change E: Roxburgh Residential Area

Memorandum, presented by Jono Ferguson-Pye, City Planning Manager and Andrea Harris, Technical Principal - Planning, WSP.

Moved Vaughan Dennison, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the Committee approve the Palmerston North City District Plan: Proposed Plan Change E – Roxburgh Residential Area (Attachment 1) for public notification under clause 5, schedule 1 of the Resource Management Act 1991.
2. That the Chief Executive prepare a public consultation document for part of the Council owned land at 22 Roxburgh Crescent to be classified as Recreation Reserve, and the balance part to be classified as Local Purpose (Road) Reserve, pursuant to section 14 of the Reserves Act 1977, and for this consultation to be undertaken in parallel with the public notification of the Palmerston North City District Plan: Proposed Plan Change E – Roxburgh Residential Area.

Clause 38-24 above was carried 12 votes to 0, the voting being as follows:

For:

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

39-24 Statutory review of the Signs and Use of Public Places Bylaw 2015 (s155 LGA determination report) and initiation of the review of the Policy for the Use of Public Space 2019

Memorandum, presented by Ann-Marie Mori, Policy Analyst and Stacey Solomon, Policy Analyst.

Councillor Leonie Hapeta left the meeting at 11:34am.

Moved Vaughan Dennison, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the Strategy & Finance Committee receive the findings in the 'Palmerston North Signs and Use of Public Places Bylaw 2015 Review - Section 155 Determination Report' included as Attachment 1 to this report.
2. For the purpose of meeting the requirements of s.155(1) of the Local Government Act 2002 (LGA), the Committee agree:
 - a) the perceived problem is that the shared use of Council-controlled public places in Palmerston North can create health, safety, nuisance, and accessibility issues;
 - b) a bylaw response is the most appropriate way to address the perceived problem; and
 - c) that the statutory review of the Palmerston North Signs and Use of

Public Places Bylaw 2015 required by s.155(1) of the LGA is complete.

3. That the Chief Executive prepare further advice for the Committee on amending the current Bylaw for consultation approval, including the determinations needed to meet the requirements of s.155(2) (a) and (b) of the LGA.
4. That the Committee note the initial stages of the Policy for the Use of Public Space 2019 review will be done alongside the review of the Palmerston North Signs and Use of Public Places Bylaw 2015.

Clause 39-24 above was carried 11 votes to 0, the voting being as follows:

For:

Councillors Vaughan Dennison, Karen Naylor, Mark Arnott, Brent Barrett, Lew Findlay, Lorna Johnson, Orphée Mickalad, William Wood, Kaydee Zabelin, Debi Marshall-Lobb and Billy Meehan.

40-24

Approval to consult on the draft Dangerous, Affected, and Insanitary Buildings Policy 2024

Report, presented by Lili Kato, Policy Analyst.

Moved Vaughan Dennison, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That Council approve the draft Dangerous, Affected, and Insanitary Buildings Policy for consultation (included in Attachment 1: Statement of Proposal – Draft Dangerous, Affected, and Insanitary Buildings Policy 2024).

Clause 40-24 above was carried 10 votes to 0, the voting being as follows:

For:

Councillors Vaughan Dennison, Karen Naylor, Mark Arnott, Brent Barrett, Lew Findlay, Lorna Johnson, William Wood, Kaydee Zabelin, Debi Marshall-Lobb and Billy Meehan.

Note:

Councillor Orphee Mickalad did not vote.

41-24

Reserve Declarations and Classifications

Report, presented by Aaron Phillips, Activities Manager Parks.

The Officer amended the recommendations to exclude Roxburgh Crescent Reserve from the reserves listed in Appendix 1.

Moved Vaughan Dennison, seconded Karen Naylor.

The **COMMITTEE RECOMMENDS**

1. That Council propose to declare all land parcels contained in Appendix 1: *Reserves for Declaration and Classifications* and identified in Column 5, excluding Roxburgh Crescent Reserve under Section 14 of the Reserves Act 1977, to be reserves.
2. That Council propose to classify all reserves and land parcels

identified in Column 5 of the table contained in Appendix 1: *Reserves for Declaration and Classifications*, under Section 14 of the Reserves Act 1977, excluding Roxburgh Crescent Reserve to be classified as per the classifications contained in Column 3.

3. That Council propose to classify all reserves and land parcels identified in Column 6 of the table contained in Appendix 1: *Reserves for Declaration and Classifications*, under Section 16 of the Reserves Act 1977, to be classified as per the classifications contained in Column 3.
4. That Council propose to re-classify the three land parcels of Pari Reserve identified in Column 7 of the table contained in Appendix 1: *Reserves for Declaration and Classifications*, under Section 24 of the Reserves Act 1977, from Recreation to Local Purpose: Stormwater.

The **COMMITTEE RESOLVED**

5. That the Committee note that the proposals contained within recommendations 1-4 above are subject to a Section 119 and Section 120 Reserves Act 1977 consultation process with the community; and all submitters will be offered the opportunity to speak to their submissions as per Section 120.
6. That the Chief Executive report back on the results of the Section 119 and Section 120 consultation with recommendations.

Clause 41-24 above was carried 11 votes to 0, the voting being as follows:

For:

Councillors Vaughan Dennison, Karen Naylor, Mark Arnott, Brent Barrett, Lew Findlay, Lorna Johnson, Orphée Mickalad, William Wood, Kaydee Zabelin, Debi Marshall-Lobb and Billy Meehan.

42-24

Whakarongo Land Swap - Consultation Submissions Summary

Memorandum, presented by Bryce Hosking, Manager - Property and Resource Recovery, and Perene Green, Property Officer.

Moved Vaughan Dennison, seconded Karen Naylor.

The **COMMITTEE RECOMMENDS**

1. That Council proceed with the land swap with Summerset Villages (Kelvin Grove) Limited within the Whakarongo Growth Area as agreed by Council 1 May 2024, noting no submissions were received from consultation under the Reserve Act 1977.

Clause 42-24 above was carried 11 votes to 0, the voting being as follows:

For:

Councillors Vaughan Dennison, Karen Naylor, Mark Arnott, Brent Barrett, Lew Findlay, Lorna Johnson, Orphée Mickalad, William Wood, Kaydee Zabelin, Debi Marshall-Lobb and Billy Meehan.

43-24 Public Notification of a Community Occupancy Lease to Manawatū Amateur Radio Society Branch 20 NZ Art Incorporated

Public Notification of a Community Occupancy Lease to Red Sox Sports Club Incorporated

Reports, presented by Bryce Hosking, Group Manager Property and Resource Recovery and Perene Green, Property Officer.

Items 15 and 16 were taken together.

Moved Vaughan Dennison, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the Committee continue to support Manawatū Amateur Radio Society Branch 20 NZ Art Incorporated by notifying the public of its intention to grant community occupancy of Council land at 65 Totara Road, Palmerston North in accordance with the Support and Funding Policy 2022.
2. That the Committee note the land affected by the community occupancy of Manawatū Amateur Radio Society Branch 20 NZ Art Incorporated is described as Lot DP 26198.
3. That the Committee continue to support Red Sox Sports Club Incorporated by notifying the public of its intention to grant community occupancy of Council land at 916 Tremaine Avenue (part of Vautier Park), Palmerston North in accordance with the Support and Funding Policy 2022 and Section 54 of the Reserves Act 1977.
4. That the Committee note the land affected by the community occupancy of Red Sox Sports Club is described as Part Section 249 TN of Palmerston North.

Clause 43-24 above was carried 11 votes to 0, the voting being as follows:

For:

Councillors Vaughan Dennison, Karen Naylor, Mark Arnott, Brent Barrett, Lew Findlay, Lorna Johnson, Orphée Mickalad, William Wood, Kaydee Zabelin, Debi Marshall-Lobb and Billy Meehan.

44-24 Ongley Park - Proposal to grant a lease on Council land to Rose Gardens Croquet Club Incorporated

Ongley Park - Proposal to grant a lease on Council land to Manawatu Cricket Incorporated

Memorandums, presented by Bryce Hosking, Group Manager Property and Resource Recovery and Perene Green, Property Officer.

Items 17 and 18 were taken together.

Moved Vaughan Dennison, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the Committee grant a lease of the land at Ongley Park, Palmerston North as part of Lot 2 DP 77988 to Rose Gardens Croquet Club Incorporated in accordance with the Support and Funding Policy 2022.
2. That the Committee grant a lease of the land and part building at Ongley Park, Palmerston North as part of Section 248 Town of Palmerston North, WN16B/1168 to Manawatū Cricket Incorporated, in accordance with Council's Support and Funding Policy and Section 54 of the Reserves Act 1977.

Clause 44-24 above was carried 11 votes to 0, the voting being as follows:

For:

Councillors Vaughan Dennison, Karen Naylor, Mark Arnott, Brent Barrett, Lew Findlay, Lorna Johnson, Orphée Mickalad, William Wood, Kaydee Zabelin, Debi Marshall-Lobb and Billy Meehan.

45-24 Committee Work Schedule

Moved Vaughan Dennison, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the Committee receive its Work Schedule dated August 2024.

Clause 45-24 above was carried 11 votes to 0, the voting being as follows:

For:

Councillors Vaughan Dennison, Karen Naylor, Mark Arnott, Brent Barrett, Lew Findlay, Lorna Johnson, Orphée Mickalad, William Wood, Kaydee Zabelin, Debi Marshall-Lobb and Billy Meehan.

Karakia Whakamutunga

Councillor Kaydee Zabelin closed the meeting with karakia.

The meeting finished at 12.12pm.

Confirmed 13 November 2024

Chair

MEMORANDUM

TO: Strategy & Finance Committee

MEETING DATE: 13 November 2024

TITLE: Quarterly Performance and Financial Report - period ending 30 September 2024

PRESENTED BY: Scott Mancer, Manager - Finance and John Aitken, Manager - Project Management Office

APPROVED BY: Cameron McKay, General Manager Corporate Services

RECOMMENDATION TO STRATEGY & FINANCE COMMITTEE

1. That the Committee receive the memorandum titled 'Quarterly Performance and Financial Report – period ending 30 September 2024', and related attachments, presented to the Strategy & Finance Committee on 13 November 2024.

RECOMMENDATION TO COUNCIL

2. That Council approve the adjustments to activities due to an internal realignment per Attachment 4 - Realignment Budget Variations.
-

1. ISSUE

To provide an update on the performance and financial achievements of the Council for the period ending 30 September 2024.

2. BACKGROUND

Details of operating and financial performance are included in the attached report, with further information provided through the appendices to the report.

3. REALIGNMENT BUDGET VARIATIONS & ASSOCIATED UPDATE OVERHEAD ADJUSTMENTS

- 3.1 The Chief Executive implemented a new organisational structure from 1 July 2024. As those changes impacted where teams reside, this has had implications for the overhead distribution model. At the time of the Long-Term Plan adoption (including the overhead model), we were yet to quantify the level of change required.
- 3.2 One of the biggest changes has been as a result of the fleet usage not correctly allocating to the users of the fleet. As such, the biggest change proposed is to correctly allocate the fleet usage to one of the biggest users, Resource Recovery.

- 3.3 There have been some other minor changes as a result of the new Corporate Services Group and where in the calculation order the associated Divisions are processed.
- 3.4 There is no increase to the budget as part of this proposal. The changes proposed are all to reallocate across the activities to fairly reflect the costs each activity is incurring.
- 3.5 If these changes are not processed from a budget position, there will be variances generated each month that will require the explanation of Officers.
- 3.6 The Chief Executive's Financial Delegation for altering budgets relies on the activity budget to be correctly set. A consequence of this not being done correctly is that more items would require Council approval, resulting in further delays to progressing work, pending the approval of Council before Officers could enact decisions.





4. NEXT STEPS

The December 2024 results will be presented to Strategy & Finance Committee.

5. COMPLIANCE AND ADMINISTRATION

Does the Council have delegated authority to decide?	Yes
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these actions?	No
Are the recommendations inconsistent with any of Council's policies or plans?	No
The recommendations contribute to: All of Council's Goals.	
The recommendations contribute to the achievement of objectives in: (Not Applicable) (Not Applicable) The objective is: to enable Council to exercise governance by reviewing financial performance and operating performance and provide accountability for these to the public.	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	As above.

ATTACHMENTS

1. Quarterly Performance and Financial Report - period ending 30 September 2024 [↓](#) 
2. Quarterly Report - Appendix 1 [↓](#) 
3. Quarterly Report - Appendices 2-9 [↓](#) 
4. Attachment 4 - Realignment Budget Changes [↓](#) 

Performance and Financial Report to Council

September 2024

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Chief Executive's Summary

This report covers the first quarter of the 2024/25 financial year. At the end of September Council's net operating position was 0.4M favourable against the revised (and phased) budget. This variance is predominantly related to professional services spend for the Digital Transformation programme due to timing and delays, although the programme budget is anticipated to be fully utilized by the end of this financial year.

Key variances across operating revenue and expenditure and further information outlining operating variances is provided in the subsequent sections of this report and associated appendices.

Some cost pressures that have been identified through the first quarter include utilities (power and gas), which are tracking higher than budget so far, and capitalised remuneration and overheads. Whilst it is too early to determine the impact on these, Management will work to monitor, analyse and manage the budgets to the parameters set in year 1 of the LTP.

The total capital spend for Quarter 1 of the FY2025 financial year reached 12.5M as compared to 16.7M for the first quarter of FY2024. The variance against budget is predominantly related to delays in works due to a wet August, and changes in the delivery timelines of some major projects (including Amberley Avenue Bridge Design and Build). Additionally, the uncertainty around the transport programme has impact the first quarter spend.

The Transport budgets currently represented in the report reflect the adopted budget, adjusted for the carry forwards. A paper was presented to Council on 2 October outlining the challenges due to changes in NZTA Funding for Council seeking direction from Council on how to approach adjusting these budgets. A subsequent paper was presented on 6 November. The outcome of this was not known at the time of this report being written.

Further information on capital delivery is provided in subsequent sections of this report and associated appendices.

Operating Performance

Summary of Financial Performance For the period to 30 September 2024	2024/25 (\$M)			
	Year to Date			FY
	Actual	Budget	Variance	Budget
Fees and charges	2.7	2.7	0.0	7.8
Grants and subsidies received	1.6	1.6	0.0	6.8
Other revenues	6.7	6.9	(0.2)	27.7
Operating Revenue	11.0	11.1	(0.1)	42.3
Remuneration	15.9	15.6	(0.2)	58.5
Other operating expenses	8.6	9.3	0.7	21.5
Contractors	6.8	6.3	(0.5)	26.4
Grants and subsidies paid	3.2	3.3	0.1	11.7
Materials	1.0	1.2	0.1	5.0
Professional Services	3.1	3.7	0.6	15.4
Utilities	1.0	0.9	(0.2)	3.2
Net Internal Expenses	(1.4)	(1.7)	(0.3)	(7.0)
Operating expenses	38.2	38.6	0.5	134.7
Net Operating Surplus/(Deficit)	(27.1)	(27.5)	0.4	(92.5)
Rates Revenue	34.6	34.3	0.3	136.9
Net Interest	(3.1)	(3.3)	0.2	(14.3)
Operating Controllable Surplus/ (Deficit)	4.3	3.5	0.9	30.1
Depreciation and amortisation	(12.4)	(12.4)	0.0	(49.4)
Non-operating revenues	2.0	2.5	(0.5)	20.3
Non-operating expenses	(7.0)	0.0	(7.0)	0.0
Net result	(13.0)	(6.4)	(6.7)	0.9

The net controllable operating position at the end of September is favourable to budget by 0.4M (before net interest and rates). There are some key deviations from budget to highlight:

- Operating revenue
 - Other revenues are unfavourable by 0.2M related to Roothing (Parking and Infringements revenues).
- Operating expenditure
 - Contractors are unfavourable YTD by 0.5M related to Roothing (Traffic Services, Street Facilities, and Roads)
 - Professional services are favourable by 0.6M related to the Digital Transformation operating programme. The YTD variance is a result of timing of expenditure against the phased budget however, the programme is expected to be delivered this financial year.

- Other operating expenses are favourable by 0.7M predominantly driven by insurance. The variance against budget for insurance is a result of lower than expected annual premiums to date.
- Net internal expenses are unfavourable to budget by 0.3M due to lower than anticipated capitalisation of labour and plant use. This is being monitored closely in light of the change in funding from NZTA.
- Non-operating
 - Non-operating expenditure is unfavourable to budget by 7.0M due to valuations of financial instrument valuations. These relate to the fixed interest rate swaps which reduce in value when floating interest rates fall.

For further information on YTD performance see:

- Appendix 1 - Detailed Non-Financial Performance Measures
- Appendix 2 – Activities Net Operating Cost
- Appendix 3 – Operating Programme Reporting
- Appendix 7 – Financial Statements
- Appendix 8 – Approved variations to Annual Budget

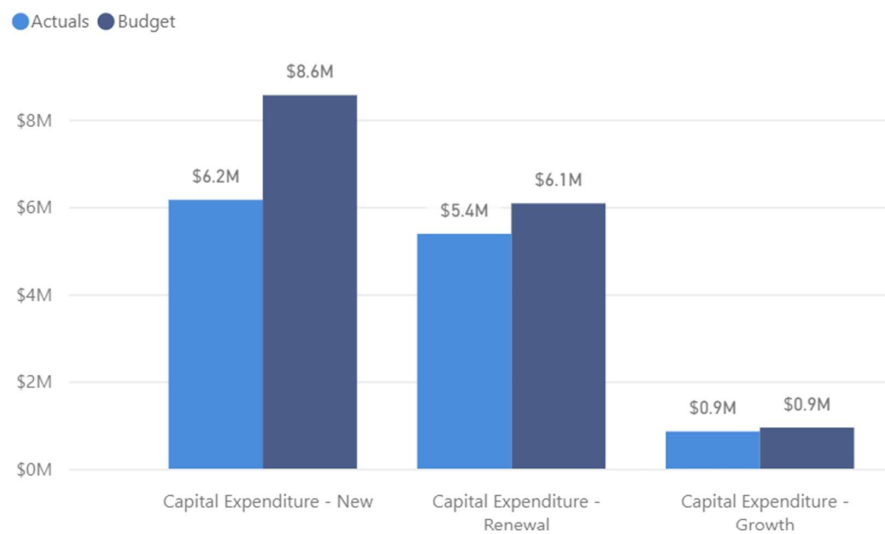
Capital Delivery

The total capital spend for Quarter 1 of the FY2025 financial year reached 12.5M as compared to 16.7M for the first quarter of FY2024. The capital delivery variance against budget YTD is due to a wet August and changes in delivery timelines of some major projects including Amberley Avenue Bridge Design and Build.

The Transport budgets currently represented in the report reflect the adopted budget, adjusted for the carry forward adjustment. A paper was presented to Council on 2 October outlining the challenges due to changes in NZTA Funding for Council seeking direction from Council on how to approach adjusting these budgets. A subsequent paper was presented on 6 November. The outcome of this was not known at the time of this report being written. Consequently, work on transport programmes aligned with the funding shortfalls were put on hold pending Council decisions.

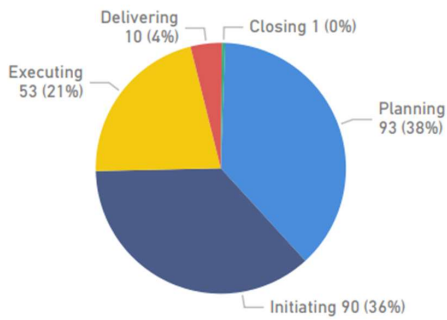
	YTD Actual	YTD Budget	YTD Variance	FY2025 Revised Budget	% FY Rev. Budget	FY2025 AP Budget
Capital Expenditure - New	6.2	8.6	2.4	47.0	13.2%	47.4
Capital Expenditure - Growth	0.9	0.9	0.1	14.8	6.1%	15.0
Capital Expenditure - Renewal	5.4	6.1	0.7	33.3	16.2%	33.0
Total Capital	12.5	15.6	3.2	95.1	13.1%	95.4

YTD capital spend

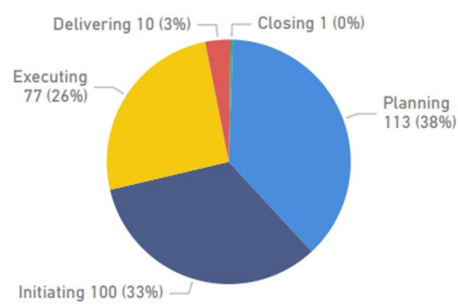


The newly established project management tool has been in use for three months and provides the delivery group a workflow with milestones. The tool feeds into a dashboard that provides the delivery group daily information which ensures deliverability risk can be identified early so mitigation can be made.

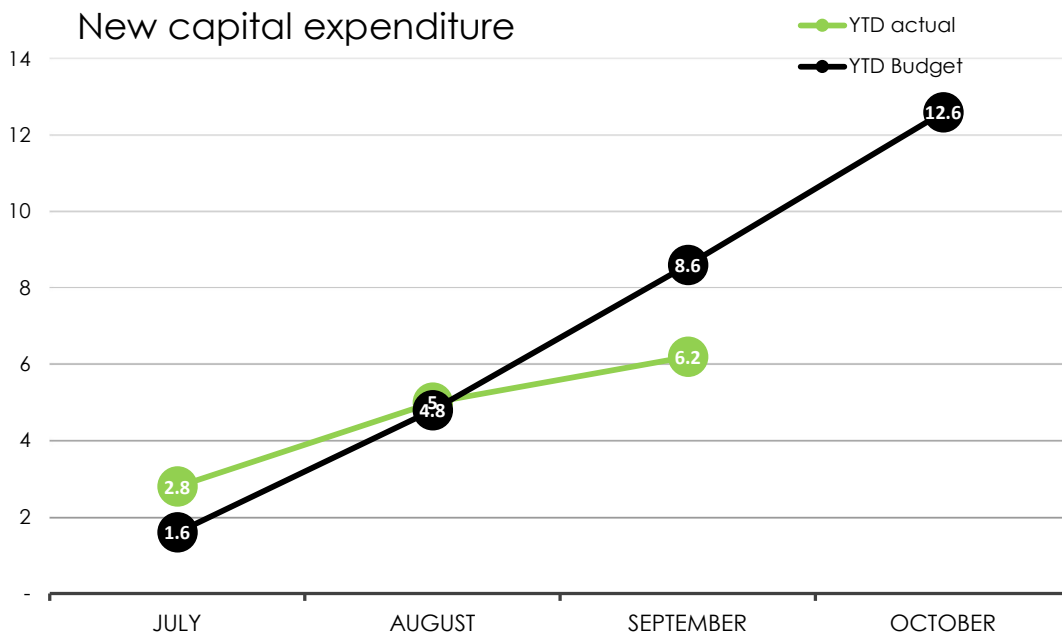
Capital programme - FY25 (Infrastructure)



Full capital programme (Infrastructure)

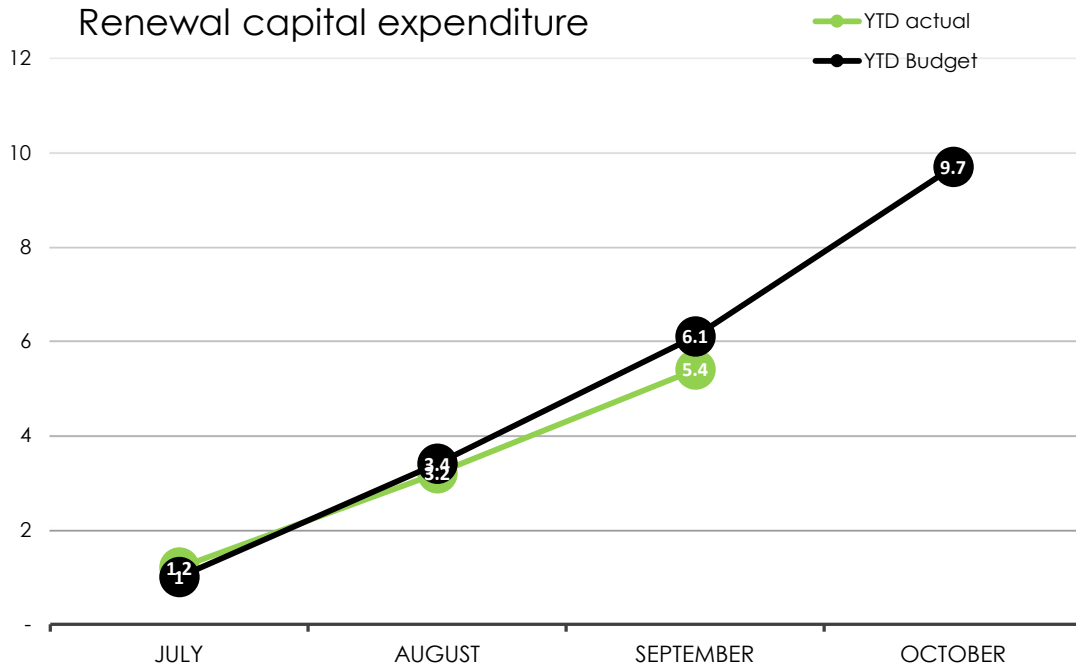


- **Initiating:** The project is not yet started
- **Planning:** Underway but not yet considering to be executing
- **Executing:** Project is in progress
- **Delivering:** Project work is complete, closing of the project is underway
- **Closing:** The project is considered complete



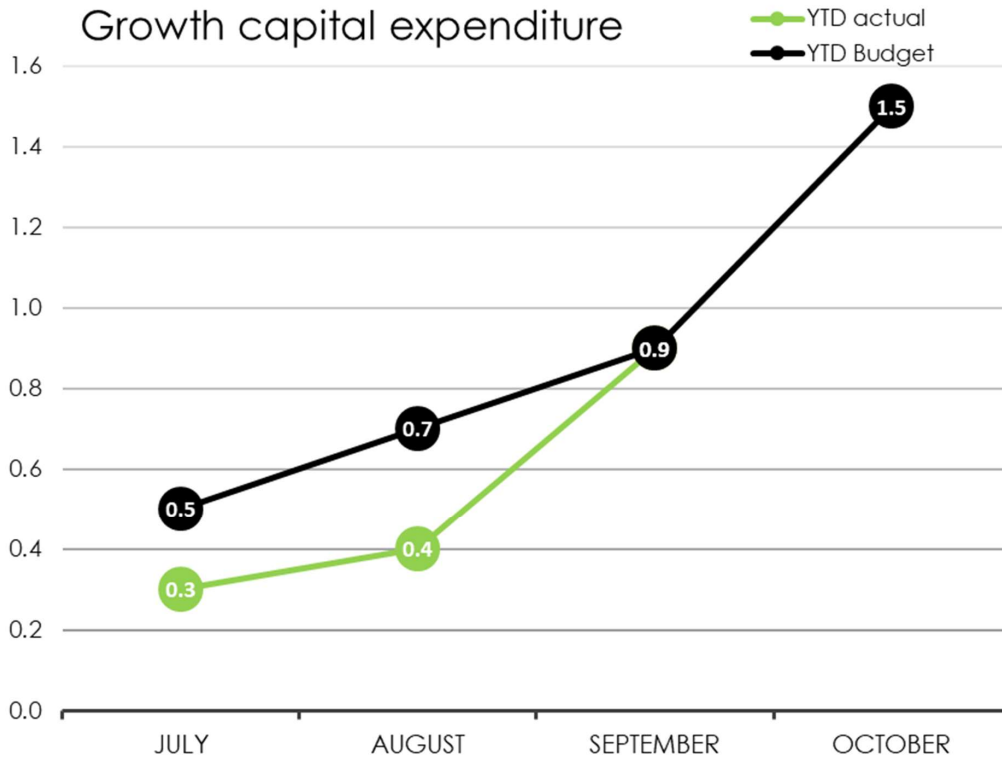
Two major programmes contributed to the Q1 variance for Capital New:

- Amberley Avenue Bridge Design and Build – delays related to design and consenting – programme remains on track to be fully delivered this financial year.
- Totara Road Wastewater Treatment Plant - Earthquake Strengthening of Civil Structures – some works underway albeit slower than anticipated, on track for the programme to be fully delivered this financial year.



The top two programmes that contributed to the quarter variance for capital renewal delivery are:

- Council's Plant and Vehicle - Replacements - Some delays with delivery of vehicles due to supply chain issues. Units have now begun arriving and programme is anticipated to be fully delivered by year end
- City-wide – Sealed Roads – Pavement Rehabilitation - Work on Railway Road progressing and looking to complete on schedule.

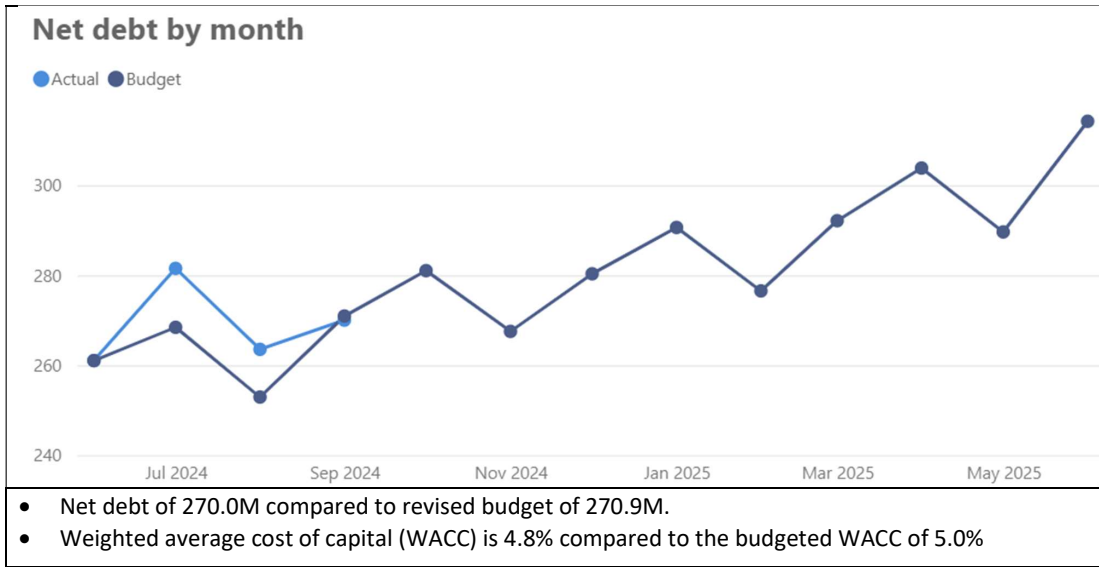


Work for Capital Growth is usually impacted by external factors which impact timing of forecasted work. Capital Growth works are on budget at the end of the first quarter.

For additional information on capital delivery see:

- Appendix 4 – Capital expenditure by Group of Activities
- Appendix 5 – Capital expenditure by Programme (over \$1,000,000)
- Appendix 6 – Capital expenditure by Programme (under \$1,000,000)
- Appendix 8 – Approved variations to Annual Budget

Net Debt

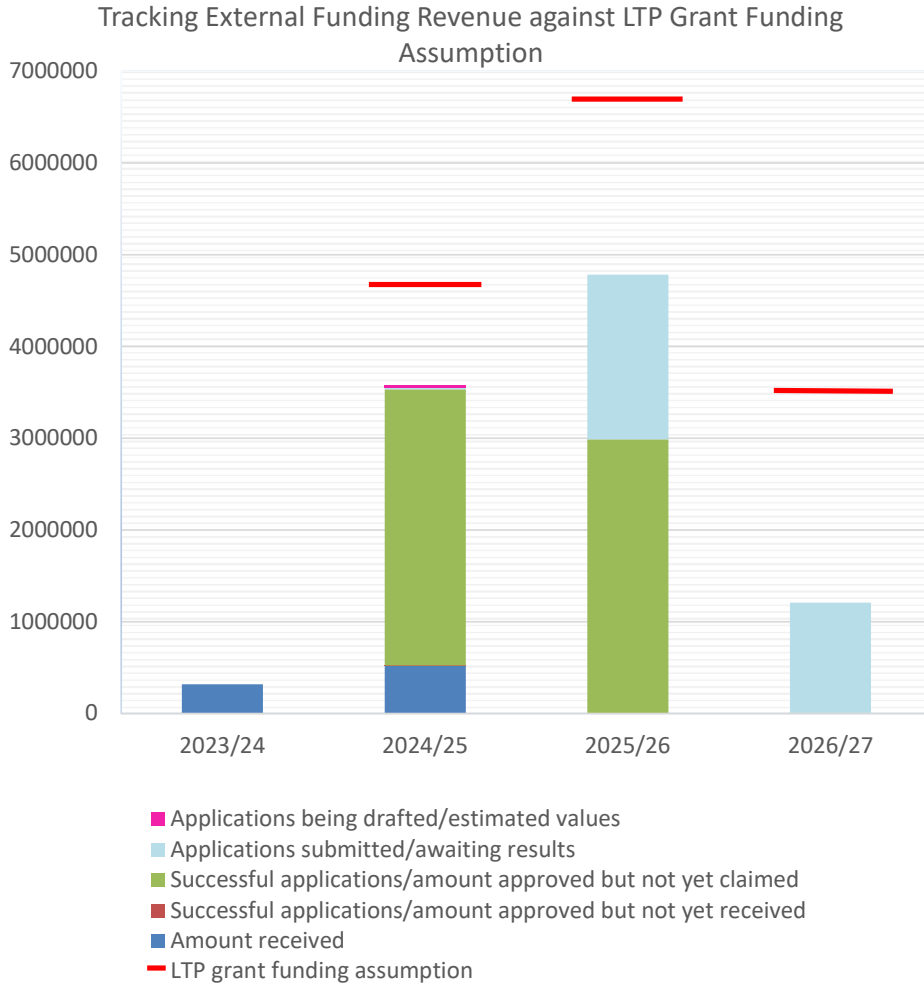


Funding Update

Council have successfully secured over 75% of external funding required for the 2024/25 financial year by the end of September, based on the LTP grant funding assumption of \$4.67 million (excluding NZTA). To date, over \$500k has been received, while just over \$3 million more has been approved, primarily through Better Off Funding for Local Water Done Well, and will be claimed as expenditure is incurred. Additionally, there are smaller funding applications totalling \$40k that are either submitted and awaiting results or currently in the drafting stage. Furthermore, Council have and will continue to identify projects and events that are approved in the LTP with 100% Council funding, but that have the potential to secure external funding. Examples of these include community events such as New Year's Eve, Puanga Festival and Waitangi Day celebrations, and support for operational expenses of Youth Space.

Council are also working concurrently to identify options and meet external funding assumptions set in the LTP for the next two financial years. Of the LTP external funding assumption of \$6.69 million for 2025/26, nearly 45% has already been secured, primarily from the Better Off Funding for Local Water Done Well, which will be claimed in 2025/26. Additionally, stage 1 of the Regional Infrastructure Fund (RIF) application for Te Motu-o-Poutua has been prepared and now submitted for \$3 million. Information about RIF is attached. If approved, this will represent approximately 27% of the LTP grant funding assumption for 2025/26 and over 34% for 2026/27.

A summary of the external funding as of September 2024 is illustrated in the graph below. The 2023/24 column reflects funding received in the current financial year (2024/25), however, the expenditures occurred in the previous financial year (2023/24). In addition to what is captured in the graph below, there are ongoing discussions with external funders regarding various potential funding applications of differing scale and scope.



Funding environment:

Given the current state of the economy, Government direction and the community's needs, there has been an acute rise in funding applications and a somewhat diminished philanthropic capacity within the city and region. This has created a challenging funding environment, resulting in increased competition for limited resources.

What does this mean for PNCC?

We need to take a more strategic approach to secure funding. This includes coordinating with other major applicants within our region to ensure that projects are phased in such a way as to not directly compete in any given funding round. It also means that Council must be mindful, if asked to endorse other community-lead projects, of the potential for funders to see those endorsed projects as competing with Council's own funding requests.

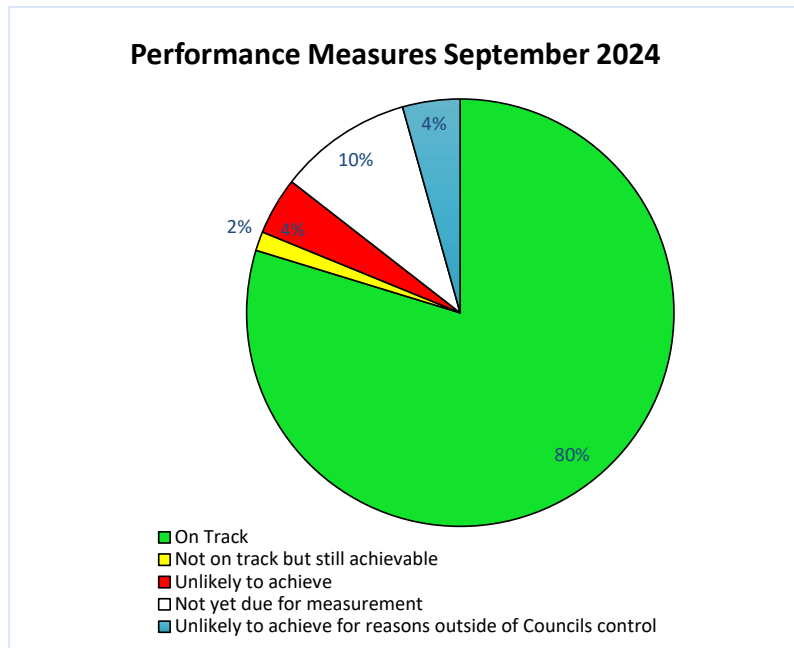
To enable increased success in this environment, we are fostering strong relationships with key funders and exploring untapped funding opportunities. To that end, Officers have increased three main areas of activity in this space:

- **Regular communication:** Keeping funders informed of Council's activities, achievements, and funding needs.
- **Networking:** Attending relevant events and conferences to connect with potential funders and build relationships.
- **Personalised approach:** Tailoring funding proposals to meet individual funder's specific interests and priorities.

Performance Measures

For Quarter 1 FY2025:

- 55 (80%) of performance measures are on track
- 1 (1%) are not on track but still achievable
- 3 (4%) are unlikely to achieve
- 7 (10%) are not yet due for measurement
- 3 (4%) are unlikely to achieve for reasons outside of Councils control



The measures categorised as ‘not on track but still achievable’ are:

- Housing Measure 03 – Resource Consents: Vacancies, training of new staff, and technicalities associated with individual consents have been affecting output and processing speed.

The measures categorised as ‘unlikely to achieve’ are:

- Transport Measure 02 – Resident Satisfaction of Roads, Footpaths, Cycling and Parking: there is dissatisfaction around the provision of these services due to increasing city population which has created density.
- Transport Measure 05 – Footpath rating: Councils footpaths are below the required condition. There are restrictions on the funding available to renew out footpaths so it is unlikely that our rating will improve.
- Water Measure 02 – Bacterial and Protozoal Requirements: Protozoa compliance is 100%, however, bacterial compliance is less than 100% due to a technical issue related to chlorine contact times and minor gaps in some data sets. This does not make the water unsafe.

The measures categorised as ‘unlikely to achieve for reasons outside of Councils control’ are:

- Transport Measure 01 – Council’s actions within the Transport Network: National Land Transport Allocation for 2024-27 impacts the ability to progress with several projects in this space.
- Transport Measure 03 – Fatal and serious injuries: Council can influence the level of fatal and serious crashes with improved road design and implementation, but poor driver behaviour is not controlled by Council.
- Water Measure 01 – Council’s Water Supply is safe and well maintained: Protozoa compliance is 100%, however, bacterial compliance is less than 100% due to a technical issue related to chlorine contact times and minor gaps in some data sets. This does not make the water unsafe.

The measures categorised as ‘not yet due for measurement’ are:

- Transport Measure 04 – Road Surfacing
- Arts and Heritage Measure 02 – The Globe, The Regent, and Te Manawa results
- Recreation and Play Measure 01 – Parks Check Annual Survey
- Community Support Measure 02 – Council’s provision of funding
- Community Support Measure 04 – Community user Feedback
- Community Safety and Health Measure 03 – Council’s provision of control of roaming dogs
- Resource Recovery Measure 03 – Councils provision of kerbside rubbish and recycling collections

Resourcing

A summary of PNCC Resourcing is included below for your information. The figures below include all approved positions in the structure.

Employment Status	Number of Staff	FTE	Budgeted FTE
Permanent Full-time	544	544	563
Permanent Part-Time	110	74	70
Vacancies	61	60	52
Temporary	14	13	-
Total Number of Positions (excl. casuals)	729	691	685
Add Casual	37	16	-
Less vacancies	(61)	(60)	(52)
Total Positions	705	647	633

Appendix 1 – Detailed Non-Financial Performance Measures

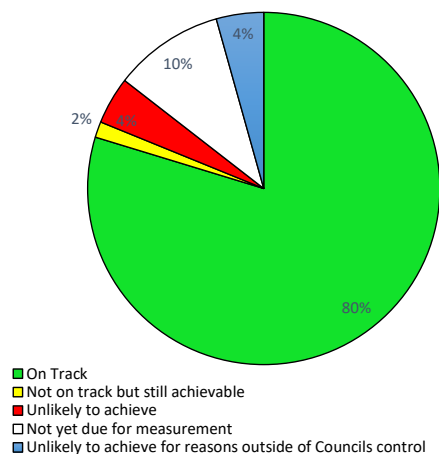
10-Year Plan KPIs

This part of the report looks at how well the Council is delivering on the performance measures.

The report is organised by Activities. Each Activity page has "traffic lights" to show progress towards the 10-Year Plan:

Not yet due for measurement	W
On track	G
Not on track but still achievable	Y
Unlikely to achieve	R
Unlikely to achieve for reasons outside of Councils control	B

Performance Measures September 2024



Performance Measure Summary by Activity	G	Y	R	W	B	Total
Goal 1 - An Innovative & Growing City						
Housing	5	1	-	-	-	6
Urban Design	1	-	-	-	-	1
Economic Development	8	-	-	-	-	8
Goal 2 - A Creative & Exciting City						
Transport	2	-	2	1	2	7
Arts and Heritage	3	-	-	1	-	4
Recreation and Play	4	-	-	1	-	5
Goal 3 - A Connected & Safe Community						
Community Support	3	-	-	2	-	5
City Library	3	-	-	-	-	3
Community Safety and Health	4	-	-	1	-	5
Goal 4 - A Sustainable and Resilient City						
Climate Change and Sustainability	2	-	-	-	-	2
Biodiversity and the Manawatu River	2	-	-	-	-	2
Resource Recovery	2	-	-	1	-	3
Water	7	-	1	-	1	9
Stormwater	5	-	-	-	-	5
Supporting the Organisation						
Governance and Active Citizenship	4	-	-	-	-	4
Total Measures	55	1	3	7	3	69
% of measures able to be measured	80%	1%	4%	10%	4%	

G - Target met | Y - Not on track but still achievable | R - Unlikely to achieve | W - Not yet due for measurement | B - Unlikely to achieve for reasons outside of Councils control

Quarterly Performance and Financial Report - September

Performance Measures	Comments	Sep	Dec	Mar	Jun
Goal 1: An Innovative and Growing City					
Housing					
01. Narrative measure showing Council has enough infrastructure ready sections to meet National Policy Statement on Urban Development requirements.	Based on the previous quarter's surplus supply, it is anticipated that there is sufficient land in the Residential Zone, rural-residential areas and serviced greenfield areas to meet our 3-year demand for housing. There is the capacity for 226 dwellings in our greenfield areas.	G			
02. Narrative measure outlining progress on zoning and providing infrastructure for residential needs, including the proportion within the existing urban footprint.	Plan changes for the Roxburgh Crescent Residential Area and Medium Density Residential Zone are on track for formal consultation by the end of the year. Funding and timing for plan changes and growth infrastructure have been packaged in the latest Future Development Strategy Implementation Plan. Council three waters upgrades are on track for extending reticulated services to the Kikiwhenua Residential Area. Funding decisions in the National Land Transport Programme may have an impact on the delivery of medium and long-term growth supply.	G			
03. At least 80% of resource consent applications are processed within the statutory timeframe. Consents not processed within the statutory timeframe will be identified with the actual time taken and the reason for this.	111 resource consents have been determined in the first quarter with 71% (79) processed within statutory timeframes, which is markedly up on the 52% average achieved through the 2023/24 FY. In terms of the 31 that were not 'on-time' the average working days taken to complete these was 55. The reasons for this are resourcing issues (vacancies and training new staff) and technicalities associated with individual consents (including application quality issues, complex planning issues; and project management issues).	Y			

G - Target met | Y - Not on track but still achievable | R - Unlikely to achieve | W - Not yet due for measurement | B - Unlikely to achieve for reasons outside of Councils control

Performance Measures	Comments	Sep	Dec	Mar	Jun
04. Narrative measure outlining how Council's regulatory framework encourages a greater range of housing types and inner city living, while protecting productive soils and minimising development in flood-prone areas.	<p>The District Plan currently provides for a range of housing types through:</p> <ul style="list-style-type: none"> - Minor dwellings and multi-unit housing in the Residential Zone.- Use of multi-unit housing provisions for medium density developments in the Outer and Fringe Business Zones. - Provision for apartments in the Inner Business Zone. <p>Productive soils are currently being protected through:</p> <ul style="list-style-type: none"> - The District Plan, by discouraging subdivision of rural zoned lots outside of existing pockets of rural residential areas or within the rural residential overlay; and - The National Policy Statement on Highly Productive Land, by ensuring that rezoning carefully considers the opportunity cost of urbanising highly productive land. <p>Development in flood-prone areas is minimised through careful consideration of flood risk and the economic viability of flood protection when land is investigated for rezoning. Land with the possibility of flood risk is not relied on for short term land supply in the Future Development Strategy until the risk is fully investigated and acceptable land use or engineering solutions have been identified.</p>	G			
05. At least 95% of building consent applications are processed within the statutory timeframe.	Of the 264 building consent applications processed for the quarter, 256 (96.9%) were processed within the statutory timeframe	G			
06. Narrative measure outlining Council's social housing actions (including the number of Council Units, Council tenants' survey results, and Council's actions to support community housing providers.	Council continues its programme of planned and reactive maintenance. Council continues to work with MASH Trust in supporting their clients. Our units are subject to planned refurbishment when required and as budget allows. Council will be provided with a report by the end of the calendar year to provide information about the various initiatives to support social and community housing in the city, including progress towards achieving the actions in the Housing Plan. Council currently has 444 social housing units, with an occupancy rate of 95% at the end of September (including properties currently being renovated and therefore not available to be tenanted). The last tenant survey was carried out in June 2023 and is due to be completed again in the first half of 2025. The overall satisfaction rate in the 2023 survey was 97%. Of the 143 tenants who answered question 4 (overall, how satisfied are you living in a PNCC housing unit?) 139 gave a rating of 3 or 4 out of 5.	G			

G - Target met | Y - Not on track but still achievable | R - Unlikely to achieve | W - Not yet due for measurement | B - Unlikely to achieve for reasons outside of Councils control

Performance Measures	Comments	Sep	Dec	Mar	Jun
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Urban Design					
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01. Narrative measure outlining how Council's urban design and city-making initiatives promote a connected, sustainable, accessible, safe, and interesting urban environment.	District Plan changes, including Plan Change I (Medium-Density Zone) and Plan Change E (Roxburgh Crescent), focus on urban design principles that promote compact, connected, and walkable neighborhoods that are accessible by multiple transport options. Plan Change I proposes to include a streamlined permitted activity pathway for medium-density development. Strategic design briefs are being prepared to align project outcomes with broader strategic goals, supporting key public realm projects like the Caccia Birch Masterplan, Arena 5 Developed Design, and Pasifika Community Centre Stage 01. Urban design continues to provide feedback through resource consent pre-application processes, with funding from the 'Delivering Change' initiative aiding development efforts for strategic sites.	G			
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G - Target met | Y - Not on track but still achievable | R - Unlikely to achieve | W - Not yet due for measurement | B - Unlikely to achieve for reasons outside of Councils control

Performance Measures	Comments	Sep	Dec	Mar	Jun
Economic Development					
01. Narrative measure showing Council has enough infrastructure-ready sections to meet National Policy Statement on Urban Development requirements.	Based on last quarter's surplus supply for both business and industrial zones, there is sufficient land to meet our 3-year demand. Industry feedback suggested that there is a lack of supply for good quality industrial building stock. There has also been industry feedback that commercial terms for industrial land development are unfavorable for the market and unattractive for investment.	G			
02. Narrative measure outlining progress on zoning and providing infrastructure for residential and business needs.	Work has begun to investigate the rezoning of land as part of stage 1 of Te Utanganui. It is hoped this will assist to diversify land ownership in the Northeast Industrial Zone. Funding and timing for plan changes and growth infrastructure have been packaged in the latest Future Development Strategy Implementation Plan which can be viewed on our PNCC website. Funding decisions in the National Land Transport Programme may have an impact on the delivery of medium and long-term land supply.	G			
03. Narrative measure outlining the Council-supported initiatives provided by CEDA and their outcomes, with a focus on skills, talent, and low carbon initiatives.	CEDA has completed case studies on four local businesses, delivered a talent attraction campaign with 1.3 million impressions, and launched the Employer and Workplace Hub to support staff attraction and retention. Additionally, CEDA exhibited at the NZ Careers Expo in Wellington, supported the Summer of Tech program, and contributed to employment pathways through initiatives like the NZ Careers Expo in Manawatū and the Hauora Wānanga o ngā Rangatahi o Manawatū - Accelerator Academy Health Sector event. A proposed programme to provide funding to enable CEDA to build capability in support of low-carbon initiatives was not approved through the LTP.	G			
04. Narrative measure outlining the number and range of Council supported events, including attendance numbers and economic contribution.	During the first quarter of the financial year, there were four events supported by the Major Event Fund which were planned and delivered by external organisers. Armageddon Expo attracted 8,000 attendees and contributed \$340,000 to the local economy. Pasifica Fusion attracted 2,000 attendees and contributed \$200,000 to the local economy. DayBreaker Rally attracted 2,000 attendees and competitors and contributed \$1,400,000 to the local economy. Davis Cup Tennis/ Tennis NZ attracted 2,500 attendees and contributed \$2,200,000 to the local economy.	G			
05. Narrative measure outlining how Council's strategic investments and advocacy are attracting inwards investment.	Staff are collaborating with CEDA and neighboring councils to advocate for the planning and funding processes required to advance the Manawatu Regional Freight Ring Road with NZTA. Meanwhile, CEDA's inward investment team actively engages with PNCC's international relations division, and potential national and international investors to promote Manawatū as a business-friendly environment and attract investment in Te Utanganui.	G			

G - Target met | Y - Not on track but still achievable | R - Unlikely to achieve | W - Not yet due for measurement | B - Unlikely to achieve for reasons outside of Councils control

Performance Measures	Comments	Sep	Dec	Mar	Jun
06. Narrative measure outlining the Council's marketing initiatives (including through the Manawatu Convention Bureau and isite Visitor Centre) and how they are promoting the City to residents and visitors.	<p>Business events: This quarter we submitted five event proposals, one already accepted and booked. We've also hosted one famil event and are working on two more for future events/conferences. We're communicating with six potential organisers for future events. We also supported the development of our local operators within the business events sector by hosting a Palmy experience programme at Eventing the Future (a conference where event organisers come together to learn about upcoming trends).</p> <p>City marketing: Our first campaign for the year was aligned with the Davis Cup. We partnered with Stuff to run travel-specific content featuring businesses and activities that people may not have expected of Palmy. We also ran a competition where people could win a luxury stay, experiencing places like Hiwinui Country Estate and some of our higher-end eateries. More than a thousand people entered. Our support included social media, staff email signatures, newsletters, venue signage, posters, airport/radio ads, and street banners. The event received \$20,000 from the major events fund and delivered a \$2.2m economic benefit. We are promoting the Manawatu Garden Trail through social media, our website, email newsletters, Isite billboards, and posters. With Caccia Birch as one of the featured locations, we are also updating our garden map for the event. The National Hockey Championship attracted over 1,000 attendees to Palmy and we provided each team with promotional materials showcasing the city. Signs were displayed throughout the hockey facility. Hockey Manawatu received a \$30,000 grant to bring the event to the city and delivered a \$1.8m economic benefit. We supported the Secondary Schools Basketball Nationals initiative which received funding through the Sports and Partnership Fund. Additional marketing efforts include Isite and Go Media billboards, social media posts, arena electronic pylons, airport ads, email newsletters, and staff email signatures.</p> <p>Isite: Total visitor numbers for the quarter increased by 7%. Retail Sales were up 39% over the same time last year, which is down to bringing a wider variety of merchandise into the store that promotes the city and region. Reservation sales were down by 7% for the quarter, however it picked up in September. The reason for the drop was changes to Intercity Schedules and issues with the ferries.</p>	G			
07. Narrative measure outlining the Conference and Function Center initiatives and how they attract and meet the needs of visitors.	The Conference + Function Centre markets through various forums to attract conferences, business events, and build profiles through professional conference organiser groups. The centre was represented at the recent Meetings 2024 where sales pitches were done with 35 prospective organisers and 3 immediately secured. After the first quarter, the centre has hosted 81 individual bookings (2 conferences, 52 meetings/seminars, 4 exhibitions, 2 weddings, and 21 social functions), attracted 8,308 guests, and contributed \$880,000 of economic benefit. The centre offers a one-stop service with a key focus on customer service and a high level of audio-visual in-house services.	G			

G - Target met | Y - Not on track but still achievable | R - Unlikely to achieve | W - Not yet due for measurement | B - Unlikely to achieve for reasons outside of Councils control

Performance Measures	Comments	Sep	Dec	Mar	Jun
08. Narrative measure outlining the Council's international initiatives and how they are promoting the City's interests, especially for international markets, students and visitors.	<p>Staff are engaging with the International Education Leadership Group and education providers across sectors to support international education partnerships such as the Kindai-Massey partnership, the Waseda Affiliated High School programme, and the Massey-Wageningen University and Research partnership, as well as support in hosting educational delegations to Palmerston North to showcase the city as an ideal study destination for international students. Staff are also collaborating with the Regional International Education Network Aotearoa and Education New Zealand to provide a collective voice for regional international education and collate regional data on international student numbers, student expenditure surveys, and related projects.</p> <p>Palmerston North's international initiatives have been focused on promoting the city's global standing, particularly in Agritech and Food Innovation, enhancing the economic prospects through forged connections, hosting trade/business delegation visits/events, and creating opportunities for local industries and businesses to reach wider markets including India, China, and ASEAN. Staff are also collaborating with CEDA on building foreign investor awareness and confidence and enhancing Palmerston North's reputation as a business-friendly environment. Sister city relationships and diplomatic engagements are another powerful tool for Palmerston North to expand its international presence. In this quarter, Palmerston North was represented at multiple diplomatic receptions in Auckland and Wellington such as the Peruvian National Day, Indonesian Independence Day, and the Chinese National Day Reception. The city also hosted a number of high-level diplomatic visits including the UK High Commissioner and the Vietnamese State Treasury delegation. Palmerston North was mentioned in an article on the last Sagi Island Triathlon and received positive media coverage in multiple social media posts on LinkedIn, not only through PNCC account and local partners, but also official foreign diplomats' accounts with a wide-reach audience.</p>	G			

G - Target met | Y - Not on track but still achievable | R - Unlikely to achieve | W - Not yet due for measurement | B - Unlikely to achieve for reasons outside of Councils control

Performance Measures	Comments	Sep	Dec	Mar	Jun
Goal 2: A Creative and Exciting City					
Transport					
01. Narrative measure outlining Councils actions within the transport network and their contribution to safe, low carbon, integrated multi-modal transport, including active and public transport needs.	As a result of the National Land Transport Allocation for 2024-27, we will be unable to progress with a number of projects contributing to this outcome. Officers will be able to progress with some work, but it will fall short of the desired outcome as a result of limited funding for the transport programme.	B			
02. Residents Survey satisfaction results meet targets. Council's provision of roads (32%), provision of footpaths (43%), provision of cycling (44%), and provision of parking availability (42%).	Roads – 28% Footpaths – 36% Cycling – 36% Parking – 41%	R			
03. There is a reduction in the number of fatal and serious injury crashes from the previous year on the city's local road network.	This quarter, there were 3 fatal and 7 serious injury crashes in Palmerston North. 1 of these involved cyclists, and 1 involved a pedestrian. In the same quarter 12 months prior (2023), there were 2 fatal crashes, and 6 serious injury crashes. None of those crashes involved cyclists and 1 involved a pedestrian. NOTE: Some crash data may not have been uploaded to Waka Kotahi's Crash Analysis system at the time of review.	B			
04. More than 3.5% of the sealed local road network is resurfaced.	The road resurfacing programme commences on 31 March 2025. The required information will be available on completion of this work.	W			
05. Greater than 93% of footpaths meet Council's standard (i.e., rated 3 or above)	84% of Transport managed footpaths with a known condition rating rated between 1 (Excellent) and 3 (Average).	R			
06. Greater than 95% of road and footpath safety and critical requests for service are responded to (with at least an initial response) within three working days.	100% of urgent priority road, footpath, and cycleway jobs from the public are dispatched, on-site, or completed within 3 working days. 15/15 dispatches.	G			
07. The average quality of ride on the sealed local road network, measured by smooth travel exposure, is greater than 80%.	84% smooth travel exposure per annually generated STE report.	G			

G - Target met | Y - Not on track but still achievable | R - Unlikely to achieve | W - Not yet due for measurement | B - Unlikely to achieve for reasons outside of Councils control

Performance Measures	Comments	Sep	Dec	Mar	Jun
Arts and Heritage					
01. Narrative measure outlining initiatives undertaken by Council-supported organisations to promote the arts in the city.	Pacific arts were celebrated in July at Pasifika Fusion's 20th Anniversary event. More than 580 students from the Manawatū, Horowhenua, Wairapa, Whanganui, and Taranaki competed over two days at the Regent Theatre, showcasing Pasifika culture and history-themed around the Dawn Raids. In August Council support enabled Palmy's recreational dancers to learn from Tim Mullayanov, an expert dance tutor, with over 30 social dancers working on their posture and movement to help them enjoy their dancing more. The dance lessons were held in association with the Rose City Dancesport Spectacular at the Fly Palmy Arena where more than 190 dancers from Auckland to Wanaka competed in ballroom and Latin dance. A four-day celebration of blues, roots, and groove music was held at the Globe Theatre in September. The Blues, Roots, and Groove Festival included performances from local, national, and international musicians, and was a tribute to the late Dr Roger Fox CNZM. Sixteen community art projects were supported in the first round of funding from the 2024-2025 Creative Communities Scheme.	G			
02. Narrative measure summarising the results from The Regent and The Globe theatres, and Te Manawa 6 and 12 monthly reports.	This information will be reported to the Culture and Sport Committee as part of the CCO's six-month report in March 2025.	W			
03. Narrative measure outlining Council's actions supporting local history, including support for Rangitane in its kaitiaki role, and their outcomes.	The collection and preservation of local history this quarter includes commencing recording the oral history of Anthony Lewis, former City Librarian. This will involve several interviews and is primarily focused on the development of the (new) City Library in the 1990s and onwards. The history of the street naming project has also commenced and the background information relating to four streets (Cuba, Lombard, Taonui, and Campbell) has been written and uploaded to Manawatū Heritage. Back Issues articles were written about local events: the bravery and selflessness at the Special Olympics in 1990; the rise of the silent majority protest movement; and another called "Be Safe, Be Seen, Be Gladys. Projects supported through Council funding include: - Archiving and documentary production for the Manawatu Performing Arts Competition Society's 100th Anniversary; - Documentary production to support the launch of Untold Stories, related to the history of World War Two displaced people who settled in the region; - Repairs and maintenance on a heritage-listed house; and - Proactive maintenance on 3 notable treesWork is also underway to establish the Heritage Advisory Panel.	G			
04. Narrative measure outlining the number and range of Council provided and supported events, including attendance numbers and satisfaction.	During the first quarter of the financial year, there were four events supported by the Major Event Fund which were planned and delivered by external organisers. Armageddon Expo attracted 8,000 attendees and contributed \$340,000 to the local economy. Pasifika Fusion attracted 2,000 attendees and contributed \$200,000 to the local economy. DayBreaker Rally attracted 2,000 attendees and competitors and contributed \$1,400,000 to the local economy. Davis Cup Tennis/ Tennis NZ attracted 2,500 attendees and contributed \$2,200,000 to the local economy.	G			

G - Target met | Y - Not on track but still achievable | R - Unlikely to achieve | W - Not yet due for measurement | B - Unlikely to achieve for reasons outside of Councils control

Performance Measures	Comments	Sep	Dec	Mar	Jun
Recreation and Play					
01. Narrative measure outlining Parks Check Annual Survey results on how well Council's parks are meeting community expectations. Parks Check satisfaction of at least 90% satisfied or very satisfied with overall quality of sports fields, parks, and reserves.	The Park Check Survey will be undertaken between November and May this year. The survey results will be reported at the end of the 4th Quarter.	W			
02. Usage numbers at Lido, Freyberg, and Ashhurst Pools are maintained or increased. Resident satisfaction with Council's provision of public swimming pools is at least 65%.	The number of users of the Lido Aquatic Centre from July 2024 – September was 85,275. This is 0.4% higher than the same period last year. The number of users of the Freyberg Community Pool was 44,449, a 19% decrease in comparison to last year. The number of users of the Splashhurst Community Pool was 6,510 an 11% increase from last year. Overall, the number of users across all three pools was 136,234, this represents a 6.7% decrease on the same period last year. The overall resident satisfaction of public swimming pools is 67%.	G			
03. Narrative measure outlining the number of community events and hours at the Arena in comparison to total number of events and hours. Resident satisfaction with Council's provision of Central Energy Trust Arena is at least 70%.	Community Sport in the first quarter of the financial year saw 876 individual bookings which is 97% of total bookings. Community Sport has generated 2,000 hours of use, 51% of total hours, and contributed 25% of total revenue. 49,900 people have participated in Community Sports over the quarter. Resident satisfaction is 67% from the latest resident survey.	G			
04. Narrative measure outlining initiatives undertaken by Council-supported organisations to provide sport and recreation opportunities.	Sport Manawatū is the primary organisation supported by the Council to promote sports and recreation opportunities in our communities. The Council's funding agreement with Sport Manawatū is currently in its third year of a three-year term. Some of the initiatives undertaken by Sport Manawatū this quarter to provide play, sport, and recreation opportunities include planning for the Active Age Games (held in October), facilitating the local Play Network and planning for Play Week (October/November), supporting Basketball Manawatū with hosting regional and national secondary school tournaments and establishing agreements with Sports Event Partnership Fund recipients.	G			

G - Target met | Y - Not on track but still achievable | R - Unlikely to achieve | W - Not yet due for measurement | B - Unlikely to achieve for reasons outside of Councils control

Performance Measures	Comments	Sep	Dec	Mar	Jun
05. Narrative measure outlining Council's play initiatives and their outcomes.	Wider Council continues to engage well with the community to support various community-led play initiatives aided by Council's dedicated Play Advisor role. The Play Policy objectives provide guidance on the areas of focus and the Play Policy Implementation Plan provides a timeline to ensure policy targets are being met. Various play initiatives delivered during the reporting period have included: Council's Rapua Te Kura Huna in Te Marae o Hine in celebration of Te Wiki o Te Reo, the Library Walls Alive Project- A projection mapping collaboration with UCOL Workhub to create loop animations in outdoor spaces, the Palmy Parks Takaro Stations initiative with Awapuni Park community, Savage Crescent neighbourhood, Ora Konnect in Highbury's Tui Park and Rangiora Reserve community, the Featherston Street Placemaking Project was completed which saw the inclusion of various play features including the city's first footpath running race track with a dedicated speedometer, the Palmy Pop Up Play School Holiday series continues to be delivered with multiple community partners, Council & NZ Landcare Trust Plant & Play Series was delivered with BUPA Age care at Ahimate Reserve, the George Street Reef Pop Up Play Space Community Engagement phase was initiated and the Ahimate Story Walk officially launched. Strategic development towards Council's Play Policy continues through Council's Internal and Community Play Champions Network, who meet every six weeks to collaborate and discuss current and upcoming areas of focus. During the reporting period, initial discussions have occurred around the development of a play e-learning module for Council staff that would support the ongoing development of council staff's understanding and capabilities to integrate play into the scopes of their roles. Another area of focus is the development of a Play equity mapping methodology that would look to map the distribution of play opportunities across our city according to location, ethnicity, household income, gender, etc.	G			

G - Target met | Y - Not on track but still achievable | R - Unlikely to achieve | W - Not yet due for measurement | B - Unlikely to achieve for reasons outside of Councils control

Performance Measures	Comments	Sep	Dec	Mar	Jun
Goal 3: A Connected & Safe Community					
Community Support					
01. Narrative measure outlining initiatives undertaken by Council-supported organisations to promote community wellbeing.	The Council funds 42 community organisations (including 7 Sector Leads) through the Strategic Priority Grant. Council has supported a range of community events, programmes, and initiatives through the SPG and a range of community-led development support and funding through a wider range of community funding including the Community-led Initiatives Fund, the Arts Initiative budget, the Arts Events Fund, Welcoming Communities, Play initiatives, Safe Communities (including the Ada Street Project), Rainbow community initiatives, Pasifika Artists in Residence and other Pasifika initiatives (including language week celebrations), neighbourhood initiatives including support for Bunnythorpe village, the Roslyn Hub and support for the delivery of community centres across the city. Support for Mana Whaikaha to deliver the Companion Card initiative. In partnership with DIA and ECCT, Council delivered the Community Funding Expo and the Sustainability Funding Workshop. In the last quarter Council also supported Te Pu Harakeke in delivering the Social Wellbeing Forum.	G			
02. Resident Survey satisfaction with Council's provision of funding and support for community groups is at least 43%.	The provision of funding and support for community groups are measured once a year after the Residents survey results come in. The results are not currently available.	W			

G - Target met | Y - Not on track but still achievable | R - Unlikely to achieve | W - Not yet due for measurement | B - Unlikely to achieve for reasons outside of Councils control

Performance Measures	Comments	Sep	Dec	Mar	Jun
03. Narrative measure outlining use (type and range) of community centres and Hancock House. Narrative measure outlining progress on the community hub projects.	<p>The community centres continue to be well-utilised throughout the city with a number of centres experiencing an increase in patronage with hundreds of hours of use per month per centre. Many of the centres financially support local community groups and charities ranging from donations to local health organisations and other community-minded activities. An example of this support is one centre contributing to swimming lessons at a local pool for those residents who are financially constrained. The Rangiora Community Centre continued to be one of the more innovative centres in the city as its newly installed E-Lok entry system is working well. The new system allows keyless entry to the centre and can be administered electronically offsite.</p> <p>Other community centre committees are also investigating keyless entry options. The latest Community Centres Hui was held on the evening of Wednesday 25 Sept. On the agenda was a presentation by the Civil Defence Emergency Manager on Civil Defence preparedness and the potential use of Community Centres at Civil Defence Centres in an emergency. Community Centres committees are currently undertaking their AGMs. Planning is underway on a review of the Community Centres model; community engagement will commence before the end of the calendar year. Hancock House continues to be well utilised and currently has 15 tenants that offer a wide range of social services to the community in Palmerston North. Te Pū Harakeke manages the facility through an agreement with PNCC to provide a receptionist, advocate for tenants' needs, and promote the services offered by tenants. The tenants meet monthly and, in many cases, collaborate by making referrals to one another. Hancock House continues to be well managed by Te Pū Harakeke with a new manager. Current tenants of Hancock Community House include Citizens Advice Bureau, InsideOut Kōaro, Manawatū Multicultural Council, Housing Advice Centre, Manawatū Prisoner Aid and Rehabilitation Society, Moneywise Manawatū, Parentline Manawatū, MaGRA, Branin Injury Central Districts, Whatunga Tūao Volunteer Central, Samaritans Aotearoa, Plant to Plate Aotearoa and Te Pū Harakeke Community Collective.</p> <p>The Multicultural Hub design is developing well in collaboration with members of the Manawatū Multicultural Council. A Steering group is being established for the design of the Pasifika Community Centre expansion, which includes a community representative of the Pasifika Reference Group, Papaioea Pasifika Community Trust, Niuvaka Trust, and 3 additional representatives of the Pasifika Community. As early investigations are underway on the possibilities for the Awapuni Community Library Hub development, community engagement has not been undertaken as yet.</p>	G			

G - Target met | Y - Not on track but still achievable | R - Unlikely to achieve | W - Not yet due for measurement | B - Unlikely to achieve for reasons outside of Councils control

Performance Measures	Comments	Sep	Dec	Mar	Jun
04. Narrative measure outlining user and community feedback (including Annual Residents' Survey).	The community user feedback is measured using the Residents survey, and results are not yet available. This will be reported on in the second quarter as a half-year result.	W			
05. Narrative measure outlining number, type, accessibility and location of toilets, plus annual satisfaction survey.	A comprehensive Accessibility assessment of all public toilets was completed in 2022-2023. The assessment focused on the building elements such as external approach, entrances, horizontal and vertical circulation, sanitary convenience, facilities, signages and wayfinding. The accessibility findings have been prioritised and Priority-A work is underway, primarily addressing the fixtures and fittings, paintwork and safety strips (Colour contrast), installation of door kick plates, toilet backrest, changing door locks, handles, handrails and ramp access. Possible locations Course for an additional toilet close to the Shared Pathway and adjacent to the Manawatu Golf Club are being investigated. Officers have been instructed to find other possible locations to those suggested at a Council meeting.	G			

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Performance Measures	Comments	Sep	Dec	Mar	Jun
City Library					
01. Narrative measure outlining use of the Library's collections, services and programmes, and showing that they are accessible and responsive to community needs.	Physical visitor numbers have increased by 7% with 136,570 visits across the seven City Library locations, compared to 127,283 for the same period last year. Annual visits per capita are 6.10 (national average 4.98) and the average use per collection item is 4.35 (national average 2.79). Virtual visits included Enterprise (online catalogue) with 206,181 page views; the City Library website with 93,359 page views; Manawatū Heritage with 59,266 page views; and Club Sandwich with 5,963 page views. The Library App had 24,185 page views and the Tour App hosted 57 sessions. Our libraries hosted 19,119 PC sessions and 41,230 Wi-Fi sessions for the three months to the end of September. There were 151 heritage inquiries; 593 digital help sessions; and 1,099 people were assisted with reference enquiries. Our eBook & audio collections had 41,008 items issued in the first three months of the year, which is 16% of total issues. The number of permanent Home Service users had decreased to 105 customers at the end of September. 642 programmes were delivered with 15,870 attendees. Book launches included Grid by Adam Claassen; The Power to Win by Lindy McIntyre; and Home Truths by Charity Norman. The Readers and Writers programme included The Bookshop Detectives Live; Off the Page; and National Poetry Day which included an open mic session and poetry readings. The Book Buds Reading programme was successfully delivered at five local schools and was completed by 800 children. School Holiday highlights included Dramarama with Reading Ambassador Alan Dingley; and a Suzy Cato event which was attended by over 400 participants at the Central and Awapuni libraries. Community programmes included the Volunteer Expo; supporting Welcoming Week; celebrating India Independence Day with the Manawatū Telugu Association; and the celebration of language weeks for the Cook Islands, Tonga and Te Wiki o Te Reo Māori. Outreach initiatives included supporting Dying Matters Week and reading aloud sessions at Arohanui Hospice.	G			
02. Resident Survey satisfaction with Council's provision of public libraries is at least 81%.	2024 results show that 82% of residents were satisfied with Council's provision of public libraries. Those residents who use the library rated their satisfaction at 91%. Satisfaction amongst Awapuni residents has significantly increased from 76% in 2023 to 91% in 2024. In contrast, the satisfaction of residents in Papaioea (75%) and Hokowhitu (78%) are each below the target of 81%. NOTE: there is no public library presence in Hokowhitu.	G			

G - Target met | Y - Not on track but still achievable | R - Unlikely to achieve | W - Not yet due for measurement | B - Unlikely to achieve for reasons outside of Councils control

Performance Measures	Comments	Sep	Dec	Mar	Jun
03. Narrative measure outlining how the archives collect and protect community stories.	<p>Additions to the Council Archives this quarter included 125 PNCC contract files; 29 district scheme files (2005-2019); and 25 PNCC reviews and reports (1994-2011). Additions to the Community Archives included those for the Manawatū Home Organ Society Inc.; the Manawatū Enterprises Inc. records (c.1975-1992); and the Manawatū Women's Bowling Centre.</p> <p>Work commenced on the arrangement and description of the Sir Brian Elwood papers. New content added to Manawatū Heritage this quarter included the 2024 edition of the First Voice publication; historic programmes from Centrepoin Theatre; glg posters from The Stomach; and images of the 1990 Special Olympics held at the Arena. Archives donations included the records of the 'Best Years' group (a social group for retirees); 25 photographs (c.1985-2003) showing the civic spaces of PNCC infrastructure projects; and six historic postcards with views of Palmerston North. Research enquiries included: assisting a customer in identifying the location of a farm that their grandfather co-owned prior to serving in World War One; and helping another research the history of the building business run by their two uncles, by checking building permit registers and supplying them with copies of plans for buildings that were constructed.</p>	G			

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Performance Measures	Comments	Sep	Dec	Mar	Jun
Goal 4: A Sustainable and Resilient City					
Community Safety and Health					
01. Narrative measure outlining Council's civil defence initiatives and their contribution to the communities' and Council's readiness for emergencies.	Councils' emergency management team continue to promote and sell 200L water tanks to the community, this is a popular initiative; Council attends the Manawatu Home and Garden Show, promoting this initiative and advocating personal preparedness; regular community group presentations take place with a focus on iwi/Maori, Pacifica, Disability, and Seniors; regular engagement with emergency services and regional stakeholders in emergency management. Council staff are involved with providing feedback into the development of the replacement Manawatu-Whanganui CDEM Group Plan that is under review. A plan is in place to increase Council's emergency management readiness, this was developed and considered with example of the 2023 North Island severe weather events. We are on track to have a minimum level of trained staff to operate an EOC, with a three phased plan to increase development and capability over four years. Councils Emergency Response Team train regularly and exercise their skills frequently out in the community, recently participating in the North Island NZRT exercise in Wellington.	G			
02. Narrative measure outlining Council's environmental health initiatives and their impacts. There are no successful legal challenges to Council's environmental health functions.	There is a range of policy and bylaws in place regulating environment health matters. These include the Dog Control Policy and Bylaw, the Waste Management and Minimisation Plan, the Cemeteries and Crematorium Bylaw, the Animals and Bees Bylaw, and the Alcohol Control Bylaw. The Dangerous and Insanitary Buildings Policy is currently out for consultation and will be brought back to Council later in the year for deliberations. There have been no successful legal challenges to Council's environmental health functions.	G			
03. Resident satisfaction with Council's provision of control of roaming dogs is at least 61%. Resident satisfaction with Council's provision of noise control is at least 54%.	The Councils provision of control of roaming dogs is measured using the Residents Survey, and results are not yet available. This will be reported on in the second quarter as a half year result.	W			
04. Narrative measure outlining how Council's venues, spaces, events and health initiatives promote community health.	The Draft Health Promotion Policy is out for consultation from 7 October to 8 November. This proposed policy includes guidelines for venues and community spaces.	G			

G - Target met | Y - Not on track but still achievable | R - Unlikely to achieve | W - Not yet due for measurement | B - Unlikely to achieve for reasons outside of Councils control

Performance Measures	Comments	Sep	Dec	Mar	Jun
<p>05. Narrative measure outlining how Council works alongside other organisations to promote and support community safety.</p>	<p>NZ Police: This partnership is vital in responding to whānau without shelter, addressing anti-social behavior, and supporting safety planning for various events such as PRIDE, Drag Fest, and Drag Story Time.</p> <p>Ada Street Collective: Addressing deliberately lit fires, anti-social behavior and high NZ Police call outs. Installation of traffic management cameras to monitor activity and conduct tree trimming in high-risk areas based on Fire & Emergency recommendations. In the last 3 months we have seen a 63% drop in NZ Police callouts from June to August 2024 (23 callouts compared to 63 in 2023). Fire and Emergency have attended only two street fires and Council reports a reduction in fly-tipping.</p> <p>Respectful Relationships and White Ribbon Day: We work closely with various community organisations to promote healthy relationships through initiatives like White Ribbon Day. In collaboration with key stakeholders such as MAIN, we are actively preparing for this year's White Ribbon Day, scheduled for November 24th. As part of our efforts, we are currently exploring suitable locations in Roslyn to host the event, ensuring it is accessible and impactful for the community.</p> <p>Rainbow Professionals: We facilitate a Rainbow professionals' group to foster collaboration, address current issues, and identify both gaps and strengths within the community. This group actively engages in a variety of initiatives, including panel discussions, art projects, Rainbow family initiatives, and organising events for PRIDE.</p> <p>PRIDE: Council divisions, in partnership with MALGRA, our Rainbow Professionals group organise a series of PRIDE events. This year's line-up includes a diverse range of activities such as the Dog Catwalk, Lego workshops, a Virtual Rainbow Museum tour, a Drag show, coffee gatherings, and a Rainbow movie event. These events aim to celebrate and strengthen our Rainbow community through inclusive and engaging experiences. Rainbow Youth MALGRA, YouthLine and InsideOut: Linking this group with Blue Light to explore social connection opportunities. The Rainbow youth have been actively engaged in activities such as cooking skills workshops, art projects, and a Rainbow camp. They are also working towards hosting a Rainbow ball and planning a North Island Blue Light trip to Rainbow's End.</p>	<p>G</p>			

G - Target met | Y - Not on track but still achievable | R - Unlikely to achieve | W - Not yet due for measurement | B - Unlikely to achieve for reasons outside of Councils control

Performance Measures	Comments	Sep	Dec	Mar	Jun
Climate Change and Sustainability					
01. Narrative measure outlining how the Council's actions and information help reduce community and Council GHG emissions. City and Council Emissions Inventories show declining trends in tCO22 (measured annually).	<p>The Low Carbon Fund (LCF) has been instrumental in achieving significant reductions in our Council's emissions. The emission reductions reported for 2023/2024 are the result of initiatives implemented over the past one to two years through the LCF. Key actions include energy efficiency upgrades and lighting improvements at the Central Energy Trust Arena, electric vehicle and tool upgrades within the Council to reduce petrol and diesel use, enhancements to the Esplanade wood pellet boiler for improved energy efficiency, and upgrades at the Lido, such as pool covers to reduce heating demand and the installation of LED lighting. Work is also starting on the co-development of a citywide climate change action plan.</p> <p>Across the city natural gas emissions are down approximately 6% whilst electricity emissions are up by approximately 6% which matches underlying usage changes. This indicates that more people and businesses are switching from gas to electricity. However, this is from 2023, so it is before the gas supply issues and subsequent cost increases that occurred earlier this year. Reductions are also evident in the emissions from petrol and diesel that is used to generate power (i.e. non-transport uses such as generators).</p> <p>Agricultural emissions also declined due to changes in livestock type, with over 1,000 fewer (high emission) beef and dairy cows and 6,000 more (lower emission) sheep recorded.</p> <p>There has also been a reduction in the volume of waste going to landfill at Bonny Glenn which has reduced the city's methane emissions for the year. This is in addition to the ongoing reduction in methane being emitted from Ashhurst and Awapuni closed landfills.</p>	G			
02. Narrative measure outlining Council's climate-related stormwater and civil defence initiatives and their contribution to strengthening the City's adaptive capacity.	Councils Emergency Management team continue to promote and sell 200L water tanks to the community and promotes this initiative at large community events such as the Manawatu Home and Garden Show. Council teams are developing a stormwater communications and education plan to share how stormwater systems work, and how they can assist and plan for the future. Work is also underway on a City Stormwater Strategy.	G			
Biodiversity and the Manawatu River					
01. Narrative measure outlining how Council's initiatives and information encourage community use of the River, and enhance its biodiversity.	We support community events and activities in the river park by enabling infrastructure and promotion on our website and Facebook page. Our walkway brochure informs readers of places to visit and their history. Our pest management programme and native planting help enhance biodiversity.	G			
02. Narrative measure outlining how Council's support and funding help organisations and communities achieve good conservation outcomes.	Support and funding provided to the Environment Network Manawatū through the Sector Lead Partnership Agreement to support the collective action of the Manawatū River Source to Sea initiative including river clean-up initiatives.	G			

G - Target met | Y - Not on track but still achievable | R - Unlikely to achieve | W - Not yet due for measurement | B - Unlikely to achieve for reasons outside of Councils control

Performance Measures	Comments	Sep	Dec	Mar	Jun
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Resource Recovery					
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01. Narrative measure outlining how Council's waste and recycling collection services, initiatives and information promote waste reduction and divert waste from landfill.	The 2024 Waste Management and Minimisation Plan (WMMP) sets a target to increase the percentage of household waste diverted from landfills over the next six years:- 30 % by July 2026- 40 % by July 2028- 50 % by July 2030.The WMMP includes 24 actions to meet these targets. Some of the actions this quarter to promote waste reduction include education (including tours of the Materials Recovery Facility and officer visits to education centers); establishing opportunities to divert hard-to-recycle materials (for example, polystyrene); actively working with the commercial sector to reduce business waste to landfill.	G			
02. 100% compliance with resource consents measured by having no abatement notices, infringement notices, enforcement orders or convictions.	100% compliant with all resource consents that relate to the composting activity and the two closed landfills in PNCC's care. Actions include continual monitoring of relevant operational activities and providing reports to Horizons as required.	G			
03. Resident satisfaction with Council's provision of kerbside rubbish and recycling collections is at least 79%.	The Council's provision of kerbside rubbish and recycling collections is measured using the Residents Survey and results are not yet available. This will be reported on in the second quarter as a half-year result.	W			

G - Target met | Y - Not on track but still achievable | R - Unlikely to achieve | W - Not yet due for measurement | B - Unlikely to achieve for reasons outside of Councils control

Performance Measures	Comments	Sep	Dec	Mar	Jun
Water					
01. Narrative measure outlining how Council's water supply is safe and well-maintained and people are encouraged to conserve water. Resident satisfaction with Council's provision of water supply is at least 78%.	While Council did not achieve 100% compliance, this is not due to unsafe water, but rather a technical issue related to chlorine contact time and minor gaps in some data sets. Water supply assets, from source through to reticulation are well maintained. Residents are encouraged to conserve water with targeted messaging on the Council website, while a successful voluntary water conservation program, running through summer, has seen Palmerston North avoid water restrictions for the last four years. Resident satisfaction with the water supply was not measured in Q1, however the result for the 2023/24 financial year was 75%.	B			
02. 100% compliance with the bacterial and protozoal requirements of the Water Services (Drinking Water Services for New Zealand) Regulations 2022.	Monitoring data received for the period 1 July to 30 September 2024 indicates 100% for protozoa compliance. However, we are slightly less than 100% compliant with the bacterial criteria due to our inability to meet Contact Time in several locations (refer to narrative in 01. above)	R			
03. Less than 40 complaints per 1,000 connections relating to clarity, taste, odour, continuity of water supply, drinking water pressure or flow, and our response to any of these issues.	There were 3.35 complaints per 1,000 connections.	G			
04. Average consumption of less than 360 litres of drinking water per day per resident.	There were 242 litres of consumption per day per resident.	G			
05. 2 hours or less median response time for urgent callout attendance.	The median response time was 30 minutes for urgent callout attendance.	G			
06. 7 hours or less median response time for resolution of urgent callouts.	The median response time for resolution of urgent callouts was 3 hours and 35 minutes.	G			
07. 10 hours or less median response time for non-urgent callout attendance.	The median response time for non-urgent callout attendance was 6 hours and 42 minutes.	G			
08. 75 hours or less median response time for resolution of non-urgent callouts.	The median response time for resolution of non-urgent callouts was 14 hours and 45 minutes.	G			
09. Less than 20% of real water loss from the water reticulation network.	The real water loss from the water reticulation network was 14.8%.	G			

G - Target met | Y - Not on track but still achievable | R - Unlikely to achieve | W - Not yet due for measurement | B - Unlikely to achieve for reasons outside of Councils control

Performance Measures	Comments	Sep	Dec	Mar	Jun
Stormwater					
01. Narrative measure outlining how Council's stormwater system is reducing flooding risks and responding to climate change. Resident satisfaction with Council's provision of stormwater is at least 62%.	The design of new stormwater assets allows for future climate change. This approach is recognised as best practice and helps to mitigate potential flood risk. Resident satisfaction for stormwater services is not measured in Q1, however for the 2023/24 year it was 66%.	G			
02. Less than 5 flooding events that result in stormwater from Council's stormwater system entering a habitable floor in the urban area.	There was 1 recorded incident where stormwater entered a habitable floor.	G			
03. Less than 2 hours median time to attend a flooding event.	The median time to attend a flooding event was 1 minute and 12 seconds. This is because teams were on site and responding proactively before customer complaint was lodged (related to wider rainfall response event.)	G			
04. Less than 15 complaints received about the performance of the Council's urban stormwater system per 1,000 properties connected.	There were 1.43 complaints per 1,000 connections.	G			
05. 100% compliance with resource consent conditions for discharge from our stormwater system measured by the number of: Abatement notices, Infringement notices, Enforcement orders and Convictions.	100% compliance was achieved for the first 1/4. There were no abatement or infringement notices, enforcement orders or convictions.	G			

G - Target met | Y - Not on track but still achievable | R - Unlikely to achieve | W - Not yet due for measurement | B - Unlikely to achieve for reasons outside of Councils control

Performance Measures	Comments	Sep	Dec	Mar	Jun
Wastewater					
01. Narrative measure outlining how Council's wastewater system is effective, well-maintained and resilient. Narrative measure outlining progress on the Nature Calls project. Resident satisfaction with Council's provision of the sewerage system is at least 73%.	Council's wastewater systems are well maintained and hence provide agreed levels of service and acceptable resilience for the communities they serve. Resident satisfaction survey for Q1 is not measured, however, for the 2023/24 year the result was 71%. The Nature Calls project is currently reviewing the long list of options to be considered for taking into a shortlisting process. The project methodology was present to Council in September and a seven-step process agreed. The Water Services Authority (Taumata Arowai) are developing a series of national wastewater standards. At the time of reporting, it is unclear what those standards will mean for the Nature Calls project. Work will continue on a no regrets basis until more clarity is available.	G			
02. Less than 1 dry weather wastewater overflows from Council's wastewater system per 1,000 connections.	There were no dry weather wastewater overflows from Council wastewater systems per 1,000 connections.	G			
03. No more than 15 complaints per 1,000 connections about: Wastewater odour, Wastewater system faults, and Wastewater system blockages. Response to issues with the wastewater system.	There were 1.54 complaints per 1,000 connections.	G			
04. Median time for attending overflows resulting from blockages or other faults is less than 1.5 hours.	The median time for attending overflows resulting from blockages or other faults 21 minutes.	G			
05. Median time for resolution of overflows resulting from blockages or other faults is less than 8 hours.	Median time for resolution of overflows resulting from blockages or other fault was 4 hours and 4 minutes.	G			
06. 100% compliance with resource consents for discharge from our wastewater system as measured by the number of: Abatement notices, Infringement notices, Enforcement notices, and Convictions received by us in relation to resource consents.	100% compliance was achieved for the first 1/4. There were no abatement or infringement notices, enforcement orders or convictions.	G			

G - Target met | Y - Not on track but still achievable | R - Unlikely to achieve | W - Not yet due for measurement | B - Unlikely to achieve for reasons outside of Councils control

Performance Measures	Comments	Sep	Dec	Mar	Jun
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Measures Excluded from Goals

Governance and Active Citizenship

01. Narrative measure on actions to improve advice to decision makers, including elected member feedback, officer training on report writing and speaking in the Chamber, and report template updates to reflect sustainability and Council's direction.	Report template has been drafted and is with software provider for review. Report writers meet monthly for peer support and training, including a recent highlight of guest speaker on recent decision-making case law.	G			
02. Council quarterly reports (financial and strategic performance monitoring) and Annual Report are considered in public committee and the Annual Report published on our website. CCO six-monthly and Annual Reports are considered by committee and Annual Reports published on our website.	Council's Annual Report 2023/24 is due to be adopted on October 30th. Following adoption, the report will be published on our website. CCO Annual Reports were considered on 25 September and are uploaded to our website accordingly. Six-monthly reports are due in April 2025.	G			
03. Narrative measure outlining how Council's advocacy promotes the City's interests.	Over the past six months, Council advocacy has primarily focused on responding to proposed central government changes related to infrastructure funding and land use planning. This includes submissions on legislative changes concerning earthquake-prone buildings, the proposed tolling of Te Ahu a Turanga, speed limits (Kikiwhenua-SH 56), the Fast Track Bill, NES Granny Flats, Fast Track application for the Manawatu Regional Freight Ring Road, RLTP, GPS, and public transport (Connect the Dots).	G			

G - Target met | Y - Not on track but still achievable | R - Unlikely to achieve | W - Not yet due for measurement | B - Unlikely to achieve for reasons outside of Councils control

Performance Measures	Comments	Sep	Dec	Mar	Jun
04. Narrative measure outlining how Council's information and governance processes and systems encourage public participation. Narrative measure on community feedback about Council's engagement processes (including feedback from Reference Groups, Residents' Survey results, and comparative digital engagement statistics.)	<p>There was a range of consultation and engagement activities including Reserves Management Act, Adderstone Reserve and getting things ready for October releases (Health Promotion, Food Security and Roxburgh to name a few). We also sent out information about the new rating system, and what decisions had been made from LTP submissions. Two great engagement activities were the return of the recycling centre open days, and teaming up with Milson School to get the children to pick the colours of their new playground. Engagement also occurred with businesses and those affected by construction projects.</p> <p>Media: During the quarter we had 74 media queries, 30 media releases were distributed, and we did 16 interviews.</p> <p>Social Media: Across Facebook, Instagram, LinkedIn and TikTok, more than 3M people saw our content and more than 200,000 people actively engaged. More than 10,000 people clicked through to our website to learn more.</p> <p>Website: In this first quarter of the year, 173,245 people visited our website 302,785 times. 56% of these were 'engaged sessions', where people interacted with us in some way other than just reading the content on the page. The total event count in this quarter is 1.9M.</p> <p>The most visited pages were our online search tools: rubbish and recycling days (25,693 views), property and rates search (22,538 views), and Cemetery and cremation search (10,193 views).</p> <p>An insight for this quarter is that organic search appeared in 91.98% of our key event paths. They are the actions people take on the website, like submitting a form, downloading content, watching a video, sending an email, making a phone call, or clicking a link. Organic search was more than 90% of these interactions. Council has three reference groups (Seniors', Disability and Pasifika) with a Youth development reference group soon to be established. The groups' give Council a direct channel to hear the voices of those with lived experience in a community or demographic. They also help build stronger relationships between Council and the community. In the first quarter of the 2024-2025 year, both the Pasifika and Seniors' groups presented their annual reports to Council's Community Committee. The groups have covered various topics at their meetings, including: comments on the Public Places Review, and the Vegetation Framework Review; feedback on the Featherston Street safety improvements, and an update on the accessibility audit work which was occurring on Council-owned facilities.</p>	G			

G - Target met | Y - Not on track but still achievable | R - Unlikely to achieve | W - Not yet due for measurement | B - Unlikely to achieve for reasons outside of Councils control

Appendix for September 2024 Report

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Appendix 2 – Activities Net Operating Cost

Activities Net Result Statement	2024/25 \$000s						
	Year to Date		Bud. Var.		FY Rev. Bud.	FY AP Bud.	(10% of YTD budget)
For the period to 30 September 2024	Actual	Budget	\$000's	%	\$000's	\$000's	
Operating Result by Activities							
<i>A connected & cafe community</i>	5,005	4,947	(58)	-1%	18,628	19,220	
City Library	2,746	2,735	(11)	0%	9,413	8,609	
Community support	2,313	2,200	(113)	-5%	7,150	8,532	
Community safety and health	(55)	12	66	572%	2,065	2,080	Delay in timing of expenditure year to date.
<i>A creative & exciting city</i>	6,470	6,600	130	2%	22,366	22,322	
Arts and Heritage	2,406	2,670	264	10%	9,701	9,812	See footnote
Recreation and Play	4,064	3,930	(134)	-3%	12,665	12,510	
<i>Supporting the Organisation</i>	3,668	4,178	510	12%	11,708	10,906	
Organisational performance	1,396	2,209	814	37%	4,244	3,274	Majority of the underspend is associated with Digital Transformation having timing delays, the programme is still on track to be delivered within the financial year.
Governance and Active Citizenship	2,272	1,969	(304)	-15%	7,464	7,631	Professional services spend has progressed quicker than anticipated.
<i>A sustainable and resilient city</i>	2,158	2,445	287	12%	9,243	7,669	
Climate change & Sustainability	239	360	120	33%	1,288	1,296	See footnote
Biodiversity and the Manawatu River	503	618	115	19%	2,053	1,933	Less activity YTD than budgeted due to weather. We are still expecting to complete all activity and spend to budget by year end.
Resource Recovery	1,416	1,467	51	3%	5,902	4,440	

An innovative and growing city	2,473	3,200	727	23%	9,982	18,857	
Housing	1,172	1,394	222	16%	3,590	12,410	Lower professional services spend than anticipated for district plan changes, largely due to a more thorough procurement process and streamlined planning approach. This work is still on track to be delivered within the financial year.
Economic Development	1,326	1,598	272	17%	5,551	5,592	See footnote
Urban Design	(25)	207	232	112%	841	855	Favourable variance due to cost allocation for maintenance contract. Officers are currently correcting the cost allocation to ensure accuracy.
Stormwater	1,028	1,110	81	7%	3,463	3,465	
Wastewater	1,877	1,980	103	5%	6,410	6,967	
Water	1,701	1,816	115	6%	5,747	6,777	
Transport	2,763	1,230	(1,533)	-125%	4,908	4,485	
Active and Public Transport	365	277	(88)	-32%	1,222	1,168	NZTA grants and subsidies are unfavourable YTD. We are reviewing the programme of work for FY25 given the decreased funding from NZTA.
Roading	2,398	953	(1,445)	-152%	3,686	3,317	Several drivers YTD with Contractors (Roads, Street Facilities, Traffic) unfavourable, low labour allocation to capital projects YTD, and unfavourable parking revenue. See additional commentary in CE Introduction.
Activities Controllable Surplus/ (Deficit)	27,143	27,505	362	1%	92,455	100,668	

- The internal allocation methodologies associated with the new LTP and realignment are currently being refined. This has led to some variances between activities for coding of actual costs relating to remuneration and internal allocations that need to be reviewed.

Appendix 3 – Operating Programme Reporting

Activities Net Result Statement	2024/25 \$000s						Variance explanation
	Activity	Year to date		Bud. Var.		FY Bud.	
For the period to 30 September 2024		Actual	Budget	\$000's	%	\$000's	
City-wide – Infiltration & Inflow Investigations	Wastewater	9	123	113	92%	491	Work has progressed less than expected YTD. A specialist has been engaged to determine the work programme for the remainder of the year.
Community Events	Arts and Heritage	68	10	(58)	-580%	620	Community Events expenditure has been incurred earlier than anticipated. The programme of works is on track to be delivered within budget.
Digital Transformation	Organisational performance	897	1,507	610	40%	5,376	Some projects within Digital Transformation have had timing delays, the programme is still on track to be delivered within the financial year.
Open Channels and Drainage clearing	Stormwater	180	76	(104)	-136%	305	Some incorrect costs have been coded have been identified against this programme that Officers are currently correcting.
Regional Freight Ring Road Indicative Business Case	Roading	9	125	116	93%	500	Work is yet to get underway for the business case. It is likely only \$100K of this programme will be required.

Appendix 4 – Capital expenditure by Group of Activities

Group of Activities - Capital Expenditure	2024/25 \$000's		Variance	%
	Full Year			
For the period to 30 September 2024	Actual	Budget	\$000's	Budget
				Spent
Capital New	6,161	8,560	2,399	72%
A connected and safe community	501	384	(118)	131%
A creative and exciting city	(17)	166	182	-10%
Supporting the Organisation	2	269	268	1%
A sustainable and resilient city	206	212	6	97%
An innovative and growing city	(50)	162	212	-31%
Stormwater	959	1,085	125	88%
Transport	2,199	3,320	1,121	66%
Wastewater	1,012	1,738	726	58%
Water	1,348	1,224	(124)	110%
Capital Renewal	5,382	6,080	698	89%
A connected and safe community	292	524	232	56%
A creative and exciting city	1,043	1,027	(17)	102%
Supporting the Organisation	468	1,318	850	36%
A sustainable and resilient city	86	70	(16)	123%
An innovative and growing city	535	156	(379)	343%
Stormwater	30	31	1	98%
Transport	1,459	1,342	(117)	109%
Wastewater	685	1,059	374	65%
Water	784	553	(231)	142%
Capital Growth	852	944	91	90%
A connected and safe community	-	-	-	-
A creative and exciting city	4	20	15	22%
Supporting the Organisation	-	-	-	-
A sustainable and resilient city	(3)	-	3	-
An innovative and growing city	-	-	-	-
Stormwater	118	437	319	27%
Transport	320	363	43	88%
Wastewater	109	-	(109)	-
Water	304	124	(180)	245%

Appendix 5 – Capital expenditure by Programme (programmes over \$1,000,000)

Activity-Programme Name	YTD Actuals	YTD Budget	YTD Variance	FY Budget	Status
Capital New					
Resource Recovery					
1371-Closed Landfills and Transfer Stations - Safety, Security and Development	\$20	\$12	(\$8)	\$1,323	Budget concerns around cost of shredder chipper which officers are working through. Other projects are on track.
Climate change mitigation and adaption					
1888-Low Carbon Fund	-	-	-	\$1,005	YTD there have not been any allocations from this fund yet. The first allocations from this fund are expected to be approved in February 2025.
Stormwater					
1060-City-wide - Stormwater Network Improvement Works	\$743	\$795	\$52	\$2,257	Ruahine Street on track to complete before Christmas. Hull Place to commence thereafter.
1708-City-wide - Stormwater Flood Mitigation	\$21	\$25	\$4	\$1,549	McGregor Street currently in design with construction planned for later in the financial year.
Active and Public Transport					
2057-City-wide - Shared Pathways - New and Link Improvements	\$28	\$68	\$40	\$2,000	Work paused while awaiting Council decisions around NZTA funding and consequent programme scope of work.
Roading					
159-Kelvin Grove Road - Safety Improvements	\$89	\$120	\$31	\$1,000	Work paused while awaiting Council decisions around NZTA funding and consequent programme scope of work.
2390-City-wide - Transport - Low Cost/ Low Risk and Road to Zero	\$1,213	\$1,392	\$179	\$4,000	Pioneer Highway substantially complete. The remainder of the programme of work has been paused while awaiting Council decisions around NZTA funding and consequent programme scope of work.
2526-Amberley Avenue Bridge	\$182	\$1,182	\$1,000	\$2,006	Delays in design and consenting have meant a slower start to the year than forecast. On track to complete by the end of the financial year.
Wastewater					
1074-Totara Road Wastewater Treatment Plant - Earthquake Strengthening of Civil Structures	\$105	\$460	\$355	\$1,000	Digester strengthening underway, control room strengthening in procurement. On track to complete planned works by the end of the year.
1616-City-wide - Wastewater Pump Station - Capacity Upgrade	\$62	\$50	(\$12)	\$1,000	Reserve Road currently in design, College Street equipment purchases underway. On track to complete by the end of the year.
2229-City-wide-Wastewater Pipe Improvement	\$317	\$466	\$149	\$1,000	Programme progressing well.
628-Totara Road Wastewater Treatment Plant - Consent Renewal Upgrade	\$307	\$482	\$176	\$3,000	Revision of BPO underway. Governance structure established.

Water					
1054-Ashhurst - Water Quality Improvements	\$21	\$6	(\$15)	\$2,500	Contract has been awarded and design is now underway. Likely to be significant savings in this programme.
2228-City-wide - Water Main Improvement	\$785	\$467	(\$318)	\$1,000	North Street project complete. Raymond Street to commence shortly, completing the programme early in the new year
Capital Renewal					
Active Communities					
1837-Swimming Pools - Pool Renewals	\$674	\$690	\$16	\$1,184	Lido changing rooms completed and open. Other renewals are progressing well
Strategic Investments					
1879-Council's Plant and Vehicle - Replacements	(\$4)	\$871	\$875	\$1,750	Some delays with delivery of vehicles due to supply chain issues. Units have now begun arriving. Programme tracking to be fully delivered by the end of the financial year.
Active and Public Transport					
64-City-wide - Footpath - Renewals	\$39	-	(\$39)	\$1,150	Work paused while awaiting Council decisions around NZTA funding and consequent programme scope of work.
Roading					
115-City-wide - Sealed Roads - Pavement Rehabilitation	\$509	\$830	\$321	\$3,100	Work on Railway Road progressing and looking to complete on schedule.
139-City-wide - Sealed Road Resurfacing	\$320	\$200	(\$120)	\$3,200	Preparation works underway. Resealing to commence over the summer months.
Wastewater					
54-City-wide - Wastewater Pipe Renewal	\$643	\$886	\$243	\$1,800	Programme on track.
Water					
218-City-wide - Water Main Renewals	\$510	\$439	(\$70)	\$3,000	Programme progressing well.
Capital Growth					
Stormwater					
1001-Urban Growth - Whakarongo - Stormwater	\$104	\$327	\$223	\$2,500	Pond planting almost done, completing project. Majestic Way optioneering. Te Matai Road in design.
1704-Urban Growth - Aokautere - Stormwater	\$33	\$51	\$18	\$1,052	Consenting and surveying underway. Construction planned for next financial year.
Roading					
1003-Whakarongo - Intersection - Safety Improvements	\$6	\$89	\$83	\$1,200	Work paused while awaiting Council decisions around NZTA funding and consequent programme scope of work.
1681-Urban Growth - Kikiwhenua - Transport	\$7	\$2	(\$5)	\$3,000	Te Wanaka land evaluation complete and another in progress.
2124-Urban Growth - Ashhurst - New Roads	\$275	\$272	(\$3)	\$1,785	Custom Street stage 1 complete. Contract for Stage 2 has been awarded with works to commence in Q2.

Water					
2297-Urban Growth - Napier Road Bore (City East)	\$7	\$36	\$29	\$1,000	Investigations well underway. Construction planned to start this financial year and continuing into next. Includes provision for land purchase.
2299-Urban Growth - New Northern Water Supply Bore (Milson Line)	\$4	\$16	\$12	\$1,000	Preliminary investigations. Land purchase and design planned for this FY.
2512-Urban Growth - Kikiwhenua - Water Supply	\$294	\$4	(\$290)	\$1,300	Project underway. On track to complete this financial year.

Appendix 6 – Capital expenditure by Programme (programmes under \$1,000,000)

The following table highlights spend against budget of the programmes with budgets less than \$1,000,000.

Activity-Programme Name	YTD Actuals	YTD Budget	YTD Variance	FY Budget
Capital New				
Connected Communities				
1196-Cemeteries - Kelvin Grove - Replacement & Enhancement of Staff Facilities	\$304	\$21	(\$282)	\$21
1459-Social Housing - Additional Social Housing Units	-	\$75	\$75	\$500
161-Public Toilets - New City-wide Toilets	\$210	\$212	\$2	\$471
1833-City Growth - Cemeteries - Extensions to burial and ashes areas to meet demand	\$40	\$140	\$100	\$216
1882-City Growth - Cemeteries - Expansion of Kelvin Grove Cemetery Roothing Network	-	\$5	\$5	\$50
1948-Events and Festival Equipment Purchase	-	-	-	\$5
2350-Cultural Facilities - New Multicultural Facility	\$4	\$2	(\$2)	\$450
2431-Community Events Trailer	-	-	-	\$40
2343-Citywide - New Community Hubs	\$17	\$3	(\$14)	\$600
2440 - Community Centres – Pasifika Centre Expansion	-	-	-	\$400
2452-Community Gardens - Water Supply and Signage	-	-	-	\$8
2501-City Lib - Creative Interpretive Heritage Markers	-	-	-	\$25
Safe Communities				
2410-CCTV New Cameras	\$7	-	(\$7)	\$80
2416-CDEM - NZRT4 - New Safety Equipment	-	-	-	\$5
Active Communities				
1099-Parks and Reserves - Shade Development	\$0	\$8	\$8	\$40
111-Local Reserves - Roslyn - Edwards Pit Park Development	\$1	\$0	(\$0)	\$25
1194-CET Arena - Masterplan Redevelopment	\$6	\$9	\$2	\$500
1763-CET Arena - Property Purchase	-	-	-	\$840
1838-City Reserves - Victoria Esplanade - Exotic Aviaries	\$11	\$26	\$15	\$100
1847-City Reserves - Victoria Esplanade - Capital New	\$1	-	(\$1)	\$34
1848-City Reserves - Linklater Reserve - Capital New	\$1	\$4	\$3	\$30
1851-Sportsfield Improvements - Capital New	-	\$40	\$40	\$208
1852-Local Reserves - Improvements to Existing Reserves to Close Identified LOS Gaps	\$2	\$2	(\$0)	\$228
1853-Local Reserves - Development of Existing Reserves - Capital New	(\$12)	\$4	\$16	\$117
1854-Swimming Pools - Splashhurst Pool Enhancements	\$1	\$1	(\$0)	\$56
1884-Local Reserves - Accessibility and Safety Improvements	\$17	\$21	\$4	\$116
2349-Ashhurst - Te Apiti Masterplan - Three Bridges Loop Development	-	\$1	\$1	\$394
967-City-wide - Edibles Planting	-	\$2	\$2	\$5
Arts and Heritage				
902-Property - Seismic Strengthening of Council Properties	(\$21)	\$49	\$70	\$50
City Shaping				
1330-City Centre - Placemaking Implementation	-	-	-	\$9
Organisational Performance				
2499-Smart Cities / Smart Palmy	-	-	-	\$50
60-IM Strategic Plan - New Software Applications	-	\$19	\$19	\$75
Strategic Investments				
1875-Fleet - Upgrade to Electric Vehicles - Capital New	-	\$103	\$103	\$213
2460-Fleet - Hydrovac/Airvac unit	-	-	-	\$620

99-New Vehicles and Plant to enable the delivery of improved Council services	\$2	\$148	\$147	\$307
Environmental sustainability				
1077-Citywide - Biodiversity Enhancement Through Native Planting	\$5	-	(\$5)	\$30
2429-Turitea Predator Control-Self Resetting Traps	\$60	-	(\$60)	\$120
Manawatu River				
2239-City Reserves - Te Motu o Poutoa - Design and Consenting - BOF	\$79	\$97	\$18	\$685
Resource Recovery				
1410-Recycling - City-wide Recycling Services to Commercial/Organisational Properties Development	\$3	\$5	\$2	\$20
2227-Resource Recovery Centre Resilience Improvements	-	-	-	\$50
2338-Recycling Contamination Monitoring Development	-	-	-	\$55
2503-Collection Vehicles - Safety and Security Development	\$1	-	(\$1)	\$245
506-City-wide - Public Space Rubbish & Recycling Bins Development	\$6	\$12	\$6	\$150
727-Recycling - Materials Recovery Facility Development	\$14	\$62	\$47	\$200
Climate change mitigation and adaption				
1924-Improving remote monitoring capabilities	\$1	-	(\$1)	\$80
Economic Development				
2345-Property - Solar Panel Installations	\$77	\$87	\$10	\$87
Stormwater				
1372-City-wide Stormwater Pump Stations Improvement	\$132	\$148	\$16	\$619
22-Citywide - Restoring Flood Capacity of Stormwater Channels	\$1	\$87	\$86	\$150
2313-Citywide - Installation of new Stormwater Assets	\$5	\$17	\$12	\$100
2509-Bunnythorpe - Stormwater Asset Improvement	\$1	\$13	\$12	\$200
Active and Public Transport				
1121-Tennent Drive - Safety Improvements - Food HQ & Massey	-	-	-	\$200
1559-City-wide - Cycling Network Improvements	\$170	\$39	(\$131)	\$250
1680-City-wide - Public Transport - Network Improvements	\$6	\$54	\$48	\$500
2231-City-wide - Public Transport - Transport Choices - Additional Bus Shelters	\$209	\$200	(\$9)	\$200
2368-City-wide - Footpaths - New	-	-	-	\$500
2505-City-wide - Shared Pathways - Slip Prevention	-	\$2	\$2	\$300
Roading				
1804-City-wide - Road Drainage - Additional Drainage Upgrades	-	\$12	\$12	\$120
1807-City-wide - Car Park Infrastructure Improvements	\$82	-	(\$82)	\$500
1944-Villages - Transport - Road Upgrades to Urban Standard	\$108	\$11	(\$97)	\$300
2065-Urban Growth-Whakarongo-Transport	\$10	-	(\$10)	-
2119-Road to Zero - Transport Safety Improvements	\$88	-	(\$88)	-
2204-City-wide - Street Racer Prevention	\$1	\$10	\$9	\$60
2335-Stoney Creek Road - Safety Improvements	\$54	\$108	\$54	\$500
2362-City-wide - Transport - Bridge Improvements	\$22	\$34	\$11	\$200
2380-City-wide - Transport - Emergency Reinstatements	\$35	\$41	\$5	\$250
2428-City-wide - Street Trees - New and Replacements	\$11	\$40	\$29	\$600
2456-Cliff Road Upgrade - Te Motu O Poutoa	\$4	\$8	\$4	\$500
Wastewater				
1535-City-Wide - Campervan Dump Stations	\$44	\$37	(\$7)	\$198
1617-Totara Road Wastewater Treatment Plant - Biogas System Improvements	\$188	\$217	\$28	\$689
1712-City-wide Wastewater reticulation wet weather overflow mitigation	\$30	\$1	(\$29)	\$500
1821-City-wide Wastewater Pipeline Realignment of critical at-risk mains	\$0	\$3	\$3	\$500
2257-Citywide - Discharge Smart Meters for Large Trade waste Customers	-	\$1	\$1	\$40
2322-Bunnythorpe - Wastewater Network Upgrades	-	\$4	\$4	\$300
2329-Citywide - Wastewater Pump Station H&S Upgrades	-	-	-	\$50
2331-Citywide Wastewater Critical Spares	\$10	-	(\$10)	\$100
2347-Wastewater Trunk Main - Infill Upgrades	\$0	\$2	\$2	\$250

66-Totara Road Wastewater Treatment Plant - Resilience Programme	(\$54)	\$16	\$70	\$250
Water				
124-Turitea WTP - Drinking Water Standards Upgrades	\$63	-	(\$63)	-
132-City-wide - Water Supply Resilience - Trunk Mains	\$79	\$60	(\$19)	\$600
1384-City-wide - Water Supply Resilience - City Supply Reservoir	(\$73)	\$17	\$89	\$500
1388-Palmerston North - District Metering Areas for Water Supply	\$10	\$1	(\$9)	\$75
1389-City-wide - Water Supply Resilience - Security of Supply	\$58	\$159	\$102	\$438
1696-City-wide - Drinking Water Standards Upgrades	-	\$37	\$37	\$100
1697-Turitea WTP - Water Supply Resilience - Upgrades	\$33	\$74	\$41	\$200
1873-City-wide - Water Main Upgrades - Firefighting	-	-	-	\$100
1874-Turitea Dams - Health & Safety Improvements	\$0	\$30	\$29	\$150
1883-Water Supply - Small Plant and Equipment	\$3	\$0	(\$3)	\$100
2042-Turitea WTP - Raw Water Main Duplicate	\$31	\$51	\$20	\$200
2048-City-wide - Water Toby and Manifold enhancements	\$171	\$290	\$119	\$750
2060-City-wide - Commercial Water Meters	\$101	\$17	(\$83)	\$70
2298-Bunnythorpe - Water Quality Improvements	\$49	-	(\$49)	\$50
2303-Citywide - Bore Facility Improvements	\$3	\$11	\$8	\$900
986-Turitea Dams - Aeration Upgrade	\$11	\$4	(\$7)	\$200

Capital Renewal				
Connected Communities				
1120-Community Libraries - Renewals	-	-	-	\$30
1136-CET Wildbase Recovery Centre - Renewals	\$2	-	(\$2)	\$30
1138-Technology to Support 21st Century Citizens (Renewal)	-	-	-	\$50
1269-Bylaw Signage-Replacement	-	\$2	\$2	\$13
1452-Community Stage - repair	-	-	-	\$11
1496-Replacement of Street Flags	\$23	\$25	\$2	\$25
1769-Community Agency Facilities - Renewals	-	-	-	\$50
1775-Central Library - Renewals	\$9	-	(\$9)	\$50
178-Replacement of Shelving, Furniture and Equipment	-	-	-	\$20
1796-Cemeteries - Building Renewals	\$40	\$201	\$161	\$321
180-Social Housing - Renewals	\$69	\$96	\$27	\$400
1828-Cemeteries - Non-Building Asset Renewals	\$6	\$26	\$20	\$113
186-Public Toilets - Renewals	\$0	\$80	\$80	\$120
188-Replacement and Purchase of Library Materials	\$238	\$204	(\$34)	\$815
1971-CET Wildbase Recovery Signage	-	-	-	\$81
1972-CET Wildbase Recovery Digital Capacity	-	-	-	\$81
202-Central Library Interior Design Renewals	-	-	-	\$20
203-Community Libraries, Youth Space, Blueprint and Mo	-	-	-	\$25
265-Community Centres - Renewals	\$6	\$12	\$6	\$300
Safe Communities				
1512-CCTV Replacements	(\$6)	-	\$6	\$80
2382-CDEM - NZRT4 - Safety Equipment Replacement	-	-	-	\$5
2539-Civil Defence EOC-Equipment Replacement	-	-	-	\$10
1051-CET Arena - Arena Renewals	\$140	\$157	\$17	\$500
1759-CET Arena - Grounds Renewals	\$7	-	(\$7)	\$40
1786-Recreational Buildings - Sports Pavilion and Changing Room Renewals	\$6	\$1	(\$5)	\$200
1827-Local Reserves - Renewals	\$67	\$67	(\$1)	\$798
1829-Sportsfields and Artificial Turfs - Renewals	\$13	\$5	(\$8)	\$260
1830-City Reserves - Memorial Park - Renewals	\$42	\$5	(\$37)	\$30
1831-City Reserves - Te Marae o Hine - The Square - Renewals	\$10	\$13	\$3	\$69
1832-City Reserves - Ashhurst Domain - Renewals	(\$3)	\$20	\$23	\$100
1834-City Reserves - Walkways - Renewals	\$5	\$44	\$39	\$240
1835-City Reserves - Linklater Reserve - Renewals	\$5	\$2	(\$3)	\$15
1840-City Reserves - Victoria Esplanade - Renewals	\$4	\$12	\$8	\$217
1960-CET Arena-Arena 1 Sound System	(\$54)	-	\$54	\$16
1963-CET Arena- Score clock Replacement Arena2	\$32	-	(\$32)	\$50
1964-Arena Indoor Stadium Sound System Replacement	\$19	-	(\$19)	-
819-CET Arena-Replacement of Equipment	\$16	-	(\$16)	\$60

Arts and Heritage				
213-Cultural Facilities - Renewals	\$36	\$9	(\$28)	\$500
2420-Caccia Birch Signage Renewals	-	-	-	\$10
Organisational performance				
2027-Video and Audio Equipment	-	-	-	\$9
221-Print Synergy - Replacement of Print Synergy Machines	-	-	-	\$16
2494-Modern Telephony Replacement	-	-	-	\$200
2496-Data Centre Refresh	\$318	\$310	(\$8)	\$460
281-CAB - Renewals	\$4	\$1	(\$3)	\$200
318-Telecommunications Replacement - Council Buildings	\$11	-	(\$11)	-
53-Computer Replacement - Rolling Replacements	\$115	\$118	\$3	\$470
58-Network Additions and Upgrades	\$20	\$19	(\$1)	\$75
68-Aerial Photography	\$2	-	(\$2)	\$35
755-Replacement of Parking Enforcement Handhelds	-	-	-	\$35
784-Replacement of Council's Photocopiers/Printers	-	-	-	\$18
86-Property - Furniture Replacements	-	-	-	\$30
Strategic Investments				
1753-Investment Properties - Building Renewals	\$2	-	(\$2)	\$50
1791-Parks Depot - Building Renewals	\$374	\$30	(\$344)	\$30
1970-Gordon Kear Forest Culvert Replacements	\$26	-	(\$26)	\$35
2022-Property - Hard Surfaces Renewals	\$5	\$2	(\$3)	\$100
80-Council Small Mobile Plant and Equipment - Replacement	\$3	-	(\$3)	\$351
85-Depot - Buildings and Structures Renewals	\$26	\$14	(\$12)	\$120
Manawatu River				
1825-City Reserves - Manawatu River Park - Renewals	\$6	\$19	\$12	\$99
Resource Recovery				
1368-City-wide - Public Space Rubbish & Recycling Bins Renewals	\$9	\$10	\$0	\$75
1374-City-wide - Recycling Drop Off Facilities - Renewals	(\$0)	\$0	\$0	\$15
1721-Composting Activity Site Renewals	\$2	\$1	(\$1)	\$10
1784-Rubbish and Recycling Buildings - Renewals	\$5	\$4	(\$1)	\$100
185-Closed Landfills and Transfer Stations - Site Renewals	\$11	\$4	(\$7)	\$131
612-Recycling - City-wide Wheelie Bin and Crate Renewals	\$28	\$26	(\$2)	\$100
649-Recycling - Materials Recovery Facility Renewals	\$23	\$7	(\$16)	\$200
Economic Development				
1166-Conference & Function Centre - Equipment Purchases	\$12	-	(\$12)	\$74
1730-Information Centre - Building Renewals	-	\$1	\$1	\$20
251-Conference - Replacement of Equipment	\$5	-	(\$5)	\$37
270-Holiday Park - Renewals	\$11	\$10	(\$1)	\$300
272-Staff Cafeteria-Replacement of Equipment	\$0	-	(\$0)	\$6
664-Conference & Function Centre - Renewals	\$3	\$4	\$0	\$50
Stormwater				
1062-City-wide - Stormwater Network Renewal Works	\$30	\$30	(\$0)	\$100
20-City-wide - Stormwater Pump Station Renewals	\$0	\$1	\$1	\$250
Active and Public Transport				
181-City-wide - Public Transport Infrastructure Renewal	\$5	-	(\$5)	\$150
2256-Bunnythorpe - Transport - Footpath Renewals	\$0	-	(\$0)	\$50
2371-City-wide - Cycling Network - Renewals	-	-	-	\$300
2372-City-wide - Streetscape - Renewals	-	\$5	\$5	\$50
2373-City-wide - Shared Pathways - Renewals	-	\$1	\$1	\$300
2383-City-wide - Active Transport Supporting Infrastructure - Renewals	-	\$2	\$2	\$50
Roading				
122-City-wide - Road Drainage Renewals	\$13	\$9	(\$4)	\$500
1615-City-wide - Parking and Traffic Signs and Marking	\$214	-	(\$214)	-
162-City-wide - Vehicle Crossing Renewals	-	\$40	\$40	\$140
2357-Bunnythorpe - Transport - Pavement Renewals	\$75	\$163	\$88	\$200
2375-City-wide - Unsealed Roads - Resurfacing	-	-	-	\$100
2376-City-wide - Traffic Services - Renewals	\$0	\$60	\$60	\$600
2377-City-wide - Transport - Environmental Renewals	-	\$3	\$3	\$30
2379-City-wide - Transport - Structural Component Renewal	-	-	-	\$600

74-City-wide - Street Light Renewals	\$292	\$30	(\$262)	\$500
82-City-wide - Off-Street Parking - Renewals	\$0	-	(\$0)	\$150
Wastewater				
1068-Totara Road Wastewater Treatment Plant - Replacement of Inlet Pumps	\$19	-	(\$19)	-
1380-Totara Rd WWTP - Biogas Generator Major Overhauls	\$22	\$31	\$9	\$259
1714-City-wide Wastewater Trunk Mains Renewal	\$35	\$63	\$28	\$500
179-Totara Road Wastewater Treatment Plant - Minor Equipment Renewals	\$8	\$3	(\$5)	\$264
1799-Wastewater Treatment Plant - Buildings Renewals	\$5	\$3	(\$2)	\$50
1801-Wastewater Pump Stations - Building Renewals	\$0	-	(\$0)	\$45
1887-Wastewater Minor Equipment Renewals	\$0	-	(\$0)	\$20
2323-Citywide - Relining of Wastewater Pipes	\$11	\$4	(\$7)	\$600
2411-Renewal of Oxidation Ponds and Sludge Lagoons	\$1	\$2	\$1	\$700
2530-Bunnythorpe - Wastewater Reticulation Renewals	\$0	\$65	\$65	\$200
601-Citywide - Aeration Pond Wave Band Repairs	\$0	\$1	\$0	\$150
65-City-wide - Wastewater Pump Station Renewal	(\$59)	\$3	\$61	\$165
Water				
1061-City-wide - Water Supply Reservoir Renewals	\$1	-	(\$1)	\$50
1700-City-wide - Water Meter Renewals	\$1	\$43	\$42	\$250
1701-City-wide - Water Supply Valve & Hydrant Renewals	\$2	\$1	(\$1)	\$250
1797-Water Treatment Plant - Building Renewals	\$3	-	(\$3)	\$50
1822-Water Pump Stations - Building Renewals	\$0	-	(\$0)	\$45
199-City-wide - Water Supply Bore and Network Facility Renewals	\$109	\$68	(\$42)	\$245
207-Turitea WTP - Equipment and Facility Renewals	\$20	\$2	(\$19)	\$200
214-City-wide - Water Toby and Manifold Renewals	\$133	-	(\$133)	\$400
2278-Longburn - Water Bore and Treatment Renewal	-	-	-	\$100
2279-Longburn - Water Asset Renewals	-	-	-	\$300
2288-Turitea WTP - Automation and PLC Renewals	-	-	-	\$50
2310-Citywide - Water Critical Spare Replacements	-	-	-	\$70
Capital Growth				
Active Communities				
1846-City Reserves - Walkway Extensions - Capital New	\$1	\$20	\$19	\$184
2527-Urban Growth - Aokautere - Reserves Development	-	-	-	\$89
Resource Recovery				
657-Urban Growth - Recycling - City-wide Wheelie Bins and Crates	\$16	\$25	\$8	\$90
Stormwater				
2035-Urban Growth - Napier Rd Extension - Stormwater	\$12	-	(\$12)	\$150
2324-Urban Growth - Stormwater Roxborough Crescent Infill	-	\$6	\$6	\$293
51-Urban Growth - Development Contributions - Stormwater	\$24	\$52	\$28	\$250
Roading				
201-Urban Growth - Transport - Development Contributions Top-up	\$55	-	(\$55)	\$220
Wastewater				
1711-Industrial Growth - Longburn Industrial Park - Wastewater	\$109	-	(\$109)	-
73-Urban Growth - Development Contributions - Wastewater	-	-	-	\$104
Water				
1004-Urban Growth - Whakarongo - Water Supply	\$1	-	(\$1)	\$200
2301-Urban Growth - New Longburn Water Supply Bore	\$1	\$3	\$2	\$259
246-Urban Growth - Development Contributions - Water Supply	(\$7)	\$65	\$72	\$260

Appendix 7 – Financial Statements

Palmerston North City Council
 Summary of Financial Performance
 For the period to 30 September 2024

	Year to date			Full year	
	Actual	Budget	Actual	Revised	Annual
			Prior Year		
	\$M	\$M	\$M	\$M	\$M
OPERATING REVENUE					
Rates revenue	34.6	34.3	31.3	136.9	136.9
Finance revenue	0.6	0.1	0.3	0.4	0.4
Other revenue	9.4	9.6	7.7	38.7	38.7
Operating subsidies and grants	1.6	1.6	1.3	6.8	6.4
TOTAL OPERATING REVENUE	46.2	45.5	40.6	182.8	182.3
CAPITAL REVENUE					
Capital subsidies and grants	1.1	2.0	2.6	16.3	16.1
Development Contributions	0.9	0.5	0.5	2.0	2.0
Other gains	0.0	0.0	0.0	0.0	0.0
Vested Assets	0.0	0.0	0.0	2.0	2.0
TOTAL CAPITAL REVENUE	2.0	2.5	3.1	20.3	20.1
TOTAL REVENUE	48.2	48.0	43.7	203.0	202.3
EXPENSES					
Employee remuneration	15.8	15.6	14.9	58.3	58.1
Elected members remuneration	0.3	0.3	0.3	1.2	1.2
Depreciation expense	12.4	12.4	10.8	49.4	49.4
Finance costs	3.7	3.4	2.8	14.5	14.5
Professional services	3.1	3.7	5.0	15.8	16.3
Other expenses	19.0	19.1	13.7	62.9	61.7
Other losses	0.0	0.0	0.0	0.0	0.0
Financial Instrument Valuation	7.0	0.0	(3.9)	0.0	0.0
TOTAL EXPENSES	61.2	54.4	43.5	202.1	201.1
NET SURPLUS/(DEFICIT) BEFORE TAX	(13.0)	(6.4)	0.1	0.9	1.2

Palmerston North City Council

Statement of Financial Position
For the period to 30 September 24

\$M	2024/25			2023/24
	Year to date		Full Year	As at 30 June
	Actual	RV Budget	RV Budget	Actual
CURRENT ASSETS				
Cash & Short Term Deposits	14	2	2	2
Trade and other receivables	17	24	25	25
Inventories	4	5	10	5
Derivative financial instruments	5	6	6	6
Other financial assets	15	3	3	3
TOTAL CURRENT ASSETS	55	40	46	41
NON-CURRENT ASSETS				
Property, plant and equipment	2,297	2,287	2,338	2,284
Inventories (non-current)	1	1	1	1
Intangible Assets	2	2	2	2
Forestry Assets	2	2	2	2
Investment Properties	5	5	5	5
Investments & Advances	20	18	19	18
Derivative financial instruments	0	6	6	6
Other Financial Assets	8	8	8	8
TOTAL NON-CURRENT ASSETS	2,335	2,329	2,381	2,326
TOTAL ASSETS	2,390	2,369	2,427	2,367
CURRENT LIABILITIES				
Trade and other payables	36	31	33	33
Provisions	1	1	1	1
Current Employee Entitlements	8	8	8	8
Current Portion - Term Liabilities	19	25	25	25
TOTAL CURRENT LIABILITIES	64	65	67	67
NON-CURRENT LIABILITIES				
Employee benefit liabilities	1	1	1	1
Term Liabilities	289	260	303	250
TOTAL NON-CURRENT LIABILITIES	290	261	304	251
TOTAL LIABILITIES	354	326	371	318
ASSETS LESS LIABILITIES	2,036	2,043	2,056	2,049
PUBLIC EQUITY				
Retained earnings	1,094	1,101	1,108	1,107
Other reserves	942	942	948	942
TOTAL PUBLIC EQUITY	2,036	2,043	2,056	2,049

Palmerston North City Council

Statement of Cash Flows

For the period to 30 September 2024

	Year to Date		Full Year
	Actual \$M	Revised Budget \$M	Revised Budget \$M
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from rates revenues	33.9	34.3	136.9
Interest received	0.6	0.1	0.2
Dividends received	0.0	0.0	0.2
Operating subsidies and grants	1.6	1.6	6.8
Receipts from other revenue	10.2	10.1	35.3
Capital subsidies and grants	4.3	2.0	16.3
Development contributions	0.9	0.5	2.0
Receipts from tax losses	0.0	0.0	0.0
Interest paid	(3.7)	(3.4)	(14.5)
Payments to suppliers and employees	(44.8)	(39.5)	(134.7)
Goods and Services Tax (net)	2.6	0.0	0.0
Net Cash From Operating Activities	5.6	5.6	48.4
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property	-	-	3.4
Proceeds from sale of biological assets	-	-	-
Investment in property development	0.3	-	(8.7)
Purchase of property, plant and equipment	(12.8)	(15.6)	(95.1)
Net other advances repayment received/(made)	-	-	-
Net increase in investments	(14.1)	-	(1.3)
Net Cash From Investing Activities	(26.6)	(15.6)	(101.7)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term investments (4-12 months)	-	-	-
Net borrowing proceeds/(repaid)	33.2	9.9	53.3
Repayment of leases	-	-	-
Net Cash From Financing Activities	33.2	9.9	53.3
NET INCREASE/DECREASE	12.2	0.0	-
Cash at beginning of year	1.7	1.7	1.7
CASH AT MONTH END	13.9	1.7	1.7

Appendix 8 – Approved variations to Long-term Plan

After the Long-term Plan 2024-34 was approved, the following changes were authorised by Council for the 2024/25 financial year. These also impacted the debt, or capital expenditure if it relates to capital revenue.

Variations to Annual Budget 2024/25 approved by Council

Profit and Loss	\$000	New in quarter
Annual Budget 2024/25 Net Surplus/(Deficit)	1,190	
Changes authorised by Council:		
Carry forward adjustments:		
Operating Revenue		
P-2242 - BOF - Te Hotu Manwa o Rangitane Marae Wharenui & W	464	Yes
Operating Expenditure		
P-1520 - Digital Transformation	(476)	Yes
P-2242 - BOF - Te Hotu Manwa o Rangitane Marae Wharenui & W	(464)	Yes
Non-Operating (Capital Revenues)		
P-1054 - Ashhurst - Water Quality Improvements	(89)	Yes
P-1074 - Totara Road Wastewater Treatment Plant -Earthquake Strengthening of Civil Structures	(116)	Yes
P-1696 - City-wide - Drinking Water Standards Upgrades	12	Yes
P-1971 - CET Wildbase Recovery Signage	81	Yes
P-1972 - CET Wildbase Recovery Digital Capacity	81	Yes
Other budget adjustments authorised by Council:		
Non-Operating (Capital Revenues)		
P-2545 - Whakarongo Oxbow development - developer agreement	259	Yes
Other budget adjustments (requested to be authorised)		
Operating Expenditure		
Activity adjustments due to realignment	0	Yes
Revised Budget 2024/25 Net Surplus/(Deficit) Before Tax	942	

Capital Expenditure	\$000	New in Quarter
Annual Budget 2023/24 Capital Expenditure	95,357	
Changes authorised by Council:		
Carry forward adjustments:		
P-1372 - City-wide Stormwater Pump Stations Improvement	63	Yes
P-1389 - Water Supply Resilience - Security of Supply	45	Yes
P-1535 - City-Wide - Campervan Dump Stations	0	Yes
P-1617 - WWTP - Biogas System Improvements	(21)	Yes
P-66 - WWTP - Resilience Programme	(307)	Yes
P-986 - Turitea Dams - Aeration Upgrade	(90)	Yes
P-1196 - Kelvin Grove - Renewal of staff facilities	(12)	Yes
P-1837 - Swimming Pools - Pool Renewals	28	Yes
P-1459 - Social Housing - Additional Social Housing Units	0	Yes
P-161 - Public Toilets - New City-wide Toilets	2	Yes
P-1796 - Cemeteries - Building Renewals	27	Yes
P-2345 - Property - Solar Panel Installations	65	Yes
P-902 - Seismic Strengthening of Council Properties	50	Yes
P-1371 - Closed Landfills and Transfer Stations	53	Yes
P-2124 - Urban Growth - Ashhurst - Transport	(128)	Yes
P-2526 - Amberley Ave Culvert Replacement	(555)	Yes
P-1452 - Community Stage - repair	11	Yes
P-1948 - Events and Festival Equipment Purchase	5	Yes
P-221 - Print Synergy - Replacement of Print Synergy Machi	16	Yes
P-1269 - Bylaw Signage - Replacement	7	Yes
P-1971 - CET Wildbase Recovery Signage	81	Yes
P-1972 - CET Wildbase Recovery Digital Capacity	81	Yes
P-1960 - CET Arena - Arena 1 Sound System	16	Yes
P-1963 - CET Arena- Score clock Replacment Arena2	50	Yes
Other budget adjustments authorised by Council:		
P-2545 - Whakarongo Oxbow development - developer agreement	259	Yes
Revised Budget 2023/24 Capital Expenditure	95,103	

Variations to Annual Budget 2024/25 approved by Chief Executive

The Delegations Manual provides that the Chief Executive may approve transfers of budgets where this will best achieve the outcome intended and savings can be made to offset the authorised increase. Where the amounts authorised cross activities, these are required to be reported quarterly to the Finance and Performance Committee.

Below are the changes approved through the Chief Executive

Activity	Programme	(\$000s)	New in Quarter
Capital New			
Community Support	P-2440 - Community Centres – Pasifika Centre Expansion	400	Yes
	P-2343 - Citywide - New Community Hubs	(400)	Yes
Net movement		0	

Activity	Programme	(\$000s)	New in Quarter
Capital Renewal			
Roading	P-115 - Sealed Pavement Renewals (Waka Kotahi Subsidies)	(400)	Yes
	P-82 - Off-street Parking Renewals	400	Yes
Net movement		0	

Low Carbon Fund

Council delegation is given to enable the the Chief Executive to action movements of 100% of the Capital Programme 1888-Low Carbon Fund.

YTD there have not been any allocations from this fund yet. The first allocations from this fund are expected to be approved in February 2025.

Appendix 9 – Elected Member training

The Elected Member training costs for the period 1 July– 30 September 2024 were:

Name	Training	Cost (incl. GST)	Details
Grant Smith	NZ Trade & Industrial Waste Forum	776	Registration
Grant Smith	ASEAN forum	977	Registration, travel & accommodation
Grant Smith	LGNZ conference	2,906	Registration, accommodation
Brent Barrett	LGNZ conference	2,441	Registration, accommodation
Rachel Bowen	LGNZ conference	2,487	Registration, accommodation
Rachel Bowen	IAP2 Engagement online module	1,458	Registration
Roly Fitzgerald	LGNZ conference	2,720	Registration, accommodation
Lorna Johnson	LGNZ conference	1,075	Registration
Orphee Mickalad	LGNZ conference	2,441	Registration, accommodation
Kaydee Zabelin	Festival for the Future	511	Registration, accommodation
Kaydee Zabelin	US Indigenous Tribal Leaders Symposium	503	Registration, travel

Realignment Budget Variations

On 1 July 2024 a realigned organisation structure went live. This required adjustments to budgets to reflect the change of resourcing within activities. During this process an issue was identified to adjust overhead budgets to reflect more accurately how the allocation model works. This has resulted in some sizeable changes across activities. It is important to note that the budgets are not increasing as a result of these changes. The budgets shown below are gross expenditure budgets.

Requested Changes by Activity

Row Labels	LTP Budget	Requested Change	Requested Budget
A connected and safe community	24,885	-592	24,293
City Library	11,355	804	12,159
Community safety and health	2,699	-14	2,685
Community support	10,831	-1,382	9,449
-	-	-	-
A creative and exciting city	40,288	44	40,332
Arts and Heritage	13,527	-111	13,417
Recreation and play	26,761	155	26,915
-	-	-	-
A sustainable and resilient city	14,387	1,574	15,961
Biodiversity and the Manawatu River	2,163	120	2,283
Climate Change and Sustainability	1,353	-8	1,344
Resource Recovery	10,872	1,462	12,334
-	-	-	-
An innovative and growing city	28,511	-186	28,326
Economic Development	8,433	-41	8,392
Housing	19,042	-130	18,912
Urban Design	1,036	-15	1,021
-	-	-	-
Stormwater	6,842	-2	6,840
Stormwater	6,842	-2	6,840
-	-	-	-
Supporting the Organisation	20,317	326	20,642
Governance and Active Citizenship	7,921	-167	7,754
Organisational performance	12,396	493	12,889
-	-	-	-
Transport	34,786	423	35,208
Active and Public Transport	5,357	54	5,411
Roading	29,429	369	29,797
-	-	-	-
Wastewater	15,481	-557	14,924
Wastewater	15,481	-557	14,924
-	-	-	-
Water	12,916	-1,030	11,886
Water	12,916	-1,030	11,886
-	-	-	-
Grand Total	198,413	-0 -	198,413

Requested Changes by Expenditure Type

Row Labels	LTP Budget	Requested Budget	Requested Change
Operating Expenditure	142,449	142,449	-
Contractors	34,796	35,126	330
Grants and subsidies paid	11,208	11,241	33
Materials	4,895	4,962	67
Net Internal Expenses	(6,787)	(6,964)	(178)
Other operating expenses	20,974	21,475	501
Professional Services	15,791	14,879	(912)
Remuneration	58,355	58,527	172
Utilities	3,217	3,205	(12)
Grand Total	142,449	142,449	-

There has been a reallocation between expenditure type, this is due to refinement of programme spending during the revising of the budget and overhead budget adjustments.

Major adjustments include:

- Digital Transformation reallocation of Professional Services to Other operating expenses (software licenses)
- Property Development – Whakarongo Council Subdivision reallocation of Professional Services to Contractors

MEMORANDUM

TO: Strategy & Finance Committee

MEETING DATE: 13 November 2024

TITLE: Treasury Report - quarter ending 30 September 2024

PRESENTED BY: Steve Paterson, Manager - Financial Strategy

APPROVED BY: Cameron McKay, General Manager Corporate Services

RECOMMENDATION TO STRATEGY & FINANCE COMMITTEE

1. That the Committee note the performance of Council's treasury activity for the quarter ending 30 September 2024.
-

1. ISSUE

- 1.1 To provide an update on the Council's treasury activity for the quarter ending 30 September 2024.

2. BACKGROUND

- 2.1 The Council's Long-term Plan 2024-34 forecast additional debt of \$53.3m would need to be raised during the 2024/25 year to fund the \$62.4m of new capital expenditure programmes (including assumed carry forwards from 2023/24). On 26 June 2024 Council authorised the Chief Executive to borrow up to an additional \$54m for its purposes during 2024/25.
- 2.2 Council's Financial Strategy (adopted 26 June 2024) contains the following ratios which the Council has determined to be prudent maxima:
 - Net debt as a percentage of total assets not exceeding 20%
 - Net debt as a percentage of total revenue not exceeding 250%
 - Net interest as a percentage of total revenue not exceeding 15%
 - Net interest as a percentage of annual rates income not exceeding 20%
- 2.3 The Treasury Policy (embracing the Liability Management and Investment Policy), an updated version of which was adopted by the Council on 14 February 2024, also contains a number of other criteria regarding debt management.

3. PERFORMANCE

3.1 Following the annual review published on 7 May 2024 Council's S&P Global Rating's credit rating remained unchanged at AA / A-1.

3.2 **Schedule 1** attached shows the details of Council's debt as at 30 September 2024. Debt levels were within the policy parameters outlined in section 2 of this report.

3.3 The summarised **term debt** movements are shown in the following table:

	LTP Budget for year #1 (2024/25) \$000	Actual – 3 months (2024/25) \$000
Debt balance at 1 July 2024:		
• Core Council debt	256.1	267.0
• Debt on behalf of PNAL	0	8.0
Plus new debt #2	53.3	44.0
Less debt repayments #2	0	(10.8)
Closing gross debt balance	309.4	308.2
<u>Comprising:</u>		
Bank advance (on call)		0
LGFA stock		308.2
<u>Less:</u>		
Deposits held for debt repayment #3	0	(18.0)
Sum advanced to PN Airport Ltd	0	(8.0)
Net Council related term debt	\$309.4	\$282.2

#1 The Council's LTP does not currently include the debt related to PNAL

#2 A portion of the Council's debt is drawn on a daily basis – daily drawdowns and repayments are not included in these figures but the net draw or repayment for the year to date is shown as part of new debt or debt repayment as appropriate.

#3 To ensure there were sufficient funds on hand to meet outgoings in a period of uncertain cashflows a term loan of \$15m was raised in mid-August. As at 30 September \$12.7m of this was held on short-term investment. If this was taken into account, then the net Council related debt was effectively \$269.5m as at 30 September.

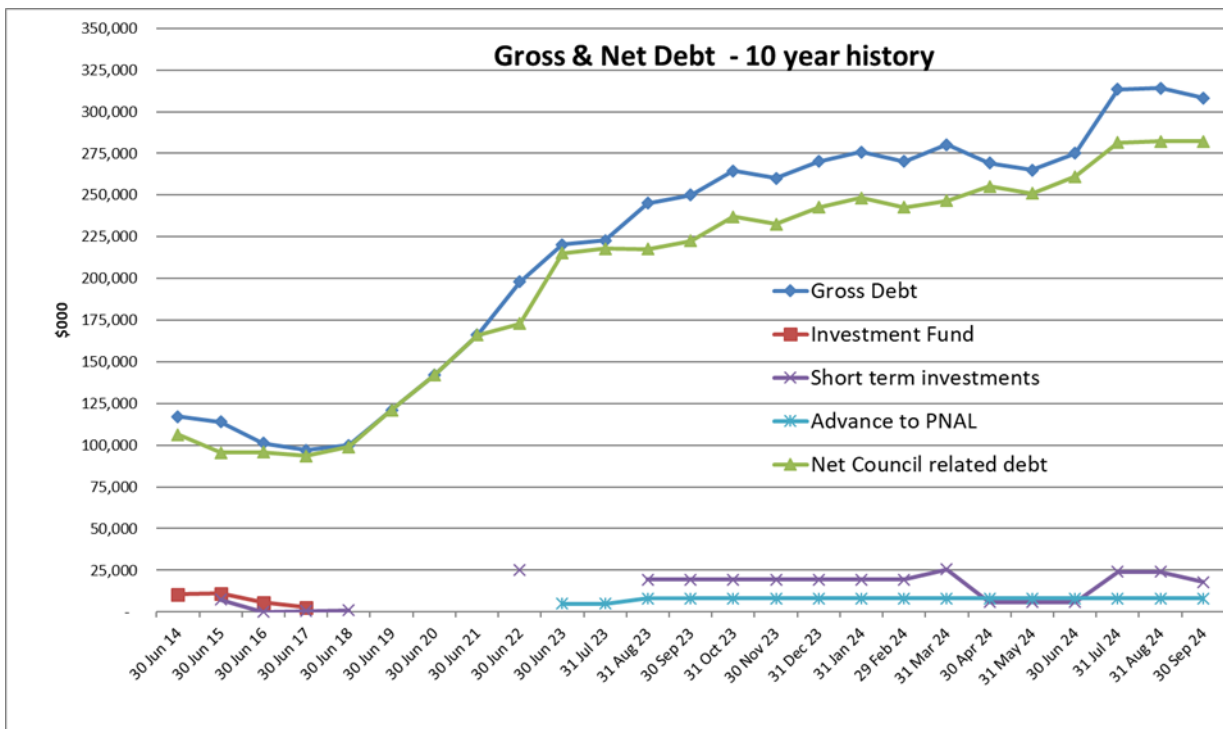
3.4 Gross debt at 30 September 2024 was \$308.2m compared with \$275m at 1 July 2024.

3.5 The debt raised in the three months to 30 September is explained further in the following table:

	Position as at 1 July 2024 \$m	Position as at 30 September 2024 \$m	Change YTD \$m
Gross debt	275.0	308.2	33.2
Less portion relating to PNAL	(8.0)	(8.0)	0
Gross debt relating to Council	267.0	300.2	33.2
Less term deposit held to repay maturing debt	(6.0)	(18.0)	(12.0)
Net Council related debt	261.0	282.2	21.2

This shows net additional term debt of \$33.2m was raised during the three months. This compares with the authorised total sum for the year of \$54m mentioned in clause 2.1. \$29m was raised on 8 July with \$19m of this being to fund debt maturing in April 2025. \$18m of this has been placed on term deposit in the meantime.

3.6 A 10-year history of the gross & net debt is shown in the following graph:



- 3.7 Actual finance costs incurred by the Council depend on the actual debt levels and the interest rate. During the three months gross finance costs (including interest, line fees and the effects of payments relating to swaps) amounted to \$3.67m compared with the budget for the year of \$14.52m.
- 3.8 \$271k of this expense relates to \$19m raised on 8 July 2024 to prefund debt maturing on 15 April 2025. This was offset by unbudgeted interest income of \$265k received from short term investment of \$18m. A further \$93k of this expense relates to the \$8m of loans raised on behalf of Palmerston North Airport Limited (PNAL) and this was offset by \$99k received from PNAL for the advance.
- 3.9 Deducting interest income from the gross interest expense of \$3.67m means a net interest expense for the quarter of \$3.09m compared with the annual budget of \$14.16 m.
- 3.10 The effective weighted average interest rate for the year to date is 4.8% compared with the budgetary assumption of 5%.
- 3.11 The Council has entered financial instruments related to its debt portfolio utilising swap trading lines established with Westpac, ANZ and BNZ. The details of these are shown in **Schedule 2** attached.

The value of these instruments is measured in terms of its 'mark-to-market', i.e. the difference between the value at which the interest rate was fixed and the current market value of the transaction. Each of these transactions was valued at the date they were fixed and again at the reporting date. Financial reporting standards require the movement in values to be recorded through the Council's Statement of Comprehensive Income (Profit & Loss Account). They have been revalued as at 30 September 2024. The latest valuation is an asset of \$2.29m compared with an asset of \$9.35m as at 30 June 2024. The reduction in asset value of \$7.06m is a consequence of reducing market interest rates.

- 3.12 The Council's Treasury Policy contains guidelines regarding the measurement of treasury risk as follows:
 - Funding and liquidity risk is managed by the Council maintaining a pre-set portion of its debt in a range of maturity periods, e.g. < 3 years, 3 - 7 years, 7 years +.
 - Interest rate risk is managed by the Council maintaining the ratio of debt that is subject to floating versus fixed interest rates within pre-set limits.
- 3.13 The position compared to the policy is illustrated in the graphs in **Schedule 3** attached.
- 3.14 The funding and liquidity risk position can be summarised as follows:
 - Council's liquid position complies with policy.

- Since 1 July 2024 \$44m of term debt has been raised and \$4.8m of bank debt and \$6m of term debt has been repaid.
- 3.15 The interest rate risk position describes the portion of the overall forecast debt that is fixed versus floating and can be summarised as follows:
- There is significant uncertainty about forecast levels of future debt – this very much depends on a number of factors including future Council decisions on the proposed capital expenditure programme, the future structure for the provision of three waters and the extent of external funding able to be organised from other arrangements.
 - Policy compliance at 30 September 2024 is based on the debt forecasts in the adopted Long-term Plan.
- 3.16 The Treasury Policy also contains requirements in relation to counterparty credit risk – this relates to investments and financial risk management instruments. A new \$20m forward start swap agreement was entered on 12 July fixing interest rates for this sum at 3.695% from 2025 to 2030.
- The position as at 30 September 2024 is shown in **Schedule 4 attached**.
- 3.17 Council's credit lines with the banks include a \$18m three-year credit facility with Westpac Bank (maturing 31 October 2025) and a revolving \$25m three-year facility with ANZ Bank (maturing 31 March 2027).

4. CONCLUSION AND NEXT STEPS

- 4.1 Gross finance costs for the quarter to 30 September (including interest, line fees and the effect of swaps) was \$3.67m compared with budget for the year of \$14.52m. The net finance cost (after considering the interest income from term investments and the advance to Palmerston North Airport Ltd) is \$3.09m compared with the budget for the year of \$14.16m.
- 4.2 In conjunction with Council's treasury advisors hedging instruments are regularly reviewed in an effort to ensure the instruments are being utilised to best advantage as market conditions change. The level of hedging cover is also reviewed as the forecasts of future debt levels are revised.
- 4.3 Council's borrowing strategy is continually reviewed, in conjunction with Council's treasury advisors, to ensure best advantage is taken of Council's quality credit rating.
- 4.4 A further performance report will be provided after the December 2024 quarter.

5. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	Yes
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No

Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these actions?	Yes
Are the recommendations inconsistent with any of Council's policies or plans?	No
Contribution to strategic direction and to social, economic, environmental and cultural well-being	Managing the Council's treasury activity is a fundamental component of day to day administration of the Council.

ATTACHMENTS

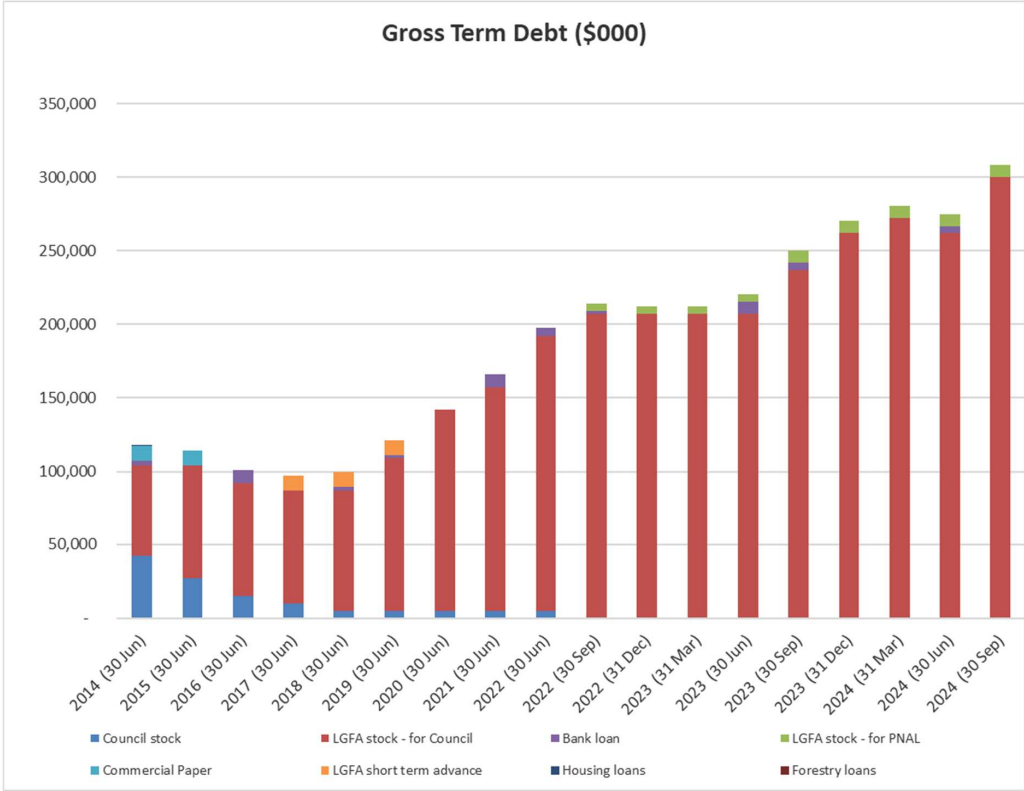
1. Schedules 1 to 4 [↓](#) 

Schedule 1 - Debt levels & Prudent Borrowing Ratios

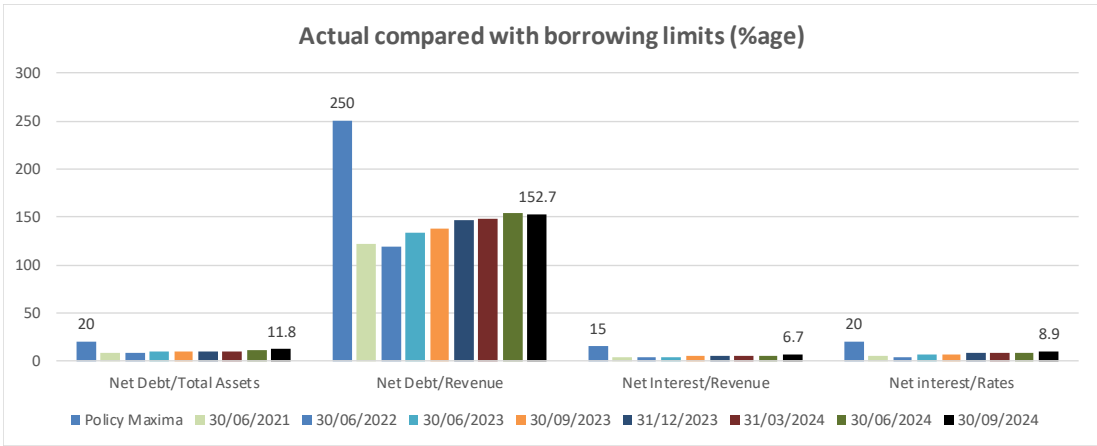
The following table shows the details of the tranches of debt on issue as at 30 September 2024:

Palmerston North City Council								
Term Debt as at 30 September 2024								
Issue Date	Term	Principal	Margin over BKBM	Interest Rate	Maturity Date	Current as at 30/09/2024	Interest Rate	Reset Date
1. Loan Stock on Issue - Borrowed from LGFA								
LGFA 6 Sep 17	8	6,000,000	0.6600%	6.2179%	15-Apr-2025	6,000,000	Floating Qtrly	15-Oct-24
LGFA 28 Jan 20	5	8,000,000	0.5400%	6.0979%	15-Apr-2025	8,000,000	Floating Qtrly	15-Oct-24
LGFA 13 Jul 20	5	5,000,000	0.6700%	6.2279%	15-Apr-2025	5,000,000	Floating Qtrly	15-Oct-24
LGFA 22 Mar 18	8	5,000,000	0.7250%	6.2829%	15-Apr-2026		Floating Qtrly	15-Oct-24
LGFA 17 Jun 19	7	7,000,000	0.6525%	6.2104%	15-Apr-2026		Floating Qtrly	15-Oct-24
LGFA 11 May 20	6	5,000,000	0.6600%	6.2179%	15-Apr-2026		Floating Qtrly	15-Oct-24
LGFA 13 Jul 20	6	5,000,000	0.7225%	6.2804%	15-Apr-2026		Floating Qtrly	15-Oct-24
LGFA 27 Apr 23	3	10,000,000	0.5000%	6.0579%	15-Oct-2026		Floating Qtrly	15-Oct-24
LGFA 13 Nov 23	3	10,000,000	0.4600%	6.0179%	15-Oct-2026		Floating Qtrly	15-Oct-24
LGFA 16 Mar 15	12	5,000,000	0.4575%	6.0154%	15-Apr-2027		Floating Qtrly	15-Oct-24
LGFA 8 Jun 15	12	5,000,000	0.4525%	6.0104%	15-Apr-2027		Floating Qtrly	15-Oct-24
LGFA 11 Aug 20	7	10,000,000		1.1200%	15-Apr-2027		Fixed	
LGFA 9 Feb 21	6	5,000,000		1.3579%	15-Apr-2027		Fixed	
LGFA 14 Aug 23	4	10,000,000	0.4900%	6.0479%	15-Jul-2027		Floating Qtrly	15-Oct-24
LGFA 28 Jul 22	5	5,000,000	0.5000%	6.0579%	15-Oct-2027		Floating Qtrly	15-Oct-24
LGFA 30 May 23	4	10,000,000		5.2300%	15-Oct-2027		Fixed	
LGFA 13 Nov 23	4	5,000,000	0.5890%	6.1469%	15-Oct-2027		Floating Qtrly	15-Oct-24
LGFA 17 Dec 18	10	5,000,000	0.7875%	6.3454%	18-Apr-2028		Floating Qtrly	15-Oct-24
LGFA 7 Oct 19	9	5,000,000	0.7100%	6.2679%	18-Apr-2028		Floating Qtrly	15-Oct-24
LGFA 11 Aug 20	8	10,000,000	0.8300%	6.3879%	18-Apr-2028		Floating Qtrly	15-Oct-24
LGFA 10 Jul 23	5	10,000,000	0.6680%	6.2259%	15-Jul-2028		Floating Qtrly	15-Oct-24
LGFA 14 Aug 23	5	10,000,000	0.6120%	6.1699%	15-Jul-2028		Floating Qtrly	15-Oct-24
LGFA 28 Jul 22	6	5,000,000	0.5500%	6.1079%	15-Oct-2028		Floating Qtrly	15-Oct-24
LGFA 14 Nov 22	6	5,000,000	0.6170%	6.1749%	15-Oct-2028		Floating Qtrly	15-Oct-24
LGFA 11 Dec 23	5	10,000,000	0.6730%	6.2309%	15-Oct-2028		Floating Qtrly	15-Oct-24
LGFA 17 Dec 18	11	10,000,000	0.8225%	6.3804%	15-Apr-2029		Floating Qtrly	15-Oct-24
LGFA 12 Jul 21	8	10,000,000	0.3950%	5.9400%	20-Apr-2029		Floating Qtrly	21-Oct-24
LGFA 8 Jul 24	5	15,000,000	0.6900%	6.2350%	20-Apr-2029		Floating Qtrly	21-Oct-24
LGFA 14 Aug 24	5	15,000,000	0.8300%	6.2503%	20-Apr-2029		Floating Qtrly	21-Oct-24
LGFA 19 Dec 22	7	5,000,000	0.6590%	6.2169%	15-Oct-2029		Floating Qtrly	15-Oct-24
LGFA 11 Mar 24	5	10,000,000		5.2106%	15-Oct-2029		Fixed	15-Oct-29
LGFA 6 May 24	5	10,000,000	0.6620%	6.2199%	15-Oct-2029		Floating Qtrly	15-Oct-24
LGFA 12 Jul 21	9	10,000,000	0.4350%	5.9929%	15-Apr-2030		Floating Qtrly	15-Oct-24
LGFA 18 Oct 21	9	5,000,000	0.4590%	6.0169%	15-Apr-2030		Floating Qtrly	15-Oct-24
LGFA 8 Jul 24	6	14,000,000	0.7600%	6.0300%	15-May-2030		Floating Qtrly	15-Nov-24
LGFA 14 Mar 22	9	10,000,000	0.5700%	5.8400%	15-May-2031		Floating Qtrly	15-Nov-24
LGFA 14 Mar 22	9	10,000,000	0.5950%	6.1529%	15-Oct-2031		Floating Qtrly	15-Oct-24
		300,000,000						
2. Loan Stock on Issue - Borrowed from LGFA to on-lend to PNAL								
LGFA 11 Jul 22	5	5,128,205		4.1100%	15-Jul-2027		Fixed	
LGFA 14 Aug 23	5	3,076,923		5.4467%	15-Jul-2028		Fixed	
		8,205,128						
3. Bank facilities								
ANZ (\$25m)				6.650%	31-Mar-2027		Reset at any time	
				* plus line fee of 0.22%				
Westpac (\$18m)	On call			6.400%	31-Oct-2025		Reset at any time	
				* plus line fee of 0.3%				
4. Short term facility from LGFA								
		-						
Total as at 30 September 2024		308,205,128				19,000,000		

The following graph shows the changing nature of the structure of the debt portfolio over the last 10 years:



The Financial Strategy contains a series of ratios that the Council has determined to be prudent maxima. The chart below shows the actual results since 2020/21 compared to those ratios.



Schedule 2 – Interest Rate Swaps

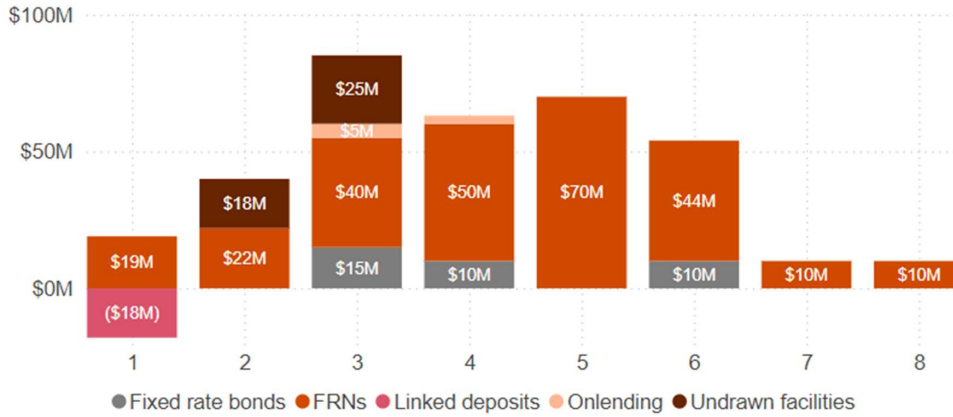
The following table schedules the swap financial instruments in place as at 30 September 2024:

Palmerston North City Council									
Interest Rate Swaps as at 30 September 2024									
<i>Council pays fixed & receives floating on a quarterly basis</i>									
Bank	Trade Date	Deal No	Amount \$m	Start Date	Maturity	Fixed Interest rate	Current Floating rate	Reset date	Value at 30-Sep-24
ANZ	28-Nov-14	10730993	5.0	10-Apr-18	10-Oct-24	4.515%	5.600%	10-Oct-24	13,650
ANZ	29-Nov-18	18984258	2.0	6-Mar-20	6-Mar-29	3.095%	5.130%	6-Dec-24	35,818
Westpac	25-Feb-15	4218128	5.0	7-Sep-20	9-Sep-24	3.990%	5.62%	matured 9 Sep 24	
ANZ	25-Feb-15	11281075	3.0	16-Nov-20	15-Nov-24	3.990%	5.27%	15-Nov-24	9,613
Westpac	18-Jan-16	4910927	5.0	9-Dec-20	9-Jun-25	3.970%	5.12%	9-Dec-24	20,221
ANZ	20-Jun-14	25213652	5.0	15-Dec-21	15-Jun-29	3.425%	5.065%	16-Dec-24	39,736
Westpac	16-Nov-21	9251755	7.0	8-Dec-21	8-Dec-28	3.190%	5.12%	9-Dec-24	87,996
Westpac	16-Nov-21	9251762	6.0	29-Dec-21	28-Sep-29	3.410%	4.870%	30-Dec-24	29,769
Westpac	16-Nov-21	9251772	5.0	10-Jan-22	10-Jan-30	3.380%	5.600%	10-Oct-24	66,882
Westpac	26-Feb-16	5013577	5.0	11-Apr-22	12-Jan-26	3.635%	5.550%	11-Oct-24	41,357
ANZ	13-Oct-20	22956802	10.0	15-Apr-22	15-Apr-28	0.4025%	5.56%	15-Oct-24	1,122,347
Westpac	25-Jun-21	9002142	10.0	15-Jun-22	15-Jun-28	1.8200%	5.065%	16-Dec-24	579,874
Westpac	25-Jun-21	9002154	10.0	15-Sep-22	15-Sep-28	1.9000%	5.065%	16-Dec-24	588,694
BNZ	27-Feb-20	384575543	7.0	8-Dec-22	8-Dec-28	1.3375%	5.12%	9-Dec-24	598,040
Westpac	25-Jun-21	9002127	10.0	15-Mar-23	15-Mar-28	1.9400%	5.065%	16-Dec-24	503,296
ANZ	27-Nov-17	17029213	5.0	15-Jun-23	15-Jun-27	3.7675%	5.065%	16-Dec-24	(37,349)
Westpac	25-Jun-21	9002104	10.0	15-Jun-23	15-Sep-27	1.9325%	5.065%	16-Dec-24	437,001
ANZ	27-Nov-17	17029223	6.0	29-Sep-23	29-Jun-27	3.7875%	4.870%	30-Dec-24	(55,145)
ANZ	27-Mar-18	17670295	5.0	10-Jun-24	10-Jun-32	3.935%	5.11%	10-Dec-24	(65,664)
ANZ	27-Mar-18	17670250	5.0	15-Jun-24	15-Jun-29	3.840%	5.065%	16-Dec-24	(68,608)
Active total at 30 Sep 24			121.0						3,947,528
ANZ	27-Mar-18	17670276	5.0	10-Oct-24	10-Jan-31	3.920%		10-Oct-24	(83,697)
Westpac	8-Jul-22	9735255	10.0	15-Apr-25	15-Apr-30	3.775%		15-Apr-25	(147,235)
Westpac	8-Jul-22	9735291	10.0	15-Jan-25	15-Sep-30	3.790%		15-Jan-25	(134,753)
ANZ	27-Apr-23	48752826	20.0	15-Apr-27	15-Apr-31	3.905%		15-Apr-27	(89,099)
ANZ	27-Apr-23	48752829	20.0	15-Jul-25	15-Jul-30	3.8025%		15-Jul-25	(305,934)
Westpac	11-Mar-24	11045178	20.0	15-Oct-25	15-Oct-29	3.990%		15-Oct-25	(442,208)
Westpac	12-Jul-24	11308228	20.0	15-Jul-25	15-Jul-30	3.695%		15-Jul-25	(450,269)
Forward start total at 30 Sep 24			105.0						(1,653,195)
								Total value	2,294,333

Schedule 3 - Risk Exposure Position

Funding & Liquidity Risk Position – proportions of debt within pre-set maturity bands

Funding and liquidity risk timeline



Bucket (years)	Policy	Actual
0 - 3	15% - 60%	38%
3 - 7	25% - 85%	59%
7 - 15	0% - 60%	3%
Total		100%

Policy: >= 110%
Actual at 30 September 2024: 115%

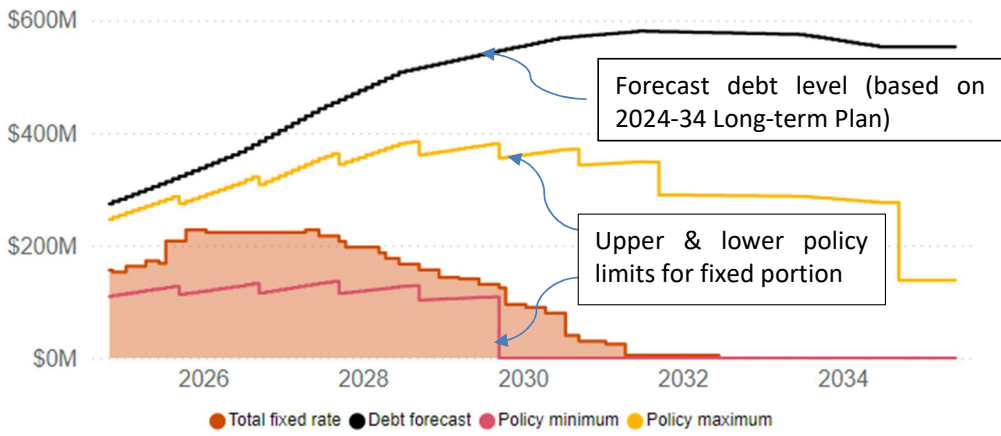
Gross external debt at 30 September 2024:	\$308,205,128
Net debt i.e. Gross debt less pre-funding	\$290,205,128
Net debt less PNAL related debt	\$282,205,128
Undrawn bank facilities at 30 September 2024:	\$43,000,000

Interest Rate Risk Position – proportions of forecast debt subject to floating versus fixed interest rates within pre-set policy limits

As at 30 September 2024:
Current fixed rate hedging 54%
Total fixed rate instruments \$156,000,000
Weighted average fixed rate of fixed rate instruments 2.87%
Weighted average term of fixed rate instruments 4.02 years

Fixed proportions each year compared with policy – based on 2024-34 Long-term Plan					
Interest rate summary					
#	Bucket	Min	Max	Actual	WA swap
1	0 - 12	40%	90%	58%	2.71%
2	12 - 24	35%	85%	64%	3.09%
3	24 - 36	30%	80%	53%	3.16%
4	36 - 48	25%	75%	38%	3.67%
5	48 - 60	20%	70%	27%	3.87%
6	60 - 72	0%	65%	15%	3.91%
7	72 - 84	0%	60%	3%	3.94%
8	84 - 96	0%	50%	1%	
9	96 - 108	0%	50%	0%	
10	108 - 120	0%	50%	0%	

Interest rate risk profile



The shaded portion reflects the fixed portion of the forecast debt based on the 2024-34 Long-term Plan

Schedule 4 – Counterparty credit limits

Counterparty credit limits

Counterparty	Investments exposure	Investment limit	MtM	Derivatives exposure	Derivatives limit	Total exposure	Total limit	Compliant?
ANZ	\$0	\$35,000,000	(\$4,524,578)	\$13,145,873	\$35,000,000	\$13,145,873	\$35,000,000	✓
BNZ	\$18,000,000	\$35,000,000	(\$33,454)	\$879,671	\$35,000,000	\$18,879,671	\$35,000,000	✓
Westpac	\$0	\$35,000,000	(\$7,573,429)	\$17,035,647	\$35,000,000	\$17,035,647	\$35,000,000	✓

REPORT

TO: Strategy & Finance Committee

MEETING DATE: 13 November 2024

TITLE: Local Water Done Well Funding Reallocation

PRESENTED BY: Scott Mancer, Manager - Finance and Julie Keane, Transition Manager

APPROVED BY: Cameron McKay, General Manager Corporate Services

RECOMMENDATION(S) TO COUNCIL

1. That Council approve the reallocation of \$928,503 DIA funding for Better Off Funding from Programme 1054 – Ashhurst Water Quality Improvements to Local Water Done Well Transition Support in the Wastewater operating budget, subject to DIA approval.
2. That Council note that the capital expenditure budget for programme 1054 was reduced at the Council meeting on 6 November 2024.
3. That Council increase the Wastewater operating budget for both revenue and expenditure by \$306,672 in the 2024/25 Financial Year for Transition Support.
4. That Council refer to the Annual Budget process a revenue and expenditure budget of \$621,831 for Transition Support for the 2025/26 Financial Year.
5. That Council agree that \$928,503 will be spent across the 2024/25 and 2025/26 Financial Years and that any unspent funding in 2024/25 will be adjusted via carry forwards at 30 June 2025.

1. BACKGROUND

- 1.1 The previous Government of New Zealand was undertaking a reform programme for 'Three Waters' (drinking water, wastewater and stormwater) service delivery for communities. Under this reform programme the Department of Internal Affairs (DIA) provided 'Council Transition Support' to local authorities under the Three Waters Transition Funding Agreement to the value of \$825,000 (Tranche 1). This was to offset the additional costs Council would incur from supporting the establishment and transition of activities to the proposed 'Water Services Entities'.
- 1.2 The current Coalition Government of New Zealand repealed the previous Government's water services legislation in February 2024. The Minister of Local Government has outlined the Coalition Government's plan to implement a new programme, Local Water Done Well, through two further pieces of legislation.

- 1.3 This change placed unspent funds and yet to be claimed funds in limbo. Subsequently, the Government agreed these funds would transfer to its new programme and DIA contacted Councils to advise how any unspent Transition Support Funding would be transferred. A new 'Local Water Done Well Support' Agreement was issued to Council in May 2024 (value \$412,500 – Tranche 2) making the unclaimed funds under the previous Three Waters Transition Support Funding Agreement available to Council to support Local Water Done Well activities.
- 1.4 In addition to the request to redirect Transition Funding, the DIA wrote to Councils in April 2024 to advise the Cabinet had directed them to work in partnership with CIP and Councils to:
- Review the status of current Better Off projects, including expenditure incurred to date and currently committed expenditure; and
 - Identify, by mutual agreement, if any opportunities existed for Council to redirect unspent Better Off Funding to increase investment in water infrastructure or to help establish new water services delivery organization.
- 1.5 PN City Council's Better Off Funding agreement totalled \$8.16M of which \$1.52M had been spent to 31 December 2023, leaving a balance of \$6.64M to consider for redirection. Council made this decision as part of the Long-term Plan (LTP) Deliberations at the meeting of 29 May 2024 (95.5-24).
- 1.6 Programme 1054 is currently receiving the Better Off Funding, as reallocated in the LTP. In the current year, Officers have conducted a thorough procurement and tender process, signing a contract that firmly establishes the costs for the planned work. This has resulted in savings of \$928,503 to be reallocated.

2. FORECAST EXPENDITURE TO 30 JUNE 2024

- 2.1 For transition funding to date, Council has received \$1,237,500 (Tranche 1 and 2) from Central Government. At 30 June 2024, Council had spent \$941,865. From 1 July 2024, there was funding available for use towards transition support totalling \$295,634.
- 2.2 A budget forecast for 2024/25, including actuals from July – September and assumptions from October to June, has been prepared taking into consideration the requirements necessary to deliver the full work package based on best available information at this time. Table 1 below shows the Total Cost Basis which calculates the overall total cost of the project, taking into account the remaining transition funding available from DIA as at 1 July 2024.

Table 1: Total Cost

Total Cost Basis	
Opening Balance	\$295,634
PN City Council Internal Costs	(\$478,852)
External Costs	(\$602,306)
Total Costs	(\$1,081,158)
Forecasted Total Budget Shortfall	(\$785,524)

2.3 Internal PN City Council costs relate to staff time that is already funded as part of Council Budgets, meaning the actual outstanding funding required is limited to those for external service providers only. External costs are for services including:

- Programme management
- Specialist advice
- Backfilling of staff where required

2.4 Table 2 below shows the External Costs only:

Table 2: External Cost Only

External Cost Basis	
Opening Balance	\$295,634
External Costs	(\$602,306)
Forecasted Total Budget Shortfall	(\$306,672)

2.5 Under the External Costs shown in Table 2, it is expected that the last of the DIA Transition Support funding will be fully used by January 2025 and that the shortfall will need to be funded to continue the transition programme.

2.6 Transition Support is likely to increase through the 2025/26 Financial Year to meet the demands of the Local Water Done Well programme and deliver upon any Council direction that is given.

2.7 The available funding from savings in the current year will be greater than what is required for transition support in 2024/25 Financial Year and it is

intended that any funding not used for transition support in 2024/25 will be required for transition support in 2025/26.

3. CONCLUSION

3.1 Officers believe that transferring the surplus Better Off Funding from programme 1054 – Ashhurst Water Quality Improvements to fund transition costs in the current year is the best use of the available funding from DIA and is in line with the guidance outlined in 1.4 of this report.

4. NEXT ACTIONS

4.1 Officers will seek approval from DIA to reallocate the funding from a capital project to Transition Support.

4.2 Officers will confirm actual year spend and forecasts as soon as practical, to inform the Annual Budget 2025/26 process.

5. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	Yes
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these objectives?	No
Are the recommendations inconsistent with any of Council's policies or plans?	No
The recommendations contribute to: (Not Applicable) (Not Applicable)	
The recommendations contribute to the achievement of objective/objectives in: 14. Mahere mana urungi, kirirarautanga hihiri 14. Governance and Active Citizenship Plan The objective is: Gather and use data to inform decision making and council activities	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	Contribution to Council's Strategic Direction regarding transparent financial decision making.

ATTACHMENTS

Nil

MEMORANDUM

TO: Strategy & Finance Committee

MEETING DATE: 13 November 2024

TITLE: Palmerston North City District Plan: Proposed Plan Change I - Increasing Housing Supply and Choice

PRESENTED BY: Jono Ferguson-Pye, City Planning Manager and Sarah Jenkin, Consultant Planner

APPROVED BY: David Murphy, General Manager Strategic Planning

RECOMMENDATIONS TO STRATEGY & FINANCE COMMITTEE

1. That the Committee approve for public consultation Palmerston North City District Plan: Proposed Plan Change I – Increasing Housing Supply and Choice (Attachment 4), under clause 5, schedule 1 of the Resource Management Act 1991.
-

1. INTRODUCTION

- 1.1 The purpose of this memorandum is to seek approval for Palmerston North City District Plan: Proposed Plan Change I – Increasing Housing Supply and Choice (PC:I) to proceed to public notification.
- 1.2 PC:I has been prepared to ensure it gives effect to the National Policy Statement for Urban Development (NPS-UD 2020) and the 2023 Housing and Business Needs Assessment (HBA) by providing options for different housing typologies through the District Plan.
- 1.3 PC:I proposes to rezone 815 hectares of the existing Residential Zone to create a Medium Density Residential Zone (MRZ).¹ PC:I also seeks to rezone 17 Summerhays Street, the Huia Street Reserve (Pt Lot 1 DP545 and PT Lot 2 DP545 only, being the part not used by the Manawatū Lawn Tennis Club) and 216-218 Ferguson Street to MRZ.²
- 1.4 Consistent with the approach outlined in the [City Planning Priorities and 3-Year Work Programme report](#) presented to the Strategy & Finance Committee on 14 August 2024, the new planning framework for the MRZ simplifies the process for medium density development compared to the current Multi-Unit Housing Area (MUHA) District Plan provisions.

¹ See Attachment 1 showing the extent of the proposed MRZ and Stormwater Overlay.

² See Attachment 2 showing the location of 17 Summerhayes Street, Huia Street Reserve and 216-218 Ferguson Street.

- 1.5 PC:I forms part of the response to the issues raised by the development community regarding the complexity of urban design assessment required by the current MUHA provisions. The 14 August 2024 City Planning Priorities and 3-Year Work Programme report outlines the broader response to these issues.
- 1.6 The primary purpose of PC:I is to enable medium density housing by rezoning part of the Residential Zone to create a MRZ in those parts of the city which:
- **Accessibility:** have good accessibility between housing, jobs, education, neighbourhood centres, community services, natural spaces, open spaces, public transport and active transport;
 - **Density, Form, Amenity and Safety:** support a range of densities and forms in the plan change area with a good level of both onsite and offsite amenity and safety outcomes;
 - **Climate Change:** support reductions in greenhouse gas emissions and are resilient to the likely current and future effects of climate change;
 - **Stormwater:** mitigate increased stormwater discharges as a result of intensification;
 - **Adjoining Properties:** mitigate the effects of medium density residential development on adjoining properties and sites of significance; and
 - **Respond to Constraints:** respond to the surrounding environment's land uses and site constraints, in particular those areas that abut significant infrastructure or have infrastructure and natural hazard constraints that need to be addressed.
- 1.7 **Replacement of Multi Unit Housing Areas:** MUHA areas A & B (Central-City) and MUHA Areas C & D (at Awapuni, Highbury, Hokowhitu & Milson) will be replaced by the proposed MRZ.³
- 1.8 The MUHA areas at Napier Road, Hokowhitu Lagoon, Matangi, and Aokautere will remain and be subject to the existing provisions of the Operative District Plan (ODP).
- 1.9 **Providing for Papakāinga:** Papakāinga is being enabled as a permitted activity subject to meeting the MRZ development standards.
- 1.10 **Responding to Stormwater Constraint:** PC:I will enable medium density housing across those parts of the city which are not impacted by existing stormwater constraints and provide for medium density housing across those parts of the city where site-specific mitigation for flooding and stormwater is likely to be required, through the introduction of a Stormwater Overlay.⁴

³ See Attachment 3 showing the extent of the existing Residential Zone and Multi-Unit Housing Areas.

⁴ See Attachment 1 showing the extent of the proposed MRZ and Stormwater Overlay.

- 1.11 The Stormwater Overlay is informed by the PC:I Stormwater Servicing Assessment (SSA)⁵. The SSA identifies areas that may be at risk from flood hazard and is not intended for site-specific assessments.
- 1.12 The PC:I trigger for site specific stormwater assessment is when a consent application is made for subdivision or development for a site located within the Stormwater Overlay.
- 1.13 **Housing Choice and Supply:** enabling medium density housing means enabling the construction of different types of houses (stand-alone, terraced housing and apartments) to provide a wider variety of housing sizes (1, 2 and 3-bed+) and tenures across a broader range of property sizes. This is consistent with Council's projections for infill development identified as part of the HBA completed in 2023 (and updated in March 2024).
- 1.14 The scope of the plan change **excludes:**
- Zoning new greenfield growth areas outside the existing Residential Zone.
 - Enabling as a 'permitted activity' residential intensification in those parts of the existing Residential Zone which are currently impacted by flooding, and stormwater capacity and management constraints.
 - A review of engineering standards applicable to new development (Engineering Standards for Land Development).
 - Residential Zone land at Aokautere, Ashhurst, Longburn and Bunnythorpe.
 - Amendments to give effect to the National Policy Statement for Indigenous Biodiversity Part 3, subpart 2 and Clause 3.24 (in relation to Significant Natural Areas).

2. BACKGROUND

- 2.1 **The Need to provide for Growth:** Palmerston North is experiencing strong population growth. The most recent population growth estimates in the 2024 Future Development Strategy (FDS) predict that the population will increase from ~94,500 people (2023) to ~117,700 people by 2054 – a change of nearly 25%. More people living in Palmerston North means a need for more housing. Over the next 30 years, an additional 9,884 homes are required to support the growing population.
- 2.2 PC:I responds to the Council's obligations under the NPS-UD to:
- enable greater density, housing choice, and supply;

⁵ See Attachment 4, PC:I Section 32, Planning Provisions and Supporting Technical Reports.

- make planning decisions that contribute to well-functioning urban environments; and
- take into account the urban development values and aspirations of Rangitāne o Manawatū as articulated in FDS.

- 2.3 **Providing for Greater Supply and Choice of Housing will be Contested:** Over the next 10-15 years, Palmerston North will transition from a large provincial centre to a small metropolitan city. PC:I will play a role in this transition by enabling a greater variety and density of homes, while also ensuring a well-functioning urban environment and improved accessibility between housing, jobs, community services, open spaces, and public and active transport.
- 2.4 PC:I signals future change to the form and function of the urban environment as we transition to a small metropolitan city. Consequently, PC:I will be highly contested. Some submitters may feel PC:I introduces too much change too quickly, while others may see it as an opportunity for more homes in areas with better accessibility to housing, jobs, community services, open spaces, and public and active transport.
- 2.5 The participatory principles of the District Plan change process under the RMA emphasise public involvement and transparency in decision-making. These principles ensure the community has a voice in shaping local planning outcomes. The RMA process will provide an opportunity for our community to respond to and shape PC:I through public notification, submissions, further submissions, and hearings.
- 2.6 It is noted changes were made to PC:I in response to consultation on draft development standards in September and November - December 2022. In particular, PC:I now provides for up to 3 dwellings as a permitted activity rather than 6 dwellings, as initially proposed in 2022.
- 2.7 **A Balanced Approach:** PC:I seeks to deliver increased housing supply and choice, while providing for built form outcomes that are appropriate for the City. As a Tier 2 Council under the NPS-UD, PC:I has adopted some of the core elements required of Tier 1 councils, such as providing for up to 3 dwellings as a permitted activity, building coverage, and building height.
- 2.8 PC:I has also been customised to respond to local needs. The plan change aims to avoid some of the negative outcomes associated with Tier 1 requirements in the areas of height relation to boundary, setbacks, and outdoor living areas.
- 2.9 PC:I introduces additional requirements to address the needs of the City, in particular the management of stormwater quality and quantity.
- 2.10 **Rate of Change Over Time:** While PC:I is proposing to rezone approximately 815 hectares of Residential Zone land to MRZ, the rate of uptake and change to residential amenity and character across the City will be incremental over time.

- 2.11 The 2023 HBA predicts that 142 new dwellings will be needed annually to meet the demand from projected population growth for residential intensification over the next 30 years. Whilst PC:I will not provide all the capacity needed to meet this predicted demand, based on historic building consent data, development in the MRZ could provide at least 56 dwellings per year.
- 2.12 Other intensification and brownfield residential development opportunities identified in the FDS will need to be investigated in the future to help provide additional capacity. Other development opportunities include Massey University, the Business Zones (city centre), the Civic and Cultural Precinct project and remaining historical industrial sites, e.g. Featherston Street adjacent to the Hoffman Kiln. The scheduled wider review of the Residential Zone will also provide opportunities to explore planning techniques to further increase capacity.
- 2.13 **Streamlined Planning Approach:** Currently, the District Plan manages medium density housing development through the MUHA provisions. The development community has raised issues about the complexity of urban design assessment required by the MUHA provisions.
- 2.14 The planning framework developed for the MRZ simplifies the process for medium density development within the new Zone by enabling up to 3 units as a permitted activity outside the Stormwater Overlay and putting in place a simplified path for land use consent when development exceeds this threshold.
- 2.15 By way of example, the built form and design for 4 or more dwellings in the MRZ will be assessed against 7 matters in one policy rather than 27 assessment criteria contained in the MUHA planning provisions.
- 2.16 The Stormwater Overlay introduces additional planning controls on MRZ development that are specific to stormwater effects only, i.e. the balance of the planning assessment in these areas will be the same as development located outside of the Stormwater Overlay.
- 2.17 **Albert Street Depot:** The underlying zoning of the Albert Street Depot is Residential Zone. Because the site meets the NPS-UD accessibility requirements relating to open greenspace, local business areas, schools and public transport, it is proposed to be zoned to MRZ. Given the current public works designation at this location, this change does not affect Council's ability to continue to use the site as a depot.
- 2.18 **Summerhays Street:** Council approved ([Resolution 134-21](#)) the future use of 17 Summerhays Street for housing development on 3 November 2021.
- 2.19 **Huia Street Reserve:** Council approved ([Resolution 123-20](#)) the future use of the Huia Street Reserve for housing development on 14 October 2020.

3. CONSULTATION

3.1 The Council has undertaken the following consultation:

- Clause 3 (RMA) consultation (November – 7 December 2022). Feedback was received from Horizons Regional Council, Kainga Ora, KiwiRail and the Ministry of Education.
- Phase one - Pre-engagement (28 September – 19 October 2022) – invited the community to provide feedback. The Council received 291 feedback forms and approximately 435 comments on PN City Council Facebook posts were made.
- Phase two – formal pre-consultation (9 November – 7 December 2022) - the draft District Plan section and zone extent were published and feedback sought from the community on the extent, proposed standards and any other relevant matters. The Council received 388 feedback forms, 18 emails/letters, and 890 Facebook comments. The Council ran two drop-in sessions which were attended by approximately 200 people.
- FDS (26 March – 5 May 2024) – as part of preparing the FDS, the Council sought feedback on several options for meeting the demand for housing, business and industrial growth over the next 30 years, including an option focused on intensification. Council received 138 submissions. The housing growth locations identified in the FDS included the Huia Street and Summerhays recreation reserves.
- Information about PC:I has also been available on the website since September 2022.
- Rangitāne o Manawatū have also been consulted throughout the process going back to 2019.
- Pursuant to Clause 4(A) of the RMA, a copy of draft PC:I and supporting information was provided to Tanenuiarangi Manawatū Incorporated (as Rangitāne o Manawatū's mandated iwi authority) on 4 September 2024, followed by a workshop on 4 October 2024.
- PC:I has been developed in partnership with Rangitāne and their feedback (via Tanenuiarangi Manawatū Incorporated) influences the proposed provisions.

3.2 The above work meets our consultation obligations under Clauses 3 and 4A of the Resource Management Act 1991.

4. KEY CHANGES

4.1 The key changes proposed by PC:I include the following:

- The rezoning of 815ha of Residential Zone land to MRZ. This represents approximately 32% of the existing Residential Zone land in the City.
- The new planning framework for the MRZ simplifies the process for medium density development compared to the current MUHA District Plan provisions. This change directly responds to concerns raised by the development community.
- The rezoning of 17 Summerhays Street, the Huia Street Reserve (Pt Lot 1 DP545 and PT Lot 2 DP545, being the part not used by the Manawatū Lawn Tennis Club), the Albert Street Depot and 216-218 Ferguson Street to MRZ.
- The identification of a Stormwater Overlay over 624ha (75%) of the MRZ.
- Within the MRZ (for properties outside the Stormwater Overlay) up to three dwellings will be a permitted activity (not needing a resource consent) subject to compliance with standards.
- Developers of properties within the Stormwater Overlay will require resource consent and will be required to provide a stormwater assessment to identify the extent and effects of flood and/or overland stormwater flow hazards and any required mitigation.
- Developers of properties proposing four or more dwellings on a site will require a resource consent.
- Enabling Papakāinga as a permitted activity.

5. NEXT STEPS


- 5.1 Notify PC:I for submissions under the Resource Management Act 1991.
- 5.2 Officers are planning to commence citywide notification of PC:I on 19 November 2024. The notification period will extend beyond the required minimum 20 working day period, continuing until 4 February 2025.

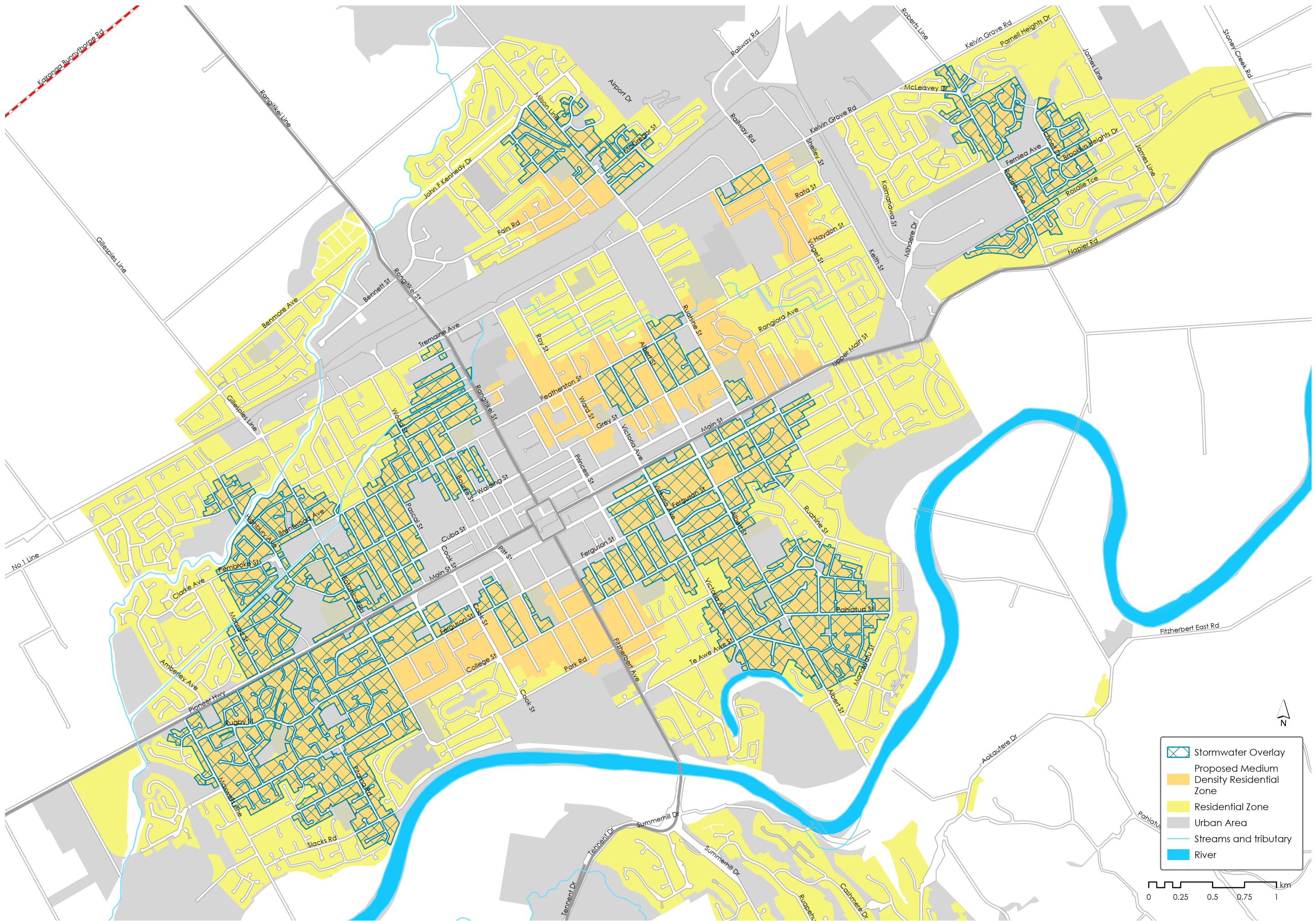
6. COMPLIANCE AND ADMINISTRATION

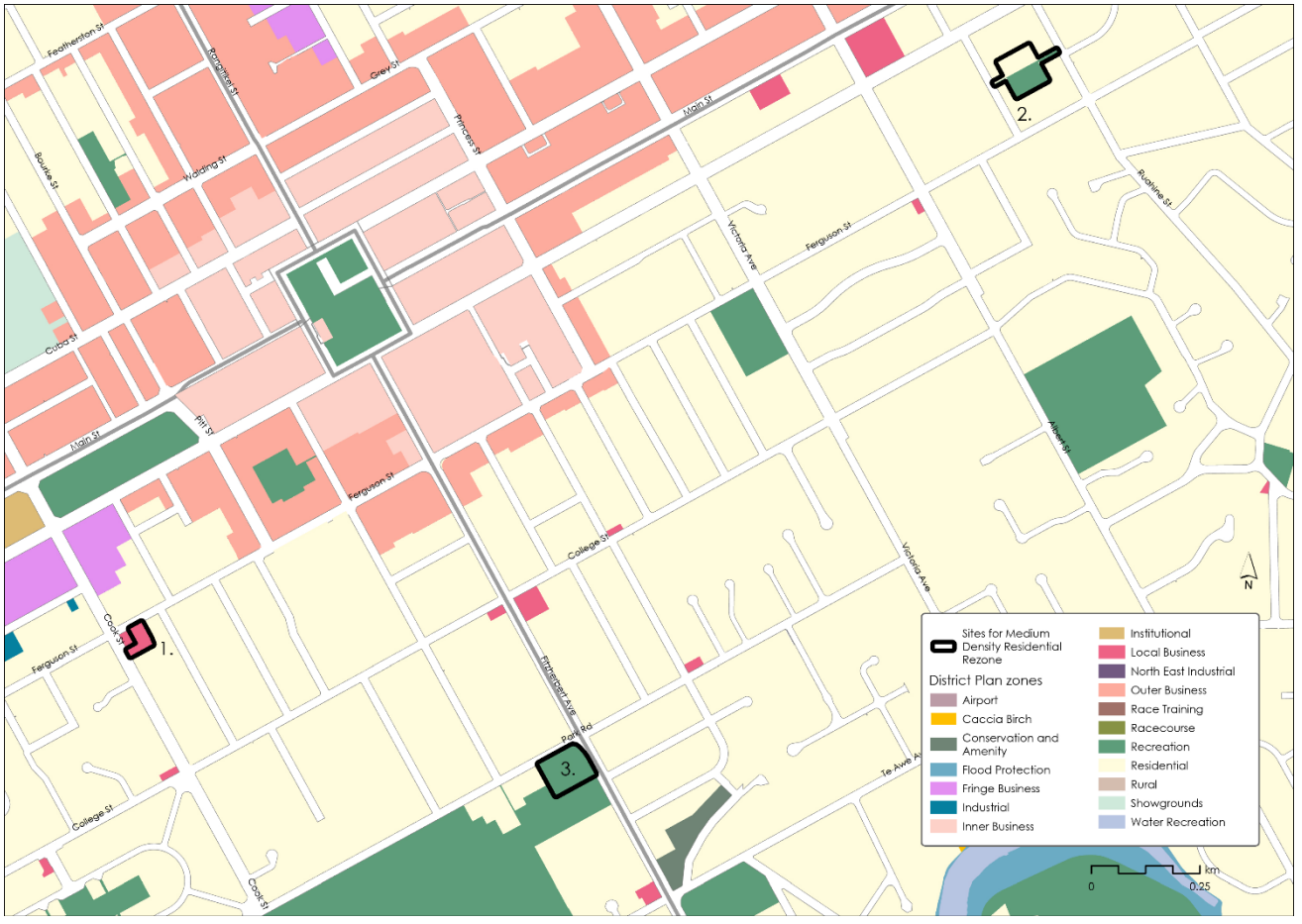
Does the Committee have delegated authority to decide? If Yes quote relevant clause(s) from Delegations Manual (4.6)	Yes
Are the decisions significant?	No
If they are significant, do they affect land or a body of water?	No

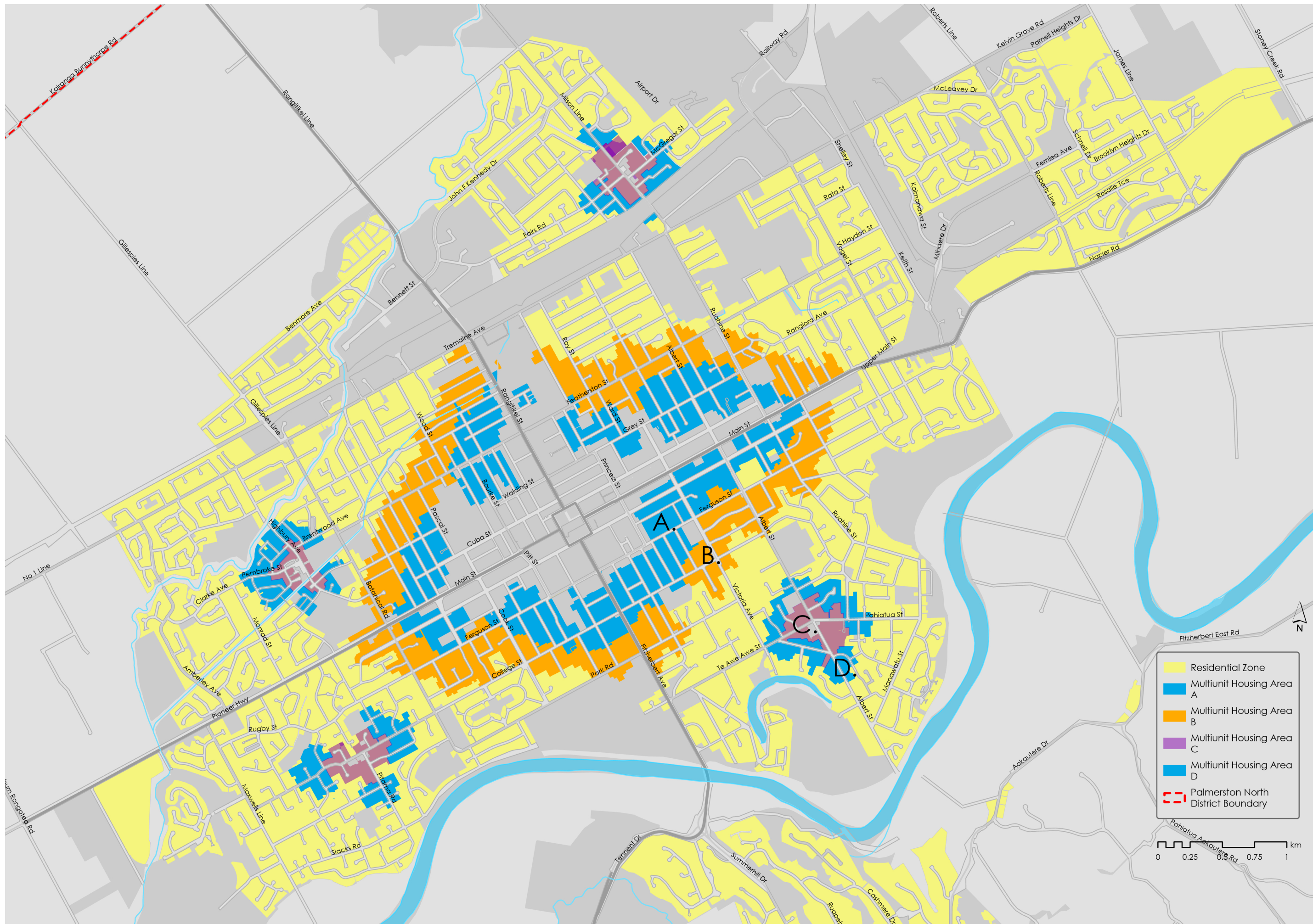
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these actions?	Yes
Are the recommendations inconsistent with any of Council's policies or plans?	No
<p>The recommendations contribute to:</p> <p>Whāinga 1: He tāone auaha, he tāone tiputipu</p> <p>Goal 1: An innovative and growing city</p>	
<p>The recommendations contribute to the achievement of objective/objectives in the:</p> <p>15. Mahere whare</p> <p>15. Housing Plan</p> <p>The objectives are:</p> <ul style="list-style-type: none"> • Implement the National Policy Statement on Urban Development Capacity • Rezone part of the Residential Zone to Medium Density Residential. 	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	Proposed PC:I will assist Council in meeting its obligations to ensure there is sufficient development capacity to meet projected demand, which will assist with improving housing affordability and being responsive to growth.

ATTACHMENTS

1. Attachment 1: MRZ and Stormwater Overlay [!\[\]\(b9ff2a1a0c53756b3a8fdcba92319832_img.jpg\) !\[\]\(f2c8e67eb331df36c8d5df44bf9575d8_img.jpg\)](#)
2. Attachment 2: Sites Proposed for Rezoning to MRZ [!\[\]\(767b884fdbbdd561159b6124fa600cc6_img.jpg\) !\[\]\(112b4da49bf77248adc1b20d9fa419c9_img.jpg\)](#)
3. Attachment 3: Existing Residential Zone and MUHA [!\[\]\(f2dede6c3abab8c2625be15a97120769_img.jpg\) !\[\]\(4b296b0a193c30dd1dfe33fff14df20a_img.jpg\)](#)
4. Attachment 4: PC:I Planning Provisions, Section 32 Report and Supporting Technical Assessments (attached separately) 







MEMORANDUM

TO: Strategy & Finance Committee

MEETING DATE: 13 November 2024

TITLE: Elected Member Expenditure 2023/24

PRESENTED BY: Scott Mancer, Manager - Finance

APPROVED BY: Cameron McKay, General Manager Corporate Services

RECOMMENDATION(S) TO STRATEGY & FINANCE COMMITTEE

1. That the Committee receive the memorandum titled 'Elected Member Expenditure 2023/2024', presented to the Strategy & Finance Committee on 13 November 2024.
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1. ISSUE

- 1.1 This report is presented annually in accordance with the Elected Member Expenses Policy. Section 10 states: '*Reporting of Expenses: All expenses (including the cost of taxis) claimed by Elected Members are to be reported annually to the Strategy & Finance Committee (or equivalent committee). This will include all discretionary expenditure of the Mayor and Deputy Mayor, including credit card expenses.*'
- 1.2 This report covers the financial year from 1 July 2023 to 30 June 2024.

2. BACKGROUND

- 2.1 At its meeting of 16 November 2022, Council gave delegation to the Chair of the Strategy & Finance Committee or the Chair of Risk & Assurance Committee to approve expenses, including credit card transactions incurred by the Mayor. Credit card expenses are approved retrospectively.
- 2.2 Furthermore, the expenditure reported here is subject to audit undertaken by Audit NZ through the audit of the annual report. Their scope includes reviewing the effectiveness and efficiency, and testing for a lack of probity or financial prudence. Findings are then reported to the Risk & Assurance Committee. At the time of writing the report, Officers had just completed the audit for the 2023/24 financial year and the close out meeting, including the Management Letter with findings, had not yet been received.
- 2.3 This report, therefore, adds a level of good practice by providing a summary of the expenses of the Mayor and Deputy Mayor to the Strategy & Finance Committee in a regular and timely manner.

3. EXPENDITURE

- 3.1 In Table 1 below is a summary of relevant expenditure from the Mayoral Office, Mayor’s Discretionary, Mayor’s Relief Fund and Elected Member Support. The Mayoral Office budget includes items for Citizenship Ceremonies and Civic Awards. The summary presents only the controllable expenditure for these budget lines for the 2023/24 financial year.
- 3.2 Uncontrollable expenditure includes overheads and internal staff time.
- 3.3 Table 1 includes expenditure from Tables 2 and 3. It also includes only some expenditure from Tables 4 and 5, as some expenditure is covered from other budgets such as Governance, Events or International Relations when Elected Members are on official Council business.
- 3.4 Even though expenditure items are over budget in Tables 2 and 3, overall expenditure has remained under budget. Overall total controllable expenditure was \$181k versus a budget of \$199k for the year.

Table 1: Comparative totals for the previous three financial years

Financial year	Total controllable expenditure	Budget
2021/22	90,685	156,216
2022/23	145,142	160,125
2023/24	181,323	199,200

Table 2: Mayor’s Office budgets (sensitive expenditure only)

	23/24 Actual	23/24 Budget	22/23 Actual
Hospitality	45,799	24,700	22,451
Training	2,327	8,700	6,650
Travel and Accommodation	32,397	23,600	27,595
Gifts	5,628	Not separately budgeted	6,490
Taxi Charges	3,247	Not separately budgeted	3,597
SUB - TOTAL	\$89,398	\$57,000	\$66,784
Other Expenses*	\$91,925	\$145,400	\$78,358
GRAND TOTAL	\$181,323	\$199,200	\$145,142

* Other Expenses includes items related to the running of the Mayor's Office activity and covers expenditure items like consultancy, media support, venue hire (Citizenship/Civic Awards/Duke of Ed. Awards, etc.) as well as discretionary fund grants and donations

Table 3: Discretionary Fund budgets (Mayor)

	23/24 Actual	23/24 Budget	22/23 Actual
Mayoral Discretionary Fund	13,379	11,400	16,458
Mayoral Relief Fund	4,458	1,100	8,292
(Donations received)	(8,648)	-	(3,352)
TOTAL	\$9,189	\$12,500	\$21,398

4. SENSITIVE EXPENDITURE

4.1 Tables 4 and 5 provide a summary of the sensitive expenditure as the policy for both non-credit card and credit card transactions respectively.

Table 4: Sensitive expenditure (by Mayor, Deputy Mayor) excluding credit card transactions

	GRANT SMITH	DEBI MARSHALL- LOBB
Hospitality	44,670	-
Travel and accommodation	24,868	45
Training	2,327	-
Gifts	8,953	-
Internet	-	-
Taxi Charges	3,247	-
TOTAL	\$84,066	\$45

Table 5: Credit card (by Mayor, Deputy Mayor)

	GRANT SMITH	DEBI MARSHALL- LOBB
Hospitality	9,305	-
Travel and accommodation	5,950	-
Gifts	5,818	-
Training	1,166	-
TOTAL	\$22,239	-

5. EXPENSE CLAIMS

5.1 Below is a summary of all expense claims made by all Elected Members. There is an overlap with expenses stated in tables above.

Table 6: Reimbursements (all Elected Members)

	TRAVEL & ACCOMODATION	HOSPITALITY	INTERNET /PHONE	TAXI CHARGE S	TOTAL
Kaydee Zabelin	442	-	-	-	\$442
Orphée Mickalad	1,902	-	-	-	\$1,902
Patrick Handcock	1,162	-	-	-	\$1,162
Rachel Bowen	998	-	-	-	\$998
Roly Fitzgerald	936	-	-	-	\$936
William Wood	45	-	-	-	\$45

Table 7: Elected Member taxi use – invoiced to Council

	TAXI CHARGES
Orphée Mickalad	\$185
Patrick Handcock	\$237
Rachel Bowen	\$277
Roly Fitzgerald	\$131
William Wood	\$124

6. NEXT STEPS

Annual reporting to the Committee will continue next year.

7. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	Yes
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these actions?	No
Are the recommendations inconsistent with any of Council's policies or plans?	No
The recommendations contribute to: N/A	
The recommendations contribute to the achievement of objective/objectives in: 14. Mahere mana urungi, kirirarautanga hihiri 14. Governance and Active Citizenship Plan	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	Open and transparent governance contributes to trust and reputation of the Council.

ATTACHMENTS

NIL

REPORT

TO: Strategy & Finance Committee

MEETING DATE: 13 November 2024

TITLE: Deliberations - Draft Dangerous, Affected, and Insanitary Buildings Policy 2024

PRESENTED BY: Lili Kato, Policy Analyst

APPROVED BY: David Murphy, General Manager Strategic Planning

RECOMMENDATION TO STRATEGY & FINANCE COMMITTEE

1. That the Committee receive the submissions relating to the Draft Dangerous, Affected, and Insanitary Buildings Policy 2024 (Attachment 3).

RECOMMENDATIONS TO COUNCIL

2. That Council adopt the Dangerous, Affected, and Insanitary Buildings Policy 2024 (Attachment 1).
3. That Council rescind the Dangerous and Insanitary Buildings Policy 2006.

SUMMARY OF OPTIONS ANALYSIS FOR THE DELIBERATIONS ON THE DRAFT DANGEROUS, AFFECTED, AND INSANITARY BUILDINGS POLICY

Problem or Opportunity	<p>Community consultation on the Draft Dangerous, Affected, and Insanitary Buildings Policy 2024 has concluded. Community views have been gathered and analysed and further changes proposed to the draft Policy.</p> <p>The Committee can recommend Council either adopt the Policy (Attachment 1) or not adopt the Policy.</p>
OPTION 1:	<p>Recommend that Council adopt the Dangerous, Affected, and Insanitary Buildings Policy 2024</p> <p>This option is recommended.</p>
Community Views	<p>Different views on the proposal have been shared by members of the community – some in favour, some not in favour. Six submissions were received and the majority were in support of the proposed changes to the Policy. We note that the scope of this Policy is very narrow (as determined by legislation) and we did not expect wide community interest.</p>
Benefits	<p>Adopting the draft Policy means that current best practice is able to be incorporated into a Policy that has not been reviewed since it was adopted in 2006. Council will also fulfil a statutory obligation to update the Policy to include 'affected buildings'.</p>
Risks	<p>None identified.</p>
Financial	<p>None identified.</p>
OPTION 2:	<p>Recommend that Council does not adopt the Dangerous, Affected, and Insanitary Buildings Policy 2024</p> <p>This option is not recommended.</p>
Community Views	<p>Two submissions received by Council from individuals on the draft Policy supported not making the proposed changes. Option 2 supports those submitters. We note that the scope of this Policy is very narrow (as determined by legislation) and we did not expect wide community interest.</p>
Benefits	<p>None identified.</p>
Risks	<p>Council will not comply with the obligation to update the Policy to include 'affected buildings'. Council will therefore be unable to invoke powers to identify and remedy these buildings.</p>
Financial	<p>None identified.</p>

RATIONALE FOR THE RECOMMENDATIONS

1. OVERVIEW OF THE PROBLEM OR OPPORTUNITY

- 1.1 Community consultation on the Draft Dangerous, Affected, and Insanitary Buildings Policy 2024 has concluded.
- 1.2 Council received 6 submissions to its proposal, and none of the submitters chose to speak in support of their submission.
- 1.3 The Committee should now deliberate. For the purposes of deliberation, this report and its attachments provide analysis and advice, and outline any recommended changes to the Policy in response to submissions received.
- 1.4 Following deliberation, the Committee may recommend Council adopt the Policy.

2. BACKGROUND AND PREVIOUS COUNCIL DECISIONS

- 2.1 In 2006 Council adopted the Dangerous and Insanitary Buildings Policy. The Buildings Act 2004 section 132(4) requires Council to review the Policy within five years of its adoption. However, failure to review within this timeframe does not render it ineffective as stipulated in section 132(5) of the Act. This is the first review of the Policy since its adoption.
- 2.2 On 14 August 2024, the Strategy & Finance Committee⁶ considered the draft Dangerous, Affected, and Insanitary Buildings Policy 2024 and approved it for public consultation.
- 2.3 The written submission period was open from 02 September until 07 October 2024.
- 2.4 We note that the scope of this Policy is very narrow (as determined by legislation) and we did not expect wide community interest.

3. DESCRIPTION OF OPTIONS

- 3.1 The Committee has two options.

Option 1: Recommend Council adopt the Policy.

Option 2: Not recommend Council adopt the Policy.
- 3.2 Advice on each of these options is elaborated on in section 4 of this report.

⁶ https://palmerstonnorth.infocouncil.biz/Open/2024/08/SAFC1_20240814_MIN_11225_WEB.htm

4. ANALYSIS OF OPTIONS

Option 1: Recommend Council adopt the Policy

- 4.1 Council has consulted the community on its proposed changes to the Policy.
- 4.2 Of the 6 written submissions received on the draft Policy, 2 were opposed to the proposed Policy. The remaining 4 submissions were generally supportive, with some suggestions for changes to the Policy.
- 4.3 Attachment 2 provides a breakdown of the 6 submissions received. All changes which were consulted on are recommended for adoption, with additional changes made in response to a submission received. There are also some additional minor changes to the strategic context recommended that were omitted from the draft.

Submissions opposing proposed Policy

- 4.4 The main theme for one submitter who was opposed to the Policy was in relation to cutting costs. The submitter assumed that changes to the Policy would amount to increasing costs, particularly in rates. There are no financial implications in the proposed changes to this Policy.
- 4.5 The other submitter who was opposed to the proposed Policy expressed concerns in relation to the Mātangi (Whiskey Creek) residential area private plan change. The submitter claims that the area is a flood plain. These concerns were outside the scope of the review and have been directed to the relevant staff to follow up.

Submissions in support of proposed Policy

- 4.6 The remaining 4 submissions (2 from individuals and 2 from organisations) were supportive of the Policy overall. The submission from the Manawatū Tenants' Union was supportive of the proposed Policy but did seek changes to incorporate the 'Healthy Homes Standard'⁷ as another mechanism to hold landlords to account. This change was not accepted because the definitions of dangerous, affected and insanitary buildings are set out in the Building Act 2004, which is what the Policy enforces. Therefore, it is not within Council's mandate to extend these definitions to incorporate the Healthy Homes Standard. Changes of this nature can only be made by Parliament.
- 4.7 We note that the Community Committee resolved on 23 October to recommend a broader resolution in support of the Healthy Homes Standard to Council.
- 4.8 The submission from Te Whatu Ora – Health New Zealand was also supportive of the Policy. They sought to include one change to the draft Policy, in regard to Te Whatu Ora being notified by Council when they have determined a

⁷ <https://www.hud.govt.nz/our-work/healthy-homes-standards>

building to be 'insanitary' under the Building Act 2004. This change is accepted and is included in the proposed Policy.

Recommended changes to the Policy

4.9 Following public consultation the recommended changes include:

Changes to Section 2 - Strategic Context

- Changing the format of this section to align with other Council policies.
- Adding goal one, two and the relevant outcomes that this Policy will contribute to. These goals and outcomes were not included in the draft Policy. The exact wording proposed is:

"The Policy contributes to Whāinga 1: He tāone auaha, he tāone tiputipu - Goal 1: An innovative and growing city, and specifically to the following outcome, where we want our communities to have:

- *A city that fosters pride, and supports the aspirations of people and communities*

The Policy contributes to Whāinga 2: He tāone whakaihihi, tapatapahi ana - Goal 2: A creative and exciting city, and specifically to the following outcome, where we want our communities to have:

- *Our unique heritage preserved and promoted."*

- Deleting the reference to the *Community Safety and Health Plan*. The reference to this Plan is redundant because reference to Goal 3 and the relevant outcomes which encompass this Plan is already included. The following wording is deleted from the proposed Policy:

"The Policy contributes to fulfilling the Mahere haumarū hapori, hauora hapori - Community Safety and Health Plan to make Palmerston North a healthy city, where our community is safe and feels safe."

Changes to Section 6 (e) – Taking action under the Building Act 2004

- Adding a requirement to notify Te Whatu Ora – Health New Zealand when Council have determined a building to be insanitary. The exact wording:

"(vi) Notify Te Whatu Ora – Health New Zealand through the Palmerston North Health Protection Team or other relevant staff when Council has determined a building to be insanitary."

Option 2: Not recommend Council adopt the Policy

4.10 Option 2 stops the current process. Unless further instruction is provided by the Committee to staff, no additional work will be completed.

- 4.11 If Option 2 proceeded, the current Policy will remain in force. Council will be non-compliant with the statutory obligation to update the Policy to include 'affected buildings'.

5. OUTLINE OF COMMUNITY ENGAGEMENT PROCESS

- 5.1 Council completed early engagement and formal consultation with the community as required under [section 132\(1\)](#) of the Building Act 2004. Partners and stakeholders, the community more widely, and other interested parties were invited to make a submission on the proposals during the consultation period.
- 5.2 Printed copies of the Statement of Proposal, which included hardcopy submission forms, were made available from the Customer Service Centre and all Council libraries. A consultation page that explained the proposal of Council and information about how people could get in touch, including an online submission form, was published on the Council's website.
- 5.3 Consultation information was also shared through Council's social media channels, Build Palmy email newsletter, and also a postal letter to over 1000 commercial building owners and occupiers.

6. CONCLUSION

- 6.1 Council consulted with the community on proposed changes to the Dangerous, Affected, and Insanitary Buildings Policy. Through submissions, the community responded to the proposal, indicating reasons they supported the proposal (or specific aspects of it), why they did not support the proposal, and requested Council consider further changes.
- 6.2 Following an analysis of the submissions, one further change to the Policy is proposed, along with minor changes to the strategic context that were omitted from the initial draft.
- 6.3 The report recommends that the draft Dangerous, Affected, and Insanitary Buildings Policy 2024 is adopted (Attachment 1).
- 6.4 If adopted the Policy will be effective from the date of adoption.

7. NEXT ACTIONS




- 7.1 Once adopted Council will provide a copy of the Policy to the Chief Executive of the Ministry of Business, Innovation and Employment as required by [section 132 \(3\)](#) of the Building Act 2004.
- 7.2 The community will be notified that the Policy has come into effect on the date of adoption.
- 7.3 Public notices will be placed, and submitters will be contacted and advised of the outcome of the consultation process. The Policy will be published on

Council's website, with physical copies available in the Customer Service Centre.

8. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	No
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	Yes
Is there funding in the current Annual Plan for these objectives?	Yes
Are the recommendations inconsistent with any of Council's policies or plans?	No
The recommendations primarily contribute to: Whāinga 3: He hapori tūhonohono, he hapori haumarū Goal 3: A connected and safe community	
The recommendations contribute to the achievement of objective/objectives in: 9. Mahere haumarū hapori, hauora hapori 9. Community Safety and Health Plan The objective is: Assess and manage risks arising from dangerous and insanitary city buildings.	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	The Dangerous, Affected and Insanitary Buildings Policy ensures that Council can have a pragmatic and agile response to identifying and remedying buildings that may endanger the people who use them and surrounding property in Palmerston North.

ATTACHMENTS

1. Dangerous, Affected, and Insanitary Buildings Policy 2024 [↓](#) 
2. Summary of Submissions - Draft Dangerous, Affected, and Insanitary Buildings Policy 2024 [↓](#) 
3. Submissions - Draft Dangerous, Affected, and Insanitary Buildings Policy 2024 [↓](#) 

Dangerous, Affected, and Insanitary Buildings Policy 2024

1. Introduction

The Building Act 2004 (the Act) permits territorial authorities to take a local approach in identifying and remedying buildings within its boundaries that fit the definition of dangerous, affected, and insanitary.

Palmerston North City Council (the Council) must adopt a policy to give effect to its legislative function to identify and remedy dangerous, affected, or insanitary buildings under the Act. This is in line with the aims of the Act to regulate building work and standards to ensure that buildings do not endanger the health, safety and wellbeing of the people who use them.

2. Strategic Context

Our vision for our city is [He iti rā, he iti pounamu - Small city benefits, big city ambition](#). Council seeks to fulfil this vision through four goals:

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

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

Whāinga 3: He hāpori tūhonohono, he hāpori haumarū
Goal 3: A connected and safe community

Whāinga 4: He tāone toitū, he tāone manawarua
Goal 4: A sustainable and resilient city

The Policy contributes to *Whāinga 1: He tāone auaha, he tāone tiputipu - Goal 1: An innovative and growing city*, and specifically to the following outcome, where we want our communities to have:

- A city that fosters pride, and supports the aspirations of people and communities

The Policy contributes to *Whāinga 2: He tāone whakaihiihi, tapatapahi ana - Goal 2: A creative and exciting city*, and specifically to the following outcome, where we want our communities to have:

- Our unique heritage preserved and promoted

The Policy contributes to *Whāinga 3: He hāpori tūhonohono, he hāpori haumarū - Goal 3: A connected and safe community*, and specifically to the following outcomes, where we want our communities to have:

- the support they want to live healthy lives
- access to healthy and affordable housing
- access to safe and accessible community places

The Policy contributes to fulfilling the *Māhoro haumarū hāpori, hauora hāpori - Community safety and health plan* to make Palmerston North a healthy city, where our community is safe and feels safe.

The Policy acknowledges the Tiriti partnership the Palmerston North City Council has with Rangitāne o Manawatū. Council staff meet regularly with iwi leaders and aim to ensure that Rangitāne values and perspectives have significant weight in decision-making.

3. Policy Purpose

The purpose of this policy is to:

- Reduce the potential risk posed to residents in the district by dangerous, affected, and insanitary buildings; and
- Provide a clear framework for how Council will manage dangerous, affected, and insanitary buildings, that fits the local context.

4. Policy Objectives

In implementing this policy, Council aims to achieve the following objectives:

- The public are aware that complaints about potential dangerous, affected, and insanitary buildings in the city can be made to the Council.
- Complaints about potential dangerous, affected, and insanitary buildings are responded to promptly by the Council.
- The risk to people from dangerous, affected, and insanitary buildings is mitigated.

5. Principles

This policy has been developed considering the purpose and principles of the Act which seek to ensure that:

- People who use buildings can do so safely without endangering their health
- People who use a building can escape from the building if it is on fire.

6. Guidelines

Definitions

The definitions for the following words are taken from the Building Act 2004 and any subsequent amendments.

Affected:

121A Meaning of affected building

A building is an affected building for the purposes of this Act if it is adjacent to, adjoining, or nearby—

- (a) a dangerous building as defined in [section 121](#); or
- (b) a dangerous dam within the meaning of [section 153](#).

Dangerous:

121 Meaning of dangerous building

- (1) A building is dangerous for the purposes of this Act if,—
- (a) in the ordinary course of events (excluding the occurrence of an earthquake), the building is likely to cause—
 - (i) injury or death (whether by collapse or otherwise) to any persons in it or to persons on other property; or
 - (ii) damage to other property; or
 - (b) in the event of fire, injury or death to any persons in the building or to persons on other property is likely.
- (2) For the purpose of determining whether a building is dangerous in terms of subsection (1)(b), a territorial authority—
- (a) may seek advice from employees, volunteers, and contractors of Fire and Emergency New Zealand who have been notified to the territorial authority by the board of Fire and Emergency New Zealand as being competent to give advice; and
 - (b) if the advice is sought, must have due regard to the advice.

Insanitary:

123 Meaning of insanitary building

A building is insanitary for the purposes of this Act if the building—

- (a) is offensive or likely to be injurious to health because—
 - (i) of how it is situated or constructed; or
 - (ii) it is in a state of disrepair; or
- (b) has insufficient or defective provisions against moisture penetration so as to cause dampness in the building or in any adjoining building; or
- (c) does not have a supply of potable water that is adequate for its intended use; or
- (d) does not have sanitary facilities that are adequate for its intended use.

Identifying dangerous, affected, or insanitary buildings

- (a) On receiving a complaint or information about a building that is potentially dangerous, affected and/ or insanitary, the Council will respond promptly by:
- o informing the owner(s) of the building
 - o inspecting the building and site and
 - o seeking the advice of Fire and Emergency New Zealand (FENZ) where deemed relevant.

Assessment criteria

- (b) Assessment will be made in accordance with sections 121, 121A or 123 of the Act and the New Zealand Building Code. Assessment may include consideration of:
- o Whether the building is occupied
 - o The building use
 - o Whether the building is likely to cause injury or death to people
 - o Whether conditions present a danger to the health of occupants

- Potential for damage to other property
- Whether a fire hazard exists
- Whether the building is affected by a dangerous building or dangerous dam

Where a building is occupied an assessment of insanitary conditions may include a review of:

- The adequacy of sanitary facilities
 - The adequacy of potable water
 - Evidence or likelihood of moisture penetration
 - If the building is offensive or likely to be injurious to health because of how it is situated or constructed or whether or not it is in a state of disrepair.
- (c) Following the inspection and assessment, and consider, any advice or recommendations received from FENZ, Council will:
- determine whether section 121 (dangerous building), 121A (affected building) and/or 123 (insanitary building) of the Act are satisfied.
 - determine whether section 123A (in relation to only parts of a building being deemed dangerous or insanitary) of the Act applies.
 - determine whether section 123B (in relation to buildings affected by emergency) of the Act applies.

Taking action under the Building Act 2004

- (d) In forming its view as to the extent of the action that is required to be carried out on the building to prevent it from remaining dangerous, affected and/or insanitary, Council may take the following matters into account:
- (i) The size of the building.
 - (ii) The complexity of the building.
 - (iii) The location of the building in relation to other buildings, public places, and natural hazards.
 - (iv) How many people spend time in or in the vicinity of the building.
 - (v) The current or likely future use of the building, including any special traditional and cultural aspects of the current or likely future use.
 - (vi) The expected useful life of the building and any extension of that life.
 - (vii) The reasonable practicality of any work concerned.
 - (viii) Any other matters that Council considers may be relevant, taking into account the particular set of circumstances.
- (e) Council will determine the necessary action in line with the Act which may include requiring building work and/or restricting access to the building, or in extreme cases demolition of the building. Council will also:
- (i) Notify the building owner(s) of the assessment findings;
 - (ii) Where relevant attach the necessary notices to the buildings according to the Act;
 - (iii) Provide copies of notices to the building owner(s) and every person who has an interest in the land, including Heritage New Zealand if the building has Heritage status;
 - (iv) Contact the owner once a reasonable time has lapsed since the notice was issued so that access to the building can be gained to assess compliance with the notice; and
 - (v) Determine if enforcement action should be pursued under the Act if the requirements of the notice are not met.

- (vi) Notify Te Whatu Ora – Health New Zealand through the Palmerston North Health Protection Team or other relevant staff when Council has determined a building to be insanitary.
- (f) Where immediate action is required, according to section 129 of the Act, Council will:
 - (i) Take action to recover all cost from the building owner(s).
 - (ii) Inform the building owner(s) that the amount recoverable by the Council will become a charge on the land on which the building is situated.
- (g) All building owners have a right of appeal as defined in the Building Act, which can include applying for a determination from the Ministry of Business Innovation and Employment. That decision can be subject to appeal to the District Court.

Buildings of cultural heritage value

- (h) Buildings that are defined as having cultural heritage value are identified in section 17 of the Palmerston North City Council District Plan, and the definition provided in the Act.
- (i) Council will seek to ensure that any work carried out on a building of cultural heritage value that is determined to be dangerous, affected, or insanitary will not diminish the cultural heritage value of the building, as far as is reasonably practicable.
- (j) Property owners must take all reasonable steps to ensure that the above provision in (i) is achieved.

Recording the status of dangerous, affected, or insanitary buildings

- (k) Any building identified as dangerous, affected or insanitary will have a note placed on Council's property file until the conditions have been remedied.
- (l) In addition, the following information may be placed on any Land Information Memorandum (LIM) and Property Information Memorandum (PIM):
 - (i) A copy of any notices issued;
 - (ii) Copies of any letters sent to the owner, occupier and/or any other person where a building is deemed dangerous or insanitary, and
 - (iii) Any report on how the matter is to be rectified.

7. Monitoring and review

The policy will be monitored through an implementation plan that will developed following the adoption of the policy and will be approved by the senior leadership team as set out in Council's policy framework. Review will take place every five years, or earlier if requested by Council

Summary of submissions – Draft Dangerous, Affected, and Insanitary Buildings Policy 2024

This document provides a summary of the six submissions received on the Draft Dangerous, Affected, and Insanitary Buildings Policy 2024. The submission period ran between 02 September to 07 October 2024. No submitters asked to be heard by the Committee. Submitters were asked to indicate whether they supported each aspect of the policy, and to make any further comment.

Policy Reference	Support	Do not Support	Don't Know	Submitter Comment/s	Staff response	Recommended Change
Introduction	#1, #4, #5	#2	#3	Request for no changes to the policy. Assumes that changes to the policy will increase costs which will add to the struggle in the cost of living.	Some changes are necessary to reflect the changes to the Building Act 2004 and do not have any additional costs.	No change.
Strategic context	#1, #4	#2, #3, #5		Would like Council to focus on cost reductions and “TCO operations”.	Unclear what TCO refers to.	No change.
				Requests that the reference to Rangitāne o Manawatū also include hapu and other Iwi and mentions Raukawa in particular.	In terms of hapū of Rangitāne, they have established their approach to Council and at present hapū representation is at the Rangitāne runange level. In terms of other iwi and hapū in the region, in particular Ngāti Raukawa there’s no formal position of engaging with the iwi specifically and proactively across the board on ‘environmental’ matters. It has been included in the water space because of, among other things, water flowing out of our catchment into the lower reaches of the Manawatū.	No change.

Policy purpose	#4, #5	#2, #3		Would like Council to “stand up to central government bullying”, and look at ways to reduce cost of living.	Noted	No change.
				Critical of Council’s decision to allow land development through the Whiskey Creek plan change. In submitter’s opinion the site is a flood plain.	Out of scope of review and public consultation on Mātangi (Whiskey Creek) residential area plan change has concluded. Referred to relevant staff.	No change.
Policy objectives	#1, #4, #5	#2, #3				
Principles	#1, #4, #5	#2, #3				
Definitions	#1, #4, #5	#2, #3		Thinks the definitions are confusing and further defining needed.	The definitions used here are taken from the Building Act 2004 which is the enabling legislation for this policy.	No change.
				Does not think definitions need to be changed, existing definitions are sufficient.	There are no explicit definitions in the existing policy only a reference to the terms in the Building Act 2004. The Draft policy includes the definitions for completeness.	No change.
				Would like to see the definition of insanitary dwellings be extended to incorporate failures to meet ‘Healthy Homes Standards’ (particularly in regards to the	The definition is taken straight from the Building Act 2004 therefore Council has no ability to change this. Any changes of this nature will need to be directed to	No change.

				moisture ingress). Would like to have another avenue to enforce and pursue for tenants living in substandard dwellings.	Parliament. Therefore, it is outside the scope of this review.	
Identifying dangerous, affected, or insanitary buildings	#1, #4, #5	#2, #3		In identifying dangerous, affected, or insanitary buildings, they recommend that where relevant tenants should be informed. Also that seeking expert advice should be more open ended than just FENZ, e.g. seeking advice from applicable experts such as FENZ.	At this stage of the process (when a complaint about a building is made) the draft policy does not state a requirement to inform tenants, only the landlord is informed. Including a requirement to inform tenants could potentially be a lot more administrative work for Council (at this stage of the process) particularly in the situation where there are multiple tenants in one building. Seeking advice from Fire and Emergency New Zealand (FENZ) is an option given to Council in section 121 of the Building Act 2004. When advice is sought from FENZ the Building Act 2004 states Council must have due regard to it.	No change.
Assessment criteria	#1, #4, #5	#2, #3		Council need to inform community if a building is found to be unsafe/dangerous/unsanitary.	Council takes steps to inform affected parties according to the Building Act 2004, when a building is determined to be dangerous, affected, and or insanitary. The public can also	No change.

					make complaints to Council at any time about buildings they think may be unsafe. Council investigates every complaint.	
				Does not agree with any change as believes existing process will be effective if properly implemented.	Noted	No change.
				In terms of assessment criteria to determine an insanitary building, they suggest including the ' Healthy Homes Standards ' as part of that criteria. This would include assessment of heating and appropriate moisture extraction mechanisms.	The healthy homes standard is a lower standard than what would be considered 'insanitary' under the Building Act. This part of the policy is taken from the definition of insanitary within the Building Act therefore changes to the criteria of insanitary would need to be directed to Parliament. Therefore, it is outside the scope of the review.	No change.
Taking action under the Building Act 2004	#1, #4, #5	#2, #3		When taking action under the Building Act it's recommended that notification to tenants should be necessary, to reduce any negative impact on tenants and give them enough time to find a new home. They would prefer if termination of tenancy were the last resort.	Under section 125 of the Building Act – Requirements for notice requiring building work or restricting entry. A copy of the notice must be given to “an occupier of the building” – s125(2)(b). In implementing the policy officers have regard to the Act first and foremost and ensure that they have complied with its requirements.	No change.
Buildings of cultural heritage value	#1, #4, #5	#2, #3		Does not agree with keeping buildings from “past history”	Council is committed to preserving cultural heritage value	No change.

				as “heritage culture” particularly if they are ongoing cost to rate payers. Uses the central clock tower as an example. Thinks these buildings should be demolished.	and this is expressed through the District Plan. The policy aligns with this strategic position.	
				Agree with importance of maintaining cultural and historical buildings, and ideally ensuring they do not get to the state of being dangerous or insanitary.	Noted	No change.
Recording the status of dangerous, affected, or insanitary buildings	#1, #4, #5	#2, #3		Thinks existing records should be fine and does not want any resources wasted reinventing something similar. Would like Council to transfer to cheap basic digital.	This is a new requirement under this proposed policy. How the recording process is implemented is an operational matter and therefore outside the scope of this review.	No change.
Monitoring and review	#1, #5	#2, #3	#4	Thinks the statement is vague and does not provide enough specifics.	Monitoring aligns with the policy framework that is utilised by Council for its policies. The review of this policy will take place every five years or earlier if requested by Council.	No change.

Submitter #	General comments	Staff Response	Recommended Change
2	Wants Council to focus on reducing costs only.	Noted	No change.
4	Their priority is to ensure safe, secure and warm homes for renters. Would like Council to contribute to this through this policy by recognising the Healthy Homes Standard as a requirement for housing. Thinks this will provide an enforcement mechanism to ensure health homes.	The standard for Council to invoke the powers within the Building Act 2004 has already been set out in the legislation. Therefore, Council is unable to widen the narrow scope that legislation allows. This is a matter for Parliament to consider and therefore is outside the scope of this review.	No change.
6	Requested that the Midcentral Health Protection Team is notified when insanitary buildings are identified and that the notification process is added to Council's policy. This will support their obligations under section 126 of the Health Act 1956 which is a statutory responsibility for infirm and neglected persons living in insanitary conditions. Also offered to work with Council to carry out joint assessments of insanitary buildings.	<p>There appears to be some cross overs in terms of Council's powers to identify and remedy insanitary buildings in the Health Act 1956 and the Building Act 2004. It is reasonable for Te Whatu Ora through the Palmerston North Health Protection Team to be notified of buildings that Council has determined to be insanitary.</p> <p>In terms of joint assessments of insanitary buildings this is an operational matter and has been referred to the relevant staff.</p>	<p>Change recommended.</p> <p>Change section (e)(vi) of the policy to include "Notify Te Whatu Ora – Health New Zealand through the Palmerston North Health Protection Team when Council has determined a building to be insanitary".</p>

Social Media

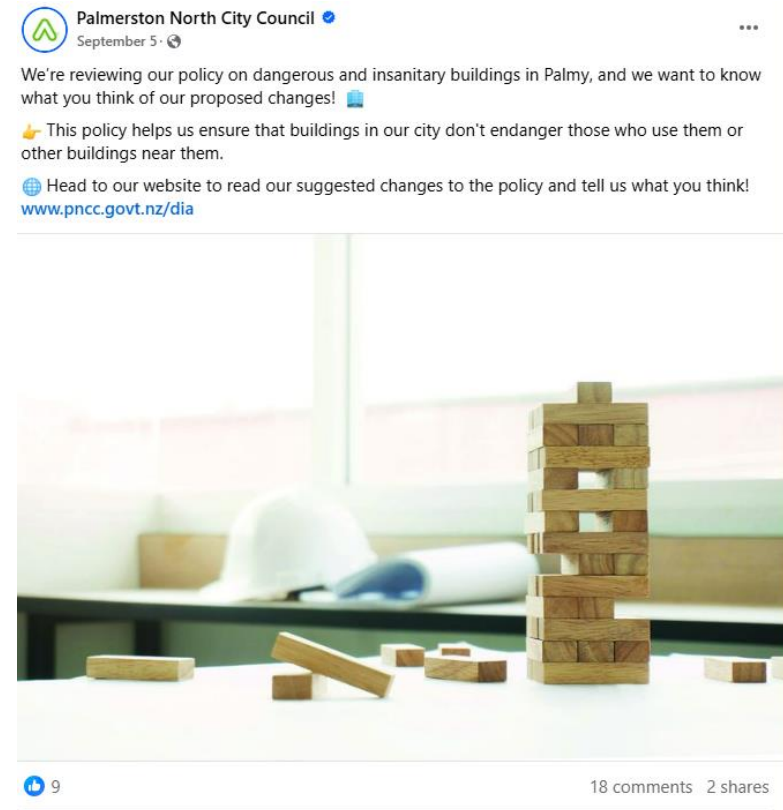
Posts and paid advertisements were made to Council’s social media page as part of the engagement for this consultation.

The first [social media post](#) reached 6,575 with 756 people engaging with post. The [social media advertisement](#) reached 16,043 people with 1,980 people engaging with the post. Comments made via social media were mostly in relation to financial implications of the policy changes and other issues unrelated to the proposal. Council staff engaged in discussions on social media when a clarification of facts was requested or required. Some of the relevant social media comments are given here:

- “No. You're just forcing owners of derelict, unused buildings, to do up or sell. This has been on LGNZ agenda for years, and while the outcomes may be pronounced good, the process is going to be punitive.”
- “Is this because the highflyers building owner refuses to fix it?”
- “Does this cover residential dwellings as well?”
- “I’ll be happy to put forward the rental I rent.”

Consultation Page

The consultation page received 1,021 views over the consultation period. There were 108 downloads of the statement of proposal and 31 downloads of the current policy. There were 103 clicks on the ‘Have your say today’ link to the consultation form.



**Submitters on the draft Dangerous, Affected, and
Insanitary Buildings Policy 2024**

1	Jackson Nuku
2	Carl De malmanche
3	Mike Mccavana
4	Manawatū Tenants' Union - Daniel Ryland
5	Sarah Harris
6	Health New Zealand Te Whatu Ora National Public Health Service (Health NZ) - Gillian Anderson – Health Protection Officer

1-1

**Submission on the draft Dangerous, Affected, and
Insanitary Buildings Policy 2024**

Your contact details	
First name	Jackson
Last name	Nuku
Organisation you represent	
Hearing	
Do you want to speak to Council in support of your submission?	No
Policy clause 1: Introduction	
Do you support this change?	Yes
Are there any comments you'd like to make?	What are the buildings they looking at?
Policy clause 2: Strategic Context	
Do you support this change?	Yes
Are there any comments you'd like to make?	Keep the policies as the status quo?
Policy clause 3: Policy Purpose	
Do you support this change?	
Are there any comments you'd like to make?	
Policy clause 4: Policy Objectives	
Do you support these changes?	Yes
Are there any comments you'd like to make?	N/a
Policy clause 5: Principles	
Do you support this change?	Yes
Are there any comments you'd like to make?	N/a
Policy clause 6: Definitions	
Do you support this change?	Yes
Are there any comments you'd like to make?	Define this clause it's confusing
Policy clause 6: Identifying dangerous, affected, or insanitary buildings	
Do you support this change?	Yes

1-2

Are there any comments you'd like to make?	Absolute!
Policy clause 6: Assessment criteria	
Do you support this change?	Yes
Are there any comments you'd like to make?	If a building is defined as unsafe/dangerous/unsanitary then the community need to know
Policy clause 6: Taking action under the Building Act 2004	
Do you support this change?	Yes
Are there any comments you'd like to make?	Put it as a priority towards fixing it or the latter!
Policy clause 6: Buildings of cultural heritage value	
Do you support this change?	Yes
Are there any comments you'd like to make?	I don't have any reasons why a building with past history should be kept as heritage culture, if it's going to cost rate payers money continually eg..Central clock tower! Get rid of it!!
Policy clause 6: Recording the status of dangerous, affected, or insanitary buildings	
Do you support this change?	Yes
Are there any comments you'd like to make?	Yes!
Policy clause 7: Monitoring and review	
Do you support this change?	Yes
Are there any comments you'd like to make?	N/a
General comments	
	N/a
Supporting documents	

2-1

**Submission on the draft Dangerous, Affected, and
Insanitary Buildings Policy 2024**

Your contact details	
First name	Carl
Last name	De malmanche
Organisation you represent	
Hearing	
Do you want to speak to Council in support of your submission?	No
Policy clause 1: Introduction	
Do you support this change?	No
Are there any comments you'd like to make?	No changes. People struggling with cost of living don't add to cists
Policy clause 2: Strategic Context	
Do you support this change?	No
Are there any comments you'd like to make?	Better to focus on reduction of cost TCO operations and itself
Policy clause 3: Policy Purpose	
Do you support this change?	No
Are there any comments you'd like to make?	You need to stand up to central government bullying and represent the people in our area. Reduce cost of living not contribute to ot
Policy clause 4: Policy Objectives	
Do you support these changes?	No
Are there any comments you'd like to make?	I only support reduction in cost and pricing in strategy, implementation and detail. HALVE our rates bills, then when can look at other costs needing work
Policy clause 5: Principles	
Do you support this change?	No
Are there any comments you'd like to make?	
Policy clause 6: Definitions	

Do you support this change?	No
Are there any comments you'd like to make?	Were previous councillors and staff idiots? No. They had a good and clear definition. Do not mess with it.
Policy clause 6: Identifying dangerous, affected, or insanitary buildings	
Do you support this change?	No
Are there any comments you'd like to make?	Stop wasting out funds
Policy clause 6: Assessment criteria	
Do you support this change?	No
Are there any comments you'd like to make?	Stop fiddling. Existing process is effective when properly implemented
Policy clause 6: Taking action under the Building Act 2004	
Do you support this change?	No
Are there any comments you'd like to make?	3604 etc is already enough changes. Council needs to look to its own house and reduce costs overall . Not just try to justify holding extra staff
Policy clause 6: Buildings of cultural heritage value	
Do you support this change?	No
Are there any comments you'd like to make?	You're going in wrong direction. Clearly good old stuff goes out of fashion so why keep some white elephant
Policy clause 6: Recording the status of dangerous, affected, or insanitary buildings	
Do you support this change?	No
Are there any comments you'd like to make?	If council were competent in the first place then such records are fine. If they aren't don't think yourselves superior. Don't waste resources reinventing the same thing. Transfer to cheap basic digital us most required
Policy clause 7: Monitoring and review	
Do you support this change?	No
Are there any comments you'd like to make?	Only things that reduce cost to ratepayers and users should ever be considered, and even then if not justified by complexity or bullshit
General comments	
	Only reduce cost. This council process does not need change. But big government needs telling "no". Councils job is not to farm unicorns or provide entertainment. It's job is to enable private section to deliver by council being extremely cheap and neutral on core services
Supporting documents	

3-1

Submission on the draft Dangerous, Affected, and Insanitary Buildings Policy 2024

Your contact details	
First name	Mike
Last name	Mccavana
Organisation you represent	
Hearing	
Do you want to speak to Council in support of your submission?	No
Policy clause 1: Introduction	
Do you support this change?	I don't know / no opinion
Are there any comments you'd like to make?	
Policy clause 2: Strategic Context	
Do you support this change?	No
Are there any comments you'd like to make?	You need to include hapu and other iwi , Raukawa kn particular.
Policy clause 3: Policy Purpose	
Do you support this change?	No
Are there any comments you'd like to make?	Don't build houses on floodplains.. e.g the whiskey creek floodplain.. where the developer pays the mayor's campaign every term, where the developers site engineer is their family (7(2)(a) Privacy)giving friendly answers
Policy clause 4: Policy Objectives	
Do you support these changes?	No
Are there any comments you'd like to make?	PNCC is corrupted by HFHL
Policy clause 5: Principles	
Do you support this change?	No
Are there any comments you'd like to make?	

Policy clause 6: Definitions	
Do you support this change?	No
Are there any comments you'd like to make?	Because you have double standards..
Policy clause 6: Identifying dangerous, affected, or insanitary buildings	
Do you support this change?	No
Are there any comments you'd like to make?	
Policy clause 6: Assessment criteria	
Do you support this change?	No
Are there any comments you'd like to make?	
Policy clause 6: Taking action under the Building Act 2004	
Do you support this change?	No
Are there any comments you'd like to make?	
Policy clause 6: Buildings of cultural heritage value	
Do you support this change?	No
Are there any comments you'd like to make?	
Policy clause 6: Recording the status of dangerous, affected, or insanitary buildings	
Do you support this change?	No
Are there any comments you'd like to make?	
Policy clause 7: Monitoring and review	
Do you support this change?	No
Are there any comments you'd like to make?	
General comments	
	PNCC IS SO CORRUPT.. only serving your rich buddies
Supporting documents	





4-1

Submission on the draft Dangerous, Affected, and Insanitary Buildings Policy 2024

Your contact details	
First name	Daniel
Last name	Ryland
Organisation you represent	Manawatu Tenants' Union
Hearing	
Do you want to speak to Council in support of your submission?	No
Policy clause 1: Introduction	
Do you support this change?	Yes
Are there any comments you'd like to make?	
Policy clause 2: Strategic Context	
Do you support this change?	Yes
Are there any comments you'd like to make?	
Policy clause 3: Policy Purpose	
Do you support this change?	Yes
Are there any comments you'd like to make?	
Policy clause 4: Policy Objectives	
Do you support these changes?	Yes
Are there any comments you'd like to make?	
Policy clause 5: Principles	
Do you support this change?	Yes
Are there any comments you'd like to make?	
Policy clause 6: Definitions	
Do you support this change?	Yes
Are there any comments you'd like to make?	We are mostly concerned with the insanitary dwellings - as part of maintaining healthy homes for renters in Palmerston North. Extending this to incorporate failures to meet Healthy Homes Standards (particularly in regards to the moisture ingress) would be desirable to have another avenue to enforce and pursue for tenants living in substandard dwellings. This

4-2

	would also give additional means for local government to enforce and investigate the Healthy Homes Standards.
Policy clause 6: Identifying dangerous, affected, or insanitary buildings	
Do you support this change?	Yes
Are there any comments you'd like to make?	We would also recommend informing the tenants (where relevant), and instead of advice from just Fire and Emergency, allowing for more open ended options of 'applicable experts, such as Fire and Emergency New Zealand').
Policy clause 6: Assessment criteria	
Do you support this change?	Yes
Are there any comments you'd like to make?	As noted in the previous question, we would recommend the expansion of Healthy Homes Standards as part of the assessment. This would also include an assessment of heating and appropriate moisture extraction mechanisms. This would also allow additional actions, even if it doesn't fall strictly under the Building Code. A part of this would also be to add flexibility to expert opinions.
Policy clause 6: Taking action under the Building Act 2004	
Do you support this change?	Yes
Are there any comments you'd like to make?	Including clear notification of the tenants should also be necessary, so in the case of renters they are not surprised with a notice on the door. The notice of an insanitary or dangerous dwelling comes with reduced end of tenancy notice times for tenants and landlords and can substantially impact the ability to find a new home. Clarity of communication and notice can help reduce the negative impact on tenants who may be living in a substandard dwelling through necessity and no fault of their own have more time and opportunity to find a new home. We would note that to avoid these situations, for instances in which the house is occupied we favour working with the owner and renter with the aim of preventing the need for termination.
Policy clause 6: Buildings of cultural heritage value	
Do you support this change?	Yes
Are there any comments you'd like to make?	It is still important to maintain cultural and historical buildings - ideally ensuring that they do not get to the state of being dangerous or insanitary in the first place!
Policy clause 6: Recording the status of dangerous, affected, or insanitary buildings	
Do you support this change?	Yes
Are there any comments you'd like to make?	
Policy clause 7: Monitoring and review	

4-3

Do you support this change?	I don't know / no opinion
Are there any comments you'd like to make?	The statement is relatively vague and unspecified at the time.
General comments	
	As the Manawatu Tenants' Union, we favour ensuring safe, secure, and warm homes for renters. One way that PNCC can contribute to this is through this policy being able to incorporate care for existing tenants and recognise the Healthy Homes Standards as a requirement for housing. This may be beyond the scope of this policy, but this is still something that could provide enforcement mechanisms to ensure healthy homes and form an aspect of a housing Warrant of Fitness approach.
Supporting documents	

5-1

**Submission on the draft Dangerous, Affected, and
Insanitary Buildings Policy 2024**

Your contact details	
First name	Sarah
Last name	Harris
Organisation you represent	
Hearing	
Do you want to speak to Council in support of your submission?	No
Policy clause 1: Introduction	
Do you support this change?	Yes
Are there any comments you'd like to make?	
Policy clause 2: Strategic Context	
Do you support this change?	No
Are there any comments you'd like to make?	
Policy clause 3: Policy Purpose	
Do you support this change?	Yes
Are there any comments you'd like to make?	
Policy clause 4: Policy Objectives	
Do you support these changes?	Yes
Are there any comments you'd like to make?	
Policy clause 5: Principles	
Do you support this change?	Yes
Are there any comments you'd like to make?	
Policy clause 6: Definitions	
Do you support this change?	Yes
Are there any comments you'd like to make?	
Policy clause 6: Identifying dangerous, affected, or insanitary buildings	
Do you support this change?	Yes
Are there any comments you'd like to make?	
Policy clause 6: Assessment criteria	
Do you support this change?	Yes
Are there any comments you'd like to make?	

5-2

Policy clause 6: Taking action under the Building Act 2004	
Do you support this change?	Yes
Are there any comments you'd like to make?	
Policy clause 6: Buildings of cultural heritage value	
Do you support this change?	Yes
Are there any comments you'd like to make?	
Policy clause 6: Recording the status of dangerous, affected, or insanitary buildings	
Do you support this change?	Yes
Are there any comments you'd like to make?	
Policy clause 7: Monitoring and review	
Do you support this change?	Yes
Are there any comments you'd like to make?	
General comments	
Supporting documents	

6-1

Health New Zealand
Te Whatu Ora

7 October 2024

Palmerston North City Council
Private Bag 11034
Manawatū Mail Centre
Palmerston North 4442

Tēnā koe,

Palmerston North City Council Dangerous, Affected and Insanitary Buildings Policy

Thank you for the opportunity to provide a written submission on Palmerston North City Council's Dangerous, Affected and Insanitary Buildings Policy review.

This submission has been written by Health New Zealand | Te Whatu Ora National Public Health Service (Health NZ) in the MidCentral district. The National Public Health Service is a directorate within Health NZ. Health NZ believes the submission process provides an opportunity for public health perspectives to be considered by Council in planning and decision making. Incorporating public health aspects helps to support the health and wellbeing of our communities.

Health NZ has statutory obligations under the Pae Ora (Healthy Futures) Act 2022 and the Health Act 1956 to improve, promote and protect the health of people and communities. Of particular focus for Health NZ is embedding Te Tiriti o Waitangi as its foundation toward improving health outcomes for Māori.

The feedback provided in this submission aligns to Health NZ's commitment towards healthier and more resilient communities by reducing inequities and promoting good health, particularly for Māori, Pacific peoples and disabled people.

For any clarification regarding the submission, please contact Health Protection Officer Gillian Anderson gillianm.anderson@midcentraldhb.govt.nz.

Ngā mihi,



Paula Snowden

Ngāpuhi ki Whāingaroa
Regional Director, Te Ikaroa - Central
National Public Health Service

[TeWhatuOra.govt.nz](https://www.TeWhatuOra.govt.nz)

Private Bag 11036, Manawatū Mail Centre
Palmerston North 4442
Waea pūkoro: +64 6 350 9110

Te Kāwanatanga o Aotearoa
New Zealand Government

Policy review recommendation

Sections 29 and 42 of the Health Act 1956 and section 123 of the Building Act 2004 enable Council to deal with nuisance conditions related to certain matters associated with housing. Insanitary buildings are likely to cause health issues and injury to people who live in them and these buildings may not be fit for human habitation.

Health New Zealand has a statutory responsibility for infirm and neglected persons under s126 of the Health Act 1956 (the Act). This work is carried out in Palmerston North by the MidCentral Health Protection Team.

Health NZ requests notifications be sent to the MidCentral Health Protection Team when insanitary buildings are identified, and that this notification process be added into Council's policy. Health NZ offers to work with Council to carry out joint assessments of insanitary buildings. This will support our obligations under s126 of the Act.

Notifications can be sent to PublicHealthOps@midcentraldhb.govt.nz.

REPORT

TO: Strategy & Finance Committee

MEETING DATE: 13 November 2024

TITLE: Draft Waste Management and Minimisation Bylaw - approval for consultation

PRESENTED BY: Peter Ridge, Senior Policy Analyst

APPROVED BY: David Murphy, General Manager Strategic Planning

RECOMMENDATION(S) TO STRATEGY & FINANCE COMMITTEE

1. That the Committee agree for public consultation the draft Waste Management and Minimisation Bylaw and Administration Manual (as shown in Attachment 1).

SUMMARY OF OPTIONS ANALYSIS FOR DRAFT WASTE MANAGEMENT AND MINIMISATION BYLAW - APPROVAL FOR CONSULTATION

Problem or Opportunity	Council decided in August 2021 to produce a revised Waste Management and Minimisation Bylaw for public consultation. Following the adoption of the Waste Management and Minimisation Plan earlier this year, the opportunity is for the Committee to agree for consultation the draft Bylaw and Administration Manual and seek the views of the community on the proposed changes.
OPTION 1:	Agree the draft Waste Management and Minimisation Bylaw and Administration Manual for public consultation
Community Views	Staff have undertaken some early engagement to get initial feedback on the proposed changes. The Council also received valuable feedback on many of the same issues via the consultation on the Waste Management and Minimisation Plan earlier this year.
Benefits	Public consultation allows the Council to receive input from the community so that it can understand the community's views before it makes a decision.
Risks	There are no particular risks identified for this option.
Financial	There are no significant financial issues. Public consultation on the draft Bylaw and Administration Manual will be met from within existing budgets.
OPTION 2:	Do not agree the draft Waste Management and Minimisation Bylaw and Administration Manual for public consultation
Community Views	Staff have undertaken some early engagement to get initial feedback on the proposed changes. The Council also received valuable feedback on many of the same issues via the consultation on the Waste Management and Minimisation Plan earlier this year.
Benefits	There are no benefits identified for this option.
Risks	Not consulting on a revised Bylaw and Administration Manual and leaving the existing Bylaw unchanged would be inconsistent with the decision of Council in August 2021 to develop a revised Bylaw for consultation. It would also be inconsistent with the strategic direction that Council has signalled through the Waste Management and Minimisation Plan.

Financial	There are no financial considerations for this option.
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RATIONALE FOR THE RECOMMENDATIONS

1. OVERVIEW OF THE PROBLEM OR OPPORTUNITY

1.1 In August 2021 the Council made determinations under S155 that a bylaw was the most appropriate means of addressing the perceived problem and agreed to develop a revised bylaw. Two other pieces of work were completed in advance of revising the Waste Management and Minimisation Bylaw:

- A report to the Sustainability Committee in June 2023 providing an overview of regulatory and service provision options to minimise waste to landfill;
- The development of the Resource Recovery Plan and Waste Management and Minimisation Plan (WMMP), as part of the Long-Term Plan 2024/34.

1.2 With the conclusion of that work, and the adoption of the WMMP in 2024, we have now prepared a revised Waste Management and Minimisation Bylaw for consultation. The opportunity is for the Committee to approve this draft Bylaw for consultation and seek the views of the community on the proposed changes.

2. BACKGROUND AND PREVIOUS COUNCIL DECISIONS

2.1 The current Waste Management and Minimisation Bylaw (and Administration Manual) were first adopted in 2016. Both documents have been amended over the past 8 years.

2.2 Under the Local Government Act 2002 (the Act) a bylaw must be reviewed within 5 years of its adoption. In this context, the review process requires the Council to reconsider whether a bylaw is the most appropriate way of addressing the perceived problem. If the Council considers that a bylaw remains the most appropriate way of addressing the perceived problem, then it must make that determination under S155 of the Act. On 11 August 2021, the Council received a report that set out the matters for reconsideration, and resolved that:

“a bylaw is the most appropriate way of addressing the perceived problems of maximising the diversion of waste to beneficial uses; regulating and managing the operation of kerbside waste and recycling collection activities; and minimising the potential for waste to create a nuisance in public places.”

3. DESCRIPTION OF OPTIONS

3.1 There are two main options for the Committee to consider.

Option 1: Agree the draft Waste Management and Minimisation Bylaw and Administration Manual for public consultation

3.1.1 This option would enable the Council to consult the community on the proposed changes in the draft Bylaw and Administration Manual and take the community's views into consideration before making a final decision about whether to adopt the Bylaw.

3.1.2 Staff identified a range of issues and potential areas of change within the Waste Management and Minimisation Bylaw and Administration Manual. These were identified:

- from the issues raised by submitters on the draft Waste Management and Minimisation Plan/Resource Recovery Plan in 2024;
- from the issues raised by members of the public in general queries and requests for service since the Bylaw was adopted in 2016;
- in discussion with staff involved in the implementation of the Bylaw and in the delivery of resource recovery activities.

3.1.3 The potential areas of change that staff explored were:

- Events waste management and minimisation;
- Construction and demolition waste;
- Commercial waste collector licensing;
- Kerbside recycling bins (placement, contamination, and replacement costs);
- Unsolicited mail;
- Maps showing the kerbside collection service area; and
- Polystyrene collection.

3.1.4 Staff evaluated these issues and explored potential solutions for each. Attachment 2 includes a summary of the discussion and analysis of these issues. This analysis informed the proposed changes to the draft Bylaw and Administration Manual, as outlined below:

Licensing commercial waste collectors

- The current Bylaw includes provisions to license waste collectors, however these provisions have not been implemented to date. There are significant complexities involved in developing the necessary systems to implement this provision, and more resources will be needed.

- The WMMP 2024 includes an action (with budget) to license waste collectors in 2026/27. The proposed changes in the draft Bylaw and Administration Manual expand the scope of conditions that may be applied to commercial waste collectors, including the type and size of container they may use, and the days/times they may be licensed to operate. The details of how these conditions would be applied will be determined through the licensing system that is planned to be developed in 2026/27.

Construction and demolition waste

- The draft Bylaw includes a new provision that provides a means for requiring site waste management and minimisation plans. These plans would set out how construction and demolition waste is managed and require builders and demolition teams to include processes for minimising the amount of waste that goes to landfill.
- The new provision would give Council the ability to pass a resolution requiring site waste management and minimisation plans to be submitted alongside a building consent application. This would apply only for building work requiring consent over a specified threshold.
- The inclusion of this provision in the draft Bylaw does not – in itself – create the requirement to submit a site waste management and minimisation plan. If this provision is adopted, then staff will undertake further work to determine a new system, including considering:
 - the appropriate threshold for the value of building work;
 - the systems necessary to enable the consideration;
 - monitoring of site waste management and minimisation plans; and
 - the impacts on both the Council and the building sector.
- There are many details about this approach which are not yet known. For instance, we don't know what an appropriate threshold is to set for the value of building work. We don't know what the impact would be on the building sector. We don't know what impact such a system would have on existing Council services, specifically the Building Services team and the Resource Recovery team, and whether further resources would be required. Before the Council made a resolution using this new provision we would need to do further work to evaluate the impact on Council resources and the building sector and be confident that it would not create unintended consequences.
- The provisions proposed for the draft Bylaw include a requirement for the Council to consult further before making a resolution to require site waste management and minimisation plans. If the Council was not satisfied with the impacts of this provision, it would not be obliged to make a resolution bringing the new requirements into effect. The ability to do so in future would remain.

Events waste management

- The draft Administration Manual includes stronger language around the requirements for waste minimisation by event managers. The draft Administration Manual Event requires participants to use only recyclable or reusable packaging or serveware wherever possible, and not use non-recyclable materials. Additionally, the event organiser would be required to record the types and quantities of waste and recyclable material they collect, sort it, and dispose of it correctly.

Various wording improvements and updates

- The kerbside collection service area maps have been updated to reflect the most current collection areas. We have also amended the 'Three Strikes' process map for dealing with contaminated recycling bins in the draft Administration Manual. The period within which three strikes remain 'active' has increased from three months to six months. This allows a recycling bin collection service to be further suspended for a property where a person continues to contaminate their recycling bin even after the initial suspension has been lifted. We also included a new provision that allows the Council to charge for a replacement recycling bin or glass crate. While the Council expects and budgets for a certain number of replacement bins and crates each year, some properties have an unusually high number of requests for replacement bins. This new provision enables the Council to charge for the replacement bin or crate.

3.1.5 We were able to undertake some early engagement on these proposed changes with identified stakeholders.

- We met with the coordinator for Environment Network Manawatū and outlined the scope of proposed changes and the reasons for those proposals. This was a general discussion of the matters covered by the Bylaw.
- We sent a survey to event managers who had organised events on Council land or with Council funding, to gauge the impact of existing requirements for events waste management and minimisation. We received four responses. The response rate was not sufficient to draw strong conclusions, but none of the responses identified significant concerns with the current requirements for events waste management.
- We extended an invitation to businesses and organisations operating in the waste and recycling sector to meet with us and discuss any concerns or observations about the current Bylaw, or gaps that the Council could address. The opportunity was not taken up.
- We also drew on the submissions received on the Waste Management and Minimisation Plan, which the Council consulted on earlier this year.

Option 2: Do not agree the draft Waste Management and Minimisation Bylaw and Administration Manual for public consultation

- 3.1.6 This option would halt the current process of revising the Bylaw, pending further decisions by the Council. If no additional decisions were made, then the current Bylaw and Administration Manual would remain in place.

4. ANALYSIS OF OPTIONS

- 4.1 This analysis of options considers the benefits and disadvantages for the two options identified in section 3 above – the decision to approve the draft Bylaw and Administration Manual for public consultation, or to not consult. It does not however include discussion of the specific changes included in the draft Bylaw and Administration Manual.
- 4.2 For the discussion of the scope of changes we considered while drafting the Bylaw and Administration Manual please refer to Attachment 2 to this report. It sets out the areas we explored while drafting the Bylaw and Administration Manual, along with any alternatives we considered and the reasoning for the changes to the Bylaw and Administration Manual that we recommend.
- 4.3 The following analysis of options assumes that the suggested changes to the Bylaw and Administration Manual proposed in Attachment 1 are generally supported by the Committee. If the Committee wishes to make further or different changes in the draft Bylaw or Administration Manual, then these changes can be incorporated in the final document prior to consultation.

Option 1: Agree the draft Waste Management and Minimisation Bylaw and Administration Manual for public consultation

- 4.4 Approving the draft Bylaw and Administration Manual for public consultation has several benefits. It allows the community to make its views known to Elected Members, so that those views can be considered as part of the Council's decision-making process. A broad public consultation process gives the Council the chance to set out the changes it is proposing to make and seek input from the community that can identify improvements not identified by staff. It can also identify gaps in the scope of proposed changes and suggest alternatives that we may not have considered. Public consultation gives the Council the opportunity to make the best possible decision.
- 4.5 Public consultation also ensures good communication with key stakeholders and the general community about the direction that the Council is intending to take. For instance, with the proposed changes to the draft Bylaw and Administration Manual, the Council can signal its intention to move forward with licensing commercial waste collectors. Similarly, by including a new requirement for building consent applicants to submit a site waste management and minimisation plan for work over a specified threshold, the Council can signal how it intends to improve the rate of diversion of construction and demolition waste from landfill.

- 4.6 There are no identified disadvantages to public consultation. The changes we are proposing to make in the draft Bylaw and Administration Manual are aligned to the Waste Management and Minimisation Plan. However if the community strongly disagrees with the proposed changes, then the public consultation process provides the community with the opportunity to make its views known. Council then has the chance to revisit its proposals following consultation if submissions indicate significant concerns with those proposals.

Option 2: Do not agree the draft Waste Management and Minimisation Bylaw and Administration Manual for public consultation

- 4.7 If the Committee is not satisfied with the proposed changes included in the draft Bylaw and Administration Manual, then option 2 is appropriate. Such a decision allows the Committee to request staff to do further work or revisit specific parts of the proposal.
- 4.8 If the Committee chooses option 2 but does not want any further work to be done on the Waste Management and Minimisation Bylaw, then the current Bylaw will remain in effect. However, this decision would be inconsistent with the decision that the Planning & Strategy Committee made on 11 August 2021:

24.4-21

“That the Chief Executive be instructed to draft a revised Waste Management and Minimisation Bylaw which addresses the perceived problems of maximising the diversion of waste to beneficial uses; regulating and managing the operation of kerbside waste and recycling collection activities; and minimising the potential for waste to create a nuisance in public places.”

The Council would need to resolve the inconsistency by rescinding the earlier decision.

- 4.9 Considering the benefits and disadvantages of both options, staff recommend that option 1 – agree the draft Waste Management and Minimisation Bylaw and Administration Manual for public consultation – is the appropriate decision. In addition to the clear benefits that consultation offers, the proposed revisions to the draft Bylaw are consistent with the direction that the Council signalled through the adoption of the Waste Management and Minimisation Plan in June 2024. Furthermore, the community views expressed through the consultation on the WMMP earlier this year showed community support for that direction.
- 4.10 If the Committee is in favour of consulting on the draft Bylaw and Administration Manual but wishes to make further or different changes to the documents before consultation, then this can be accommodated. Minor changes or improvement may be able to be incorporated by resolutions of the Committee. More substantial revisions or further work may require staff to bring a revised version of the documents back to the Committee for further consideration.

5. CONCLUSION

- 5.1 The recommendation is to agree the draft Bylaw and Administration Manual for public consultation. This will provide the opportunity to articulate the proposed changes the Council is considering, and give the community, along with key stakeholders, the opportunity to make their views known to the Council before a final decision is made. There are no significant disadvantages to this recommendation.
- 5.2 If the Committee would like to include other or different changes in the draft Bylaw or Administration Manual then these could be incorporated by a resolution of the Committee. If substantial re-working of the draft Bylaw or Administration Manual is required, then it would be appropriate for staff to bring a revised set of documents to a subsequent meeting of the Committee for approval for consultation.

6. NEXT ACTIONS

- 6.1 We expect to begin public consultation on 30 November, with the written submission period closing on 24 January 2025. The longer written consultation period accounts for the Christmas/New Year break.

7. OUTLINE OF COMMUNITY ENGAGEMENT PROCESS



- 7.1 A consultation plan has been developed and will be implemented. Consultation will include:
 - Making the Statement of Proposal (which includes the draft Bylaw and Administration Manual) widely available;
 - Direct contact with partners and identified stakeholders and interested groups and organisations. We will also include those who made a submission on the draft WMMP earlier in 2024.
 - Discussion of the draft Bylaw and Administration Manual with our iwi and mana whenua partners.
- 7.2 Following the written consultation period, we expect to hold hearing of oral submissions at the Committee's February meeting.
- 7.3 A report with advice on the issues raised by submitters will be presented to the Committee's May meeting. This will allow the final Bylaw and Administration Manual to be adopted by June 2025.

COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	Yes
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No

Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these actions?	Yes
Are the recommendations inconsistent with any of Council's policies or plans?	No
<p>The recommendations contribute to:</p> <p>Whāinga 4: He tāone toitū, he tāone manawaroa</p> <p>Goal 4: A sustainable and resilient city</p>	
<p>The recommendations contribute to the achievement of objective/objectives in:</p> <p>12. Mahere taumanu para</p> <p>12. Resource Recovery Plan</p> <p>The objective is: Provide waste collection services, including kerbside collection, the Ashhurst Transfer Station, and public space rubbish bins; provide recycling collection services, including kerbside recycling, drop-off centres and public space recycling bins; promote waste reduction; divert waste from landfill.</p>	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	<p>The Waste Management and Minimisation Bylaw supports almost all of the objectives of Mahere taumanu para/Resource Recovery Plan. It provides the regulatory basis for implementing the range of waste management and minimisation activities that Council delivers. Revisions that bring improvements to the Bylaw and Administration Manual help Council to achieve its objectives in the resource recovery activity.</p>

ATTACHMENTS

1. Statement of Proposal - Draft Waste Management and Minimisation Bylaw 2025 [↓](#) 
2. Waste Management and Minimisation Bylaw 2025 - Analysis of Issues Considered by Staff [↓](#) 



Statement of Proposal

Draft Waste Management and Minimisation Bylaw and Administration Manual 2025

November 2024

Introduction

The Council's principal document that guides how our City manages waste is the Waste Management and Minimisation Plan (WMMP), detailing the actions we will take over the next six years to minimise the amount of waste going to landfill. The Waste Management and Minimisation Bylaw and Administration Manual supports our Waste Management and Minimisation Plan. It does this by regulating how we provide waste and recycling collections, including our kerbside collections, drop-off points like the Ferguson Street Recycling Centre, and our public litter and recycling bins. It also includes rules for other waste collectors, and rules for minimising waste at events.

In this document, you can read about the changes we propose to make to our Bylaw and Administration Manual. These changes are intended to improve how we minimise the amount of waste going to landfill by strengthening some powers we have. You can also find out how you can have your say on our draft Bylaw and Administration Manual.

The Proposal

We propose to revise the current Waste Management and Minimisation Bylaw and Administration Manual. Most of the current Bylaw and Administration Manual is working well, but there are some improvements that can be made to support the Council's efforts to minimise the amount of waste going to landfill. The main changes we propose are:

Changes to the provisions for licensing commercial waste collectors.

We propose to strengthen the existing licensing provisions, to support the new licensing system for commercial waste collectors (planned for 2026/27). The changes include conditions about the type and size of container that a commercial waste collector may use, and the days/times they may be licensed to operate. The current Bylaw already includes provisions enabling the Council to license waste collectors, but these provisions have not yet been implemented.

Including a new requirement for waste management and minimisation plans for construction and demolition waste.

The draft Bylaw includes a new provision that enables the Council to pass a resolution that would require building work that requires consent over a specified value to submit a site waste management and minimisation plan alongside their building consent application. The inclusion of this provision in the draft Bylaw does not – in itself – create the requirement to submit a site waste management and minimisation plan. Further work is required to determine several aspects of a new system such as this, including the appropriate threshold for the value of building work, the systems necessary to enable the consideration and monitoring of site waste management and minimisation plans, and the impacts on both the Council and the building sector. If this change is adopted, then the Council will be required to consult further on the details – including what would be the appropriate threshold for the value of the building work – before making such a resolution to require site waste management and minimisation plans.

Strengthening the requirements for events waste management

The draft Administration Manual includes stronger language around the requirements for waste minimisation by event managers. The draft Administration Manual requires event participants (for instance, food vendors) to use only recyclable or reusable packaging or serveware wherever possible, and not use non-recyclable materials. Additionally, the event organiser would be required to record the types and quantities of waste and recyclable material they collect, sort it, and dispose of it correctly.

Various wording improvements and updates

There are several smaller changes that improve the clarity of existing provisions without substantially altering their intent or purpose. They include:

- Updating the kerbside collection service area maps to reflect the most current collection areas.
- Amending the “Three Strikes” process map in the Administration Manual. This shows how the Council will deal with contaminated recycling bins. If a recycling bin is contaminated then it is issued with a “strike” notice. If a property receives three strike notices within three months, then the recycling collection is suspended for four weeks. If it happens again, the collection is suspended for a further eight weeks. We’re proposing to extend the period within which the strikes remain “active”, from three months to six months. This allows a recycling bin collection service to be further suspended for a property where a person continues to contaminate their recycling bin even after the suspension has been lifted. Coupled with improved education about recycling contamination, we expect this to improve the levels of contaminated recycling the Council has to manage.
- Allowing the Council to charge for a replacement recycling bin or glass crate. While the Council expects and budgets for a certain number of replacement bins and crates each year, some properties have an unusually high number of requests for replacement bins. This new provision enables the Council to charge for the replacement bin or crate.

The full text of the draft Bylaw and Administration Manual are included in this document. All changes to the current Bylaw and Administration Manual are shown as tracked changes (underlined or ~~struck through~~ text, and in a different colour). Significant changes are also highlighted in yellow.

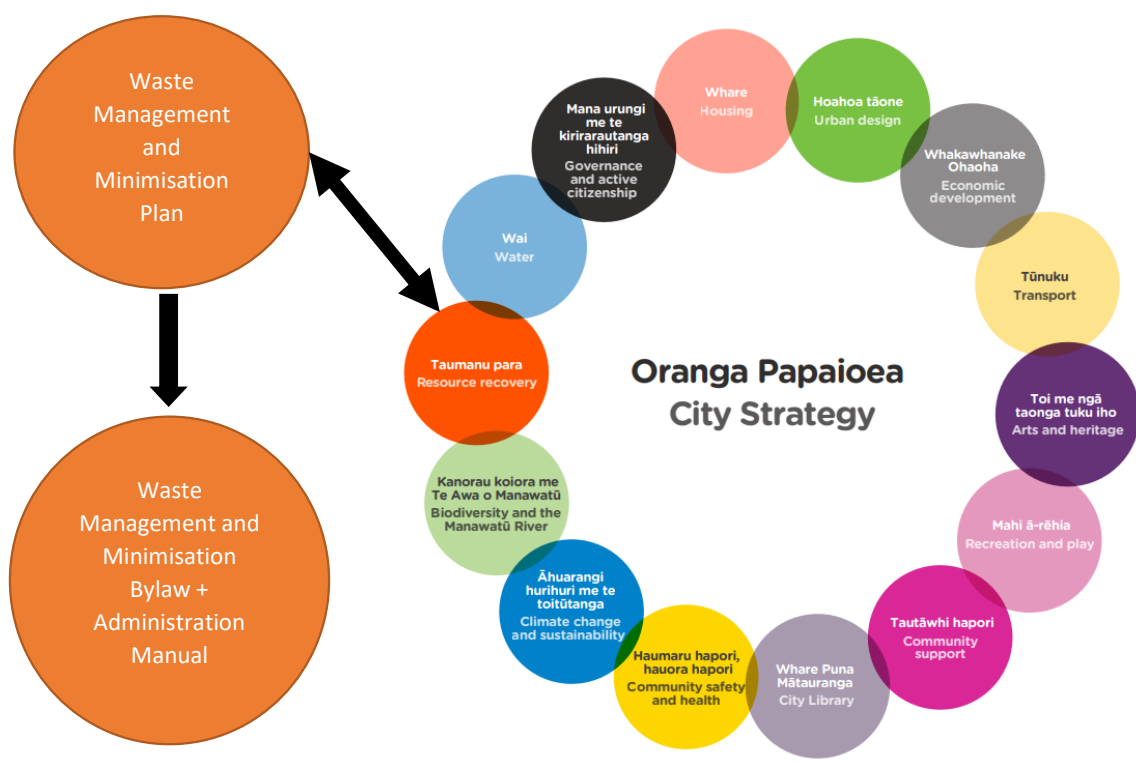


Figure 1 - The Waste Management and Minimisation Bylaw supports the actions in the Waste Management and Minimisation Plan and the Resource Recovery Plan within our City Strategy

Report on determinations made under s.155 of the Local Government Act 2002

We’re required to include in this document a report on any relevant determinations made under section 155 of the Local Government Act 2002.

These determinations are part of the process where the Council considers what problems it is trying to solve, the options it has for addressing those problems, and whether a bylaw is the most appropriate way of addressing those problems.

The Council received a report on 11 August 2021 outlining the problems it was trying to address and an analysis of its options, including whether a bylaw was the most appropriate way of addressing the problems. The report recommended, and the Council determined by resolution, that a bylaw was the most appropriate way of addressing the problems of:

- maximising the diversion of waste to beneficial uses;
- regulating and managing the operation of kerbside waste and recycling collection activities; and
- minimising the potential for waste to create a nuisance in public places.

The Council has a range of tools which it uses, alongside the Waste Management and Minimisation Bylaw, to address these and related problems. For instance, we use education and promotion to provide knowledge and skills to the community, and to change behaviours to support waste minimisation efforts.

To read the report in full, please go to:

https://palmerstonnorth.infocouncil.biz/Open/2021/08/PLA_20210811_AGN_10967_AT.PDF

Consultation Process

We want to know what you think about the draft Bylaw and Administration Manual. This Statement of Proposal and the submission form can be found at:

- <https://www.pncc.govt.nz/Participate-Palmy/Have-your-say>
- Customer Service Centre, Palmerston North City Council, The Square, Palmerston North;
- City Library, The Square, Palmerston North, and the libraries at Ashhurst, Awapuni, Roslyn, Linton and Te Pātikitiki/Highbury.

You can also appear before the Council and speak to your submission. Please indicate on your submission form if you want to do this. The Council will hold hearings for the draft Bylaw and Administration Manual in February 2025. Council will make the final decision about the draft Bylaw and Administration Manual in May 2025. Details of the hearings will be confirmed in the letter acknowledging your submission and will also be advertised in the Guardian newspaper.

To get your submission to us, either:

- Mail to:** Draft Waste Management and Minimisation Bylaw 2025 Submissions, Manager Governance, Palmerston North City Council, Private Bag 11034, Palmerston North 4442
- Deliver to:** Palmerston North City Council Customer Service Centre, 32 The Square, Palmerston North
- Email to:** submission@pncc.govt.nz (write Draft Waste Management and Minimisation Plan 2024 Submissions in the subject)
- Phone:** 06 356 8199 and ask for your submission to be written down for you
- Fax:** 06 355 4115

The submission period runs from 30 November 2024 until Friday 24 January 2025

Please note that all written submissions, including the contact details on the submission, will be made available to the public and media and on the Council’s website, unless you specifically request that your contact details are kept private. For further information on this consultation please phone the Council on 06 356 8199 or email us at info@pncc.govt.nz.



PALMERSTON NORTH

**WASTE MANAGEMENT AND MINIMISATION
BYLAW**

2025

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**PALMERSTON NORTH
WASTE MANAGEMENT AND MINIMISATION BYLAW
2025**

PART ONE - INTRODUCTION

1. TITLE

- 1.1 The title of this Bylaw is the “Palmerston North City Council Waste Management and Minimisation Bylaw 2025”.

2. PURPOSE

- 2.1 This Bylaw is made ~~pursuant to sections 145 and 146 of the Local Government Act 2002, under~~ section 56 of the Waste Minimisation Act 2008, sections 64 and 65 of the Health Act 1956, and section 12 of the Litter Act 1979. The purpose of this Bylaw is to:

- (a) Protect, promote and maintain public health and safety, by regulating the collection and disposal of Waste and Diverted Material;
- (b) Promote effective, efficient and safe collection, transportation, management, storage and disposal of Waste and Diverted Material;
- (c) Regulate and monitor Waste and Diverted Material Operators within the City through a licensing process, to support Council’s Waste Management and Minimisation Plan.

3. COMMENCEMENT

- 3.1 This Bylaw comes into effect on **1 July 2025**, except for Part Three which comes into force on **1 July 2027**.

4. REPEAL

- 4.1 This Bylaw repeals the Palmerston North City Council Waste Management and Minimisation Bylaw 2016 when this Bylaw comes into effect.

5. DEFINITIONS

5.1 In this Bylaw, unless the context requires otherwise, the following definitions apply:

Administration Manual	means the Waste Management and Minimisation Bylaw Administration Manual passed by resolution of the Council at the same time as making this Bylaw and as amended from time to time under this Bylaw.
Approved	means authorised in writing by the Council.
Approved collection bag	means a bag approved for use in the Council kerbside collection service for approved waste. The characteristics of an approved collection bag are contained in Part 2 of the Administration Manual.
Approved collection container	means a collection container approved for use in the Council kerbside collection service for approved diverted materials. The characteristics of an approved collection container are contained in Part 2 of the Administration Manual.
Approved diverted material	means a material or class of material that has been approved for recycling at a waste and diverted materials facility or in the Council kerbside collection service. The types of approved diverted materials are listed in Part 3 of the Administration Manual, including whether they are accepted for collection through the Council kerbside collection service or at a waste and diverted materials facility.
Approved waste	means waste which has been approved for collection through the Council kerbside collection service. The types of approved waste are listed in Part 3 of the Administration Manual.
Authorised officer	means a person appointed or authorised in writing by the Council to act on its behalf in relation to this Bylaw.
Bylaw	means the Palmerston North Waste Management and Minimisation Bylaw 2025 .

City	means the area within the boundary of Palmerston North City Council.
Collection day	means, the day allocated to the eligible property as shown on the Council kerbside collection service area maps in Part 3 of the Administration Manual.
Commercial waste	means any scrap, waste material or refuse resulting from the conduct of any business, manufacture, process, trade, market or other industrial operation or undertaking.
Commercial waste collector	means a person who collects, transports, and deposits for treatment or disposal any waste and/or diverted material.
Commercial waste collector licence holder	means a commercial waste collector who holds a current commercial waste collector licence issued under this Bylaw.
Controlled waste	means waste which has been approved for collection through the Council kerbside collection service provided it meets the controlled waste conditions listed in Part 3 of the Administration Manual. The types of controlled waste are listed in Part 3 of the Administration Manual.
Council	means the Palmerston North City Council.
Council kerbside collection service	means any collection service provided by, or under contract to, the Council for the collection of any approved or controlled waste or diverted material from eligible properties within the City.
Council kerbside collection service area	means the area highlighted on the Council kerbside collection service area maps in Part 3 of the Administration Manual.
Diverted material	means anything that is no longer required for its original purpose and, but for commercial or other waste minimisation activities, would be disposed of or discarded. This includes material able to be recycled.

Eligible property	means a property within the City that is on the collection route of any of the Council kerbside collection services as shown on the Council kerbside collection service area maps in Part 3 of the Administration Manual.
Green waste	means garden waste such as lawn clippings, weeds and tree prunings but does not include food or kitchen waste.
Hazardous waste	means waste containing substances defined in Section 2 of the Hazardous Substances and New Organisms Act 1996, which exceed the minimum degree of hazard specified by the Hazardous Substances (Classes 1 to 5 controls) Regulations 2001.
Household waste	means waste resulting from domestic housekeeping operations. It includes waste similar to domestic waste that the Council has agreed to take from retail premises, businesses and offices where the Council provides a kerbside collection service.
Licence	means a licence issued by the Council in accordance with this Bylaw.
Litter	means any refuse, rubbish, animal remains, building materials, glass, metal, garbage, debris, dirt, filth, rubble, ballast, stones, earth, or waste matter, or any other thing of a like nature, but does not include waste or diverted materials placed for collections through the Council kerbside collection service or for collection by a commercial waste collector.
Nuisance	has the meaning given in section 29 of the Health Act 1956 and includes anything obnoxious, offensive or injurious to the community or any member of it.
Occupier	means any person or company who occupies any land or building (including commercial premises) and, if the land or building is unoccupied, includes the owner or the owner's agent.

Offensive material	means: (a) any human or animal waste or human or animal remains; (b) any material that creates a foul odour; (c) any perishable waste such as vegetable or meat scraps; or (d) any prohibited waste.
Owner	is the person or company whose name is on the certificate of title for the premises.
Permit	means a permit issued by the Council in accordance with this Bylaw.
Person	includes a corporation sole, and also a body of persons, whether corporate or unincorporated.
Prohibited waste	means waste which has been prohibited for collection through the Council kerbside collection service. The types of prohibited waste are listed in Part 3 of the Administration Manual.
Property or Premises	means land or buildings which are separately occupied.
Public place	means an area that is open to or used by the public and that is under the control of the Palmerston North City Council, or one of its Council Controlled Organisations and includes a road (whether under the control of Council or otherwise).
Public litter bin	means a bin placed in a public place that is under the control of the Council into which litter (other than those items prohibited by clause 8 of the Bylaw) may be placed.
Public recycling bin	means a bin placed in a public place that is under the control of the Council into which glass, plastics, tins, cans, clean paper and cardboard may be placed.

- Unsolicited mail** means any printed material which is not addressed to a named person and includes any circular, leaflet, brochure, or flyer.
- For the avoidance of doubt 'named person' does not include 'the householder', 'the owner', 'the occupier', or similar phrases that do not use the intended recipient's given or family name.
- Waste** means:
- (a) Anything disposed of or discarded;
 - (b) Includes a type of waste that is defined by its composition or source (for example organic waste, electronic waste or construction and demolition waste);
 - (c) To avoid doubt, includes any component or element of diverted material if the component or element is disposed of or discarded; and
 - (d) Litter.
- Waste and diverted material facility** means any land and associated improvements used for the handling, storage, processing and/or disposal of waste, diverted material or both by, or on behalf of the Council, and includes, but is not limited to, resource recovery parks, landfills and transfer stations.
- Waste Management and Minimisation Plan** means the operative Waste Management and Minimisation Plan adopted by the Council under the Waste Minimisation Act 2008.

PART TWO – COUNCIL WASTE AND DIVERTED MATERIAL SERVICES

6. COUNCIL KERBSIDE COLLECTION

- 6.1 The Council may identify kerbside collection areas within which the Council will provide to eligible properties a kerbside collection for household waste and diverted materials. The Council's kerbside collection areas are shown in the Administration Manual.
- 6.2 The kerbside collection of household waste and diverted materials from eligible properties are subject to the terms and conditions for the Council's kerbside collection service as contained in the Administration Manual. These terms and conditions must be complied with, including terms and conditions relating to the use of the Council berm for this service.
- 6.3 No commercial waste will be collected by the Council unless the Council has given prior written agreement and subject to such conditions as Council sees fit, including, but not limited to, collection times, collection fees, waste type, and the form, manner or position in which the commercial waste shall be placed for collection.

7. COUNCIL WASTE AND DIVERTED MATERIAL FACILITIES

- 7.1 The Council may provide facilities where users may deposit waste or diverted materials.
- 7.2 The use of such waste or diverted material facilities is subject to the terms and conditions for that facility contained in the Administration Manual.

8. PUBLIC RECYCLING BINS AND PUBLIC LITTER BINS

- 8.1 The Council may provide public litter bins or public recycling bins for collecting litter or the diverted materials identified by signs placed on the public recycling bins.
- 8.2 No person may deposit in any public litter bin any offensive matter (excluding domestic animal waste), household waste, or hazardous waste.
- 8.3 No person may deposit in any public litter bin any material which may be placed in a public recycling bin, if a public recycling bin is located in the same area.
- 8.4 No person may deposit in any public recycling bin any litter or any other material other than glass, plastics, tins, cans, clean paper or cardboard. The

correct type of bin must be used for the type of material being deposited, as designated on that bin.

- 8.5 No person may deposit into the public litter or recycling bins any waste or diverted material that is generated from residential, commercial or industrial premises, or which would ordinarily be put out for collection by either the Council kerbside collection service or a similar non-Council collection service.
- 8.6 No person may deposit or attempt to deposit any material into any public litter or recycling bin if the bin is full or if depositing any material is likely to cause the bin to overflow.
- 8.7 No person may remove anything from a public litter or recycling bin unless authorised to do so by the Council or unless it represents an immediate threat to the health and safety of any person.
- 8.8 No person may interfere with, damage, or destroy any public litter or recycling bin.

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PART THREE - LICENSING OF WASTE AND DIVERTED MATERIAL TRANSPORTERS AND COLLECTORS

9. LICENSING OF WASTE AND DIVERTED MATERIAL COLLECTORS

- 9.1 Any person involved in the removal, collection, or transportation of more than ten (10) tonnes of ~~approved~~ waste or diverted material in any one twelve (12) month period within the City must have a commercial waste collector licence issued by the Council.
- 9.2 ~~The application form for a commercial waste collector licence, and the information required on that form, will be in the Administration Manual. An application for a commercial waste collector licence must be made in accordance with clause 18 of this Bylaw.~~
- 9.3 A commercial waste collector licence may be granted subject to conditions, including, but not limited to, the conditions listed in the Administration Manual.
- 9.4 When exercising its discretion to grant a licence and determining the conditions to be imposed in respect of it, the Council may take into account the following non-exhaustive list of factors:
- (a) The quantity and type of waste or diverted material to be removed, collected, transported, treated or disposed;
 - (b) The methods employed for the removal, collection, transportation, storage, treatment or disposal of waste or diverted material, including the identity of the waste and diverted material facility at which it is proposed that treatment or disposal will occur;
 - (c) The frequency and location of the waste or diverted material collection, removal, and transportation services;
 - (d) The specifications of the vehicles, equipment, and containers to be used for the collection, removal, transportation, treatment, or disposal of waste or diverted material;
 - (e) The applicant's experience, reputation and track record in the waste and diverted material industry, including any known past operational issues which may affect the applicant's performance, and any breaches of previous licence conditions;
 - (f) The terms and conditions under which such disposal of waste or diverted material is permitted and the existence of, or need for, any

statutory approvals, authorisations or consents required to be held or complied with in respect of such disposal.

- 9.5 A licensed collector must comply with all terms and conditions of the licence.
- 9.6 The Council may suspend or revoke a licence if the licence holder fails to comply with this Bylaw, any of the terms and obligations of the licence or acts in a manner which the Council reasonably considers is not suitable for a commercial waste collector.

DRAFT FOR APPROVAL

PART FOUR - WASTE CAUSING HAZARD OR NUISANCE

10. ACCUMULATED WASTE OR LITTER

- 10.1 No occupier of any land or building (or in the case of unoccupied land or buildings, the owner) may permit or allow any waste to accumulate or remain in or upon any building or land which is, in the opinion of an authorised officer, likely to be a nuisance, injurious to health, a fire risk, cause an offensive smell or is otherwise offensive, or be a source of litter or harbour vermin.
- 10.2 Where an occupier or owner is in breach of clause 10.1, an authorised officer may issue to the occupier or owner of the premises on which the waste or litter has accumulated a Notice of Removal. The notice must specify the manner and time by which the waste must be disposed of.
- 10.3 If the owners or occupiers of the property fail to comply with the notice, or where in the opinion of the authorised officer removal and disposal of the waste is urgent, then an authorised officer may remove the accumulated waste and recover the costs of the removal and disposal of the waste from the owners or occupiers.

11. BURIAL OF WASTE

- 11.1 No person shall bury any non-biodegradable waste of any kind without the appropriate consents from Manawatu-Wanganui Regional Council and Palmerston North City Council.
- 11.2 For the avoidance of doubt, a consent from Manawatu-Wanganui Regional Council may also be required before burying biodegradable waste.

12. INTERFERENCE WITH AND REMOVAL OF WASTE OR RECYCLABLES

- 12.1 The interference with or removal of waste or recyclables from any public place is prohibited by anyone other than either the Occupier or Owner of the property from which the waste or recyclables were generated, or a person authorised by that Owner or Occupier, or an Authorised Officer.

PART FIVE – CONSTRUCTION AND DEMOLITION WASTE

13. CONSTRUCTION AND DEMOLITION WASTE MANAGEMENT AND MINIMISATION PLANS

13.1 The Council may, following consultation in accordance with subpart 1 of part 6 of the Local Government Act 2002, make a resolution requiring any person applying for a building consent for building work over a specified estimated value to submit a construction and demolition waste management and minimisation plan to the Council for approval before that building work may begin.

13.2 Upon making a resolution under clause 13.1, the Council will record in the Administration Manual:

- (a) The specified estimated value that is identified in the resolution made under clause 13.1; and
- (b) The minimum information that a construction and demolition waste management and minimisation plan must contain; and
- (c) The requirements and responsibilities that the person submitting the construction and demolition waste management and minimisation plan for approval must meet while the building work is being carried out.

13.3 For the avoidance of doubt, no person is required by this clause to submit a construction and demolition waste management and minimisation plan until the Council has made a resolution under clause 13.1.

PART FIVE – UNSOLICITED MAIL

13.14. UNSOLICITED MAIL RESTRICTED

13.14.1 No person may deposit, cause, permit or authorise the deposit of any unsolicited mail:

- (a) in any letterbox which is clearly marked "no circulars", "no junk mail", "addressed mail only" or with words of similar effect, or around or near any such letterbox or associated vehicle accessway;
- (b) on any vehicle parked in a public place;
- (c) in a letterbox that is already full of mail and/or advertising materials.

14.15. EXCEPTIONS TO UNSOLICITED MAIL RESTRICTIONS

14.15.1 Clause ~~13.14~~ shall not apply to any:

- (a) material from any government department or agency, crown entity, local authority, material from a network utility relating to the maintenance, repair, servicing or administration of that network utility, political party or political candidate, charity, or community newsletter;
- (b) newspaper or community newspaper, unless the letterbox is clearly marked "no community newspapers" or with words of similar effect.

PART SIX – EVENTS

15.16. EVENTS WASTE MANAGEMENT AND MINIMISATION

15.116.1 All events held on Council land or with Council funding must comply with the terms and conditions for Events Waste Management and Minimisation contained in the Administration Manual.

15.216.2 The Council may require an event organiser to prepare an Events Waste Management and Minimisation Plan for the event and submit it to the Council for approval and adhere to that approved Events Waste Management and Minimisation Plan.

15.316.3 If the Council requires an event organiser to prepare an Events Waste Management and Minimisation Plan, then the Council will:

- (a) Give the event organiser as much notice as possible but at least 20 working days' notice prior to the event being held of the need to prepare an Events Waste Management and Minimisation Plan; and
- (b) Provide assistance and advice to the event organiser to develop the Events Waste Management and Minimisation Plan.

15.416.4 The Council reserves the right to monitor and assess any event for compliance with the requirements of this section, and the effectiveness of any waste minimisation plan at minimising the amount of waste generated at the event. The outcomes of that assessment may be considered when determining whether the event organiser is given permission to use Council land for that event, or whether Council funding is granted for that event, in the future.

PART SEVEN - ADMINISTRATION

46-17. ADMINISTRATION MANUAL AND DELEGATIONS

46-417.1 The Council has passed a resolution at the same time as making this Bylaw adopting the Administration Manual. The Administration Manual may from time to time be amended by resolution of the Council and all matters over which the Administration Manual defines, regulates, control or prohibits related to this Bylaw, are matters that this Bylaw leaves to be addressed by resolution of the Council under section 151(2) of the Local Government Act 2002.

46-217.2 Before amending the Administration Manual the Council will consult in accordance with the decision-making requirements of section 82 of the Local Government Act 2002.

46-317.3 The following people are authorised delegates under this Bylaw:

- (a) The Council by resolution;
- (b) The Chief Executive of the Council;
- (c) The person holding the office identified in Council's Delegations Manual as responsible for the administration of this Bylaw;
- (d) Any other person authorised to exercise a power under this Bylaw, pursuant to the Council's Delegations Manual or resolution of the Council.

46-417.4 Authorised delegated persons may exercise any power, function or duty under this Bylaw, or carry out any act in order to achieve its effective administration, on behalf of the Council other than those expressly required to be by Council resolution including the following without limitation:

- (a) Specify ~~forms and~~ procedures for the effective administration of the bylaw;
- (b) Make any decision or determination required in this Bylaw in order to administer it;
- (c) Make decisions regarding whether or not a permit or licence should be granted, and the terms and conditions of that permit or licence including standard conditions and variations;
- (d) Make decisions regarding suspension, withdrawal or removal of a permit or licence.

46-517.5 All ~~forms~~, specifications, conditions or methods for this Bylaw must be in writing and kept in the Administration Manual for this Bylaw called

the Waste Management and Minimisation Bylaw Administration Manual, and shall be available to the public.

~~46.6~~17.6 Every exercise of a power of delegation under this clause must be publicly reported to Council at least annually, if not exercised by Council by resolution, provided that failure to report does not invalidate the exercise of the delegate's power.

~~47.18.~~PERMITS AND LICENCES

~~47.4~~18.1 Where an activity under this Bylaw requires a permit or licence from the Council, the person seeking a permit or licence must:

- a) Complete the required application form;
- b) Pay the applicable fees or charges;
- c) Comply with any requirements set as conditions of that permit or licence.

~~47.2~~18.2 A permit or licence may include, in addition to conditions incorporated by this Bylaw, conditions that the Council considers are necessary to manage the effects of the activity, achieve the objectives of this Bylaw and minimise the risk of nuisance.

~~47.3~~18.3 For the avoidance of doubt and only in exceptional circumstances, the Council may grant a permit for an activity that would otherwise contravene this Bylaw.

~~47.4~~18.4 A permit or licence is personal to the applicant and is not transferable.

~~47.5~~18.5 An authorised officer may revoke or suspend any permit or licence issued under this Bylaw at any time, or suspend for such periods of time, on such terms and conditions as the authorised office may consider appropriate in the circumstances to protect public health and safety or to minimise nuisance.

~~48.19.~~FEES

~~48.4~~19.1 The Council may charge a fee for receiving and processing an application for a licence or permit, and for issuing that licence or permit.

~~48.2~~19.2 The Council may set fees payable for the use of services provided through this Bylaw (including the use of Council waste and diverted material services).

~~48.3~~19.3 The Council must prescribe a fee for any permit or licence issued under this Bylaw in accordance with section 150 of the Local Government Act 2002.

PART EIGHT - ENFORCEMENT

19.20. NON-COMPLIANCE WITH TERMS AND CONDITIONS FOR COLLECTION OF WASTE AND DIVERTED MATERIAL

19.420.1 Where an owner or occupier of an eligible property does not comply with clause 6 of the Bylaw then the Council may, in its discretion, choose not to collect the bag or choose not to empty material from the collection container. The Administration Manual contains the current policies of the Council that will inform the exercise of the Council's discretion.

19.220.2 The Council may choose to suspend a kerbside collection service to any premises as a result of a serious, repeated, or ongoing breach of clause 6 of the Bylaw. The service to the premises may be suspended until the owner or occupier of that premises satisfies the Council on reasonable grounds that the Bylaw will be complied with. The Administration Manual contains the current policies of the Council that will inform the exercise of the Council's discretion. The targeted rate charged by the Council for any kerbside collection service will continue to be payable for that premises while the service is suspended.

19.320.3 Notwithstanding anything in clause 20.1 or 20.2, the Council reserves the right to immediately refuse collection of any approved collection container where it contains, or where the Council has reasonable grounds to believe that it contains, any offensive material.

20.21. NON-COMPLIANCE WITH TERMS AND CONDITIONS FOR COUNCIL WASTE AND DIVERTED MATERIAL FACILITIES

20.421.1 Where a person does not comply with clause 7 of the Bylaw the Council may:

- (a) Refuse to accept any or all of the items intended to be deposited at that facility;
- (b) Issue a trespass notice against that person to prevent them from using the facility;
- (c) Suspend that person's use of any service provided by the Council at any or every waste collection service or facility.

21.22. NON-COMPLIANCE WITH CONDITIONS OF A LICENCE

21.422.1 Where a licence holder does not comply with the terms and conditions of the licence, the Council may take one or more of the following steps:

- (a) Issue a written warning to the licence holder, which may be considered as evidence of a prior breach of a licence condition during any subsequent review of the licence;

- (b) Review the licence, which may result in:
 - (i) amendment of the licence; or
 - (ii) suspension of the licence; or
 - (iii) withdrawal of the licence.
- (c) Have recourse to any performance bond or security where the Council has incurred any cost as a result of the breach of the licence condition, including where the Council has itself performed or arranged for the performance of any licensed activity on the default of the licence holder;
- (d) Review the amount and nature of the performance bond or security, which may result in:
 - (i) an increase of the amount of the performance bond or security;
 - (ii) a change to the nature of the security that has been provided.

22.23. BYLAW BREACHES

22.23.1 Notwithstanding clauses 19 to 21 (inclusive) of the Bylaw, a person who fails to comply with the Bylaw commits an offence under section 239 of the Local Government Act 2002 and is liable to a fine as specified in section 242 of the Local Government Act 2002.

22.23.2 A person who commits a breach of this Bylaw that is an offence under the Litter Act 1979, the Waste Minimisation Act 2008, or the Health Act 1956 is liable to a penalty under that Act.

22.323.3 The Council may issue infringement notices, in such forms and for such amounts as are authorised in any regulations made under section 259 of the Local Government Act 2002, the Litter Act 1979, the Waste Minimisation Act 2008, and the Health Act 1956.



PALMERSTON NORTH CITY

**WASTE MANAGEMENT AND
MINIMISATION BYLAW**

2025

Administration Manual

PART 1 – INTRODUCTION

The purpose of this Administration Manual is to provide information complementary to the Waste Management and Minimisation Bylaw by bringing together those aspects which may otherwise be included in the Bylaw, but which are of a technical or administrative nature, or operational matters that are likely to be amended before the Bylaw is reviewed. This approach has been adopted to simplify the administration of the bylaw, allow for administrative and technical processes to be kept up to date, and assist in interpretation of the bylaw.

The Administration Manual is made under the bylaw and governs the implementation and operation of the bylaw. The Administration Manual is a public document and is available on the Council's website alongside the bylaws. A hard copy can be provided on request.

This Administration Manual will be updated from time to time, as necessary, to ensure that it is kept up to date and reflects current practice. Amendments to this document will be made by a resolution of Council.

PART 2 – STANDARD CONDITIONS FOR COUNCIL KERBSIDE COLLECTION AND WASTE AND DIVERTED MATERIALS FACILITIES

The following conditions apply to the Council kerbside collection service.

Conditions for Waste Collection (“rubbish bag collection”)

1. Only an approved collection bag may be used for waste. An approved collection bag is one that has the Council logo displayed on it, and is available to purchase from Council offices, or retail outlets within Palmerston North. The maximum acceptable weight for a single collection bag is 10 kilograms.
2. The approved collection bag must be placed for collection on the berm or verge outside the property no later than 7.30am on collection day, must be visible from the road, and must not impede pedestrian or vehicular traffic. Where there is no berm or verge the approved collection bag must be placed immediately outside the property boundary facing the road, provided that doing so will not pose a hazard to vehicular or pedestrian traffic. The property occupier remains responsible for any waste that may escape (for example, due to interference from animals) from the collection bag before it is collected.
3. There are three categories of waste: approved, controlled and prohibited waste, defined in part three of the Administration Manual. No prohibited items may be placed in an approved collection bag.
4. The Council may refuse to collect an approved collection bag if the above conditions are not met. In the event of non-collection of an approved collection bag, the occupier of the property must remove the collection bag from the berm or verge.

Conditions for Diverted Material Collection (“wheelie bin and glass crate”)

General

1. Only an approved collection container may be used for diverted materials. An approved collection container is one that has the Council logo, or both the Council logo and a Council-registered identifier on it.
2. Only approved diverted materials may be placed in the collection container. A table of approved diverted materials which may be placed

2

Palmerston North Waste Management and Minimisation Bylaw 2025 - Administration Manual

in the approved collection container is included in Part 3 of the Administration Manual.

3. An approved collection container must not be filled or loaded such that the lid (if applicable) cannot be closed, or that the contents extend over the top edge of the container, or so that the contents cannot flow freely from the container.
4. Once it has been placed on the berm or verge for collection, no person may deposit into, or remove anything from, an approved collection container other than the occupier of the property or an authorised officer.
5. The property occupier remains responsible for any materials that may escape from the approved collection container before it is collected.
6. The maximum acceptable weights for approved collection containers are as follows:
 - a. Glass (45 litre black plastic crate): 18 kilograms
 - b. Other diverted materials (black wheelie bin with orange lid): 100 kilograms for 240 litre wheelie bin; 40 kilograms for 80 litre wheelie bin.

Ownership

7. Approved collection containers for approved diverted materials are allocated to eligible properties and shall remain at the eligible properties at all times for use in the Council kerbside collection service. Additional approved collection containers may be supplied on request to the Council, subject to the payment of an additional annual fee, as set out in the Council's Schedule of Fees and Charges.
8. Approved collection containers are supplied by the Council direct to the property occupier. Where the occupier of the property is not the owner of the property, the owner must not withhold from the occupier the approved collection containers supplied by the Council.
9. The approved collection containers remain the property of the Council and must not be intentionally damaged, altered, or disposed of or used for any purpose other than the Council kerbside collection service. The owner of the property will be liable for **any damaged or stolen approved collection containers allocated to the property. The Council reserves the right to recover from the owner of the property the cost of replacing or repairing any missing or damaged approved collection containers. the cost of any replacement or repairs necessary to reinstate the approved collection containers to their operable state.**
10. The Council reserves the right to use measures, whether electronic or otherwise, to identify and locate approved collection containers.

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11. The Council reserves the right to recover or repossess any approved collection container where that container is not used at the eligible property to which it has been allocated.

Placement

12. The approved collection container must be:
- placed for collection on the berm or verge outside the property no later than 7.30am on collection day; and
 - must be visible from the road, and
 - must not impede any pedestrian or vehicular traffic.
13. Where there is no berm or verge the approved collection container must be placed immediately outside the property boundary facing the road, provided that doing so will not pose a hazard to vehicular or pedestrian traffic.
14. The Council may require the approved collection container to be placed in an alternative location specified by the Council, where it is not safe or not practical to place the approved collection container in accordance with sections 12 or 13 above.
15. Collection containers should not be placed closer than 0.5m to another collection container or other permanent structure, or fixed or secured to any other container or structure.
16. No items should be placed on top of an approved collection container.

Timing

17. The approved collection container must be removed from the berm or verge before 7.30pm on collection day, and must be stored on the property to which it is ~~assigned~~ allocated.

Nuisance

18. Where an approved collection container is causing an offensive odour, or is attracting vermin, the occupier is responsible for cleaning the container to remove the nuisance.

Refusal to collect

19. The Council may refuse to collect an approved collection container if the above conditions are not met. In the event of non-collection of an approved collection container the occupier of the property must remove

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the collection container from the berm or verge and store the container on the property to which it is assigned.

20. The Council reserves the right to determine the level of compliance with these terms and conditions that justifies non-collection of an approved collection container. In determining the level of compliance with these terms and conditions, the Council will have regard to the following factors:
 - a. The volume of non-approved materials in the approved collection container (for instance, a negligible amount of non-approved materials may not warrant non-collection).
 - b. The type of non-approved materials in the approved collection container (for instance, non-approved materials which can be readily identified and easily removed may not warrant non-collection).
 - c. The condition of non-approved materials in the approved collection container (for instance non-approved materials which are generally clean or inoffensive may not warrant non-collection).

Conditions for use of Waste and Diverted Material Facilities (“transfer stations and recycling centres”)

1. All users of waste and diverted material facilities must comply with all instructions or directions provided by the site operator or site staff.
2. All users of waste and diverted materials facilities must comply with all health and safety signage.
3. All users of waste and diverted materials facilities must pay the appropriate fee (where applicable) before unloading and depositing items.
4. All items must be deposited into the appropriate container or area or as advised by staff and/or signs posted at each facility.

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PART 3 – CLASSIFICATION OF WASTE AND DIVERTED MATERIAL

This Part is specific to Council's kerbside collection services and waste and diverted materials facilities.

Approved, controlled and prohibited waste

Approved waste

Any waste which is not controlled waste or prohibited waste is considered approved waste.

Controlled waste

The following items are considered controlled waste, provided they are contained so as to prevent injury, damage or loss, secured to avoid puncturing the collection bag, or contained to prevent nuisance including a smell nuisance (for instance, wrapped in paper):

- Broken glass, broken china, broken plastic, razor blade, knife, or any other material capable of causing injury;
- Any sharp object or material capable of puncturing the collection bag or material capable of being rendered so during collection;
- Any perishable waste, such as vegetable and meat scraps.

Prohibited waste

The following items are classified as prohibited waste:

- Any explosive, flammable, infectious, radioactive, corrosive or toxic material, oxidant, or any other matter of any kind whatsoever that may endanger any person, animal or vehicle which may come into contact with the material at any time prior to, during or after disposal;
- Liquids;
- Hot ashes or other hot material;
- Compressed-gas cylinders;
- Asbestos-containing materials. (If you think that the material you are handling may contain asbestos please contact the Ministry of Business, Innovation and Employment. More information can be found on their website at <http://www.dol.govt.nz>);
- Hazardous waste.

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Approved diverted materials (“Recycling”)

The following table shows the approved diverted materials accepted at each of the waste and diverted materials facilities and in the Council kerbside collection service. A tick indicates that the material is accepted in the Council kerbside collection service or at the waste and diverted materials facilities (subject to any noted conditions). A cross indicates that the material is not accepted in the Council kerbside collection service or at the waste and diverted materials facilities. Materials in bold may incur a charge for disposing those items.

Materials	Council Kerbside Collection	Awapuni Resource Recovery Park	Ferguson Street Recycling Centre	Ashhurst Transfer Station
Glass bottles and jars that once contained food or beverage	√ ¹	√	√	√
Plastic bottles, trays and containers with Resin Identification Code (recycling symbol) numbered 1,2 and 5	√ ²	√	√	√
Steel tins and aluminium cans	√ ²	√	√	√
Clean paper and cardboard	√ ³	√	√	√
E-waste	X	X	√	X
Green waste	X	√ ⁴	X	√ ⁴
Compact Fluorescent Light Bulbs	X	X	√	X
Batteries	X	X	√	X
Liquid paperboard	X	X	√	X
Plant pots	X	X	√	X
Tyres	X	√	X	X
Polystyrene	X	X	√	X

Notes:

1. Glass crate only. Washed with the lids off. ~~(the lids can go in the wheelie bin.~~ Maximum size of glass containers is 4 litres.
2. Wheelie bin only. Washed with lids off. Maximum size of plastic containers is 4 litres.
3. Wheelie bin only. Includes office paper, magazines, newspaper, egg cartons, cereal boxes, and envelopes.
4. Approved green waste excludes the following types of organic material: Sawdust, soil, stones and gravel, flax and bamboo, animal waste, ash, leather items, clothing, shoes or fabric, nappies, any organic material contaminated with chemicals known to compromise the quality of compost.

Prohibited diverted materials

Materials not listed as approved diverted materials are prohibited diverted materials. The following list indicates materials that are not able to be recycled at waste and diverted materials facilities and Council's kerbside collection service:

- Plastic wrap (e.g. Glad Wrap);
- Shopping and bread bags and other single-use plastic bags;
- Soft plastic bags and wrappers;
- Plastic containers identified with recycling symbol numbered 3, 4, 6 and 7;
- Aluminium foil;
- Drinking glasses;
- Organic waste (excluding green waste);
- Needles (some pharmacies may provide a safe bin for needles and other sharp medical instruments);
- Pesticides, oil or hazardous chemicals;
- Ceramics, crockery, porcelain and ovenware including Pyrex products;
- Mirrors, window glass or broken glass;
- Light bulbs (the Ferguson Street Recycling Centre accepts compact fluorescent bulbs);
- Bubble wrap;
- Hot and cold ashes;
- ~~Polystyrene (includes polystyrene meat and food trays);~~
- Tissues, serviettes, paper towels, toilet paper, wipes or similar items;
- Materials contaminated with food or human waste e.g. tissues and paper towels;
- Paint or paint containers;
- Batteries (the Ferguson Street Recycling Centre accepts batteries);
- Perspex;
- Construction and demolition waste;
- Electric cables, string, and rope;
- Gas bottles;
- Any liquid.
- All three-dimensional items smaller than 50mm at their widest point
- All two-dimensional items small than 100mm by 140mm
- Lids, caps and tops (excluding tethered lids)

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- Aerosols
- Hazardous substance containers

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The following maps show the coverage of the Council’s kerbside collection service.

Each map identifies the areas to which the stated collection day applies. Those properties within the highlighted area are eligible for the Council kerbside collection service on the day stated on that map.

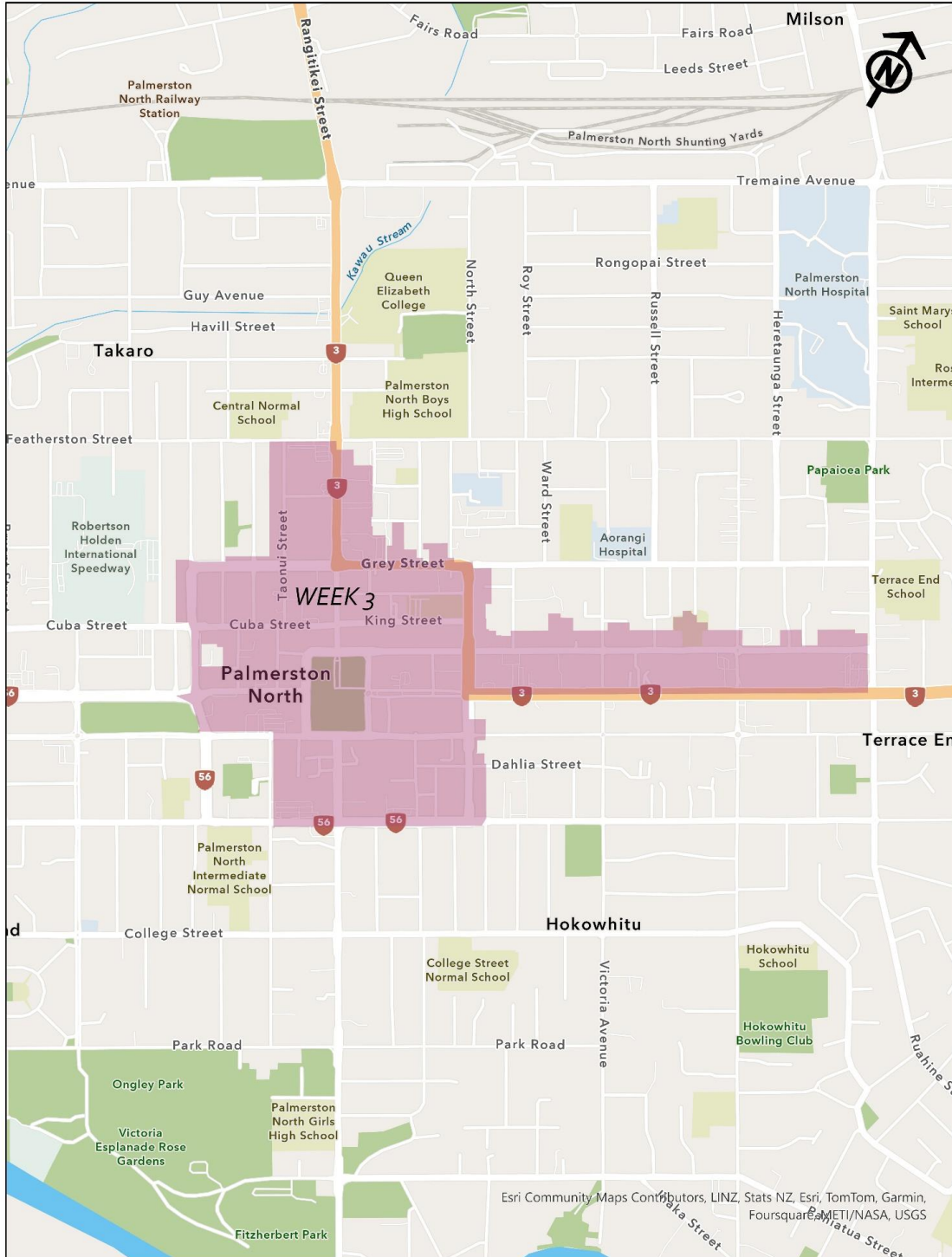
Council operates an alternating collection service for recycling. Each year Council publishes a “Week 1” and “Week 2” calendar that identifies for each week of that year whether the kerbside service is collecting either the “wheelie bin” or the “glass crate”. Where the maps in this section indicate an area as “Week 1” or “Week 2”, this identifies which week applies to that area.

Some areas are eligible for a kerbside waste collection only. These areas are shown in grey on the following maps.

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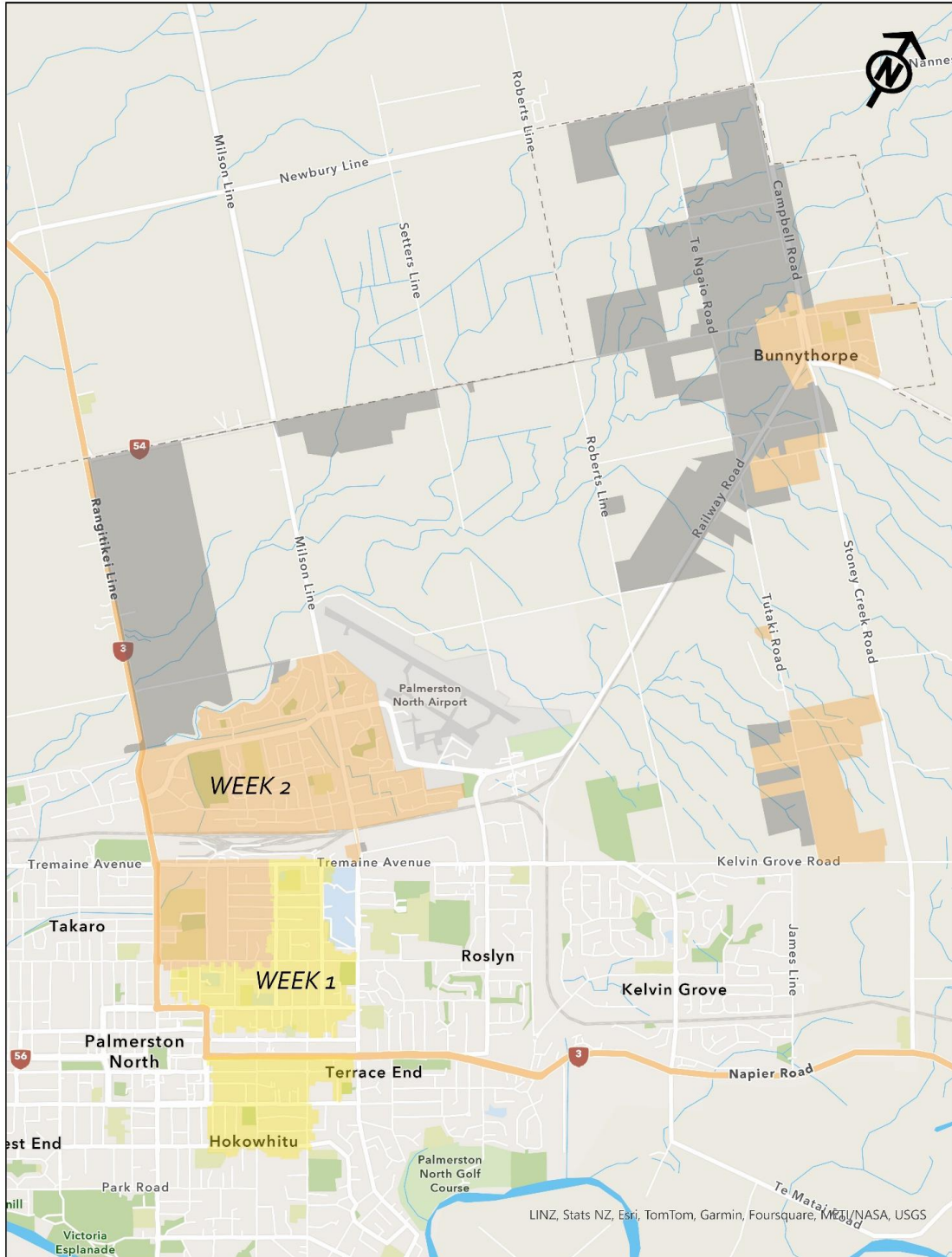


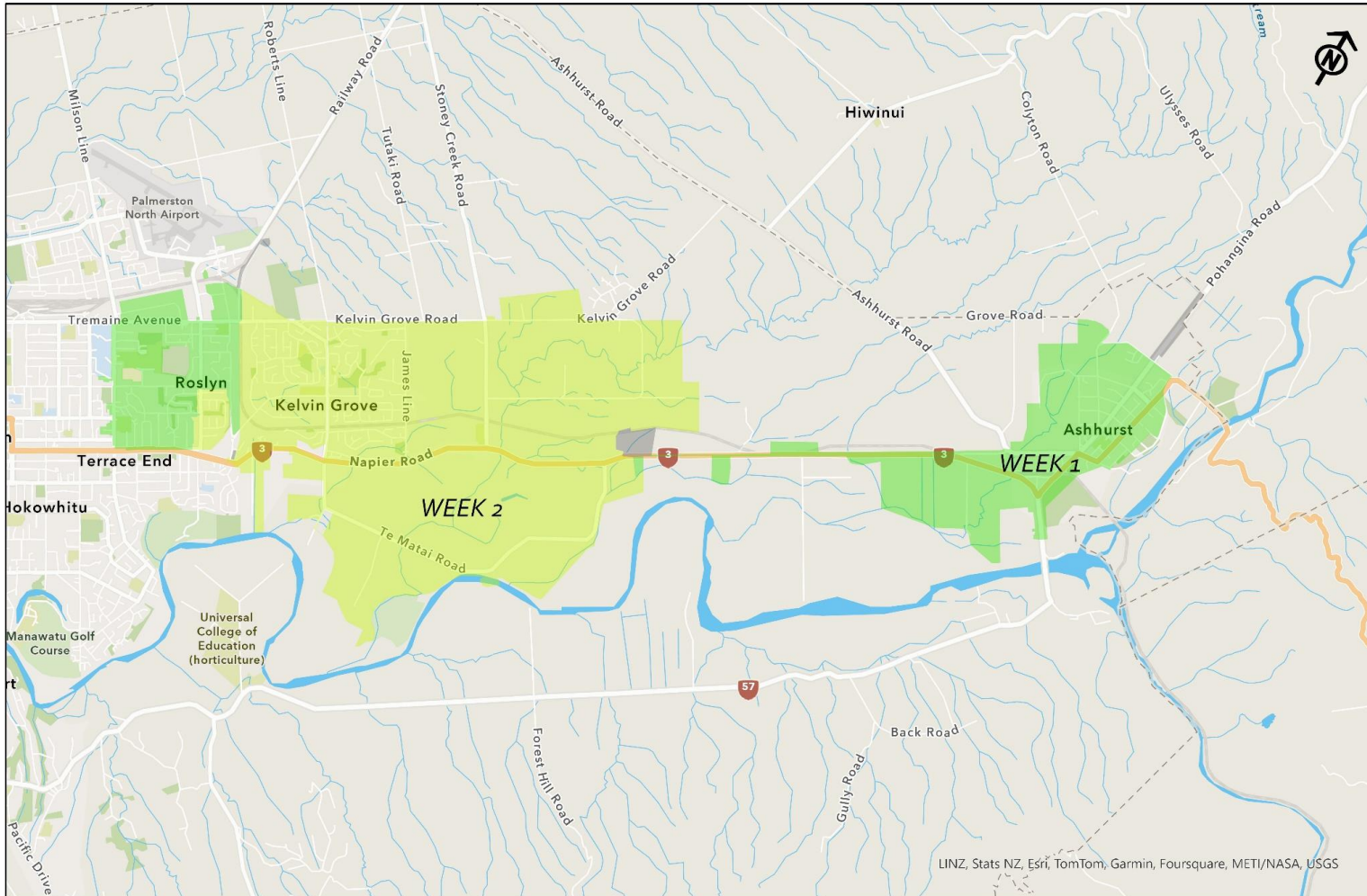
Council Kerbside Collection Service Area Monday



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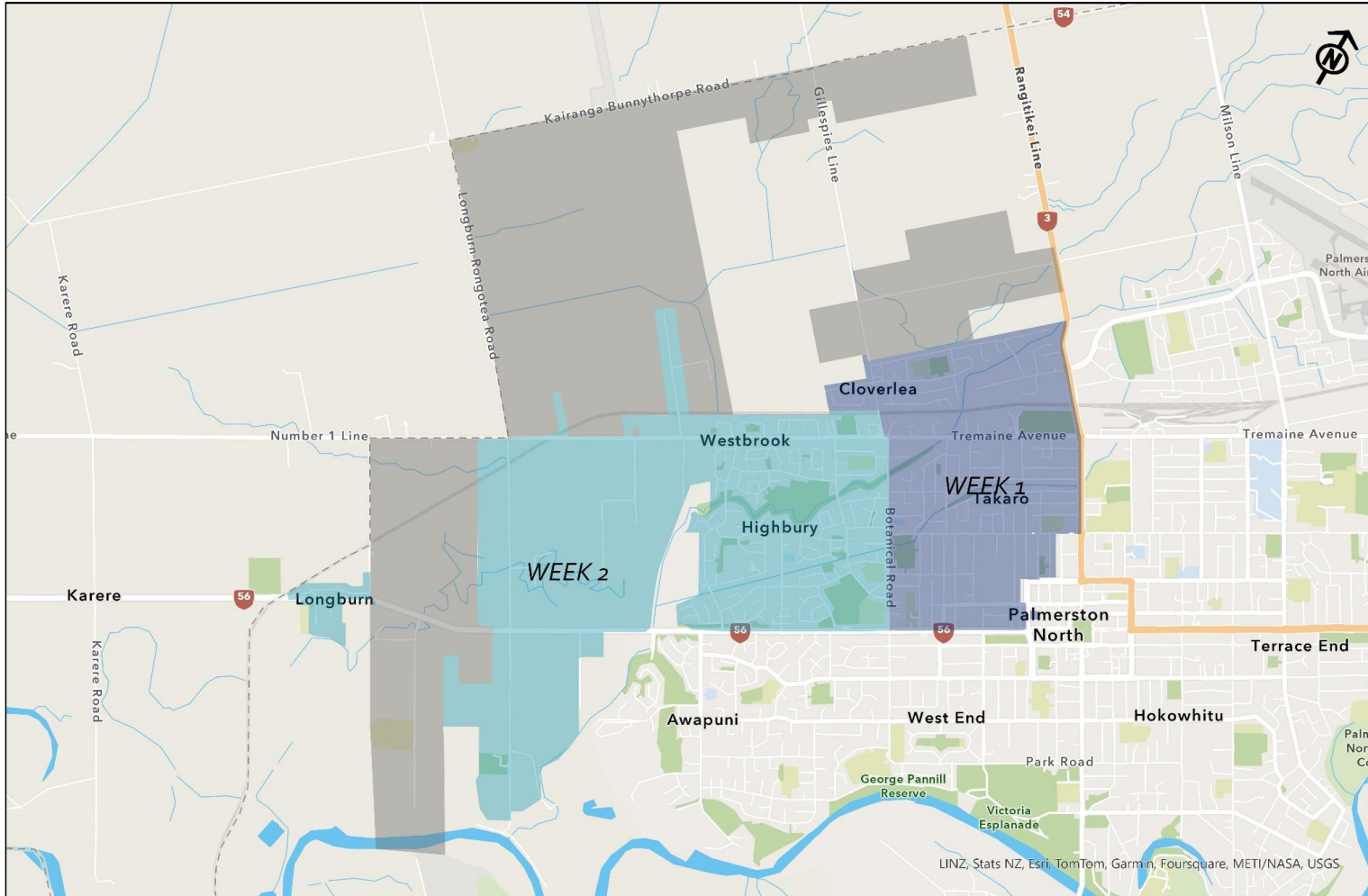
11







Council Kerbside Collection Service Area
Wednesday



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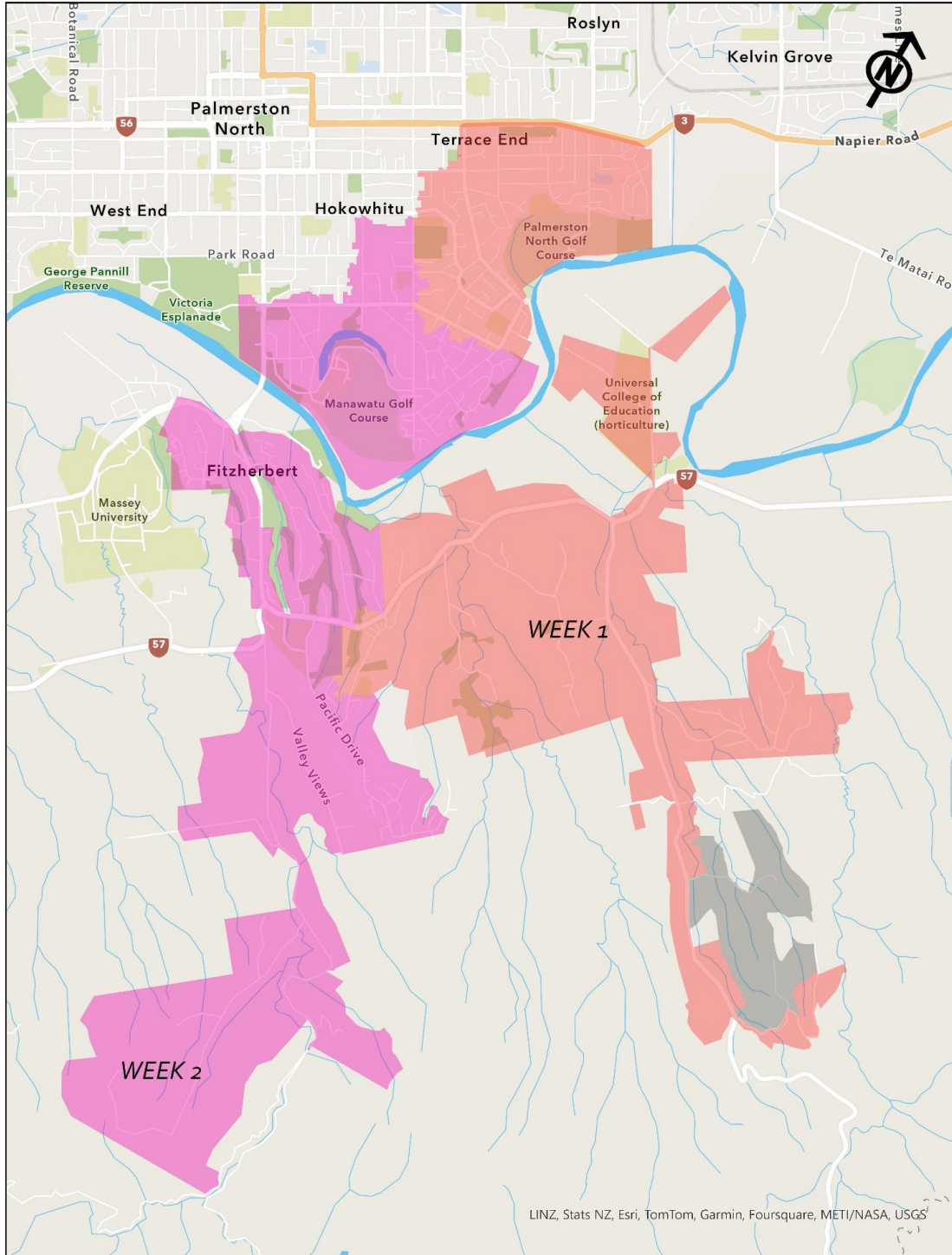
Council Kerbside Collection Service Area
Thursday



LINZ, Stats NZ, Esri, TomTom, Garmin, Foursquare, METI/NASA, USGS



Council Kerbside Collection Service Area Friday

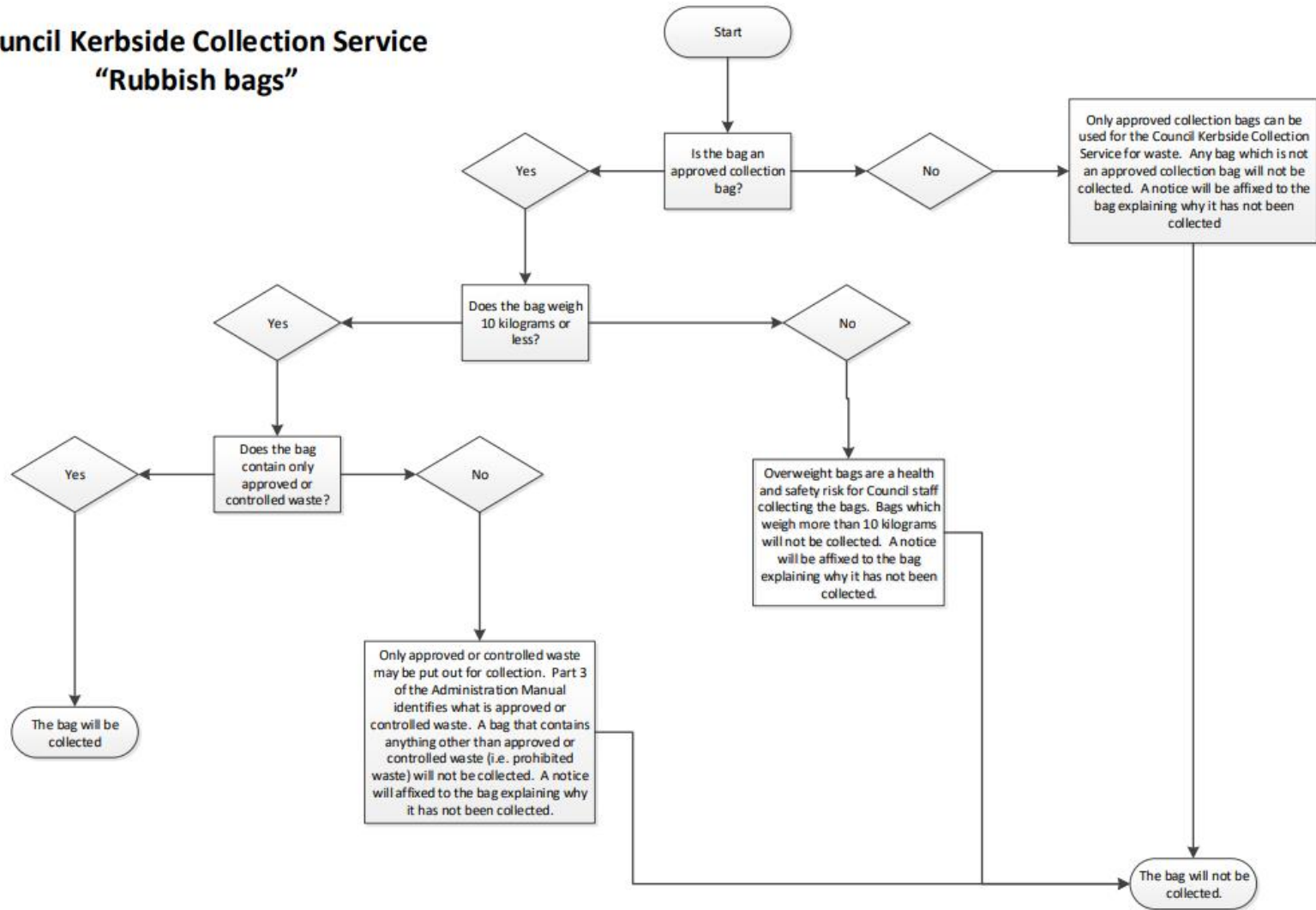


**PART 4 – POLICY FLOWCHART FOR COUNCIL
KERBSIDE COLLECTION SERVICE ENFORCEMENT**

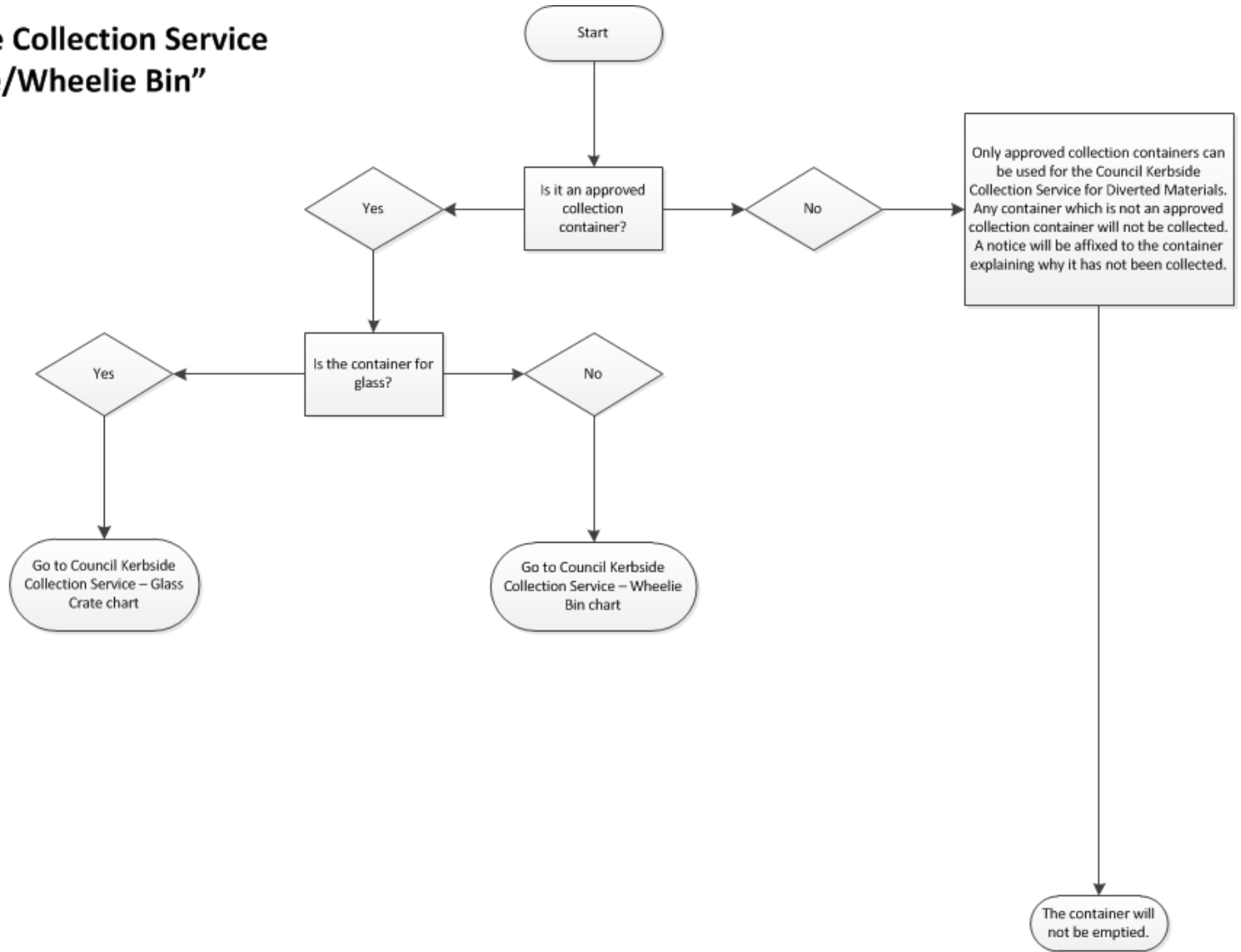
The following flowcharts describe how Council staff will determine compliance with the terms and conditions for the Council kerbside collection service, and what action should be taken in the event of non-compliance.

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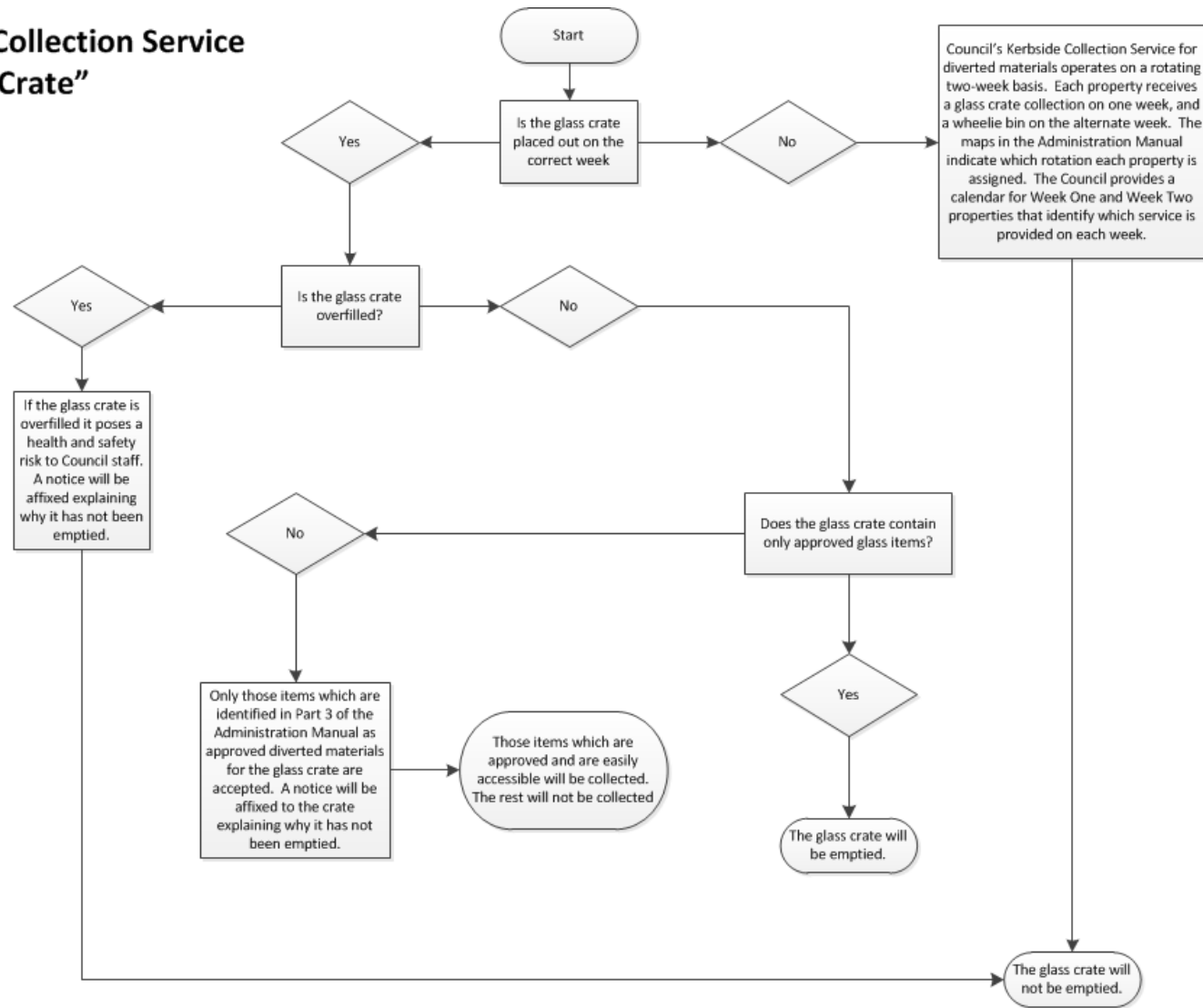
Council Kerbside Collection Service "Rubbish bags"



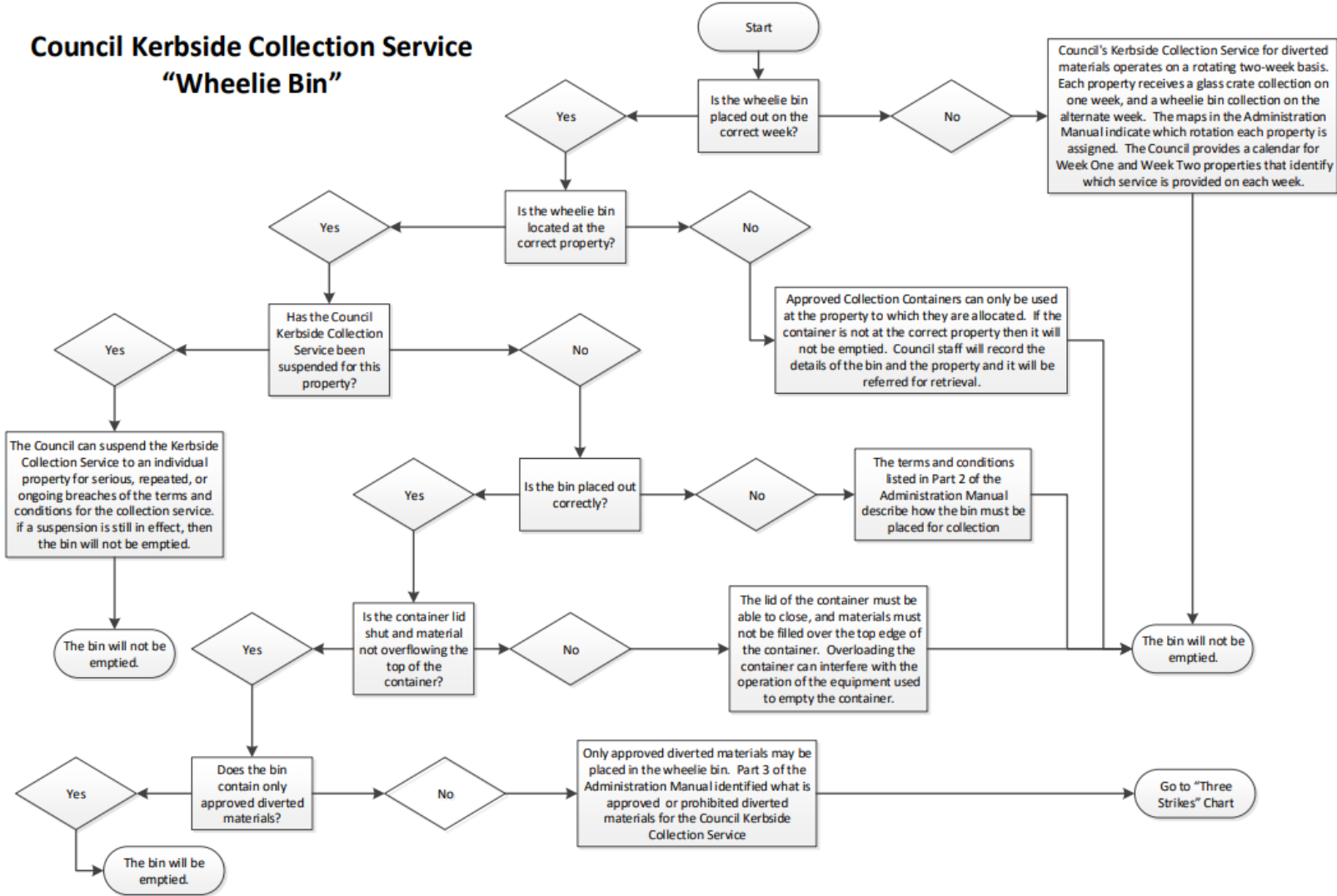
Council Kerbside Collection Service "Glass Crate/Wheelie Bin"



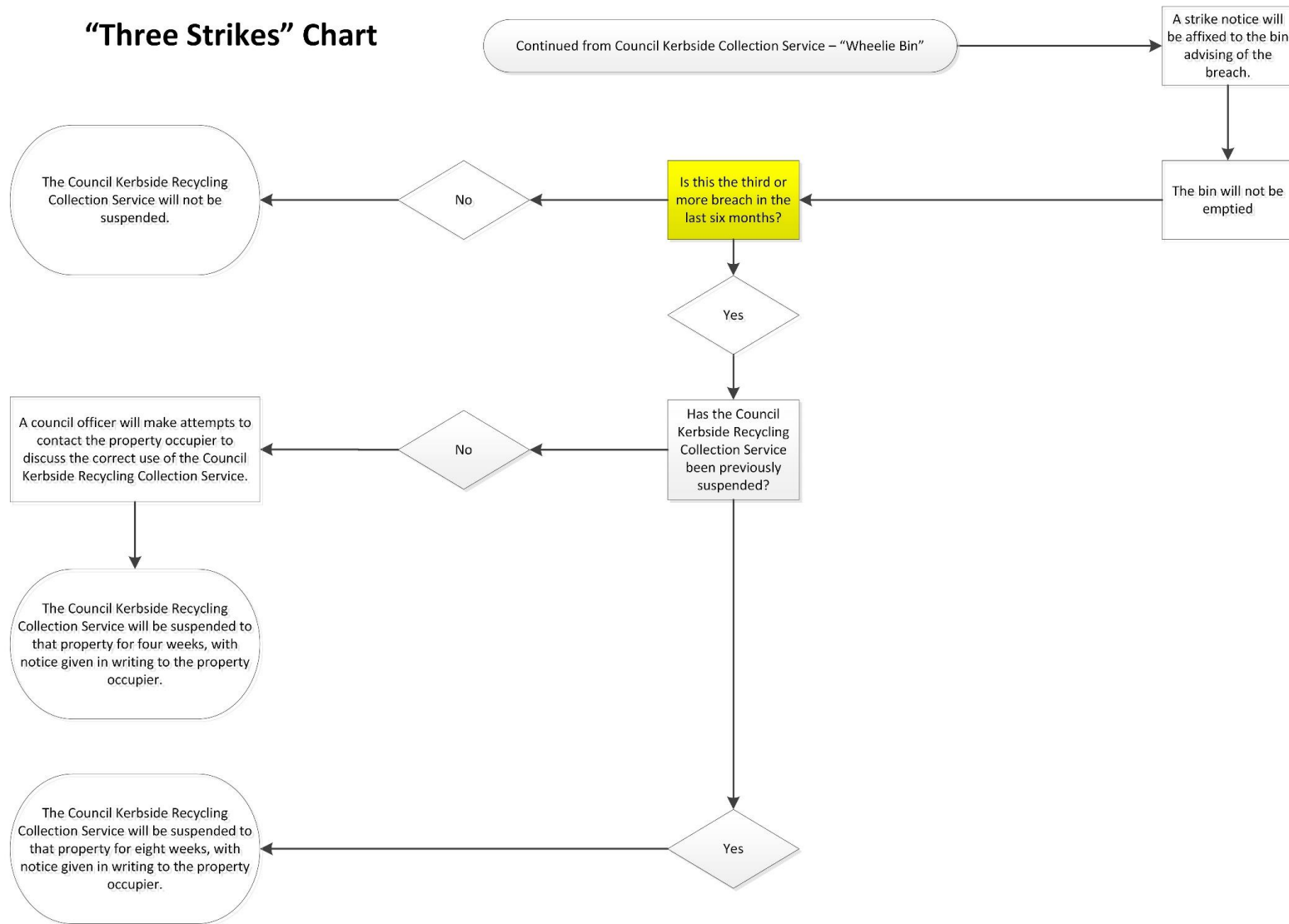
Council Kerbside Collection Service "Glass Crate"



Council Kerbside Collection Service "Wheelie Bin"



“Three Strikes” Chart



PART 5 – COMMERCIAL WASTE COLLECTOR LICENCE – TERMS AND CONDITIONS

A commercial waste collector licence is subject to the following conditions:

Scope of licence

1. The licence commences on the date it has been signed by the Licensee and the Council. The duration of the licence will be stipulated in the Licence.
2. Only waste or diverted materials of the type identified on the licence may be collected by the licence holder.

Reporting and auditing

3. The licence holder must keep accurate records and data relating to the waste and diverted materials they have collected, and provide this information to the Council in the form specified by the Council and at the times determined by the Council.
3. The licence holder must provide to the Council a monthly report on its waste and diverted material collection activities for the month prior no later than the 20th day of the month following the period reported on.
4. The records and data relating to waste and diverted materials collected by the licence holder include: information in the report must include the following details:
 - a. The quantities of waste (broken down by waste type as determined by the Council)
 - b. The source collection type of the waste (as determined by the Council)
 - c. The waste management facilities where the waste is processed at or disposed of;
 - d. Any weighbridge receipts;
 - e. Any gate records for waste tonnage
- a. The amount (by weight in tonnes) of waste and diverted materials collected by the licence holder; and
- b. A breakdown of the waste and diverted materials by type of material; and
- c. Where the waste and diverted materials were deposited.
5. The Council reserves the right to audit the reports provided by the licence holder. For audit purposes, the licence holder will be required to grant Council or its designated contractor access to information reasonably necessary to validate the reports provided in accordance with the terms and conditions of the licence.

Confidentiality

6. The Council will take all reasonable steps to keep commercially sensitive information confidential, for example by aggregating and/or anonymising such information for reporting purposes.
7. Commercially sensitive material received from the commercial waste collector licence holder that the licence holder wishes to keep confidential must be stamped “commercially sensitive” by the licence holder and will be received by the Council on that basis under the Local Government and Official Information and Meetings Act 1987 and held subject to that Act.

Bond

8. The licensee may be required to lodge a bond with the Council, as security against costs that may be incurred by the Council in the event of non-compliance with the licence.

Liability and indemnity

9. The Council is not responsible or liable in any way whatsoever in respect of the actions of the licensee or the compliance or otherwise of the licensee with the terms of this licence.

Compliance with standards

10. The licensee must comply with any standards set by the Council as detailed in the licence, including (but not limited to):

- a. Requirements for approved collection containers (such type of container, weight, size and capacity, and the types of material that are appropriate for collection in that container); and
- b. Requirements relating to permitted days on or times in which the waste or diverted materials can be collected.

9.11. The licensee must comply with applicable laws, bylaws, regulations and Council's standards and policies, including the Council's Waste Management and Minimisation Plan.

40.12. The Council may require that the licensee has a Traffic Management Plan in place.

44.13. If a licensee does not comply with the licence, the Council may:

- a. Issue a written warning to the licensee, which may be considered as evidence of a prior breach of a licence condition during any subsequent review of the licence;
- b. Review the licence, which may result in
 - i. amendment of the licence; or
 - ii. suspension of the licence; or
 - iii. termination of the licence;
- c. Have recourse to any bond where the Council has incurred any cost as a result of the breach of the licence condition, including where the Council has itself performed or arranged for the performance of any licensed activity on the default of the licensee;
- d. Review the amount and nature of the bond, which may result in:
 - i. an increase of the amount of the bond;
 - ii. a change to the nature of the bond that has been provided;
- e. Enforce any offence that may have been committed under the Litter Act 1979;

- f. Enforce any breach of the Bylaw, as provided for in the Health Act 1956, the Local Government Act 2002 and the Waste Minimisation Act 2008.

Termination of licence

~~42.14.~~ The licensee may terminate the licence by giving two months' notice in writing, or at a shorter notice by agreement with the Council.

~~43.15.~~ The Council may terminate the licence:

- a. With one months' notice in writing, where the terms and conditions of the licence have not been met by the licensee;
- b. Immediately, without written notice, where the terms and conditions of the licence have not been met by the licensee and the breach of the terms and conditions poses a risk to the health and safety of any person or damage to Council property, or where the licensee breaches the Bylaw.

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PART 6 – TERMS AND CONDITIONS FOR EVENTS WASTE MANAGEMENT AND MINIMISATION

The following terms and conditions apply to any event held on Council land or with Council funding:

1. The event organiser must take all reasonable steps to minimise the amount of waste generated at the event. This includes:
 - a. Encouraging event participants (e.g. food vendors) to minimise the amount of packaging or serveware used or given out.
 - a-b. Requiring event participants to use only recyclable or reusable materials for packaging or serveware wherever possible. Non-recyclable materials and single-use serveware such as foil or foil-lined packaging, polystyrene or Styrofoam containers or cups, wax-lined paper cups or tetra packs should not be used at events and the event organiser should communicate this to the event participants.

2. The event organiser must take all reasonable steps to encourage recycling opportunities for materials used at the event. This includes:
 - a. Using 100% compostable packaging, single-use beverage cups and utensils. Compostable materials are paper or cardboard (not plastic-lined), corn-starch/potato-bases/sugar-cane based packaging, bamboo, PLA (“plant plastic”). Where the use of compostable materials is not practicable, food packaging should be made from recyclable or reusable materials.
 - b. Promoting to event attendees opportunities to recycle packaging.

3. The event organiser is responsible for ensuring both waste and recycling bins (with the types of material that can be accepted in each type of bin) are available and distributed widely around the event location.

4. The event organiser is responsible for ensuring that:
 - a. All waste and recyclable material collected at the event is sorted and
 - b. The type and quantities of waste and recyclable materials is recorded; and
 - c. All materials are disposed of correctly.

Waste Management and Minimisation Bylaw – Analysis of issues considered by staff

Staff identified a range of issues and potential areas of change within the Waste Management and Minimisation Bylaw and Administration Manual. These were identified:

- From the issues raised by submitters on the draft Waste Management and Minimisation Plan/Resource Recovery Plan in 2024.
- From the issues raised by members of the public in general queries and requests for service since the Bylaw was adopted in 2016.
- In discussion with staff involved in the implementation of the Bylaw and in the delivery of resource recovery activities.

Staff evaluated these issues and discussed potential solutions for each. A summary of the discussion is included below, along with the recommended approach for each issue.

Events waste management and minimisation

The Resource Recovery Team and the Events Team have been working over the past years to improve the rate of waste minimisation and diversion from landfill for events held on Council land or with Council funding. The Events Team have developed guidance for event managers that includes information on how to comply with the current Bylaw requirements. The Resource Recovery Team have developed services that support events waste minimisation, including a range of bins that can be booked directly with the Council for events. Event managers can choose to have a “bin only” service and take responsibility for sorting and disposing of waste appropriately, or a full service where (for a charge) the Council will also dispose of waste and recycling.

Events waste management was an issue raised during the consultation on the Waste Management and Minimisation Plan. Staff have also identified scope for improvements in the provisions in the Bylaw and Administration Manual.

We discussed existing requirements for events waste management and minimisation, in particular whether the requirements were sufficiently clear. The current Administration Manual uses language which is focussed on encouraging waste minimisation. There are few mandatory requirements (where the event organiser “must” do something). The reasons for this are to avoid placing obligations that are unreasonable to achieve, and to recognise the limits of Council’s ability to enforce mandatory requirements.

Staff met with the Events Team and Resource Recovery Team to better understand how the current requirements are being met. The feedback is that most event organisers are complying well with the current requirements. The Council’s bin service for events is well used. The Events Team reported that event organisers are generally positive about the support which the Council provides for event organisers to meet waste minimisation requirements.

Staff also surveyed event managers who had held events on Council land or with Council funding in the past 12 months. The survey included questions about their experience in running events and how they had met the requirements in the Bylaw and Administration Manual. We received only four responses, but they indicated that the current requirements were working well. They noted that the support from the Events Team and the Council bin service are helpful for them. Suggestions for

improvement are primarily operational – for instance, providing support with sorting waste, or making the bin service free for not-for-profit groups holding events.

Staff suggested some wording improvements for the events waste minimisation provisions in the Administration Manual to make the requirements clearer, and in some cases to provide a stronger requirement. There are some areas for improvement in the operational space, outside of the Bylaw review process. For instance, we will look at reviewing the bin service to ensure it is meeting the needs of different types of events.

Recommendation

Improve the wording for events waste minimisation provisions in the Administration Manual, and strengthen the requirements to improve waste minimisation outcomes

Construction and Demolition Waste

This issue was identified by submitters during the consultation on the Waste Management and Minimisation Plan as needing further consideration. It was also noted in the Waste Assessment as an area for improvement.

While we have some data on the amount of construction and demolition waste – such as the amount of material from this activity source passing through the Matthews Ave Transfer Station – the general picture of construction and demolition waste is incomplete. There are no class 2 landfills (for accepting construction and demolition waste) in Palmerston North, so waste from construction and demolition that may be sent to landfills outside the City cannot be explicitly attributed to Palmerston North.

The previous Government signalled through the national Waste Strategy *Rautaki Para* that the Building Act would be revised to include a requirement for construction site waste management plans. However there was no clear timeframe for this action. Since the change in government in November 2023, the Ministry for the Environment has not as yet provided any new information about the implementation of these actions.

We considered how other Councils approach this issue, and found that some require the submission of a site waste management and minimisation plan alongside a building consent where the work is expected to exceed a given threshold (in Wellington, the value is set at \$2M).

Staff considered two options. The first was to make no change to the Bylaw during these revisions, and look to make changes at a later date once we had better construction and demolition waste data and had further explored the impacts of a new requirement for site waste management and minimisation plans. The second option was to include the authority for the Council to introduce a new requirement by resolution following consultation.

We are recommending the second option because it allows the Council to set a clear expectation that it intends to strengthen requirements for construction and demolition waste. By including in the Bylaw the ability for the Council to pass a resolution at a later date, following consultation, we will be able to gauge the community's support for this approach. If confirmed, then staff will undertake further detailed study on this approach. This would include:

- seeking better data on the value of building consent work, and the scope and scale of construction and demolition waste being sent to landfill
- engaging with the building sector to better understand the impact of any new requirements around site waste management and minimisation plans
- engaging with Central Demolition to understand their plans for a class 2 landfill for construction and demolition waste
- identifying resourcing and staff impacts.

The information gathered in this phase would enable staff to produce a proposal for the Council to consider, and for consultation on those specific details. Following that consultation, the Council could choose to pass the resolution and bring the new requirement into effect.

A key advantage of the second option is that a further amendment to the Bylaw would not be needed. The Council would be able to bring the new requirement into effect by resolution, but it would be supported by appropriate consultation that is focussed on the specific details and impacts of requiring site waste management and minimisation plans.

The first option – making no change during this process and waiting for further information – carries the risk that the Council is seen as simply delaying taking action.

Recommendation

Add a new clause 13 to the Bylaw that gives Council the ability to make a resolution that would require a person applying for a building consent over a specified value (to be determined) to also submit a minimisation plan for approval before the work may begin.

Commercial waste collector licensing

Staff identified that commercial waste collector licensing has yet to be implemented, though it has been included as a provision in the current Bylaw since 2016. This was also noted in the Waste Management and Minimisation Plan as an action for 2026/27. Submitters on the draft Waste Management and Minimisation Plan also noted that commercial waste collector licensing should be introduced to provide the Council with the mechanisms necessary to regulate private waste collectors.

Staff attempted to implement the provisions in 2017. However due to a lack of staff resourcing and budget, in addition to the complexity of the systems required to make the licensing process effective, it was not completed.

Through the development of the Resource Recovery Plan/Waste Management and Minimisation Plan the issue of commercial waste collector licensing was discussed. An action was proposed for 2026/27, along with budget, to introduce commercial waste collector licensing. This was to allow for the Council to observe the implementation of a licensing system in the Bay of Plenty region. That system may provide the Council with a template to follow. There may also be an option for the Council to adopt the same data platform, reducing the need for a separate system to be created. The timing also allows for the service delivery review to be completed, which may affect how existing services are delivered. If as a result of the service delivery review the Council makes a decision to no longer deliver waste collection services directly then this may alter its options for how it licenses waste collectors.

Staff have reviewed the commercial waste collector licensing provisions and identified some minor amendments. For instance, the records and data that the licence holder must report to the Council are more specific and use terminology consistent with other Councils that have implemented a licensing system. We have also added a new section that requires a licence holder to comply with standards set by the Council such as the type or size of container, and the permitted days or time when waste or recycling can be collected. This responds to an issue identified in the Waste Assessment; the amount of recyclable material and food and green waste was significantly higher in larger wheelie bins than in smaller 80L bins.

Recommendation

Include amendments to the commercial waste collector licensing provisions in the Administration Manual to improve clarity and alignment with other Councils, and to strengthen the ability of Council to regulate the type of bins that private waste collectors can use (once the licensing system is implemented).

Placement of recycling bins

Staff identified an increasing issue with disagreements from residents about where recycling bins should be placed for collection. In some instances, the bin is placed in a poor location, contrary to the requirements in the Administration Manual, which makes it difficult or dangerous for the collections team to collect and empty. If bins are frequently mis-placed on the kerb or berm and need to manually moved or emptied, then this can impact on the efficiency of the collections team and introduce delays into the overall system. In other instances, neighbours are disagreeing with each other over the placement of bins on adjacent berms, and these arguments are being escalated to the Council for the Resource Recovery Team to resolve.

Staff discussed whether the current requirements for kerbside placement of recycling bins were clear enough and workable for the range of locations around the city. Consideration was also given to:

- Residential growth, especially increasing residential housing density causing greater concentrations of bins for collection.
- The outcomes of the service delivery review underway. In particular, the Council's plans to introduce a food scraps and greenwaste kerbside collection in 2029 may increase the number of bins that are placed out for collection.
- Approaches taken by other Councils.

Staff considered that the current requirements for kerbside bin placement were generally appropriate and strike the best balance between serviceability by the collections team whilst being clear and achievable for most residents. A minor change was suggested, allowing the Council to specify an alternative location different from the standard requirements. This may enable the Council to resolve neighbour disputes over the most appropriate place to place a bin for collection. Similar provisions are included in other Council bylaws.

Further changes are not proposed at this stage. They may be necessary as part of the response to the service delivery review. Consideration may also be given to how waste and recycling collection

services are delivered as part of Plan Change I (which is proposing rules for medium-density residential development).

Recommendation

Add into the Administration Manual the words “The Council may require the approved collection container to be placed in an alternative location specified by the Council, where it is not safe or not practical to place the approved collection container in accordance with sections 12 or 13 above.”

Contamination of kerbside recycling bins (“wheelie bins”)

Staff identified that the rate of contamination for kerbside household recycling bins is too high. Of particular concern is the small group of residents who persistently contaminate their recycling bins with waste.

The current Administration Manual sets out the “three strikes” process that staff use to deal with contaminated recycling bins. If a bin is found to be contaminated, then it will not be collected and a strike notice is given. If a bin receives a strike notice three times within a three month period then the service may be suspended. The initial suspension is for four weeks. If the strike notice results in a further suspension then it is for eight weeks.

Staff are unable to withdraw a recycling service entirely without creating significant additional issues. For instance, we would also need to remit the Kerbside Recycling rate for that property and recover the bins. But this could act as a perverse incentive for those who do not wish to recycle and don’t want to be rated for it, effectively fragmenting the kerbside recycling collection. It would also be problematic for properties which are tenanted, and where a new tenant may be disadvantaged by the actions of the previous tenant.

The Resource Recovery Team are developing a process for active monitoring of recycling bin contamination. However, the available resourcing would limit the frequency of inspections to every other month. If a person was persistently contaminating their recycling bin, then this monthly monitoring would not detect a third “strike” until after eight weeks. An initial four week suspension would effectively “reset the clock” as any further contamination of the recycling bin would not reach the threshold of “three strikes within three months.”

To address this, we considered several options:

- Requesting additional resources to enable continuous monitoring of recycling bin contamination.
- Implementing camera technology to identify contamination as the recycling bin is lifted and emptied into the truck.
- Extending the period within which the three strikes remain “active” when considering whether to suspend the service.

We concluded that the first two options were not practical for further consideration. The Council is operating within a stringent budget, and additional resourcing or sourcing new technology is unlikely to be a cost effective approach in the short-term. A more cost-effective approach would be to extend the period within which the three strikes remain active. If the period were extended to six

months then staff could continue to apply a suspension of the kerbside collection service until the contamination stopped.

Staff also discussed the importance of education and promotion to support efforts to reduce the rate of wheelie bin contamination. The Resource Recovery Team and the Marketing and Communications Team will also be exploring a range of new approaches, for instance recognising the streets with the lowest levels of contamination, or running social media campaigns to illustrate what contamination looks like and encourage good recycling behaviour.

Recommendation

In the “three strikes” process in the Administration Manual, extend the period within which three strikes remain “active” from three months to six months.

Charging for multiple recycling bin replacements

Staff identified that some properties have requested an unusually high number of replacement recycling bins. This has a budgetary impact. While staff budget for some attrition of recycling bins and glass crates due to theft or damage (glass crates in particular can be blown away by strong winds during spring), a small but significant number of properties are requesting a disproportionately large number of recycling bins.

The wording in the current Administration Manual is unclear about who is responsible for paying for replacement bins. It states that “The owner of the property will be liable for the cost of any replacement or repairs necessary to reinstate the approved collection containers to their operable state.”

The Council does not routinely charge a property owner for a replacement bin where there is a reasonable explanation for its loss or damage. For instance, a bin may be stolen or it may be lost due to the wind. However, if a pattern is established where a property has lost multiple bins in a short period of time then it may be reasonable to charge for excessive numbers of replacement bins.

Staff recommend amending the wording in the Administration Manual to clarify that while the property owner remains liable for any damaged or stolen bins, the Council reserves the right to recover the cost from the owner of the property. This would allow staff to manage the number of “free” replacements a single household can access, to ensure the availability of bins is not abused.

Recommendation

Amend the wording in the Administration Manual to clarify that the property owner is liable for any damaged or stolen recycling bins or glass crates, and that the Council reserves the right to recover from the property owner the cost of replacing or repairing any missing or damaged bins or crates.

Unsolicited mail

Staff noted in the 11 August 2021 report that an issue had been raised by a member of the public in relation to unsolicited mail. The suggestion was that material from political parties or candidates should be considered unsolicited mail. The current definition of “unsolicited mail” in the Bylaw does not include material from political parties or candidates.

While the Bylaw includes provisions that state that no person may leave unsolicited mail in a letterbox marked as “no junk mail” or similar, the Council has few powers to enforce these provisions. The operational procedure that staff have developed is to refer any complaints about unsolicited mail to Reach Media, who are the primary distributor for advertising material or direct marketing.

In the initial years of the Bylaw the Council received regular complaints about unsolicited mail. However, in more recent years, the number of complaints is negligible. Staff have not undertaken research into why this may be the case but several reasons suggest themselves. The increasing use of digital media for advertising (e.g. social media), along with rising costs, may have contributed to a decreasing amount of unsolicited mail. Additionally, the community may not be aware that they can complain about unsolicited mail, or may register their concerns elsewhere.

Staff considered whether to revise the current unsolicited mail provisions. In particular, we considered whether material from political parties or candidates should be included as unsolicited mail. We concluded that there are notable differences between other forms of unsolicited mail and material from political parties or candidates. Firstly, the material is typically limited to a relatively short campaign period. Secondly, such material helps to raise awareness of elections and promotes engagement with democratic processes.

We don’t recommend including material from political parties and candidates as unsolicited mail. This is because of the very low numbers of complaints the Council has received about unsolicited mail, and the benefits from allowing political parties and candidates to engage with the voting public in promoting democratic processes.

Recommendation

No change.

Kerbside Collection Service Area Maps

Staff identified that the maps in the Administration Manual showing the kerbside collection service area should be updated to reflect any changes to the current service area and scheduled collection days.

Recommendation

Updated maps have been included in the Administration Manual.

Polystyrene collection

Staff identified that list of approved and prohibited diverted materials should be updated to include the recently introduced polystyrene recycling service.

Recommendation

Add “polystyrene” to the table of approved diverted materials for the Ferguson Street Recycling

MEMORANDUM

TO: Strategy & Finance Committee

MEETING DATE: 13 November 2024

TITLE: Policy and bylaw work programme 2024-2027

PRESENTED BY: Julie Macdonald, Manager Strategy and Policy

APPROVED BY: David Murphy, General Manager Strategic Planning

RECOMMENDATION(S) TO STRATEGY & FINANCE COMMITTEE

1. That the Committee receive the report titled 'Policy and bylaw work programme 2024-2027', presented to the Strategy & Finance Committee on 13 November 2024.

1. PURPOSE OF THIS MEMO

The purpose of this memo is to inform Elected Members about the proposed policy and bylaw programme (within the scope of the Strategy and Policy Team) for the next three years.

2. BACKGROUND

Role of the Strategy and Policy Team

This team of 6.8 FTEs has four main functions:

Function	Activities include:
1. Gathering, analysing and presenting data and research to inform decision-making	<ul style="list-style-type: none"> • The City Dashboards • Quarterly Economic reporting • Population projections • Recreation needs assessments • Residents' Survey • Economic analysis for planning projects
2. Working with Elected Members and the community to develop the Long-Term Plan strategic	<ul style="list-style-type: none"> • Research and engagement • Drafting of strategic documents (the City Strategy and plans)

direction	
3. Contributing to service delivery	<ul style="list-style-type: none"> • Managing the Sport Manawatū contract • Convening the Smokefree Auaahi Reference Group • Supporting the implementation of He rā ki tua and sports facility proposals • Advising operational areas of Council on policy implementation
4. Developing and reviewing policies and bylaws	See Attachment 1 for the current policy and bylaw work programme.

This fourth team function, to develop and review policies and bylaws, is the subject of this memo.

Policy Framework

In 2020 a review was completed by the Business Assurance Team. The outcomes of this review included the recommendation to develop a policy framework to articulate the roles and responsibilities for Council-adopted policies (which includes bylaws). In February 2022 the then Executive Leadership Team (now Senior Leadership Team, SLT) approved the Policy Framework. A summary diagram of the policy process is Attachment 2.

One of the responsibilities of the Strategy and Policy Team is to implement the Policy Framework when developing and reviewing policies and bylaws. This team also has a role in supporting other teams to successfully implement a sound policy process when developing or reviewing policies that are the responsibility of those areas of Council. These include the City Shaping Team (e.g. Earthquake Prone Buildings Policy, Development Contributions Policy) and the Finance Team (e.g. Procurement Policy). The Framework requires that each policy adopted by Council has an implementation plan approved by SLT.

What is policy?

Simply put, a policy is a statement of ideas or principles that commit the decision-maker to a course of action. A policy is typically a response to a problem.

Figure 1 from the Policy Framework provides an illustration of the different roles policy can have in our organisation:

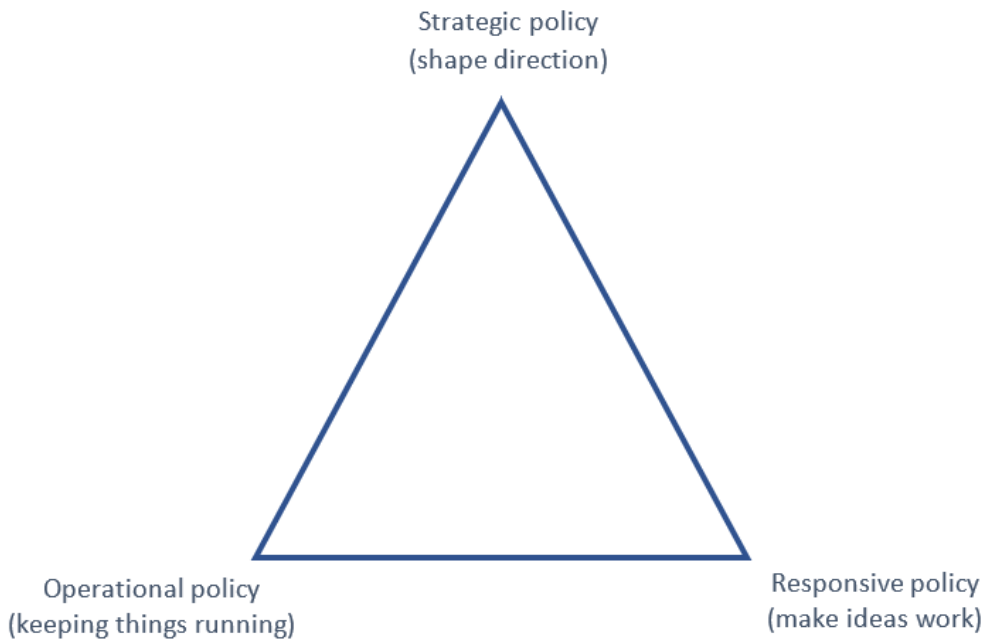
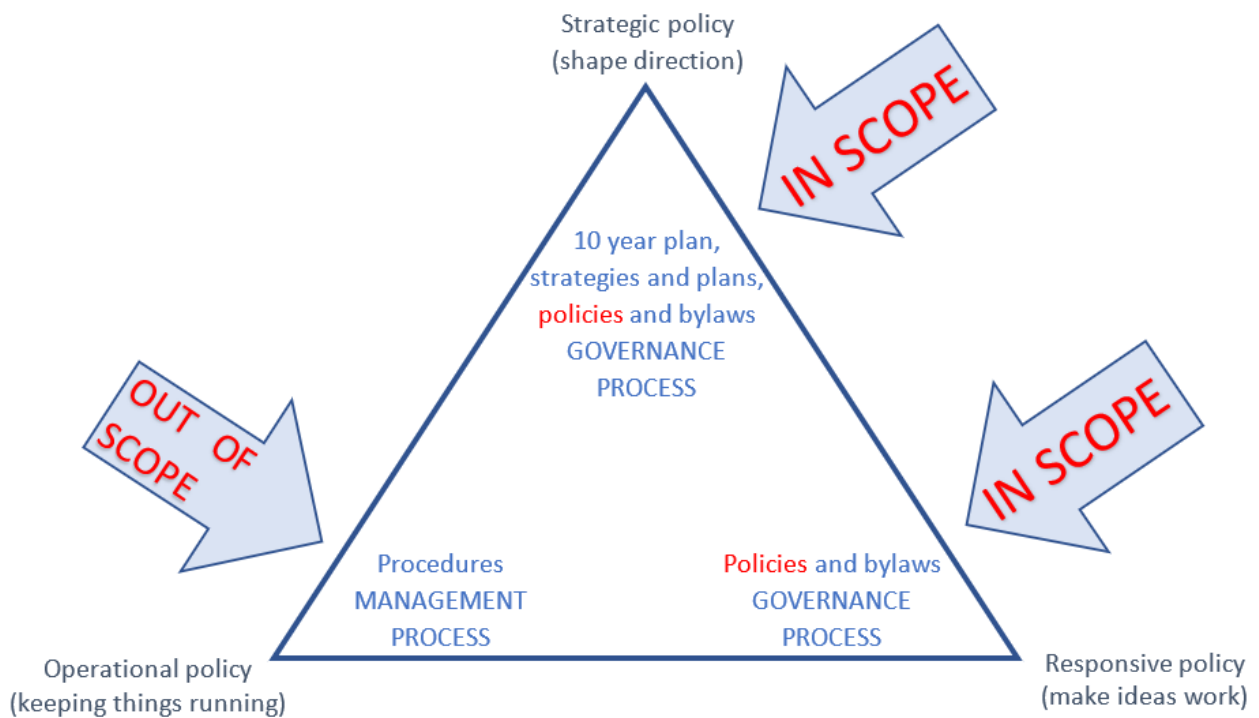


Figure 1: Type of policy (adapted from Scott and Baehler, 2010)

The scope of the Policy Framework is policies that are publicly consulted on and adopted by Council, as illustrated in Figure 2, below. This excludes the myriad of guidelines that assist our organisation to deliver on Council's direction to operate effectively (such as policies for staff, or operational guidelines). Those things sit more appropriately within the oversight of management rather than the governance arm of Council.

Figure 2: Type of policy with corresponding Council processes



Scope of this report

Development of the overarching strategic direction of Council (the second function of the team, listed above) is within scope of the 'Strategic policy' part of Figures 1 and 2. However, the vision, goals, outcomes, plans, and objectives adopted by Council are outside of the scope of this report. These important policy elements may be the subject of a further report once planning for the next LTP is underway.

3. POLICY AND BYLAW WORK PROGRAMME

Efforts to reinforce the Policy Framework approach

For some years now we have endeavoured to provide Elected Members with consistent and early advice on the options available to respond to an identified policy problem. We hope this approach provides Elected Members with the advice they need to make informed decisions. There is always a variety of options available to Council, including (depending on the issue) a simple resolution, a policy or bylaw process, or a request for further information. Notable successes with this 'early advice' approach include the amendment to the Traffic and Parking Bylaw in response to issues about street racing, and advice informing the draft Food Security and Resilience Policy.

SLT has also made efforts to reinforce the Policy Framework by requiring approval of implementation plans that follow the adoption of any policy or bylaw. Council receives regular reports on the implementation of some policies (such as the Play Policy and the Waste Management and Minimisation Plan), however for the most part this monitoring is the responsibility of SLT.

Work programme for 2024/2025 – 2026/2027

The development and review of 11 of Council's 41 policies sit outside the work programme of the Strategy and Policy Team. These are the:

- Governance policies (Appointment of Directors, Code of Conduct, Elected Members' Development and Training, Local Government Statement)
- Planning policies (Business Improvement District, Development Contributions, Earthquake Prone Buildings, Vegetation Framework)
- Finance policies (Procurement, Rates Remission and Postponement, Treasury)

Responsibility for development and review of the remaining 30 policies sits with the Strategy and Policy Team. Attachment 1 describes the Team's policy and bylaw work programme developed in response to the 2024-2034 LTP.

The Strategy and Policy Team does not have consultancy resources to complete its work, unless explicitly allocated by Council for a particular purpose (e.g. the indoor courts study). This means that there is continual prioritising of staff resources as different issues arise in Council and the community. Not all work can be easily

anticipated, and in the past several years there have been some new pieces of work requested by Council that impact on the delivery of the work programme.

One of the ways we have sought to be more efficient in the use of our resources is to find common ground amongst previously-adopted policies to enable combining or at least the parallel review processes. For example, three different policies are in the process of being combined into the new Health Promotion Policy. Similarly, we are reviewing the Policy for the Use of Public Space alongside the broader Signs and Use of Public Places Bylaw. These two policy documents have some common issues, and it makes sense to discuss these with the community as a wider policy problem.

Uncertainties with specific projects

At present it is difficult to include the following projects in the work programme with any degree of certainty.

- Speed Management Plan development

Council has done considerable work to develop a Speed Management Plan following the previous Government's change to the process for setting speed limits. The new Speed Limits Rule is now published, and staff are reviewing the Rule to identify the impacts for Council.

- Local Alcohol Policy

Options for continuing this work were considered in a Part 2 report to the Community Development Committee in October 2024. The decision made by Council on this matter could impact on the Team's other planned work.

4. CONCLUSION

The Policy Framework is gradually becoming embedded in the Council organisation. Policy advice to Council consistently references the stages of policy development, and SLT endorses policy implementation plans as they are developed by policy 'owners' throughout the organisation. We anticipate that these measures will contribute to a growing confidence for Elected Members and the community that policy is being developed, reviewed, and implemented appropriately.

As we move through this first three years of the LTP, there are bound to be new policy questions, or Government decisions that impact on decisions able to be made by Council. In these instances we will provide advice to Council about the potential for revisions to the agreed work programme and the impact of any changes made.

5. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	Yes
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No

Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these objectives?	Yes
Are the recommendations inconsistent with any of Council's policies or plans?	No
The recommendations contribute to: All four Council strategic goals.	
The recommendations contribute to the achievement of objective/objectives in: 14. Mahere mana urungi, kirirarautanga hihiri 14. Governance and Active Citizenship Plan The objective is: 'Base our decisions on sound information and advice' and 'Provide clear and accessible information and opportunities for community input into Council decisions' and 'Oversee Council operations and communicate outcomes and decisions to our communities'.	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	Council operations are guided by a series of Council-adopted policies and bylaws. Ensuring that these documents are developed and reviewed appropriately contributes to the Governance and active citizenship plan objectives.

ATTACHMENTS

1. Policy and bylaw work programme [!\[\]\(af98b520897d581bffe923fd0c089906_img.jpg\) !\[\]\(3302bbaf7759474e7fe042e85946d123_img.jpg\)](#)
2. Policy Framework process diagram [!\[\]\(18afe9dff2bb170f64c6e7bacc78917b_img.jpg\) !\[\]\(ed5e488bd9c4ae008b4c3dfabfc0c23a_img.jpg\)](#)

Attachment 1: Policy and Bylaw Work Programme (Strategy and Policy Team Years 1-3)

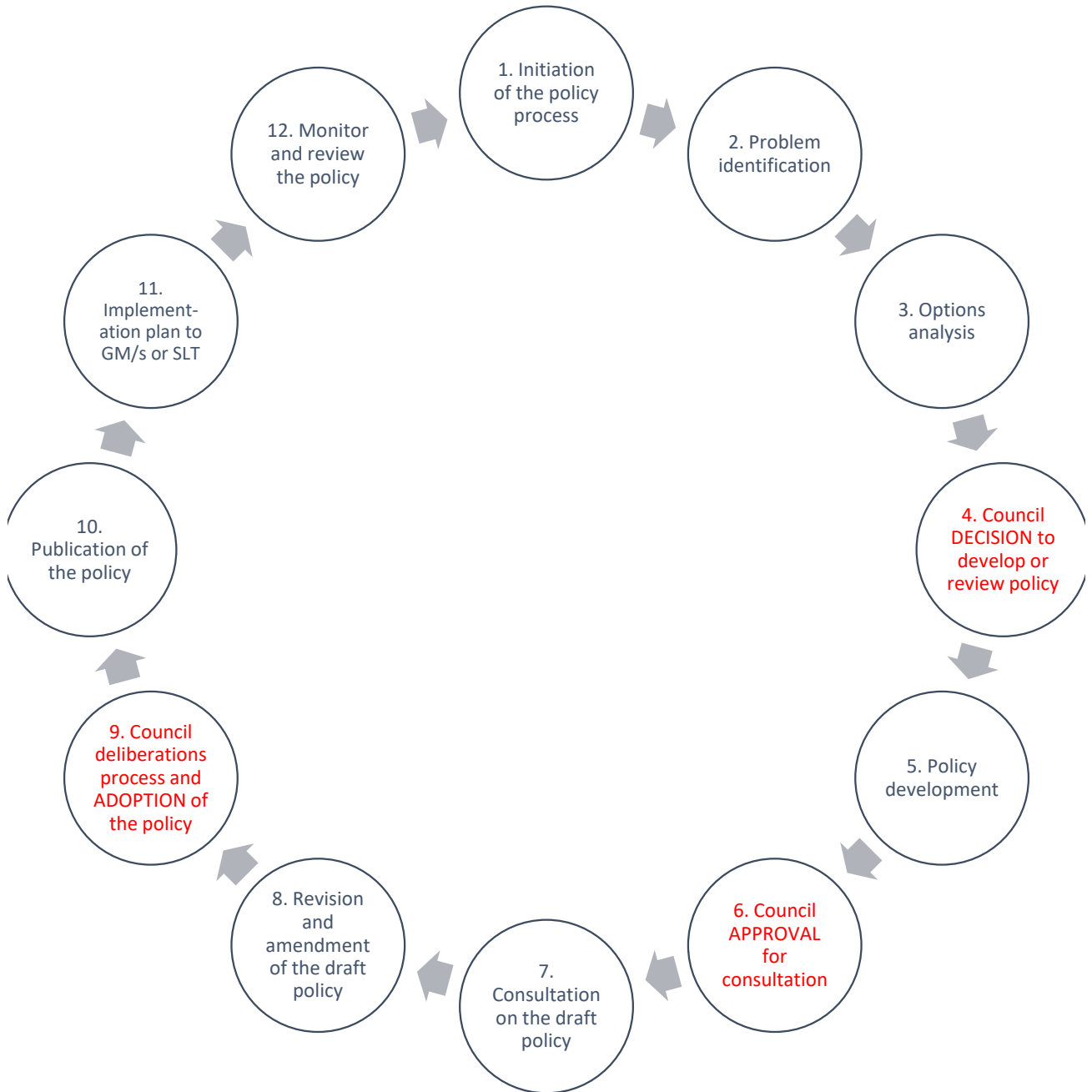
Policy/ Bylaw	Mandatory Yes/No	Date adopted	Review date				Notes
			23/24 Year3	24/25 Year 1	25/26 Year2	26/27 Year 3	
Policies							
Auahi Kore Smokefree and Vapefree Policy	No	2020					Incorporated into Health Promotion Policy 2024/2025
Healthy Beverage Policy	No	2017					
Sun Protection Policy	No	2010					
Class 4 Gaming Venues Policy	Yes	2023					Not due for review
NZ Racing Board Venue Policy	Yes	2023					Not due for review
Dangerous and Insanitary Buildings Policy	Yes	2006					
Dog Control Policy	Yes	2024					Specific review of Linklater Park provisions planned
International Relations Policy	No	2019					Due for review
Local Alcohol Policy	No	2021 (provisional)					Provisional LAP on hold pending ARLA response

Policy/ Bylaw	Mandatory Yes/No	Date adopted	Review date				Notes
			23/24 Year3	24/25 Year 1	25/26 Year2	26/27 Year 3	
Local Approved Products Policy	No	2023					Not due for review
(Draft) Food Security and Resilience Policy	No	will be 2025					Development in process
Naming Rights for Council-owned Recreational Facilities Policy	No	2001					Review underway
Reserve and Walkway Naming Policy	No	2009					
Play Policy	No	2021					
Policy for the Use of Public Space	No	2019					Review alongside Signs bylaw
Pressure Sewer Systems Policy	No	2018					
Street Naming and Numbering Policy	No	2012					Review underway
Support and Funding Policy	No	2022					Update only 2024/2025
Waste Management and Minimisation Plan	Yes	2024					

Bylaws							
Alcohol Control Bylaw	No	2015					Due for review
Animals and Bees Bylaw	No	2024					
Cemeteries and Crematorium Bylaw	Yes	2018 (2020)					Amended in 2020
Dog Control Bylaw	Yes	2019					
Signs and Use of Public Places Bylaw	No	2015 (2019)					Under review - alongside Use of public space policy
Speed Limits Bylaw	Yes	2020					Being replaced by Speed Management Plan
Stormwater Drainage Bylaw	No	2022					
Trade Waste Bylaw	No	2022					
Traffic and Parking Bylaw	No	2018 (2023)					Amendment (street racers) completed 2023 Due for review
Waste Management and Minimisation Bylaw	No	2016					Follows WMMP
Wastewater Bylaw	No	2019					

Water Supply Bylaw	No	2023					
Other policy development							
(Draft) Public Art Policy	No	NA					Development paused (SLT) following elected member workshop and drafting

Policy process



MEMORANDUM

TO: Strategy & Finance Committee

MEETING DATE: 13 November 2024

TITLE: Small vehicle fleet ownership and long-term lease investigation results

PRESENTED BY: Cameron McKay, General Manager Corporate Services

APPROVED BY: Waid Crockett, Chief Executive

RECOMMENDATION(S) TO STRATEGY & FINANCE COMMITTEE

1. That the Committee note the advice that Council continues to own its own small vehicle fleet.

1. ISSUE

- 1.1 Council resolved in November 2023 (193.3-23) to investigate options to transition out of small vehicle fleet ownership and long-term lease, with a view to utilisation of a carshare or similar services from Financial Year 2027 onwards.
- 1.2 This memorandum summarises that investigation.

2. BACKGROUND

Council small vehicle fleet

- 2.1 The current fleet is made up of 173 vehicles, of which 45 are classified as passenger vehicles, 64 as heavy and 64 as commercial vehicles. Passenger vehicles can then be further categorised according to the table below.

Table 1: Small vehicle breakdown

Vehicle type	Senior Leadership Team/ Mayor	Kitted with specific work-related equipment	Located at remote sites	Pool vehicles based at Central Administration Building	Pool vehicles based at Depot
Number of vehicles	6	18	3	14	4

2.2 The focus of the memorandum is the 18 pool vehicles which Officers consider are suitable for the operation of a Movement as a Service (MaaS) type solution. The remaining small fleet has not been included as they are kitted with specialised equipment or used in a manner not suitable for a MaaS solution.

3. OPTIONS- DEFINITIONS

Continued ownership model

Council purchasing, operating and selling passenger vehicles for organisational use. Efficiency savings may be possible with hybrid/electric options or fleet rationalisation.

Lease

Transition away from ownership to a lease option with vehicles owned by a third party who would take responsibility for purchasing, maintenance and disposal of passenger vehicles. Operational costs would remain the same.

Movement as a Service (MaaS)

Transition to a MaaS or on-demand service where vehicles would be made available to staff on an 'as needed' basis through subscription to a specific service, most likely through a mobile phone app. Ownership costs would be eliminated in exchange for a reduction in ease of access and increased operational costs. There is potential for co-benefits depending on the details of the service selected.

4. OPTIONS- DISCUSSION

Lease vs. ownership

4.1 A comparison of four-year lease costs carried out by Carbn Asset Management (as at September 2023; see Attachment 1), taking into account depreciation considerations against lease payments, found that vehicle ownership is approximately \$2000 cheaper than an equivalent lease arrangement per vehicle. Due to Council being able to access All of Government pricing, savings would increase by a further \$850 per vehicle (based on BYD Atto 3 passenger vehicle).

4.2 Outside of the purchase price savings, other factors have been considered by Officers:

Pros

- A fixed term lease arrangement eliminates unknowns around future sales price, cost fluctuations and interest rates/depreciation.
- Replacements can be timed to take advantage of new or emerging technology (assuming this is available in the lease market).
 - There is potential to consider a mixed ownership model, where the organisation would take on a portion of the lease whilst a staff member would take on the remainder.

Cons

- Costs are transferred from debt funded CAPEX to rate funded OPEX for new vehicles. Renewals are rates funded over 3 years, however Council would lose the benefit of being able to stretch the renewal interval if desired.
- Loss of control of costs and possible termination costs if the fleet size needs to shrink.
- Lease pricing misses the opportunity to access the benefits of All of Government pricing when purchasing vehicles.
- Lease pricing takes into account financing costs whereas Council has much lower borrowing rates than lease companies are likely to achieve.
- Relies on the ongoing viability of the service provider.
- Leased vehicles often have mileage restrictions, leading to fees if exceeded, and where usage is lower than contracted, the lease company benefits on the resale value of the vehicle.
- Modifications to the vehicle are generally not permitted.

MaaS vs. ownership

- 4.3 In this option, providers such as Mevo and Zilch could be encouraged into the city through the agreement of a contract with Council and other local organisations/businesses. They would then provide access to a fleet of electric vehicles through a mobile phone app in a similar way to the e-scooters currently in operation in the City.
- 4.4 In the 12-month period ending 31 July 2024, the 18 passenger vehicles in the pool fleet were in operation (drive time) for 15,404 hours. Fleet operational costs include fuel Road User Charges, servicing etc. as well as the cost of vehicle purchase spread across a 4-year period. Total fleet (current hybrid fleet) operational costs have been equated to \$124,763 per year.
- 4.5 The table below compares operational costs against Mevo and Zilch subscriptions for 18 vehicles per annum. It should be noted that both Mevo and Zilch services charge for a variety of issues including cleaning costs, cancellation costs, access card replacement, failure to plug in a car on return, etc. This has been assumed at \$50 per vehicle per year for the purposes of this calculation. It is also worth noting that the MaaS providers have a minimum hourly usage charge of 1 hour, whereas the base usage of the current fleet in 2023/24 was actual hours used, rather than hourly rounding.

Table 2: Annual operational costs comparison

Vehicle Type	Ownership	Lease	Mevo Subscribe	Mevo Hourly	Zilch
BYD Atto3	\$ 124,763	\$ 186,462	\$ 253,458	\$ 369,705	\$ 257,274
Variance against Ownership	0	+ \$ 61,669	+ \$ 128,695	+ \$ 244,942	+ \$ 132,511

4.6 In addition to operational cost savings, other factors have been considered by Officers:

Pros

- Eliminates the need to own and manage passenger vehicles, notably pool cars.
- Provides an incentive to reduce mileage travelled by staff.
- Reduces carbon emissions by rapidly transitioning to an all-electric fleet.
- Potentially provides a new service to city residents and visitors as vehicles will be publicly available.
- Encourages other organisations and businesses to take up MaaS options.
- Allows staff access to vehicles (at their own expense) without incurring fringe benefit tax.

Cons

- May lead to cars not being available when desired leading to a reduction in response times and could have an impact in emergencies and a stricter booking and collection requirement.
- Available vehicles may not be located at appropriate location between work sites for ease of access.
- The Mevo and Zilch subscribed options are only available between the hours of 6am and 5pm Monday to Friday.
- May require the establishment of a new system in Palmerston North potentially including creation of a 'hub' where vehicles will be based when not in use.
- Would require a behaviour change programme including staff training and a period of user support.
- Increased administrative burden, including providing a support service to users.
- Potential for fines due to breach of terms and conditions.
- Relies on the ongoing viability of the service provider.

5. SUMMARY ANALYSIS

- 5.1 Fleet ownership by the organisation remains more advantageous financially and non-financially than other lease or carshare options.
- 5.2 Officers recommend that the organisation retains the current ownership model and continues to progress electrifying the fleet where practical to minimise emissions and reduce annual operating costs.


6. NEXT STEPS

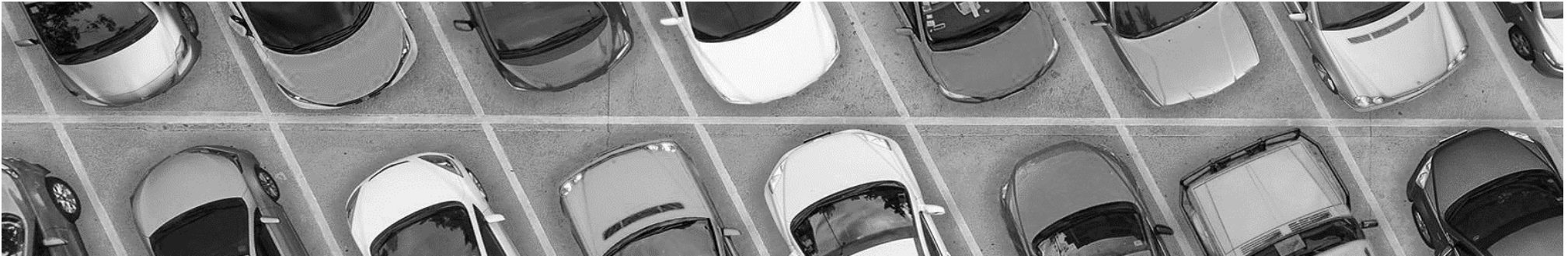
- 6.1 The Fleet and Supply Team will focus on maximising utilisation of the fleet by exploring additional pooling of vehicles to optimise the size of the fleet. This could result in a reduction of capital costs.
- 6.2 The Fleet and Supply team will continue to explore options to minimise carbon emissions and potential operating savings, such as new alternate fuel options, and monitor any future opportunities as they emerge, such as the potential of Micro vehicles.

7. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	Yes
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these objectives?	Yes
Are the recommendations inconsistent with any of Council's policies or plans?	No
The recommendations contribute to: Whāinga 4: He tāone toitū, he tāone manawaroa Goal 4: A sustainable and resilient city	
The recommendations contribute to the achievement of objective/objectives in: 10. Mahere āhuarangi hurihuri, toitūtanga 10. Climate Change and Sustainability Plan The objective is: Reduce the production of greenhouse gases from Council activities	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	Ongoing review of our practices ensures effective and efficient government.

ATTACHMENTS

1. Commissioned Fleet Audit, Optimisation and Transition Study (Carbon Asset Management) [↓](#) 



Fleet Audit, Optimisation & Transition Study

FOR

Palmerston North City Council

COMPLETED BY

ASSET MANAGEMENT

CARBN

HELPING ORGANISATIONS TRANSITION

September 2023

Executive Summary

Overview

Palmerston North City Council, (PNCC), is actively seeking to reduce emissions from their light vehicle fleet in alignment with the Carbon Neutral Government Programme (CNGP). To support this initiative, Carbn Asset Management (Carbn), have been engaged to review the current fleet operation and assist with the development of an emission reduction plan.

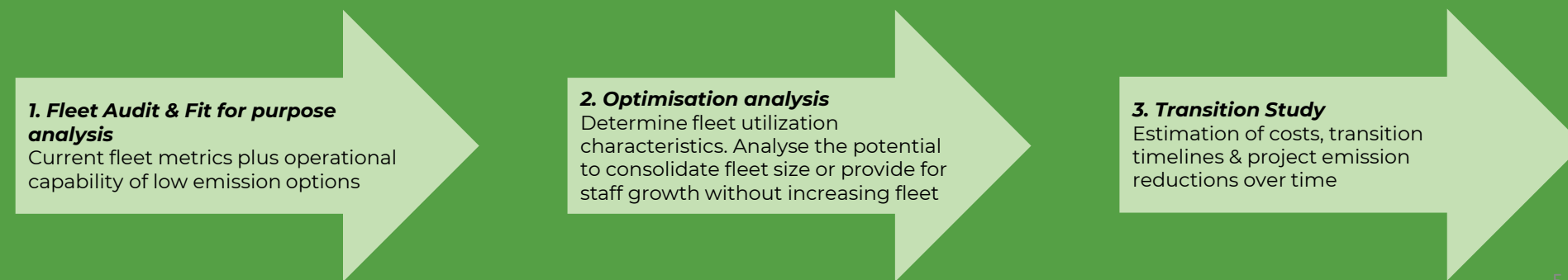
Carbn are fleet transition specialists with significant experience and expertise from within the fleet management, leasing, electrification, and car share sectors, with a forward-thinking approach to new technology & rapidly evolving fleet propulsion options.

Purpose

PNCC share the same service delivery profile as other Councils who operate in the natural environment, often dealing with adverse conditions and responding to severe weather events. The profile of the fleet reflects these needs with a heavy weighting of utilities. In the short term this presents a challenge for PNCC through a lack of direct low emission alternative vehicle options, however we have outlined areas where further progress can be made. The purpose of this document, therefore, is to illustrate the findings of our review and offer practical recommendations that consider PNCC's need to maintain operational effectiveness and provide uncompromised services to the community, while at same time continuing the journey to zero emissions.

Scope

The scope of this project was based on review and recommendations divided into the following 3 broad workstreams;



Exec Summary – continued..

Progress to Date

The historical makeup of the PNCC light vehicle fleet is typical of most councils, being predominantly internal combustion engine (ICE) vehicles, with a focus on fit for purpose due to the nature of service delivery.

Over the last 12 months however, PNCC have advanced their fleet sustainability aspirations and have made significant progress in positioning the fleet for transitioning to low emission vehicles. Some of these initiatives include:

- Installation of Argus GPS to the fleet, completed in August 2022
- Implementation of the Fleetwise Pool Vehicle Booking System (PVBS) early 2023
- Introduction of 9 x EV's into the fleet – a mix of Hyundai Ionic and Kona
- Installation of 14 onsite EV chargers at the CAB underground carpark
- Vehicle use designations for specific vehicle models i.e. intown / out of town

These initiatives have created a solid platform for a scalable transition as they provide 'real time' opportunities to change behaviours, assess and compare fit-for-purpose, adapt to operational requirements and understand the true cost.

Accelerating the Transition

We believe the following high-level recommendations will assist to accelerate the transition.

- **Optimisation** – Average overall fleet utilisation is low (11,000 km p/a), with 17 vehicles averaging under 5,000 kms p/a. We believe that there is potential to reduce between **2 & 4 vehicles** from the CAB pool, as well as **1 vehicle** from the Depot pool based on their utilisation and proximity to another bookable unit. These reductions could be further increased through more efficient use of the booking system (to reduce booking events not actioned), and by increasing the pool fleet at the CAB pool and opening access to the Fleetwise pool booking system across the individual departments – particularly for those currently operating a single vehicle.
- **Power** – Short to medium term recommendations are based on the introduction of Hybrid (non-plug-in) utilities. Ultimately however, PNCC will need to plan for a conversion to BEV utilities as viable options become available. This will require a more in-depth investigation into power supply available to support charging based on location of vehicles



Exec Summary – continued..

Utilities – The Emission Reduction Challenge

PNCC services an area of 43,129 hectares from 2 primary locations, utilising a passenger and light commercial vehicle fleet of 110 vehicles, 59% of which are utilities or vans. This presents the most significant challenge to emission reduction in the short term

Through our stakeholder engagement, opinion suggests that the utility configuration is critical to PNCC's service delivery needs. Replacement with an alternative style of vehicle is therefore impractical for the vast majority of current internal combustion engine (ICE) utilities.

Recommended Pathway

Due to the absence of *suitable* zero emission utility alternative in the NZ market at the time of this review, emission reduction estimations contained within this report are based on the following steps:

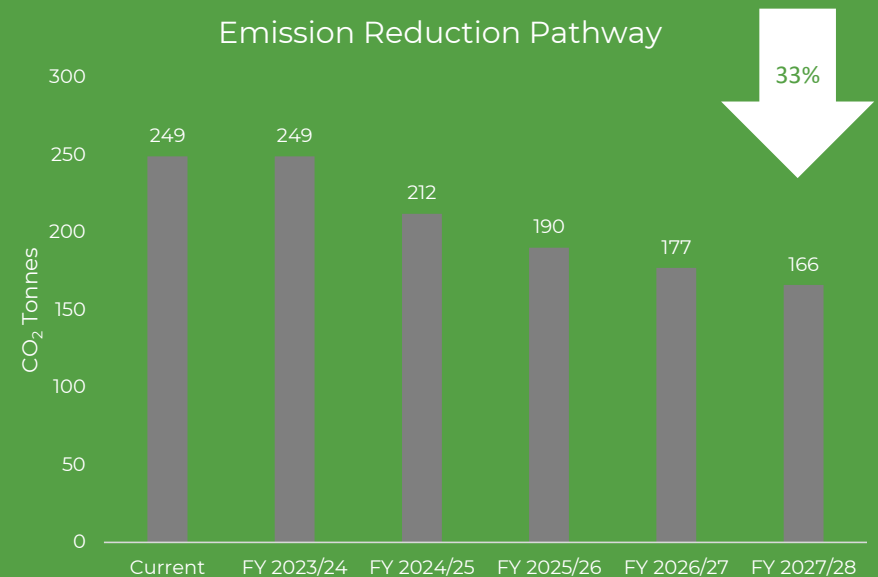
- Replacing current Utilities with Hybrid Utilities (arriving late 2024) estimating a cost increase of 20% and a CO2 reduction of 30% over the ICE equivalent. Costs calculations include an estimated 5% sale premium over ICE at end of term.
- Continue the uptake of Battery Electric Vehicles (BEVs) into the passenger portion of the fleet as budget allows
- Encouraging Exec to further demonstrate leadership through the adoption of BEVs as driver choice vehicles.

It is important to note however, that innovations in the low emission utility space are not far away. We are aware of a significant manufacturer potentially introducing a PHEV utility midway through 2024 and the potential for a BEV utility in 2025.

Carbn is happy to keep PNCC updated in this area of market intelligence as news comes to hand, as these developments will ultimately be the key to PNCC's eventually eliminating fleet emissions.

“The Big Picture”

Emission Reduction Pathway

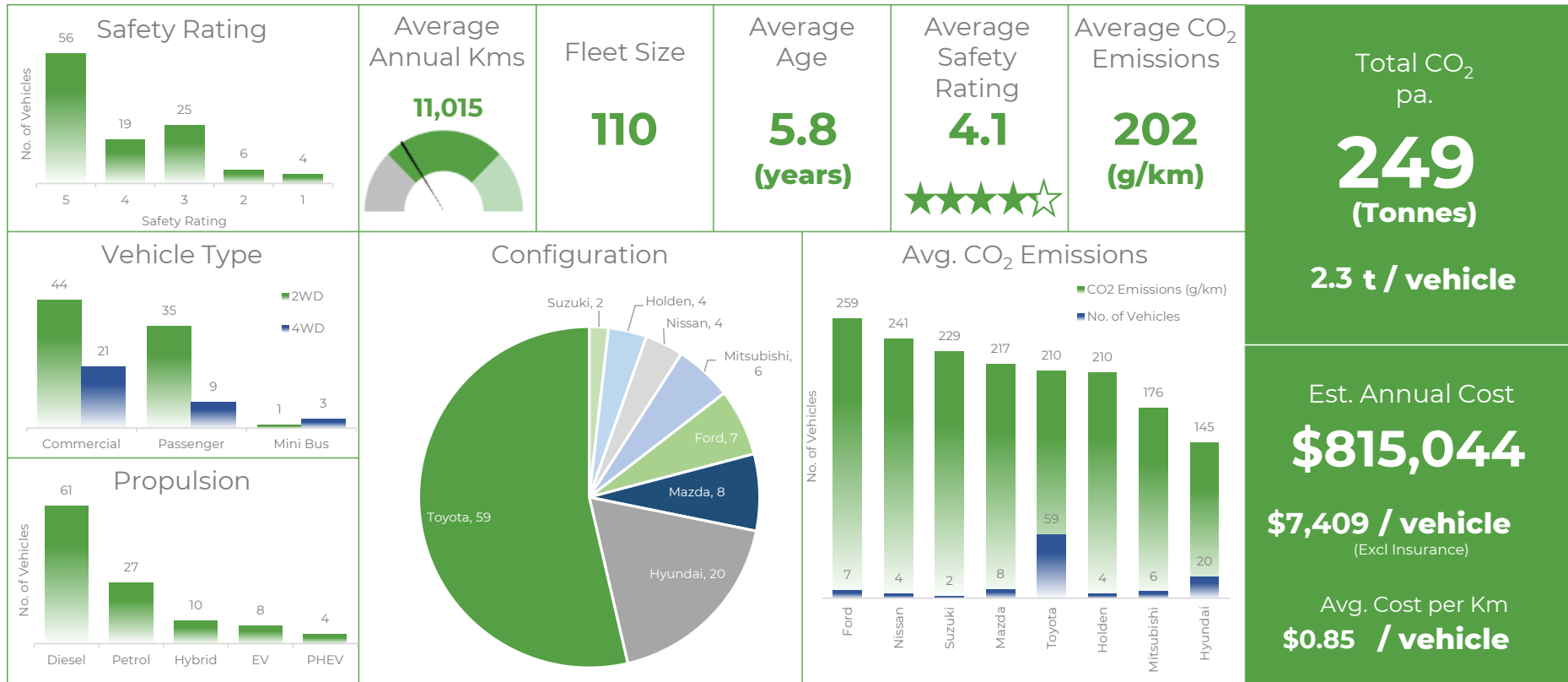


Should PNCC adopt the recommended pathway of replacing the existing ICE utilities with the hybrid utility, we estimate a 33% reduction on current output by 27/28 FYE. Based on WLTP emission ratings for current vehicles and estimated ratings for Hybrid Utilities.

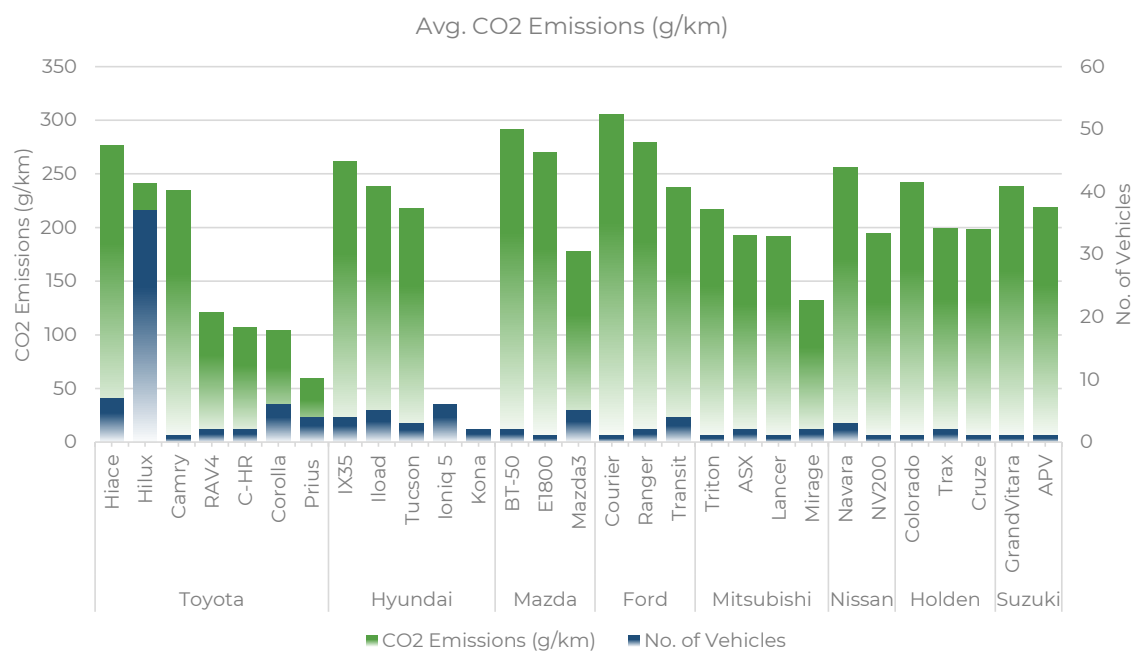
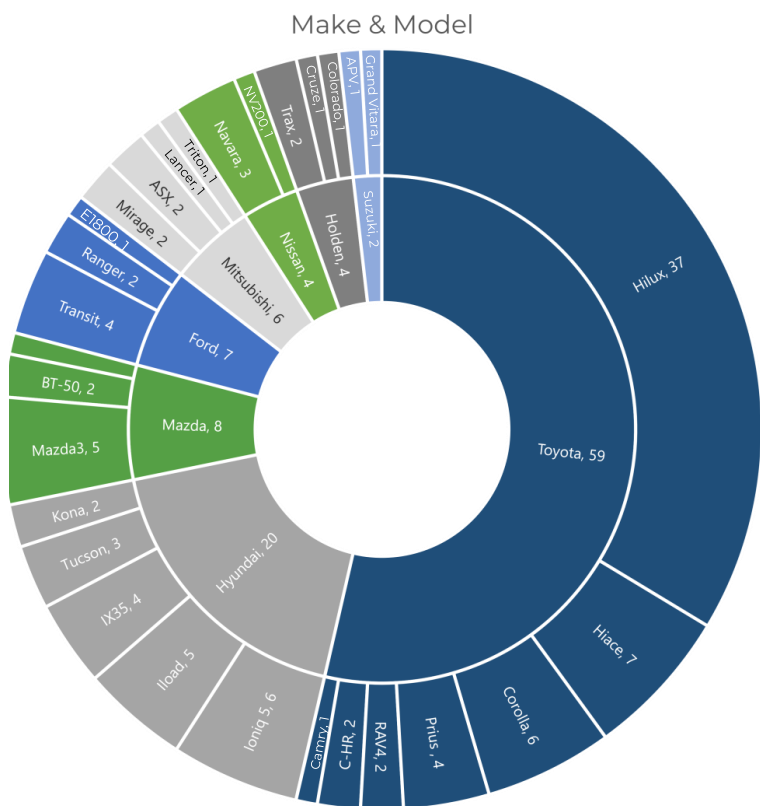
1. Fleet Audit and Fit For Purpose Analysis

- Fleet Dashboard
- Fleet Composition
- Fleet Safety Rating
- Allocation of Vehicles within the fleet
- Annual Kms
- Whole of Fleet Co2 Ratings





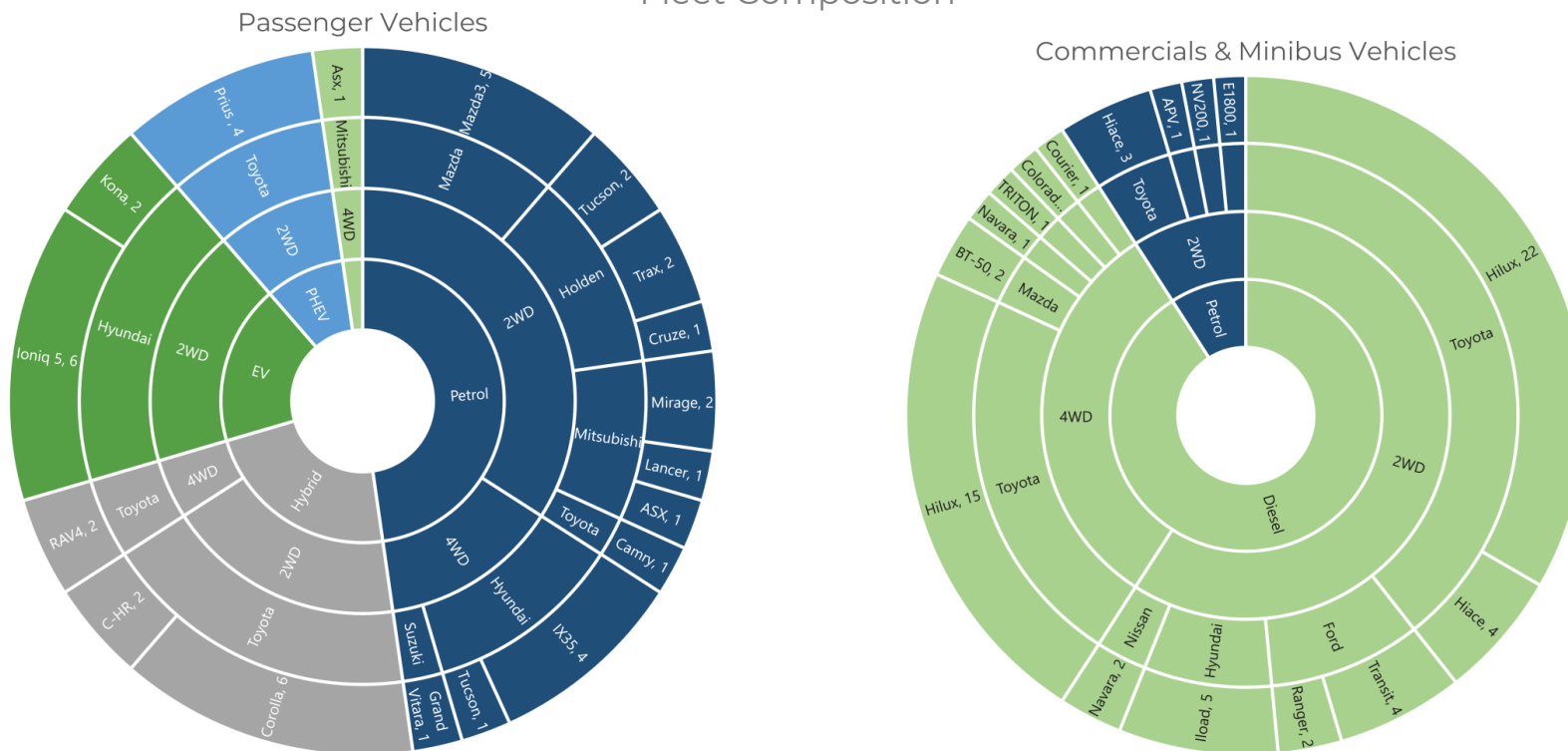
Fleet Composition



Toyota holds the dominant position in the fleet, comprising 54% of the total fleet, while Hyundai accounts for 18%. The remaining 28% is made up of six other vehicle makes. Among the fleet, 33% (37 vehicles) are Toyota Hilux models, with the remaining 73 vehicles representing 28 different makes and models.

Average fleet CO₂ emission is 202g/km. Ford stands out with the highest average CO₂ emissions per vehicle, measuring 259 g/km across its 7 vehicles, the Ford Courier records the highest CO₂ emissions at 305 g/km but is only 1 vehicle. With the presence of 37 Toyota Hilux vehicles in

Fleet Composition

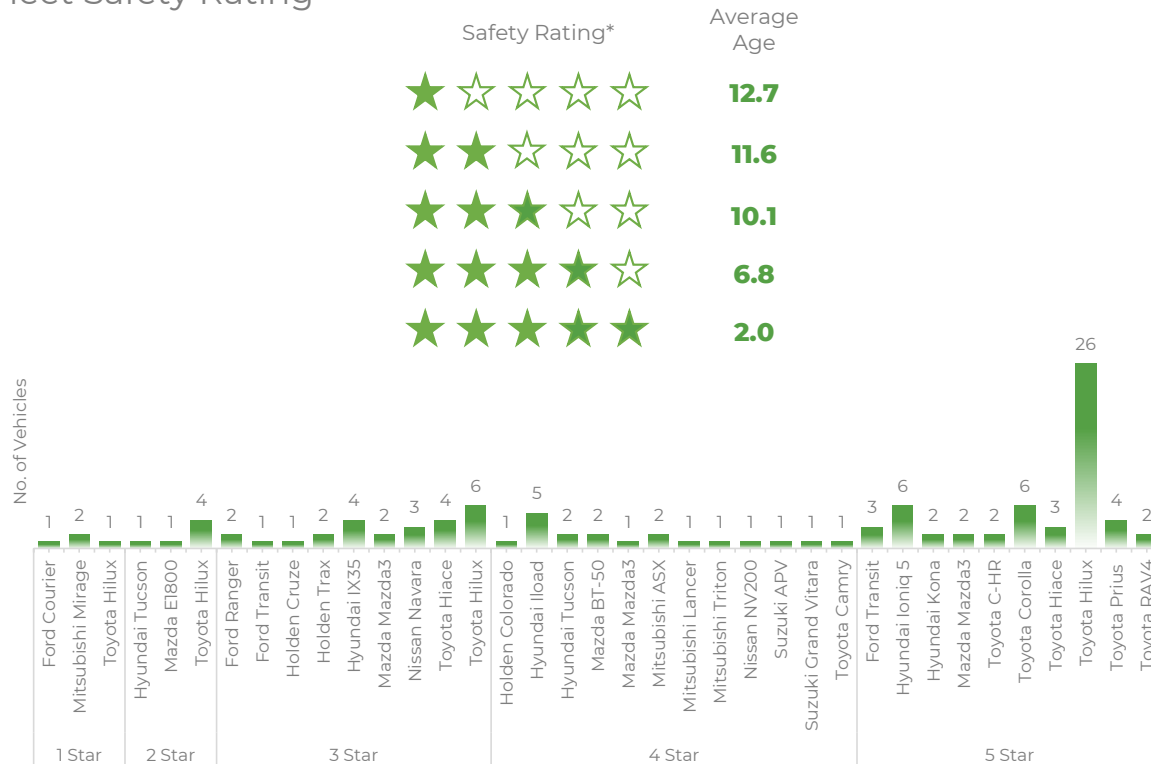
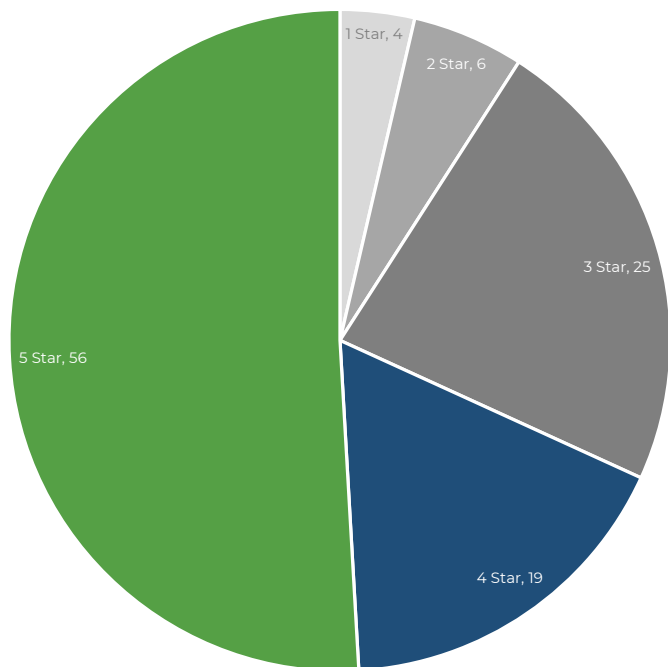


There are a combined 110 vehicles in this fleet, comprising 44 passenger vehicles and 66 commercial vehicles.

Among the passenger vehicles, 11% (5 vehicles) are equipped with 4WD, and the most prevalent fuel type is petrol, accounting for 47% (21 vehicles) of the passenger vehicle segment. Within the commercial vehicle category, 32% are 4WD (21 vehicles), and diesel stands as the dominant fuel type, representing a significant 90% (60 vehicles) of this category. In the minibus category, we have a single Ford Transit van.

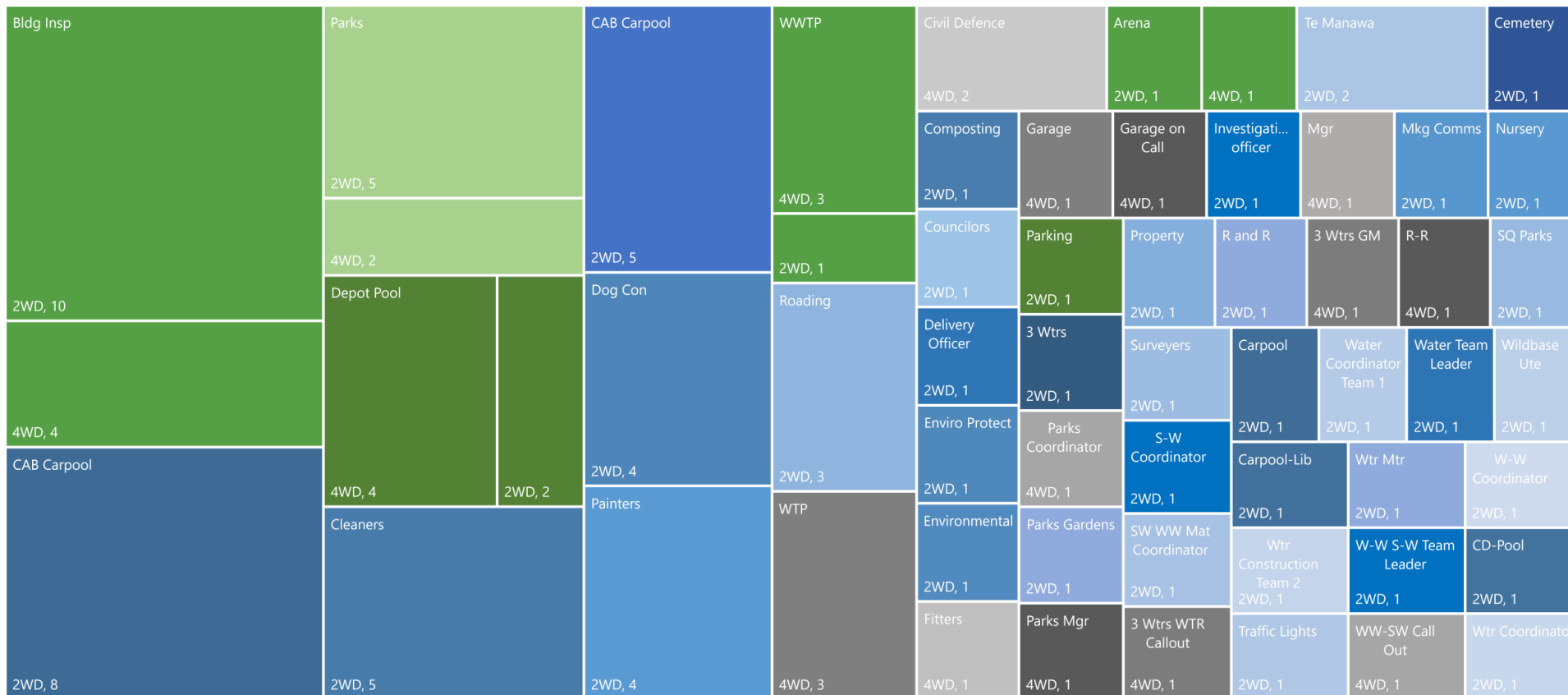
There are a total of 9 EVs, all in the passenger category.

Fleet Safety Rating

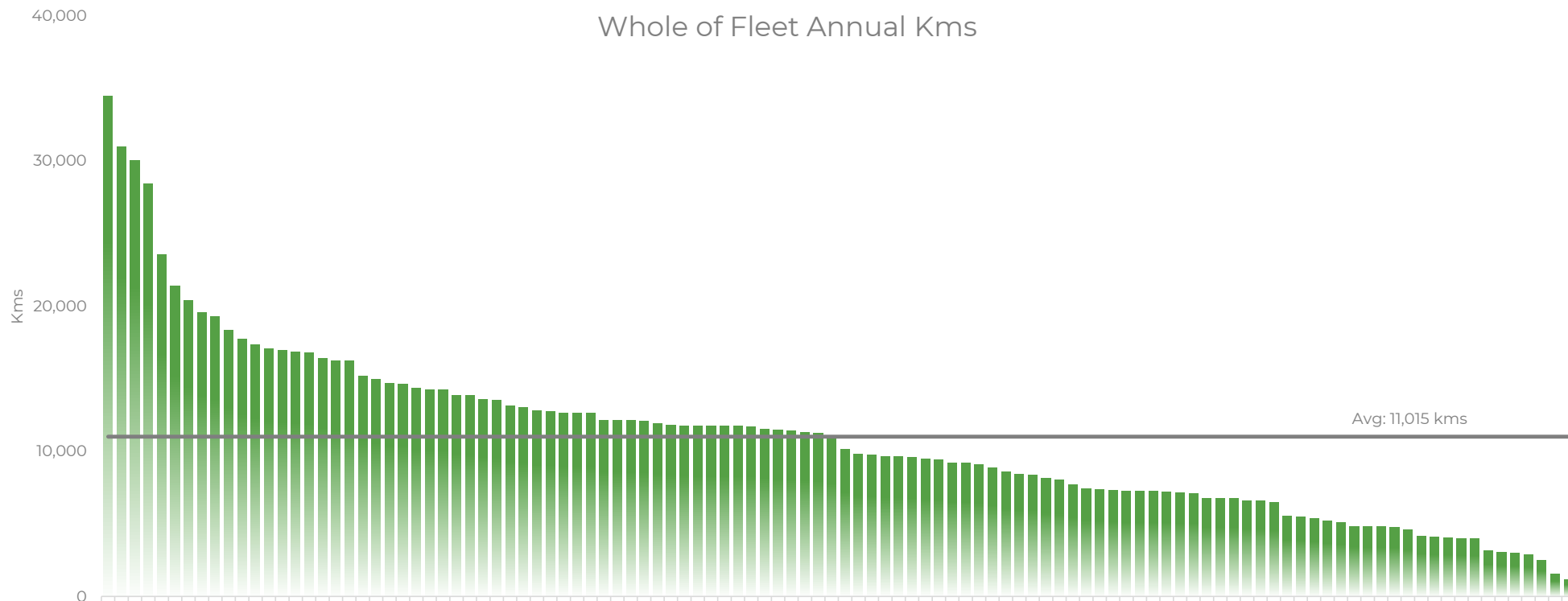
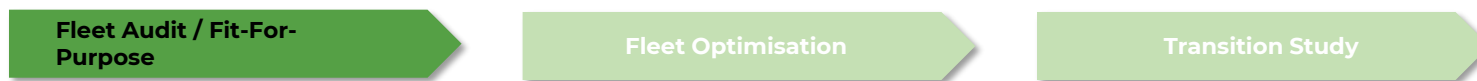


The safety ratings are Australasian New Car Assessment Program (ANCAP), Used Car Safety Rating (UCSR) for used vehicles already in the market. Vehicles Safety Risk Ratings (VSRR) is used where there are too few of these vehicles currently being driven to provide enough crash and injury data – in this case, the rating is based on the average rating of similar vehicles from the same year of manufacture.

Vehicle Allocation by Vehicle 2WD/4WD/Department



These graphs depict how vehicles are distributed based on whether they are 2WD or 4WD. The Building Inspection pool boasts the most extensive fleet, consisting of 14 vehicles, all of which are 2WD. Conversely, the Depot pool has the highest count of 4WD vehicles, totalling 4 in number.



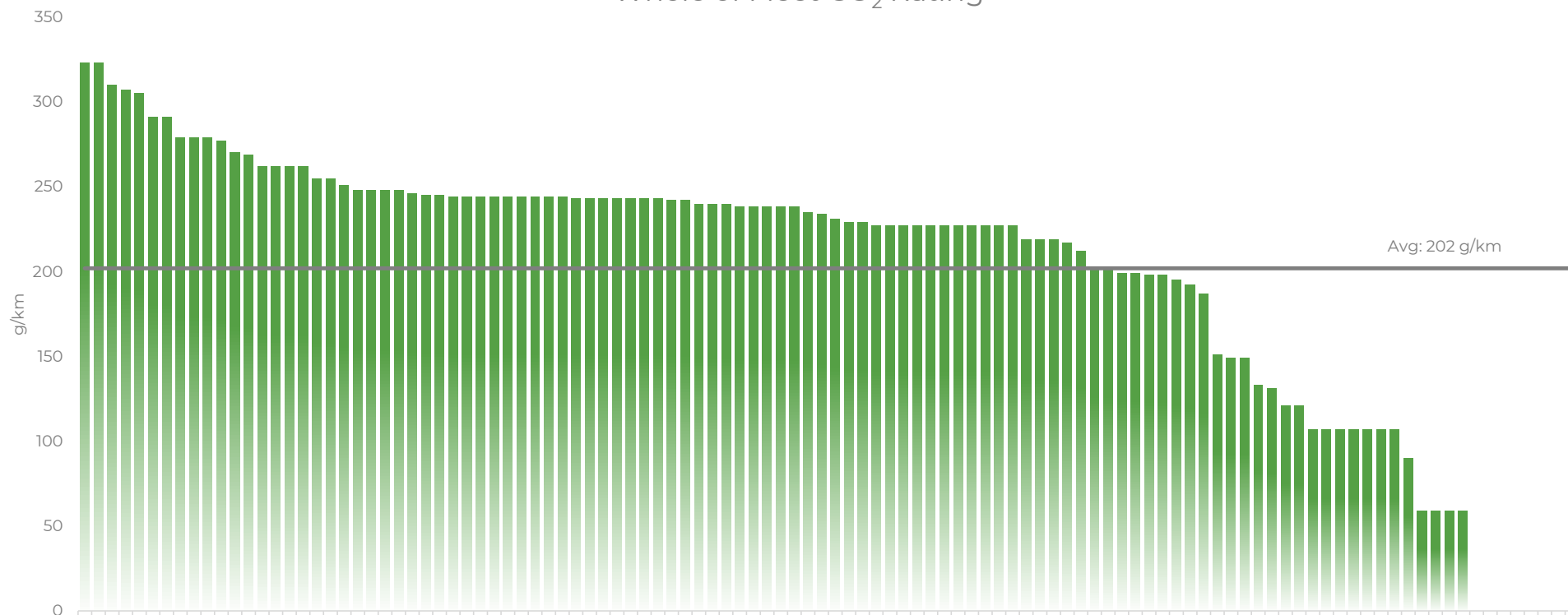
Average utilisation is 11,015 kms pa. or 44 kms per day based on 248 working days in 2023. However, there are 55 vehicles (50%) traveling under 40 kms per day. There is an opportunity to investigate these vehicles that are significantly below the fleet average to understand the criticality of use and to determine if there are another way to meet the mobility needs for these drivers. A reduction in fleet numbers will assist with creating of budgetary headroom to allow for further investment into LEVs and the supporting charging infrastructure.

Fleet Audit / Fit-For-Purpose

Fleet Optimisation

Transition Study

Whole of Fleet CO₂ Rating



The average CO₂ rating across the fleet is 202 g/km.

The top 10 vehicles with the lowest CO₂ emission ratings consist of EVs & PHEVs (Plug-in Hybrid Electric Vehicles), this rating is on the basis that the PHEVs regularly charged allowing drivers to use the battery propulsion frequently. Approximately 69% of all vehicles have CO₂ ratings higher than the average.

2. Optimisation Analysis

This section illustrates the utilisation of the PNCC passenger and light commercial fleet using 6 months of GPS data obtained from Argus for the period January '23 – July '23.

GPS analysis includes:

- KM's Travelled
- EV Viability
- Trips per day
- A summary of your three biggest departments

Cost Analysis

- Cost per Km
- Total cost of ownership (TCO) comparisons
- Replacement Schedule
- Projected Cost Estimate

Booking Analysis

- Booking Summary
- Booking Analysis
- Vehicles Utilisation

Stakeholder Engagement

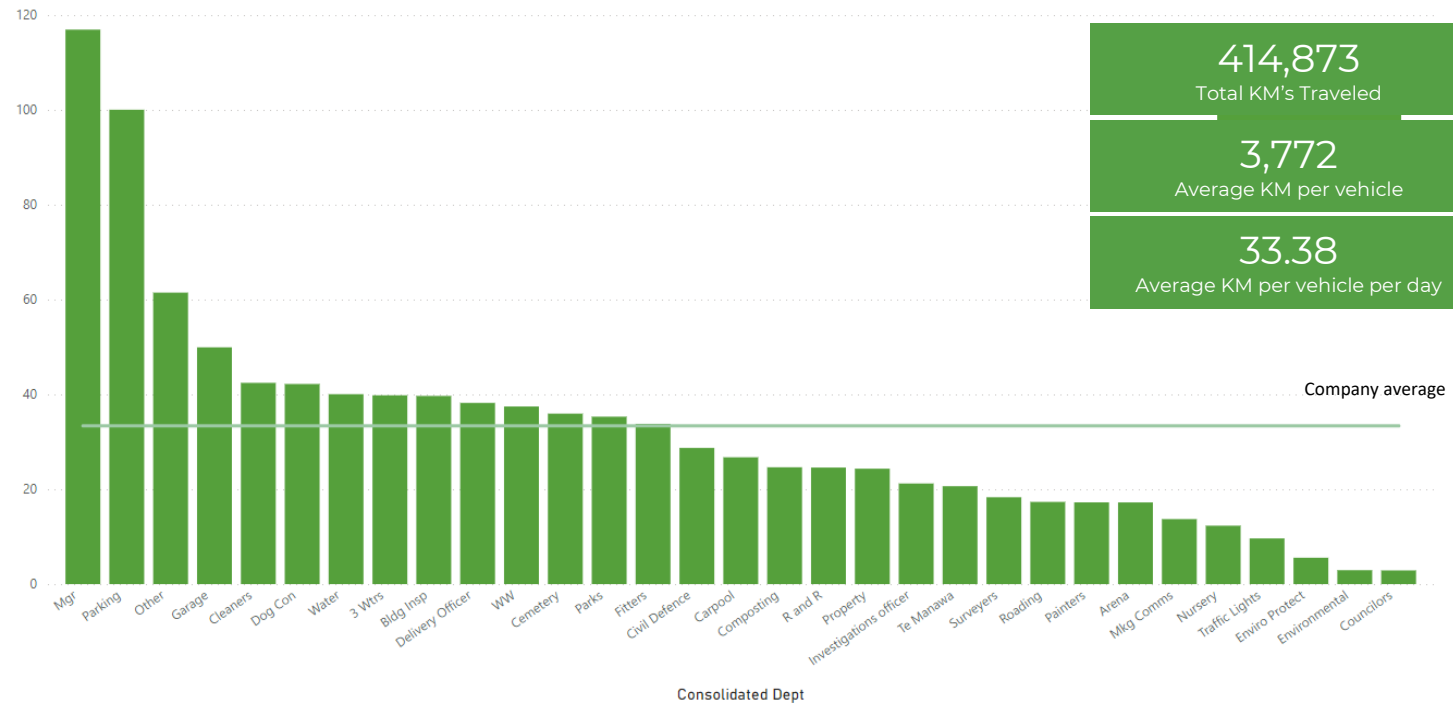
- Fit-for purpose understanding

Findings:

- Utilisation for 17 vehicles is very low
- Allocation of vehicles to individual departments is inefficient. If possible, look to centralise access to a larger central pool
- Concurrent use analysis suggests that there is a potential opportunity to rationalise the pool fleets
- At an average of under 35 kms per day, virtually all vehicles are travelling within a typical EV range
- Concurrent use analysis suggests that up to 2 vehicles could be removed from the main pool fleet (seasonal variations need to be considered)

Consolidated Dept	Vehicle Count
3 Wtrs	3
Arena	2
Bldg Insp	14
Carpool	22
Cemetery	1
Civil Defence	2
Cleaners	5
Composting	1
Councilors	1
Delivery Officer	1
Dog Con	4
Enviro Protect	1
Environmental	1
Fitters	1
Garage	2
Investigations officer	1
Mgr	1
Mkg Comms	1
Nursery	1
Other	2
Painters	4
Parking	1
Parks	11
Property	1
R and R	2
Roading	3
Surveyors	1
Te Manawa	2
Traffic Lights	1
Water	6
WW	11
Total	110

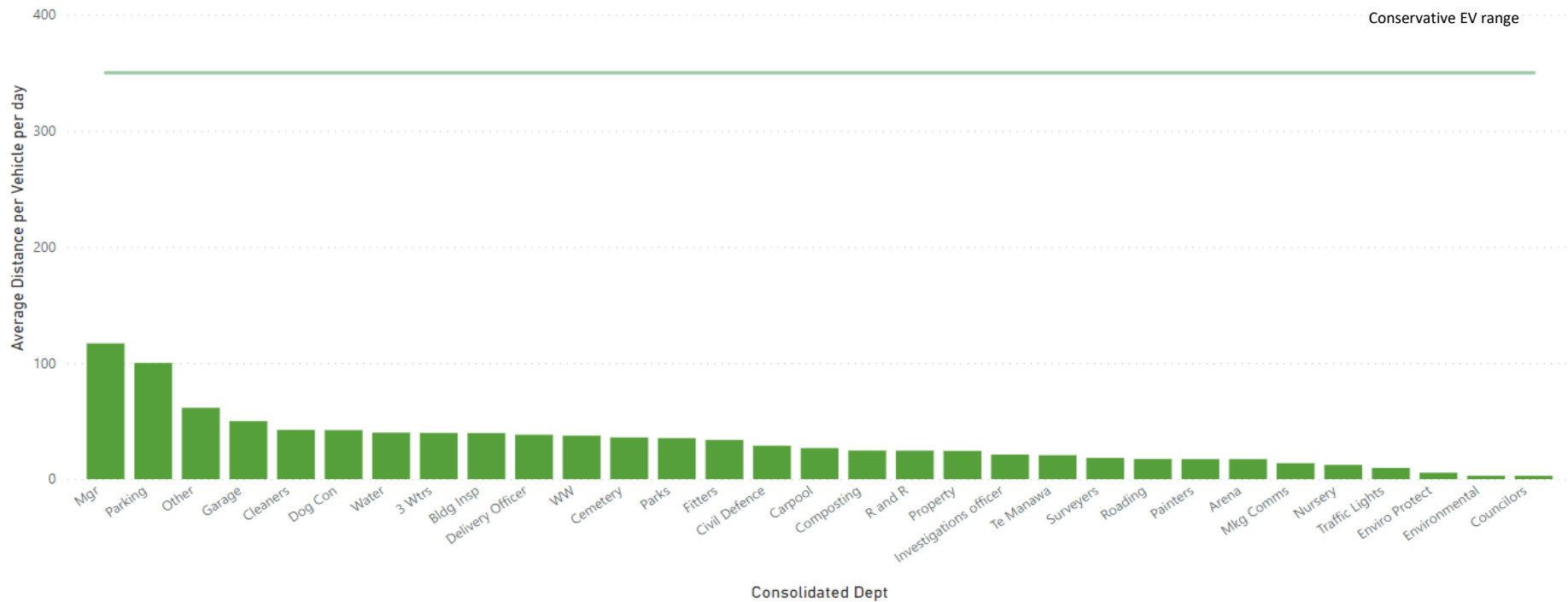
KM's Traveled - Per day average per department



This slide illustrates the kilometres traveled and vehicle count per department.

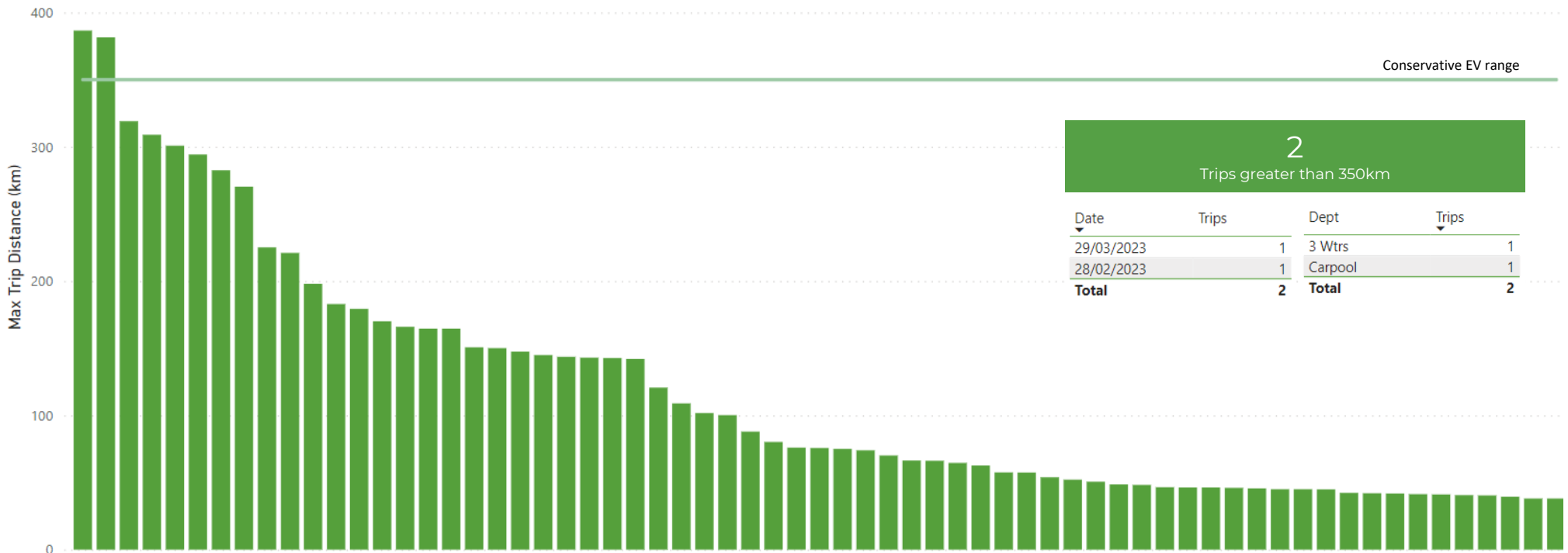
The graph compares the daily average travel per vehicle for each department to the overall average travel for the Council. We have also included the vehicle count for reference to give further perspective to utilization.

EV Viability - Per day average against conservative EV range



This graph compares the daily average distance traveled per vehicle for each department with a conservative EV range of 350km. On average, no department comes close to reaching the EV range daily therefore typically, vehicles would need to be charged every 3-4 days.

EV Viability - Max trip distance per vehicle against conservative EV range



2
Trips greater than 350km

Date	Trips	Dept	Trips
29/03/2023	1	3 Wtrs	1
28/02/2023	1	Carpool	1
Total	2	Total	2

This graph compares the maximum trip distance taken per vehicle with a conservative EV range of 350km.

Two vehicles completed trips that exceeded the EV range and would have required charging stops during their travel. The tables provide the dates of these trips and the respective departments.

Fleet Audit / Fit-For-Purpose

Fleet Optimisation

Transition Study

Trips per Day – Average per vehicle per day



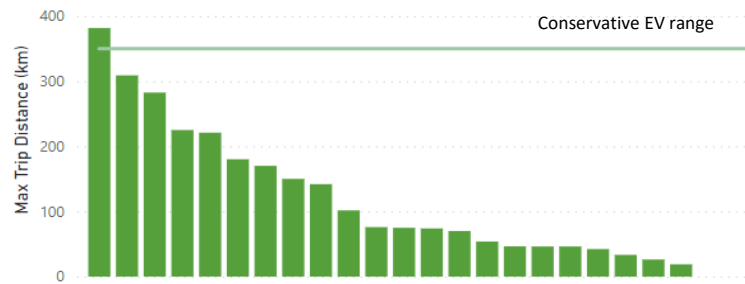
Department	Vehicle Count
Bldg Insp	4
Carpool	6
Civil Defence	1
Councilors	1
Enviro Protect	1
Environmental	1
Nursery	1
Painters	1
R and R	1
Total	17

This graph displays the average number of trips per day per vehicle. Company vehicles, on average, range from under 1 to 15 trips per day. Specifically, 17 vehicles in the fleet averaged under two trips per day, and the table provides the departments to which these vehicles belonged.

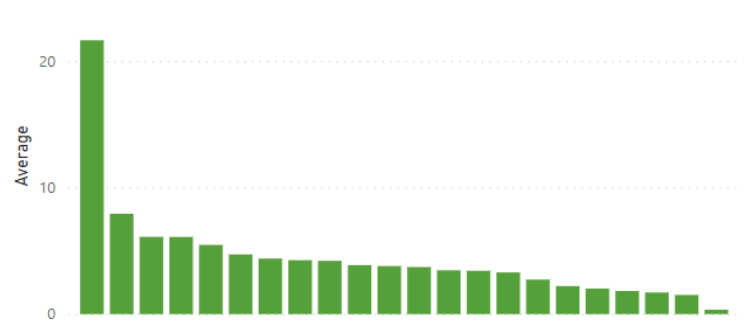
One cleaning vehicle has been excluded from this graph as it averaged 30 trips per day, making it an outlier that affected the overall data. This exceptional number of trips aligns with the vehicle's department, which likely involves multiple cleaning stops around office locations.

Carpool Summary

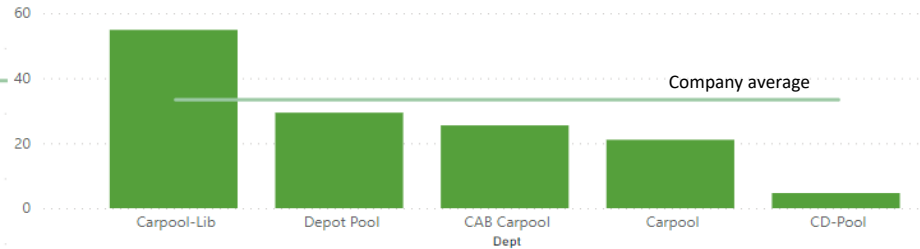
Max trip distance per vehicle



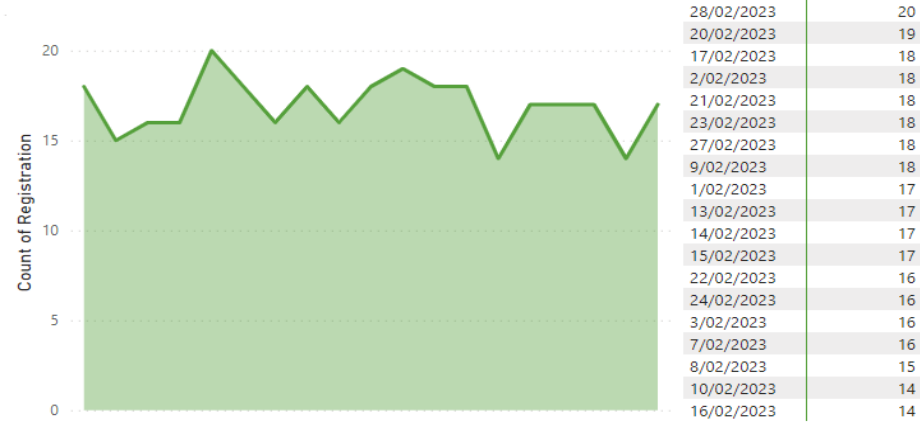
Average trips per vehicle per day



KM's traveled per day average per department vs company average



Number of vehicles that have taken trips per day in Feb



22
Vehicle Count

66,476
Total KM's Traveled

3,022
Average KM per vehicle

26.74
Average KM per vehicle per day

3.38
Average trips per vehicle per day

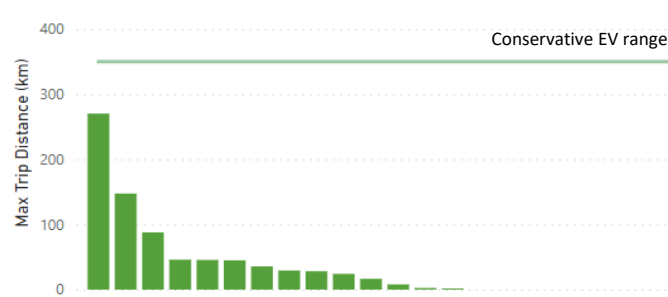
6
Vehicles with an average of under 2 trips per day

This slide provides a summary of the Carpool department based on data from previous slides, as well as insights for vehicles that have taken trips in February.

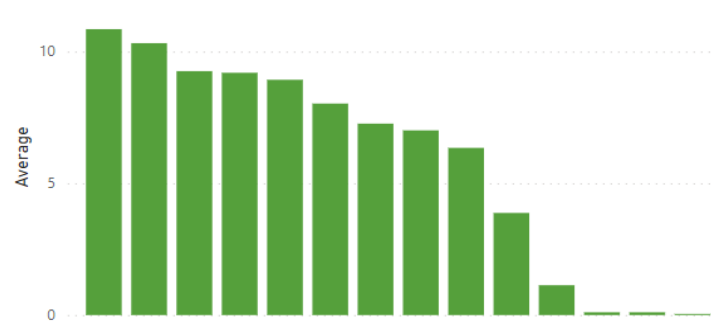
February was selected from the available data because it recorded the highest number of trips for this department. On the busiest day in February, 20 out of the department's 22 vehicles were used, suggesting a potential excess of two vehicles on high-usage days.

Building Inspections Summary

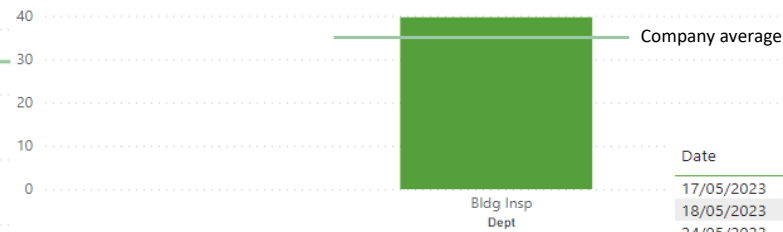
Max trip distance per vehicle



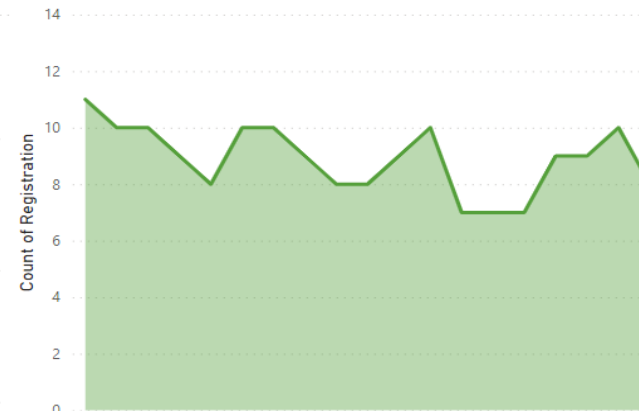
Average trips per vehicle per day



KM/s traveled per day average per department vs company average



Number of vehicles that have taken trips per day in May



Date	Vehicle Count
17/05/2023	11
18/05/2023	11
24/05/2023	11
30/05/2023	11
1/05/2023	10
2/05/2023	10
22/05/2023	10
23/05/2023	10
25/05/2023	10
26/05/2023	10
29/05/2023	10
3/05/2023	10
31/05/2023	10
5/05/2023	10
11/05/2023	9
12/05/2023	9
19/05/2023	9
4/05/2023	9
9/05/2023	9
10/05/2023	8
15/05/2023	8
16/05/2023	8
8/05/2023	8

14
Vehicle Count

62,774
Total KM's Traveled

4,484
Average KM per vehicle

39.68
Average KM per vehicle per day

5.06
Average trips per vehicle per day

4
Vehicles with an average of under 2 trips per day

This slide provides a summary of the Building Inspections department based on data from previous slides, as well as insights for vehicles that have taken trips in May.

May was selected from the available data because it recorded the highest number of trips for this department. On the busiest day in May, 11 out of the department's 14 vehicles were used, indicating a potential excess of three vehicles on high-usage days.

Booking Analysis Summary

	June - August 2023	
Current total no. of vehicles	22	
Total no. of vehicles available to book	21	
No. of vehicles which never completed a trip	1	
No. of bookings cancelled	140	13%
No. of bookings not picked up or cancelled	14	1%
No. of bookings not dropped off	5	0%
No. of completed trips	900	85%
Total no. of bookings	1059	
No. of completed trips during the weekend	6	1%
No. of completed trips during public holidays	0	0%
	7am - 5pm	
No. of booking considered completed (excls wknds and public holidays)	899	85%
No. of completed trips under 4 mins	55	6%
Trips under 4 mins - length of bookings/actual trip durations	151hrs/86mins	
Overnight bookings	44	5%
No. of bookings cancelled after the booking commenced	58	41%
Average duration of a completed trip (not including overnight trips)	2hrs	
No. of completed trips with identical drop-off & booking end time	12	1%
Utilisation based on 640 available hours per vehicle (21 vehicles = 14,080hrs)	2,719hrs/19%	
<i>Assumption - If no drop off then booking end time is assumed as the trip end time and is considered completed</i>		
Lost core hours between 7am - 5pm due to: cancelled after the fact/not cancelled or picked up/no. of trips under 4 mins*	179hrs/35hrs/16hrs	

*lost hrs of the trips under 4 mins is from the time the booking started to the time the trip ended

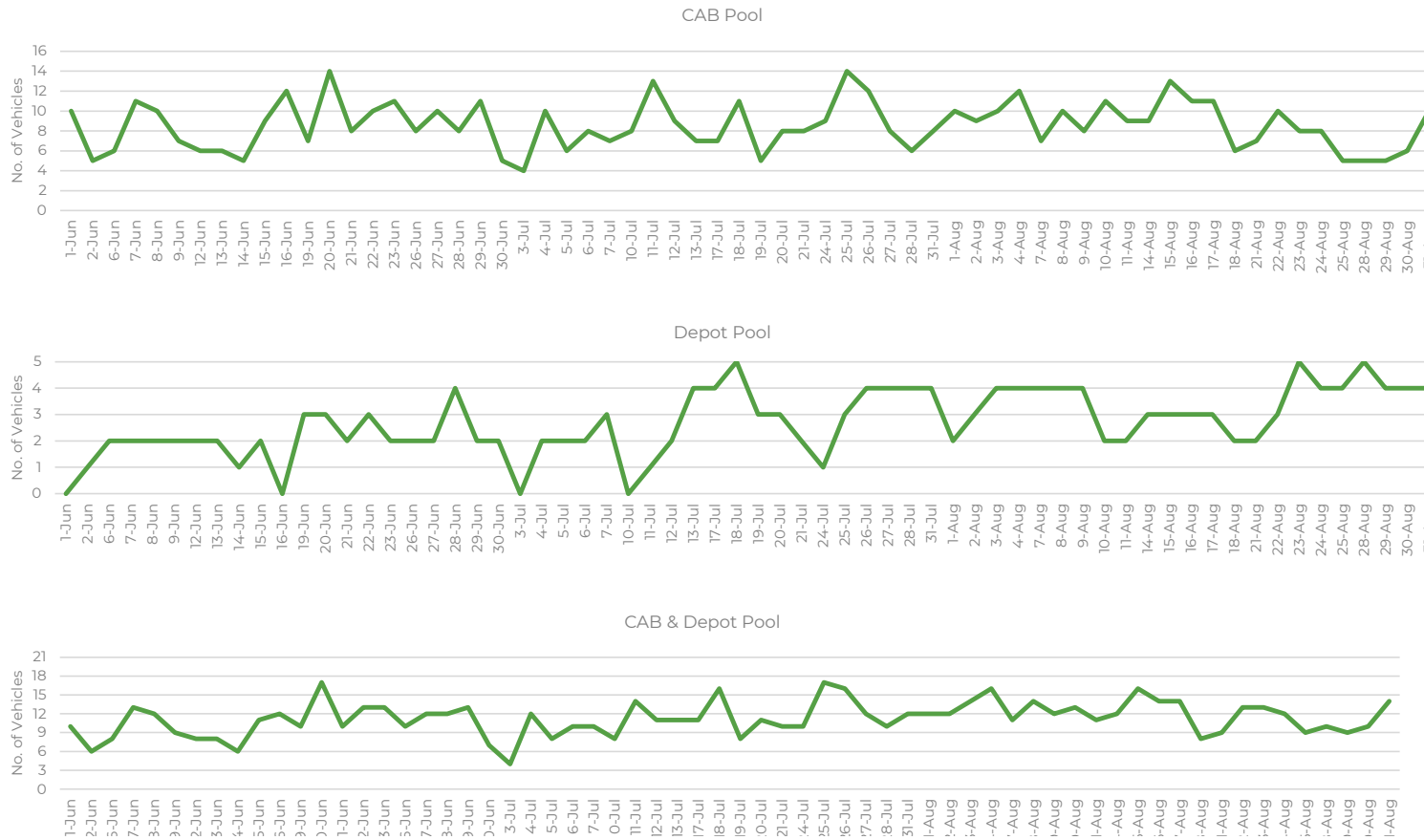
From June to August 2023, the booking system managed a fleet of 22 vehicles, with 5 in the Depot pool and 17 in the CAB pool. It's worth noting that one vehicle in the CAB pool, identified as MBL396, was designated as "Private." Consequently, only individuals with authorized access could book this vehicle. Over the course of the three-month period, only two bookings were made for MBL396, both of which were ultimately cancelled. Therefore, for analytical purposes, this vehicle is excluded from our analysis.

During June to August 2023, there were 64 working days, and the core operational hours spanned from 7am to 5pm. Throughout this three-month period, there was a total of 14,080 working hours within these core hours. Out of the 21 vehicles included in our analysis, they were utilised for a combined total of 2,719 hours, which represents 19% utilisation.

In terms of productivity, there were a total of 230 lost hours. Lost hours occur when a vehicle is not in use and remains unavailable due to: bookings cancelled after the fact, the vehicle is not picked up or cancelled, or trips lasting less than 4 minutes.

Booking Analysis – No. of Vehicles Utilised per Working Day

June – August 2023



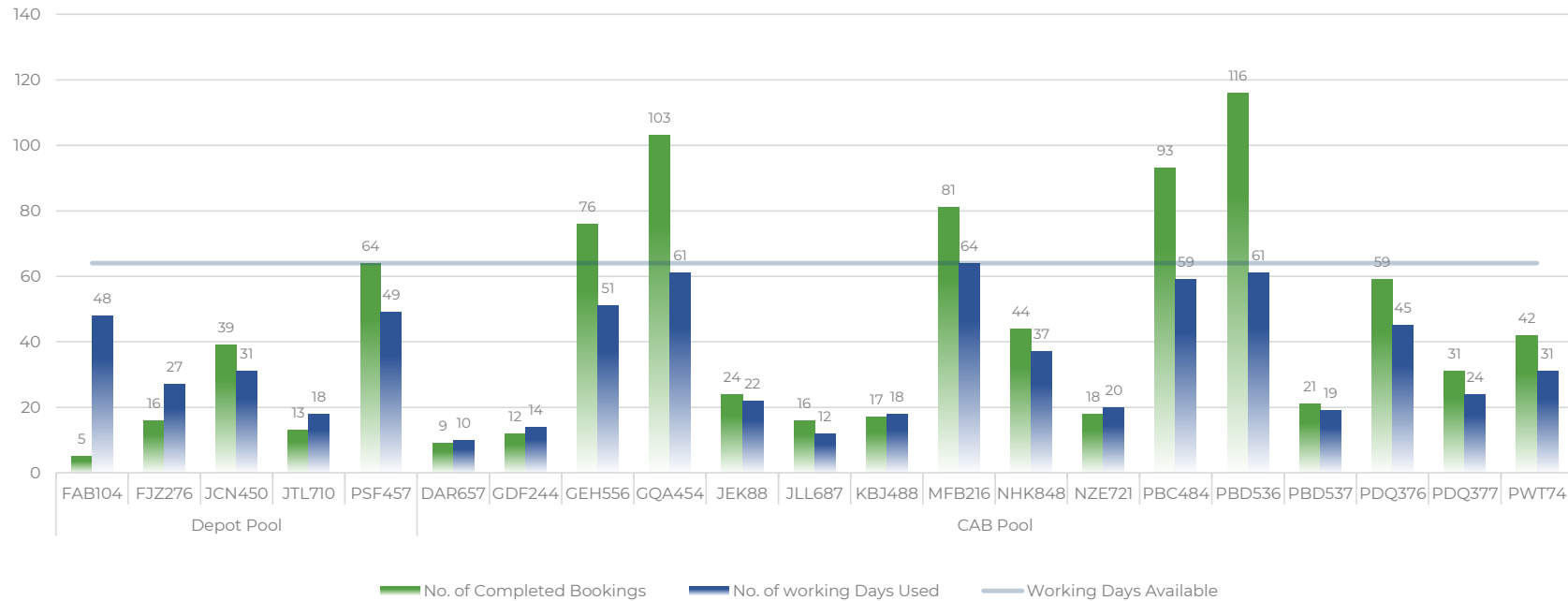
The following graphs illustrate the daily utilisation of vehicles. Within the CAB pool, which comprises 16 vehicles, the highest number of vehicles used on any single day during the period analysed was 14. Meanwhile, the Depot pool, consisting of 5 vehicles, experienced full utilisation on 3 out of the 64 working days. Notably, on the 18th of July and the 23rd of August, only 3 trips overlapped, and on the 28th of August, 4 trips coincided

When we amalgamate both pools, totalling 21 vehicles, the maximum number of vehicles used on a given day reached 17.

It has been noted that there is some seasonality effects on vehicle utilisation– for example during the months Nov – Feb, PNCC employ students for various roles. This adds some additional demand on the pool fleet vehicles.

Booking Analysis – Vehicle Utilisation

June – August 2023



The presented graph illustrates the correlation between the number of working days a vehicle was utilised and the number of completed bookings.

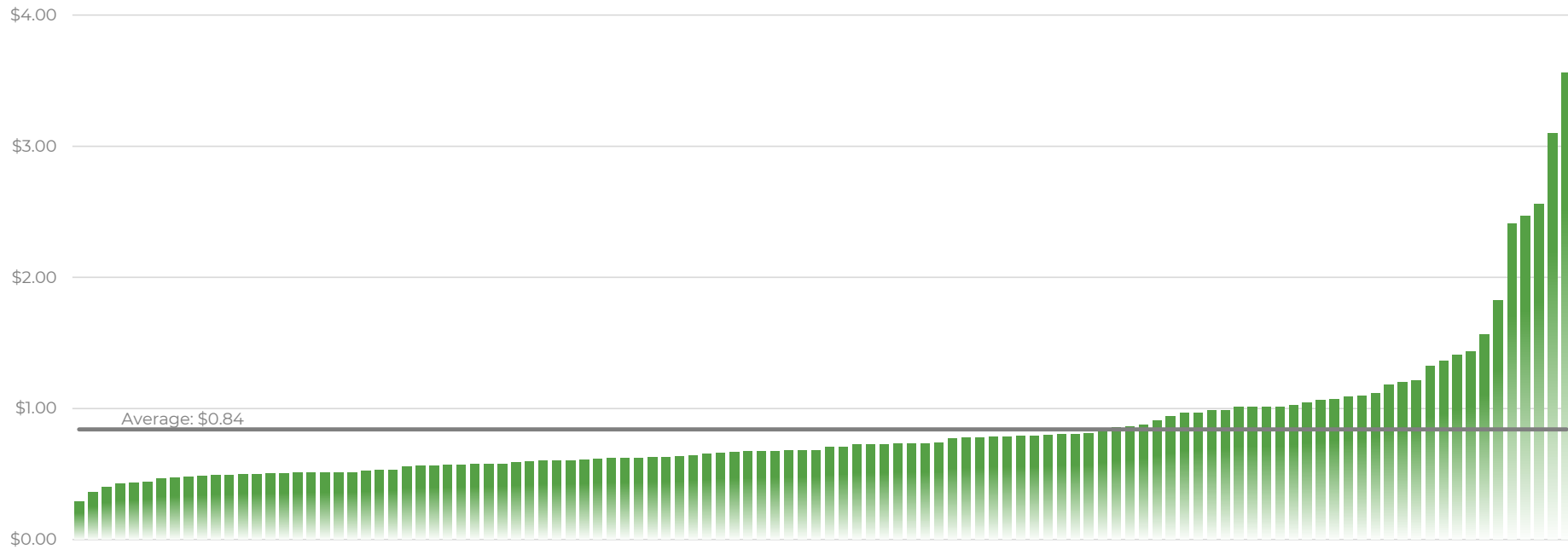
Examining the case of FAB104, the data reveals that this vehicle had a total of 5 completed bookings and was used on 48 working days, suggesting the presence of overnight booking(s). In contrast, when we analyse MFB216, it is evident that this vehicle was utilised on every working day throughout the period from June to August, with a count of 81 completed bookings

Fleet Audit / Fit-For-Purpose

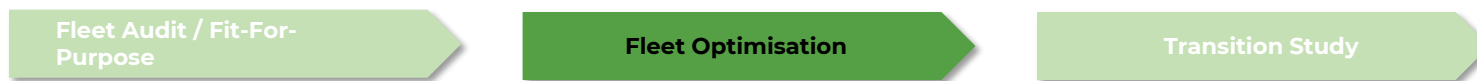
Fleet Optimisation

Transition Study

Cost per Km



This graph displays the cost per kilometer for each vehicle, with an average cost of \$0.84 per kilometer. There are a total of 25 vehicles that exceed \$1.00 per kilometer. Of these, 44% are commercial vehicles, while the remaining vehicles are passenger vehicles which include 2 plug-in hybrid vehicles (PHEVs) and 7 EVs.



Stakeholder Engagement - May 2023

Overview

For our Stakeholder engagement, we sought to determine:

- Fit for purpose requirements for individual vehicle types. Are the correct vehicles being used for the required service delivery?
- Optimisation – is the fleet the right size and are there opportunities for further efficiencies / sharing

Findings

Our stakeholder engagement highlighted the following points:

- There is a significant reliance on (4x4) utility vehicles. These provide the capability to travel off road with ease and have the capability to carry passengers & equipment and can safely tow trailers, mowers etc
- Many of the teams are mobile and a required to be operationally independent
- Often the vehicles regularly carry job-specific equipment – this makes it difficult to work with pool vehicles
- Without exception, the key stakeholders felt that there was little opportunities for increased shared / pool use or rationalisation of the fleet

Summary

- Because the business is run in a series of silos and groups, it is difficult to further centralise the fleet to gain further efficiencies.
- As many teams carry specialised equipment, further consideration to how this would impact rationalisation of the fleet needs to happen. As an example – teams may be assigned an enclosed trailer to house their equipment allowing for the increased sharing of suitable 'tow vehicles
- The individuals we interviewed were positive about the transition to lower emission vehicles and would support more being introduced into the fleet provided they were fit-for-purpose vehicles
- There is a belief within the team that more education is required to support a wider uptake of EV use. This could include asking the vehicle manufacturers to do a demonstration session for Council employees
- The current vehicle assignment process appears to be working well. We received positive feedback on Alan and the way he engages the other staff when considering replacements and determining fit-for –purpose requirements - their involvement in replacement planning is appreciated.

Stakeholder Engagement - October 2023

Mike Sutton – Carpool Supervisor

Mike oversees the 14 pool fleet vehicles that are currently available within the pool booking system and available to any staff member.

The vehicles are booked by the individual staff and the keys are made available via the integrated key lock-box. Mike confirmed:

- The fleet has improved over the past 12 months or so – now has around-town and out-of-town vehicles
- Possibly the pool fleet has one too many vehicles although between Nov-Feb, students are employed, and they can tie up the vehicles for extended periods
- The Camry and Corolla hybrids are favoured by staff particularly if they are going on overnight trips (approx. 2 / week).
- The Hyundai Kona EV is available for booking but only has average use – Mike believes that some staff may fear it. Mike agreed that additional education would be beneficial in encouraging use
- There is an opportunity to increase the portion of EVs within the pool fleet but would need support through education and charging options would need to be considered for out-of-town visits

David Evans – Parks Operation Manager

David oversees ~80 staff. Vehicles operated within the team consist of predominately diesel trucks and utilities. – no passenger vehicles.

- 4x4 utilities are the preferred vehicle type
- 2x4's are required to go off road and this can be problematic when it is wet conditions
- Team is required to carry passengers and some job-specific equipment – extra cab & D/Cab utes are good for this
- 3 vehicles are taken home overnight
- 10 utilities are assigned to individuals or teams
- Regular off-road travel required – 4x4 utilities preferred for this
- Believes current fleet is insufficient – could do with another 2 utilities (4x4's)
- Occasionally are required to retrieve abandoned vehicles – again 4x4 utilities are best for the job
- Some of the diesel trucks are too small for the job
- Service requirements expected to grow e.g. developing more walkways
- Currently operate 5 x electric ATV's

Jeff Triggs – Senior Parking Officer

Has a team of 14 in the parking team which is part of the Environmental Protection Services Team (EPS) which in turn have 30 staff. The parking team have a dedicated Toyota C-HR Hybrid that is well suited for their requirements. The EPS Team has an additional 2 vehicles.

Jeff confirmed:

- Environmental Health and Animal Management Officers use the vehicles
- Use Outlook to book one of the two vehicles
- No private use permitted
- Believes that their fleet is the right size – not currently recruiting for staff that would require access to their vehicles
- Said that he believes that their vehicles average 200 kms / day
- Believes that they could go full electric for the 3 vehicles In EPS, although they would need one with a good range of 350 + kms
- As he is based at the CAD, they have access to the EV chargers located in the underground carpark off Main Street

3. Transition Study

This section we investigate the following areas:

Total cost of Ownership

- Current vehicles and LEV options

Replacement Schedule

- Projected vehicle movements through to 2029

Projected cost estimates

- Costs associated with transitioning the fleet

Purchase v Lease Analysis

- Comparing the cost to lease v's the cost to purchase

Recommended Next Steps

- Identifying what next

Findings.

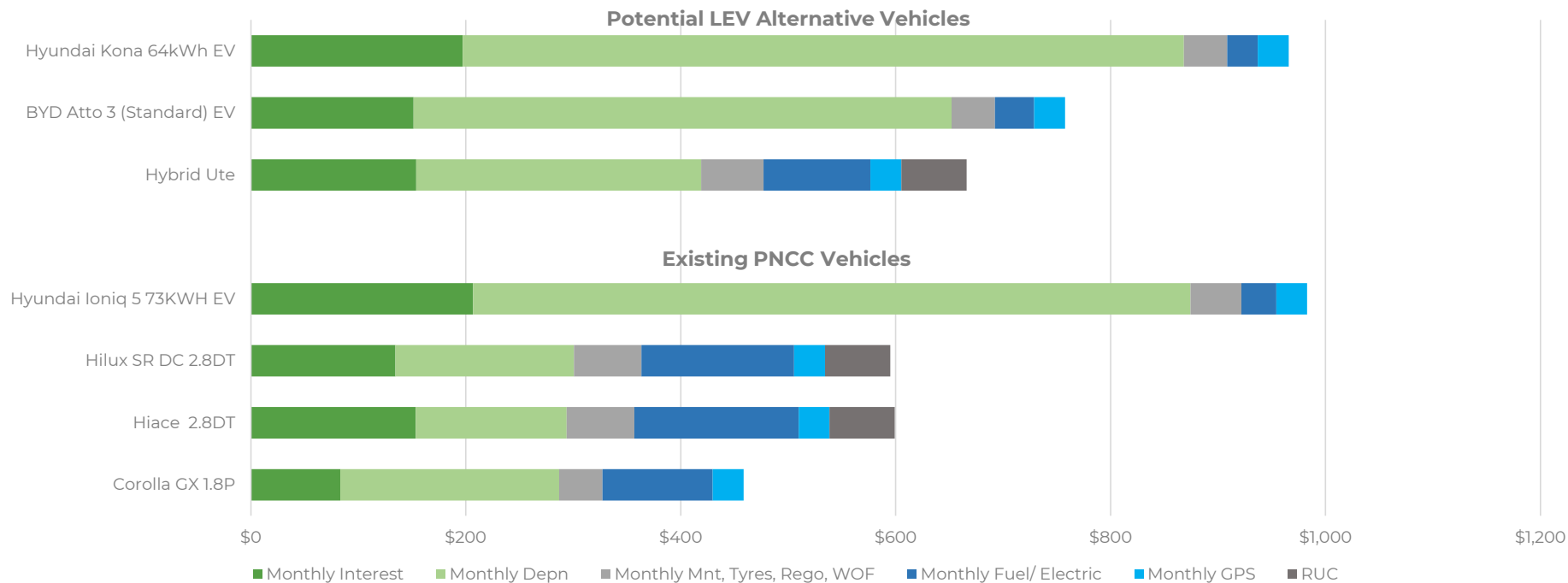
- LEV options will increase capital expenditure for Council – look to create budgetary headroom by rationalising the fleet
- Ownership represents the most financially beneficial option for PNCC currently



TCO Comparisons

We can see from this analysis that the estimated monthly costs of some of the alternative, lower-emitting vehicles, are higher than your existing vehicles estimated monthly costs, albeit having a significant impact in lowering emissions.

We recommend further market analysis to determine preferred vehicles based on fit for purpose requirements to help establish a future vehicle policy. These TCOs are based on vehicles travelling 11,015kms per annum.



Replacement Schedule



The graphs depict the current PNCC replacement plan as per the fleet budget. PSF458 (2023 Hilux) is not included in the analysis as this was not included in PNCC replacement plan. The age and estimated odometer readings are based on the estimates as at mid-financial year.



Projected Cost Estimate

Current	Replacement Costs				
	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Est. Net Proceeds from Disposed Vehicles	\$0	\$268,609	\$272,957	\$416,652	\$529,478
Est. Purchase Cost of New Vehicles	\$0	\$1,105,107	\$817,099	\$941,471	\$795,617
\$0	\$0	\$836,498	\$544,142	\$524,819	\$266,139

Current	No. of Vehicles in the Fleet				
	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Diesel Vehicles	61	53	47	40	32
Petrol Vehicles	27	10	3	0	0
Hybrid Vehicles	10	24	33	36	41
PHEV Vehicles	4	4	2	1	0
EV Vehicles	8	16	22	30	34
110	110	107	107	107	107

No. of Vehicles Purchased/Disposed	0	27	20	23	19
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We have used the existing replacement schedule (as supplied by Allan) to determine the estimated net cost to PNCC. These estimates considers the cost of the new vehicles based on today's price and the likely net sales proceeds based on historic disposal results via Turners. The projected fleet transition is based on replacing ICE utility vehicles with hybrid utilities and replacing the existing passenger vehicles with fit for purpose BEV vehicles.

Lease vs Ownership - Financial Methodology

Overview

PNCC currently own the vast most of the vehicles within the passenger and light commercial fleet. As the Council continue to transition the fleet over time, the decision to either purchase or lease the vehicles is likely to be raised.

There are many factors that should be considered when comparing these two methods of financing, including the evaluation of the financial benefits of both purchase and leasing.

Discounted Cash Flow

Discounted cash flow (DCF) analysis can assist with making capital budgeting or operating expenditures decisions (lease vs. ownership). For these comparisons, we employ a DCF model that finds the present value of expected future cash flows using a discount rate.

The DCF model considers the net cash flows and net present values for both leasing and ownership scenarios. A 'break-even' Weighted Average Cost of Capital (WACC) rate is then established and compared with PNCC's WACC rate of 5% to determine the most financially favourable funding model.

Lease vs Ownership

In addition to comparing financial value, some of the other factors to consider when evaluating the best method for procuring vehicles include:

Availability of capital or operating budget

Flat-lining monthly costs to drive surety into future budgets.

Non-traditional source of funding

Providing interest rate hedging – interest rates are locked in for the duration of the lease

Term flexibility – the ability to adjust replacement timing to match changes in technology (i.e. new EV models & range) is becoming increasingly important.

Appetite for risk & reward – This is particularly relevant in the current environment with the significant advances in EV technologies and the proliferation of new models entering the market. Balancing the residual value risk mitigation of a traditional lease, vs the potential for financial gain possible under an ownership model are increasingly important considerations.

Lease vs Ownership - DCF

NEW VEHICLE CASH FLOW MODEL - BYD Atto3 (SFF Quote)					
PNCC					
Only considering Amortisation, Interest and Administration Fee. Operating costs presumed the same regardless of finance method					
Purchase					
Shows cost of owning for 45 months					
	Y0	Y1	Y2	Y3	Y4
Purchase Price	-53,413				
Depreciation @ 20% S/L		-10,683	-10,683	-10,683	-10,683
Sales Proceeds					28,141
Profit on Sale					6,776
FBT					
Tax		0	0	0	0
Net Cash Flow	-53,413	0	0	0	28,141
					Total Net Cash Flow - \$25,272
Lease Payments					
Shows cost of leasing for 45 months					
	Y0	Y1	Y2	Y3	Y4
Lease Payments		-9,219	-9,219	-9,219	-6,914
FBT					
Tax		0	0	0	0
Net Cash Flow		-9,219	-9,219	-9,219	-6,914
					Total Net Cash Flow - \$34,571
Net Present Value					
	45 Months	Purchase	Lease	Difference	
Discount Factor / WACC					
	5.00%	-\$28,820.27	-\$30,793.59	-\$1,973.33	
	6.68%	-\$29,701.50	-\$29,673.76	\$27.75	
	10.00%	-\$31,083.88	-\$27,648.45	\$3,435.43	
					All figures are excluding G.S.T.

Discounted Cash Flow Analysis (DCF)

As an illustrative example of the DCF process, we have used a current market lease quote for a popular EV, the BYD Atto3 (sourced via SFF).

The lease parameters are 45-month term, 12,000 kms per annum, and a monthly (non-maintained) lease rate of \$768.24 excluding GST

The cost to purchase (green panel) considers the current Government Clean Car rebate of \$7,015 and incorporates depreciation and interest cost over the 45 months.

This is then compared with the cost to lease over 45 months (white panel), built up by an accumulation of annual lease rates (12 x \$768.24)

Notes:

- Purchase & disposal amounts used are the same in both scenarios
- Operating costs are excluded as they are assumed the same in both scenarios

Findings

For PNCC (based on its 5% cost of capital), **purchase** represents the most financially beneficial method of procurement, showing a benefit, in this example, of more than \$1,900.00 over the term.

A negative figure shows an advantage to purchase

The break-even rate is ~ 6.68%, just over Horizons WACC rate of 5%

Electric Mobility as a Service – (eMaaS)

eMaaS opportunity

eMaaS was pioneered in NZ by Zilch with their zero-emission shared vehicle product. The first significant implementation was with the Christchurch City Council involving a significant transition to eMaaS along with installation of EV chargers in 2018. Fast forward to 2023 and the uptake of eMaaS is accelerating rapidly with entities such as Genesis, ASB and University of Waikato shifting to eMaaS at scale.

The hardware involved in this solution requires vehicles with push button start which in turn eliminates the need for a key, transferring functionality to a combination of RFID, online platform and app-based access. Potential advantages are as follows;

- Key Mastery – Eliminates the need to manage keys and the requirement for lockboxes
- Remote booking – vehicles can be booked by fleet managers or by drivers via an app
- Remote management – locked vehicles can be unlocked or locked remotely by an administrator
- GPS redundancy – Typical functions such as driver behaviour & vehicle location are incorporated, therefore replacing existing GPS
- Private subscription – provides staff access to EV's after hours without FBT implications and provides profit return to PNCC

We believe there are a couple of specific areas within PNCC whereby eMaaS could be viable

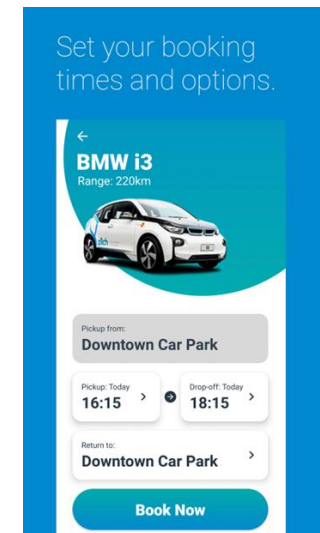
Building Inspectors

The current fleet of Hyundai Ionic 5's represents a potential eMaaS pilot opportunity for the following advantages:

- HR innovation - private subscription may be an attractive staff retention offering (potentially eliminating their private vehicle)
- Free up car parks otherwise taken by staff
- Impact PNCC's scope 3 emissions (currently grey fleet)
- Revenue return to PNCC through private subscription

Pool fleet – The 14 pool vehicles could potentially all be converted to eMaaS

- EV's appear viable from a fit-for-purpose & range standpoint
- The pool may be reduced through greater efficiency
- Lockbox & GPS eliminated



Recommended Next Steps

Fleet Optimisation

- For the 17 underutilised vehicles, stand-down 50% of these to provide an opportunity to understand if they are needed, once established, dispose of surplus vehicles
- In tandem with above, look at opportunities to increase the size of the central pool and de-establish siloed pools accordingly to optimise the use of a smaller fleet. This will also assist with the pooling of critical vehicles for wider sharing across departments
- Review the way GEO fences and reporting are set up
- Look to integrate the Argus and Pool booking systems to automate pick-up's and drop-off's. This may require reviewing geo-fence set-up. This will minimise lost-hours due to improper booking practices.
- Set up pool booking reports to include concurrent use reporting

eMaaS Integration

- Consider converting to a Zilch eMaaS model to introduce private travel and incorporating a revenue stream back to PNCC. As an example, the Building Inspector Ioniq5's could be rolled into the Zilch model, providing private-use access to these for the building inspectors. This will increase employee attraction and retention.
- N.B. Carbn are happy to further assist with this initiative.

Utility Replacements

- Evaluate Hybrid or pHEV utilities as they become available (from 2024). High-level impact includes the potential to further reduce PNCC's fleet related emissions by an estimated 30% by 2028.
- Challenge the requirement of 4x4 utilities by piloting an alternative lower emission vehicle such as the Rav4 hybrid

Notes & Assumptions

No. of Vehicles

Argus currently hold a total of 327 assets. Among these, 213 assets are not categorized as light passenger vehicles. Additionally, 3 vehicles have no trip data before August 2023, and one vehicle has remained offline in Argus since 2022. Consequently, as of July 31, 2023, there are 110 vehicles available for analysis.

Odometers

Odometer readings were collected from either Argus or the latest WOF reading.

There are multiple factors contributing to potential disparities between the vehicle's odometer reading and the Argus odometer reading. It's essential to acknowledge the fundamental distinction in data collection methods: the in-vehicle odometer relies on tire rotations, while a GPS-based odometer calculates accumulation through distance between two points.

Additionally, it's worth noting that in-vehicle odometers encompass various inherent variables, like wheel size and tire pressure, which might lead to an overestimation or underestimation of actual travel distance as compared to the odometer reading.

We recommend re-calibrating your online Argus odometers with the in-vehicle odometers every 6-12 months.

Purchase Price

For all vehicles acquired after 2019, the acquisition cost was sourced from the AOG catalogue.

The percentage variance between the RRP and the AOG price from the 2021-2023 AOG catalogues was utilized to calculate the acquisition cost for vehicles obtained before 2020.

Clean car rebate/feebate was applied to all eligible vehicles.

Booking Analysis

It appears that the booking system started to be used early May 2023, so the analysis covers June – August 2023. There are 22 vehicles using the booking system during this period, 5 in the Depot Pool and 17 in the CAB Pool.

June - August 2023	
92	Days
64	Working Days
26	Weekend Days
2	Public Holidays - 14th July, 5th June
10 hrs	7am - 5pm Core hours
640 hrs	Hours available per vehicle
14,080 hrs	Total hours of usage time available (22 vehicles)

GPS Analysis

The GPS analysis is based on six months of data obtained from Argus for the period from January 23 to July 23. Data corresponding to weekends and public holidays has been excluded.

In the Argus trip report, we identified an error where the combination of distance travelled and time taken resulted in an average speed exceeding 100 kilometers per hour. This issue affected 224 trips, which accounts for only 0.01% of the total recorded trips. As a result, we have excluded these trips from our analysis, as their inclusion had a more significant impact than their exclusion.

Departments were identified based on Argus data and then consolidated by grouping similar names. Since vehicle location data was not provided, this factor has not been taken into consideration in our analysis or department consolidation.

Notes & Assumptions

Total Cost of Ownership

All vehicles over the year 2017 has had additional \$300 per annum added for maintenance.

WOF costs are set at \$50 excl GST as advised by the client due to WOFs being carried out internally.

Service costs are set at the manufacturing cost less 5% as advised by the client due to servicing being carried out internally.

REPORT

TO: Strategy & Finance Committee

MEETING DATE: 13 November 2024

TITLE: Public Notification of a Community Occupancy Lease to Manawatū Racing Pigeon Club Incorporated

PRESENTED BY: Bill Carswell, Manager Property and Resource Recovery

APPROVED BY: Chris Dyhrberg, General Manager Infrastructure

RECOMMENDATION(S) TO STRATEGY & FINANCE COMMITTEE

1. That the Committee continue to support Manawatū Racing Pigeon Club Incorporated by notifying the public of its intention to grant community occupancy of Council land at 53 Totara Road, Palmerston North in accordance with the Support and Funding Policy 2022.
2. That the Committee note the land affected by the community occupancy of Manawatū Racing Pigeon Club Incorporated is described as Part Lot 2 DP 2003.

SUMMARY OF OPTIONS ANALYSIS FOR PUBLIC NOTIFICATION OF A COMMUNITY OCCUPANCY LEASE TO MANAWATŪ RACING PIGEON CLUB INCORPORATED

Problem or Opportunity	<p>The Racing Pigeon Club has requested support from Council by granting community occupancy through a new lease agreement.</p> <p>This report seeks Council's approval to commence the public notification process for the preferred option (Option 1) in accordance with the Support and Funding Policy 2022.</p>
OPTION 1:	Notify the public of Council's intention to continue supporting the Club by granting occupancy via a lease under the Support and Funding Policy of the site being 53 Totara Road
Community Views	<ul style="list-style-type: none"> Community views will be sought during the public notification period.
Benefits	<ul style="list-style-type: none"> The community views, along with any objections received, will be considered to inform the decision. Council can continue supporting and developing the relationship with the Club and enable them to continue their activities.
Risks	<ul style="list-style-type: none"> There is a reputational risk where other community organisations may feel aggrieved that they have not been given the opportunity to lease the land. This risk can be mitigated through the transparent submission process.
Financial	<ul style="list-style-type: none"> The costs of public notification will be minor. Council will receive the annual rent of \$150.00 plus GST.
OPTION 2:	Do not notify the public of the preferred option (intention to support through a lease) which would effectively end the Club's occupancy of Council land
Community Views	<ul style="list-style-type: none"> Community views to inform the Council's decision on the Club's proposed occupancy will not be sought.
Benefits	<ul style="list-style-type: none"> Should the lease end, and the Club be requested to vacate the premises, the Support and Funding Policy provides a process for Council to explore alternative use options of the land prior to potentially seeking an alternative occupant. This allows for a strategic view of land use when an arrangement ends. Under the current lease, at the expiration of the lease, Council has the option to purchase the Club's buildings and improvements within three months of the date of

	expiration at a price agreement between both parties.
Risks	<ul style="list-style-type: none"> • There is a reputational risk that Council may be criticised for not supporting the activities of the Club, especially given they are established on the site. This risk cannot be mitigated. • There is a further reputational risk where Council may be criticised for placing a financial burden on the Club after asking them to vacate. If Council wishes to proceed with this option, the Club will be required to vacate the land and, unless agreed otherwise, remove all assets, and return the land to its original state at their cost. Whilst this is set out in the lease conditions, that will not mitigate the reputational risk caused from perception.
Financial	<ul style="list-style-type: none"> • Council would no longer receive the existing annual rent of \$150.00 plus GST. • Council staff time would be required to assist in the process of the removal of improvements.

RATIONALE FOR THE RECOMMENDATIONS

1. OVERVIEW OF THE PROBLEM OR OPPORTUNITY

- 1.1 The Club was formed over 44 years ago and have been occupying the site since 1995, to promote and provide the opportunity for any interested persons to participate in the sport of Racing Pigeons.
- 1.2 The Club has recently become an incorporated society and wishes to enter into a new lease agreement, to remove the personal liability from its two committee members, currently listed as the leaseholders, and to meet the requirements of the Support and Funding Policy.
- 1.3 Council only leases the land to the Club. The Club owns all improvements within the lease area.
- 1.4 Under the Council's Support and Funding Policy, if a for-purpose organisation requests a new lease for the occupancy of Council land at the end of their agreed term, the proposal is to be publicly advertised to seek feedback from the public.
- 1.5 This report seeks Council's approval to commence the public notification process in accordance with the Support and Funding Policy, noting that this is the first step in the process, and only seeks approval for consultation.
- 1.6 The final decision to lease to the Club will be brought to the Strategy & Finance Committee in a subsequent report which will discuss any feedback received.

2. THE PROPOSAL

- 2.1 The proposed lease area is approximately 271m² as outlined in Figure 1 below.
- 2.2 If the land lease is granted the proposed annual rental is \$150.00 plus GST. This is consistent with the framework in Council's Support and Funding Policy.
- 2.3 The proposed term would be for five (5) years, with one right of renewal for a further five (5) years.
- 2.4 If a new lease is commenced, the use of the site will remain the same.



Figure 1: Proposed leased area

- 2.5 The proposed 10-year term structure, made up of two 5-year terms, is consistent with the standard lease terms entered on Council land. This tenure has been discussed with, and agreed to, by the proposed tenant. If Council wishes to grant a longer term, then direction will need to be given to do so.

3. ASSESSMENT OF PROPOSAL UNDER THE SUPPORT AND FUNDING POLICY

- 3.1 The Support and Funding Policy provides a framework for how Council will deliver support and funding to groups, organisations, and individuals to achieve the vision of the city. One form of support within the Policy is to enable for-purpose groups to occupy Council-owned property at community rental rates.
- 3.2 All for-purpose groups expressing an interest in occupying Council-owned property, either for a new occupancy or renewal of an existing occupancy, must make an application. The application is then assessed by Council Officers to ensure that firstly they meet the Policy's eligibility criteria before proceeding any further.
- 3.3 Further assessment considerations are outlined in the Policy. In broad terms, the assessment covers three main areas:
- The Policy for the Use of Public Space – guidelines relevant to the application.
 - Reserves Act 1977 – including consideration of the values and purpose of the reserve and the impacts on the public use of the reserve.
 - Impact on the locality and park operations.

A copy of the assessment is attached as Attachment 1.

- 3.4 In summary, following the assessment against the Policy, Council Officers conclude that the Club meets all criteria required.

4. GIVING EFFECT TO THE PRINCIPLES OF THE TREATY OF WAITANGI

- 4.1 Rangitāne o Manawatū representatives have considered the proposal; Rangitāne are comfortable with this proposal and happy for it to proceed.

5. DESCRIPTION AND ANALYSIS OF OPTIONS

Option 1: Notify the public of Council's intention to continue supporting the Club by granting occupancy via a lease under the Support and Funding Policy of the site being 55 Totara Road

- 5.1 This is the preferred option.
- 5.2 Council will seek feedback on continuing to support the Club through the process outlined in the Support and Funding Policy.
- 5.3 After considering feedback, Council can then decide to enter a formal lease with the Club.
- 5.4 The Club contributes to the community and shows strong alignment with Council's strategic direction. The Club adds to Council's priority to lease

Council land and facilities to for-purpose organisations in line with the Community Funding Policy.

Option 2: Do not notify the public of the preferred option (intention to support through a lease) which would effectively end the Club's occupancy of Council land

- 5.5 The impact of this option would mean that the opportunity to seek community feedback on the Club's continued occupancy of the site would not occur.
- 5.6 In turn, this would mean that the lease would cease, and Council would follow the process outlined in the Support and Funding Policy to determine the future use of the land (refer 5.5.1 (b)). The first step in this process is to carry out a strategic options review.
- 5.7 The implication of this option on the Club would mean that they would not be able to continue leasing the site. Under the lease provisions, a decision would then need to be made regarding the improvements owned by the Club.
- 5.8 This option poses the risk that Council will be perceived as not supporting the activities of the Club.

6. CONCLUSION

- 6.1 The proposal is consistent with the requirements of the Support and Funding Policy. Continued occupancy will allow the Club to offer its activities to pigeon racing enthusiasts and the community.
- 6.2 Public notification on the continuing support will provide opportunities for submissions and objections to be made before a decision is made, fulfilling the requirements of the Support and Funding Policy 2022.
- 6.3 It is recommended the Committee proceed with Option 1. The Society's activities contribute to outcomes to achieve Goal 2 of Council's strategic direction.

7. NEXT ACTIONS

- 7.1 Public notification of the intention to grant the lease, seeking submissions and objections.
- 7.2 Provide the opportunity for any submitters that wish to be heard to speak to Council.
- 7.3 Consider the objections and submissions and provide to Council on whether to accept, modify or decline the lease proposal.

8. OUTLINE OF COMMUNITY ENGAGEMENT PROCESS

8.1 The proposed consultation process meets the public notification requirements of the Support and Funding Policy 2022 which includes a minimum of one-month period advertised in the Manawatū Standard, Dominion Post and on the Council website.

COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	Yes
Are the decisions significant?	No
If they are significant do, they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these actions?	Yes
Are the recommendations inconsistent with any of Council's policies or plans?	No
The recommendations contribute to: Whāianga 3: He hapori tūhonohono, he hapori haumarū Goal 3: A Connected and Safe Community	
The recommendations contribute to the achievement of objective/objectives in 6. Mahere rēhia 6. Recreation and Play Plan The objective is: Administer the Reserves Act 1977.	
Contribution to strategic direction and to social, economic, environmental, and cultural well-being	The recommendation is in line with Council's Support and Funding Policy which supports community groups to deliver benefits contributing to the cultural, economic, environmental, and social wellbeing of the city.

ATTACHMENTS

1. Assessment of Lease Proposal [↓](#) 

Assessment of Lease Proposal – Support and Funding Policy

In considering an application of a for purpose organisation to use public space, and particularly where there are competing applications for the use of public space or high demand for a public space, the Council will assess the applications against the criteria set out in both policies.

Date: 30 August 2024

Group Name: Manawatu Racing Pigeon Club Incorporated

Proposed Lease Location: 53 Totara Road, Palmerston North

Use of Public Space Policy

Criteria	Assessment
Supports the achievement of the Council's goals	Activities of the Club are consistent with goals two and three of Council's strategic direction.
Is accessible to the wider community	Club's activities seek and support the Palmerston North community.
Adds to the variety of events or activities available in Palmerston North	The Club provides opportunities to promote confidence and create connections within the community
Enhances any precinct identities (e.g. Broadway as a hospitality precinct)	The Club supports and enhances the range of recreational activities at Totara Road
Provides an experience (rather than a simple commercial exchange)	The Club are focused on personal development and community engagement.
Does not significantly limit the availability of space for general community use	The lease does not affect the availability of the space for general community use.
Rangitāne o Manawatu feedback on the proposed activity	Rangitāne o Manawatu representatives have considered the proposal and have no comment.
Potential impact of the occupancy and proposed activities	The Club has been occupying the site since 1995. The lease has no negative impact on the public's benefit and enjoyment of the land/reserve. The lease will not affect the availability of space for the general community use or other for-purpose groups, as it is an existing use.

Impact on the locality and Park operations

Criteria	Assessment
Aesthetics	The Club currently occupies the site. There are no additional impacts from the continuing occupation of the site
Security	The Club will be responsible for the security of their buildings and assets
Cleaning and Offensive litter	The Club is responsible for managing litter within its leased area
Vegetation	No trees or shrubs would be required to be removed
Carparking	Existing car parking is available. No new effects are created in approving a new lease
Affected Parties	Parties identified include: <ul style="list-style-type: none"> - Members of Club - Neighbouring residents and tenants - Local Community - Rangitane o Manawatu

REPORT

TO: Strategy & Finance Committee

MEETING DATE: 13 November 2024

TITLE: Public Notification of a Community Occupancy Lease to Manawatū Woodworkers Guild Incorporated

PRESENTED BY: Bill Carswell, Manager Property and Resource Recovery

APPROVED BY: Chris Dyhrberg, General Manager Infrastructure

RECOMMENDATION(S) TO STRATEGY & FINANCE COMMITTEE

1. That the Committee continue to support Manawatū Woodworkers Guild Incorporated by notifying the public of its intention to grant community occupancy of Council Land at 38 Featherston Street, Palmerston North in accordance with the Support and Funding Policy 2022 and Section 54 of the Reserves Act 1977.
2. That the Committee note the land affected by the community occupancy of Manawatū Woodworkers Guild Incorporated is described as Part Lot 13 DP2938 and Lot 2 DP605123.

SUMMARY OF OPTIONS ANALYSIS FOR PUBLIC NOTIFICATION OF A COMMUNITY OCCUPANCY LEASE TO MANAWATŪ WOODWORKERS GUILD INCORPORATED

Problem or Opportunity	<p>The Woodworkers Guild has requested support from Council by granting community occupancy through a new lease agreement.</p> <p>This report seeks Council's approval to commence the public notification process in accordance with the Support and Funding Policy 2022 and Section 54 of the Reserves Act 1977.</p>
OPTION 1:	Notify the public of Council's intention to continue supporting the Woodworkers Guild by granting occupancy via a lease of the existing site at 38 Featherston Street (next to the Takaro Sports Club)
Community Views	<ul style="list-style-type: none"> Community views will be sought during the public notification period.
Benefits	<ul style="list-style-type: none"> The community views, along with any objections received, will be considered to inform the decision. Council can continue supporting and developing the relationship with the Club and enable them to continue their activities.
Risks	<ul style="list-style-type: none"> There is a reputational risk where other community organisations may feel aggrieved that they have not been given the opportunity to lease the land. This risk can be mitigated through the transparent submission process.
Financial	<ul style="list-style-type: none"> The costs of public notification will be minor. Council will receive the annual rent of \$150.00 plus GST.
OPTION 2:	Do not notify the public of the preferred option (intention to support through a lease), which would effectively end the Woodworkers Guild's occupancy of Council land
Community Views	<ul style="list-style-type: none"> Community views to inform the Council's decision on the Club's proposed occupancy will not be sought.
Benefits	<ul style="list-style-type: none"> Should the lease end, and the Club be requested to vacate the premises, the Support and Funding Policy provides a process for Council to explore alternative use options of the land prior to potentially seeking an alternative occupant. This allows for a strategic view of land use when an arrangement ends. Under the current lease, at the expiration of the lease, Council has the option to purchase the Club's buildings

	and improvements within three months of the date of expiration at a price agreed between both parties.
Risks	<ul style="list-style-type: none"> • There is a reputational risk that Council may be criticised for not supporting the activities of the Club, especially given they are established on the site. This risk cannot be mitigated. • There is a further reputational risk where Council may be criticised for placing a financial burden on the Club after asking them to vacate. If Council wishes to proceed with this option, the Club will be required to vacate the land and, unless agreed otherwise, remove all assets, and return the land to its original state at their cost. Whilst this is set out in the lease conditions, that will not mitigate the reputational risk caused from perception.
Financial	<ul style="list-style-type: none"> • Council would no longer receive the existing annual rent of \$150.00 plus GST. • Council staff time would be required to assist in the process of the removal of improvements.

RATIONALE FOR THE RECOMMENDATIONS

1. OVERVIEW OF THE PROBLEM OR OPPORTUNITY

- 1.1 The Woodworkers Guild has been occupying Council land at 38 Featherston Street since 2007. Their current lease is due to expire in 2027 and the Club requests a new lease so it can continue to occupy the site.
- 1.2 Since the Club has occupied Council land, the Club has developed the site to provide opportunities for participation in woodworking activities.
- 1.3 Council only leases the land to the Club. The Club owns all improvements within the lease area.
- 1.4 Under the Council's Support and Funding Policy, if a for-purpose organisation requests a new lease for the occupancy of Council land at the end of their agreed term, the proposal is to be publicly advertised to seek feedback from the public.
- 1.5 In addition, as the leased land is reserve land, any new lease is also subject to the requirements of the Reserves Act 1977, which also requires public notification of Council's intention to grant a new lease.
- 1.6 This report seeks Council's approval to commence the public notification process in accordance with the Reserves Act 1977 and the Support and Funding Policy, noting that this is the first step in the process, and only seeks approval for consultation.

1.7 The final decision to lease to the Club will be brought to the Strategy & Finance Committee in a subsequent report, which will discuss any feedback received.

2. THE PROPOSAL

2.1 The proposed lease area is approximately 539m² as outlined in Figure 1 below.

2.2 If the land lease is granted the proposed annual rental is \$150.00 plus GST. This is consistent with the framework in Council's Support and Funding Policy.

2.3 The proposed term would be for five (5) years, with one right of renewal for a further five (5) years.

2.4 If a new lease is commenced, the current lease will be surrendered and a new lease will be entered; the use of the site will remain the same.



Figure 1: Proposed leased area

2.5 The proposed 10-year term structure, made up of two 5-year terms, is consistent with the standard lease terms entered on Council land. This tenure has been discussed with, and agreed to, by the proposed tenant. If Council wishes to grant a longer term, then direction will need to be given to do so.

3. ASSESSMENT OF PROPOSAL UNDER THE SUPPORT AND FUNDING POLICY.

3.1 The Support and Funding Policy provides a framework for how Council will deliver support and funding to groups, organisations, and individuals to achieve the vision of the city. One form of support within the Policy is to enable for-purpose groups to occupy Council-owned property at community rental rates.

3.2 All for-purpose groups expressing an interest in occupying Council-owned property, either for a new occupancy or renewal of an existing occupancy, must make an application. The application is then assessed by Council Officers to ensure that firstly they meet the Policy's eligibility criteria before proceeding any further.

3.3 Further assessment considerations are outlined in the Policy. In broad terms, the assessment covers three main areas:

- The Policy for the Use of Public Space – guidelines relevant to the application.
- Reserves Act 1977 – including consideration of the values and purpose of the reserve and the impacts on the public use of the reserve.
- Impact on the locality and park operations.

A copy of the assessment is attached as Attachment 1.

3.4 In summary, following the assessment against the Policy, Council Officers conclude that the Club meets all criteria required.

4. LEASING POWERS UNDER THE RESERVES ACT

4.1 In addition to the Support and Funding Policy requirements, as the land is a reserve held under the Reserves Act 1977, the leasing provisions also apply.

4.2 Section 54(1)(b) of the Reserves Act 1977 allows for an administering body to:

'lease to any voluntary organisation part of the reserve for the erection of stands, pavilions, gymnasiums, and, subject to sections 44 and 45, other buildings and structures associated with and necessary for the use of the reserve for outdoor sports, games, or other recreational activities, ... which lease shall be subject to the further provisions set out in Schedule 1 relating to leases of recreation reserves issued pursuant to this paragraph:

provided that a lease granted by the administering body may, with the prior consent of the Minister given on the ground that he or she considers it to be in the public interest, permit the erection of buildings and

structures for sports, games, or public recreation not directly associated with outdoor recreation.'

- 4.3 'Necessary' is not interpreted as requiring that all or even most visitors or users of the reserve need/want to use the service or activity provided under the lease. Reserves often have activities on them that only some of the visitors to the reserve use. The balance of the reserve is available for general use by the community.
- 4.4 The proposal would see the continued use of part of the reserve by the Club. The lease does not alter the current user experience or change the existing capacity for other activities.

5. LAND STATUS

5.1 A summary of the land status information is:

Title	Reserve Status	Officer Comment
Part Lot 13 DP2938 and Lot 2 DP605123	Recreation Reserve	Subject to the Reserves Act 1977

6. GIVING EFFECT TO THE PRINCIPLES OF THE TREATY OF WAITANGI

- 6.1 The Reserves Act 1977 is subject to Section 4 of the Conservation Act and requires that administering bodies under the Reserves Act 1977 give effect to the principles of the Treaty of Waitangi.
- 6.2 Rangitāne o Manawatū representatives have considered the proposal, Rangitāne are comfortable with this proposal and happy for it to proceed.

7. DESCRIPTION OF OPTIONS

Option 1: Notify the public of Council's intention to continue supporting the Woodworkers Guild by granting occupancy via a lease of the existing site at 38 Featherston Street

- 7.1 This is the preferred option.
- 7.2 Council will seek feedback on continuing to support the Club through the process outlined in the Support and Funding Policy.
- 7.3 Council must give people the opportunity to submit on the proposal and be heard before deciding to grant a lease as per sections 119 and 120 of the Reserves Act 1977.
- 7.4 After considering feedback, Council can then decide to enter a formal lease with the Club.

7.5 The Club contributes to the community and shows strong alignment with Council's strategic direction. The Club adds to Council's priority to ensure the use of all community recreation facilities is optimised.

Option 2: Do not notify the public of the preferred option (intention to support through a lease) which would effectively end the Woodworkers Guild occupancy of Council land

7.6 The impact of this option would mean that the opportunity to seek community feedback on the Club's continued occupancy of the site would not occur.

7.7 In turn, this would mean that the lease would cease, and Council would follow the process outlined in the Support and Funding Policy to determine the future use of the land (refer 5.5.1(b)). The first step in this process is to carry out a strategic options review.

7.8 The implication of this option on the Club would mean that they would not be able to continue leasing the site. Under the lease provisions, a decision would then need to be made regarding the improvements owned by the Club.

7.9 This option poses the risk that Council will be perceived as not supporting the activities of the Club that has occupied the site since 2007.

8. CONCLUSION

8.1 The proposal is consistent with the requirements of the Support and Funding Policy. Continued occupancy will allow the Club to offer its activities to the community.

8.2 Public notification on the continuing support will provide opportunities for submissions and objections to be made before a decision is made, fulfilling the requirements of the Support and Funding Policy 2022 and section 54 of the Reserves Act 1977.

8.3 It is recommended the Committee proceed with Option 1. The Club's activities contribute to outcomes to achieve Goal 3 of Council's strategic direction.

9. NEXT ACTIONS

9.1 Public notification of the intention to grant the lease, seeking submissions and objections.

9.2 Provide the opportunity for any submitters that wish to be heard to speak to Council.

9.3 Consider the objections and submissions and provide to Council on whether to accept, modify or decline the lease proposal.

10. OUTLINE OF COMMUNITY ENGAGEMENT PROCESS

10.1 The proposed consultation process meets the public notification requirements of the Support and Funding Policy 2022 and the Reserves Act 1977 that requires a minimum of one-month period advertised in the Manawatu Standard, Dominion Post and on the Council website.

11. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	Yes
Are the decisions significant?	No
If they are significant do, they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these objectives?	Yes
Are the recommendations inconsistent with any of Council's policies or plans?	No
The recommendations contribute to: Whāinga 3: He hapori tūhonohono, he hapori haumarū Goal 3: A connected and safe community	
The recommendations contribute to the achievement of objective/objectives in: 6. Mahere rēhia 6. Recreation and Play Plan The objective is: Administer the Reserves Act 1977.	
Contribution to strategic direction and to social, economic, environmental, and cultural well-being	The recommendation is in line with Council's Support and Funding Policy which supports community groups to deliver benefits contributing to the cultural, economic, environmental, and social wellbeing of the city.

ATTACHMENTS

1. Assessment of Lease Proposal [↓](#) 

Assessment of Lease Proposal – Support and Funding Policy

In considering an application of a for purpose organisation to use public space, and particularly where there are competing applications for the use of public space or high demand for a public space, the Council will assess the applications against the criteria set out in both policies.

Date: 21 August 2024

Group Name: Manawatu Woodworkers Guild Incorporated

Proposed Lease Location: 38 Featherston Street, Palmerston North

Use of Public Space Policy

Criteria	Assessment
Supports the achievement of the Council's goals	Activities of the Club are consistent with goals two and three of Council's strategic direction.
Is accessible to the wider community	The Club activities seek and support the Palmerston North community.
Adds to the variety of events or activities available in Palmerston North	The Club provides opportunities to promote confidence and create connections within the community
Enhances any precinct identities (e.g. Broadway as a hospitality precinct)	The Club supports and enhances the range of recreational activities at 38 Featherston Street.
Provides an experience (rather than a simple commercial exchange)	The Club are focused on personal development and community engagement.
Does not significantly limit the availability of space for general community use	The lease does not affect the availability of the space for general community use.
Rangitāne o Manawatu feedback on the proposed activity	Rangitāne o Manawatu representatives have considered the proposal and have no comment.
Potential impact of the occupancy and proposed activities	The Club has been occupying the site since 2007. The lease has no negative impact on the public's benefit and enjoyment of the land/reserve. The lease will not affect the availability of space for the general community use or other for-purpose groups, as it is an existing use.

Reserves Act 1977 Considerations

Criteria	Assessment
Meets the defined purpose of recreation reserve in Section 17(1) of the Reserves Act 1977.	The Club is providing woodworking activities to the local community. It is undertaken in people's leisure time and contributes to the community. This activity is consistent with the purpose of recreation reserves.
The public shall have freedom of entry and access to the reserve, except for the ability to lease areas under Section 54.	The area is proposed to be leased under Section 54 and therefore public access is not required.
Where scenic, historic, archaeological, biological, geological, or other scientific features or indigenous flora or fauna or wildlife are present on the reserve, those features or that flora or fauna or wildlife shall be managed and protected to the extent compatible with the principal or primary purpose of the reserve.	No trees or vegetation are required to be removed by the proposal.
Those qualities of the reserve which contribute to the pleasantness, harmony, and cohesion of the natural environment and the better use and enjoyment of the reserve shall be conserved.	The Club, as an existing occupier will not negatively impact the existing pleasantness and enjoyment of the reserve.
To the extent compatible with the principal or primary purpose of the reserve, its value as a soil, water, and forest conservation area shall be maintained.	The proposed lease will not impact on soil, water and forest conservation.
Does not significantly limit the availability of space for general community use	The lease does not affect the availability of the space for general community use.

Impact on the locality and Park operations

Criteria	Assessment
Aesthetics	The Club currently occupies the site. There are no additional impacts from the continuing occupation of the site
Security	The Club will be responsible for security of their buildings and assets
Cleaning and Offensive litter	The Club is responsible for managing litter within its leased area
Vegetation	No trees or shrubs would be required to be removed
Carparking	Existing car parking is available. No new effects are created in approving a new lease
Affected Parties	Parties identified include: <ul style="list-style-type: none"> - Members of the Club - Neighbouring residents and tenants - Local Community - Rangitane o Manawatu

MEMORANDUM

TO: Strategy & Finance Committee

MEETING DATE: 13 November 2024

TITLE: 916 Tremaine Avenue (part of Vautier Park) - Proposal to grant lease of Council land to Red Sox Sports Club Incorporated

PRESENTED BY: Bill Carswell, Manager Property and Resource Recovery

APPROVED BY: Chris Dyhrberg, General Manager Infrastructure

RECOMMENDATION(S) TO STRATEGY & FINANCE COMMITTEE

1. That the Strategy and Finance Committee grant a lease for the land at 916 Tremaine Avenue (part of Vautier Park) Palmerston North described as *Part Section 249 TN of Palmerston North* to Red Sox Sports Club Incorporated, in accordance with section 54 of the Reserves Act 1977 and Council's Support and Funding Policy.
-

1. ISSUE

- 1.1 The Club has occupied Council land at 916 Tremaine Avenue (part of Vautier Park) since 1999. Their previous lease expired in 2019 and they have been operating on a month-by-month lease since.
- 1.2 The Club requested a new lease to continue operation. The land leased is subject to the requirements of section 54 of the Reserves Act 1977 and Council's Support and Funding Policy 2022. These requirements include public notification of Council's intention to grant a new lease.
- 1.3 The public notification process is now complete with no submissions received.
- 1.4 This report seeks approval to grant a new lease to the Red Sox Sports Club Incorporated in accordance with section 54 of the Reserves Act 1977 and Council's Support and Funding Policy.

2. BACKGROUND

- 2.1 A report to the Strategy and Finance Committee on 14 August 2024 assessed the proposal and as a result the Committee resolved:
 1. *That the Committee continues to support Red Sox Sports Club Incorporated by notifying the public of its intention to grant community occupancy of Council land at 916 Tremaine Avenue (part of Vautier*

Park), Palmerston North in accordance with the Support and Funding Policy 2022 and Section 54 of the Reserves Act 1977.

2. That the Committee notes the land affected by the community occupancy of Red Sox Sports Club is described as Part Section 249 TN of Palmerston North.

2.2 Consultation was completed in September 2024. No submissions were received.

2.3 If entered the proposed lease will commence 1 April 2024 and will be for a term of five (5) years, with two rights of renewal for a further five (5) years. The rental is \$150 + GST per annum.

3. CONCLUSION

3.1 Council has been supporting the Club by granting occupancy of Council land since 1977.

3.2 Given there were no objections to the new lease proposal and the requirements of the Support and Funding Policy have been met, it is recommended that Council continue to support the group and proceed with granting a new lease to the Club.

4. NEXT STEPS

4.1 A new lease will be executed between Palmerston North City Council and the Red Sox Sports Club Incorporated.

5. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	Yes
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these actions?	Yes
Are the recommendations inconsistent with any of Council's policies or plans?	No
The recommendations contribute to: Whāinga 3: He hapori tūhonohono, he hapori haumarū Goal 3: A connected and safe community	
The recommendations contribute to the achievement of objective/objectives in:	

<p>6. Mahere rēhia</p> <p>6. Recreation and Play Plan</p> <p>The action is: Lease Council land and facilities to for-purpose organisations in line with the Support and Funding Policy.</p>	
<p>Contribution to strategic direction and to social, economic, environmental and cultural well-being</p>	<p>The recommendation is in line with Council's Support and Funding Policy which supports community groups to deliver benefits contributing to the cultural, economic and environmental and social wellbeing of the city.</p>

ATTACHMENTS

Nil

MEMORANDUM

TO: Strategy & Finance Committee

MEETING DATE: 13 November 2024

TITLE: 65 Totara Road - Proposal to grant lease of Council land to Manawatū Amateur Radio Society Branch 20 NZ Art Incorporated

PRESENTED BY: Bill Carswell, Manager Property and Resource Recovery

APPROVED BY: Chris Dyhrberg, General Manager Infrastructure

RECOMMENDATION(S) TO STRATEGY & FINANCE COMMITTEE

1. That the Strategy and Finance Committee grant a lease for the land at 65 Totara Road, Palmerston North described as Lot DP 26198 to Manawatū Amateur Radio Society Branch 20 NZ Art Incorporated, in accordance with Council's Support and Funding Policy.
-

1. ISSUE

- 1.1 The Club has occupied Council land at 65 Totara Road since 1977. Their previous lease expired in 2019 and they have been operating on a month-by-month lease since.
- 1.2 The Club requested a new lease to continue operation. The land leased is subject to the requirements of the Support and Funding Policy 2022. These requirements include public notification of Council's intention to grant a new lease.
- 1.3 The public notification process is now complete with no submissions received.
- 1.4 This report seeks approval to grant a new lease to the Radio Club in accordance with the Support and Funding Policy.

2. BACKGROUND

- 2.1 A report to the Strategy & Finance Committee on 14 August 2024 assessed the proposal and as a result the Committee resolved:
 1. *That the Committee continues to support Manawatū Amateur Radio Society Branch 20 NZ Art Incorporated by notifying the public of its intention to grant community occupancy of Council land at 65 Totara Road, Palmerston North in accordance with the Support and Funding Policy 2022.*

2. *That the Committee notes the land affected by the community occupancy of Manawatū Amateur Radio Society Branch 20 NZ Art Incorporated is described as Lot DP 26198.*

2.2 Consultation was completed in September 2024. No submissions were received.

2.3 If entered the proposed lease will commence 1 July 2024 and will be for a term of five (5) years, with two rights of renewal for a further five (5) years. Council pays for the rent of \$150 + GST per annum, plus all rates on the property, as part of the Society's arrangement with Emergency Management.

3. CONCLUSION

3.1 Council has been supporting the Radio Club by granting occupancy of Council land and building since 1977.

3.2 Given there were no objections to the new lease proposal and the requirements of the Support and Funding Policy have been met, it is recommended that Council continue to support the group and proceed with granting a new lease to the Radio Club.

4. NEXT STEPS

4.1 A new lease will be executed between Palmerston North City Council and the Manawatū Amateur Radio Society Branch 20 NZ Art Incorporated.

5. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	Yes
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these actions?	Yes
Are the recommendations inconsistent with any of Council's policies or plans?	No
The recommendations contribute to Whāinga 3: He hapori tūhonohono, he hapori haumaruru Goal 3: A connected and safe community	
The recommendations contribute to the achievement of objective/objectives in:	
6. Mahere rēhia	
6. Recreation and Play Plan	

The action is: Lease Council land and facilities to for-purpose organisations in line with the Support and Funding Policy.	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	The recommendation is in line with Council's Support and Funding Policy which supports community groups to deliver benefits contributing to the cultural, economic and environmental and social wellbeing of the city.

ATTACHMENTS

Nil

COMMITTEE WORK SCHEDULE

TO: Strategy & Finance Committee

MEETING DATE: 13 November 2024

TITLE: Committee Work Schedule

FROM:

RECOMMENDATION TO STRATEGY & FINANCE COMMITTEE

1. That the Strategy & Finance Committee receive its Work Schedule dated November 2024.

COMMITTEE WORK SCHEDULE – NOVEMBER 2024					
Item No.	Estimated Report Date	Subject	Officer Responsible	Current Position	Date of Instruction/ Clause number
1.	13 November 2024	Options to transition out of small vehicle fleet ownership and long term lease, with a view to utilisation of a carshare or similar services Financial Year 2027 onwards	General Manager Strategic Planning General Manager Infrastructure		Council 29 November 2023 Clause 193.3-23
2.	13 November 2024	Draft Waste Management and Minimisation Bylaw – Approval for Consultation	General Manager Strategic Planning		11 August 2021 Clause 21
3.	13 November 2024	Quarterly Performance & Financial Report	General Manager Corporate		Terms of Reference

		(Quarter 1 ending 30 September 2024)	Services / CFO		
4.	13 November 2024	Treasury Report (Quarter 1)	General Manager Corporate Services / CFO		Treasury Policy
5.	13 November 2024	Lease – Manawatu Amateur Radio Society Branch 20 NZ Art Incorporated	General Manager Infrastructure		14 August 2024 Clause 44-24
6.	13 November 2024	Lease – Red Sox Sports Club Incorporated	General Manager Infrastructure		14 August 2024 Clause 44-24
7.	13 November 2024 26 February 2025	Vegetation Framework to include a Tree Policy focused on Council administered streets and public spaces	General Manager Strategic Planning	Competing demands on planning resources; priority given to growth work, eg. Plan Change I	Committee of Council 9 June 2021 Clause 31.8
8.	13 November 2024 26 February 2025	Te Apiti Ashhurst Loop Track – negotiations and Recreation Fund application	General Manager Infrastructure	Negotiations in progress	8 May 2024 Clause 32
9.	26 February 2025	Public Spaces: policy and bylaw options	General Manager Strategic Planning		
10.	26 February 2025	Reserves Classifications – deliberations	General Manager Infrastructure		14 August 2024 Clause 41-24
11.	28 May 2025	Public Spaces: approval to consult on draft policy and	General Manager Strategic Planning		

		bylaw			
12.	28 May 2025	Quarterly Performance & Financial Report (Quarter 2 ending 31 December 2024)	General Manager Corporate Services / CFO		Terms of Reference
13.	28 May 2025	Treasury Report (Quarter 2)	General Manager Corporate Services / CFO		Treasury Policy
14.	28 May 2025	Engage with the community around the option of designating part of Linklater Park as dog-on-lead, and report back	General Manager Strategic Planning		8 May 2024 Clause 26
15.	20 August 2025	Quarterly Performance & Financial Report (Quarter 3 ending 30 April 2025)	General Manager Corporate Services / CFO		Terms of Reference
16.	20 August 2025	Treasury Report (Quarter 3)	General Manager Corporate Services		Treasury Policy
17.	TBC	Nature Calls - Prospective funding and finance options	General Manager Corporate Services		Council 10 June 2024 Clause 111-24
18.	TBC	Delegation Manual – Fees & Charges review	General Manager Corporate Services		8 May 2024 Clause 24
19.	TBC	Revenue & Finance Policy review	TBC		8 May 2024 Clause 24
20.	TBC	Contact Centre	General		Council

		– Breakdown of expenses	Manager Corporate Services		3 April 2024 Clause 52-24
21.	TBC	Draft Interim Speed Management Plan	General Manager Strategic Planning	Waiting on Government direction	Council 5 April 2023 Clause 46-23

ATTACHMENTS

NIL