PALMERSTON NORTH CITY COUNCIL

AGENDA

ATTACHMENTS

COUNCIL

UNDER SEPARATE COVER

9:00 AM, WEDNESDAY 8 OCTOBER 2025

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

COUNCIL MEETING

8 October 2025

Under Separate Cover

REPORTS

8. Adoption of the Annual Report 2024/25

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Te Kaunihera o Papaioea
Palmerston North City Council

PŪRONGO Ā-TAU
ANNUAL REPORT

2024/25





He Mihi

Kei te rere ngā mihi maioha ki te iwi kāinga ki a Rangitāne o Manawatū i runga i te āhua o te mahitahi me te Kaunihera o Papaioea, te whai i ngā mātāpono o te Kawenata ki waenganui i a tāua.

Nō reira he tika te whakatairanga ake i ngā moemoeā o te Iwi me te Kaunihera tae atu ki ngā hapori whānui o tēnei Taonenui.

Kia kaha tātou ki te hāpai ake ngā ōhākī o ngā tipuna me ngā moemoeā o ngā tamariki mokopuna kei te haere mai.

Tini whetū ki te Rangi, Ko Rangitāne nui ki te whenua. Mauri tū mauri ora ki a tātou katoa.

The Palmerston North City Council respectfully recognises the local iwi Rangitāne and their customary relationship to this area and appreciates the ongoing support of the iwi in the development of this City and all of those people who have made it their home. Council remains committed to fostering and strengthening our relationship with Rangitāne.

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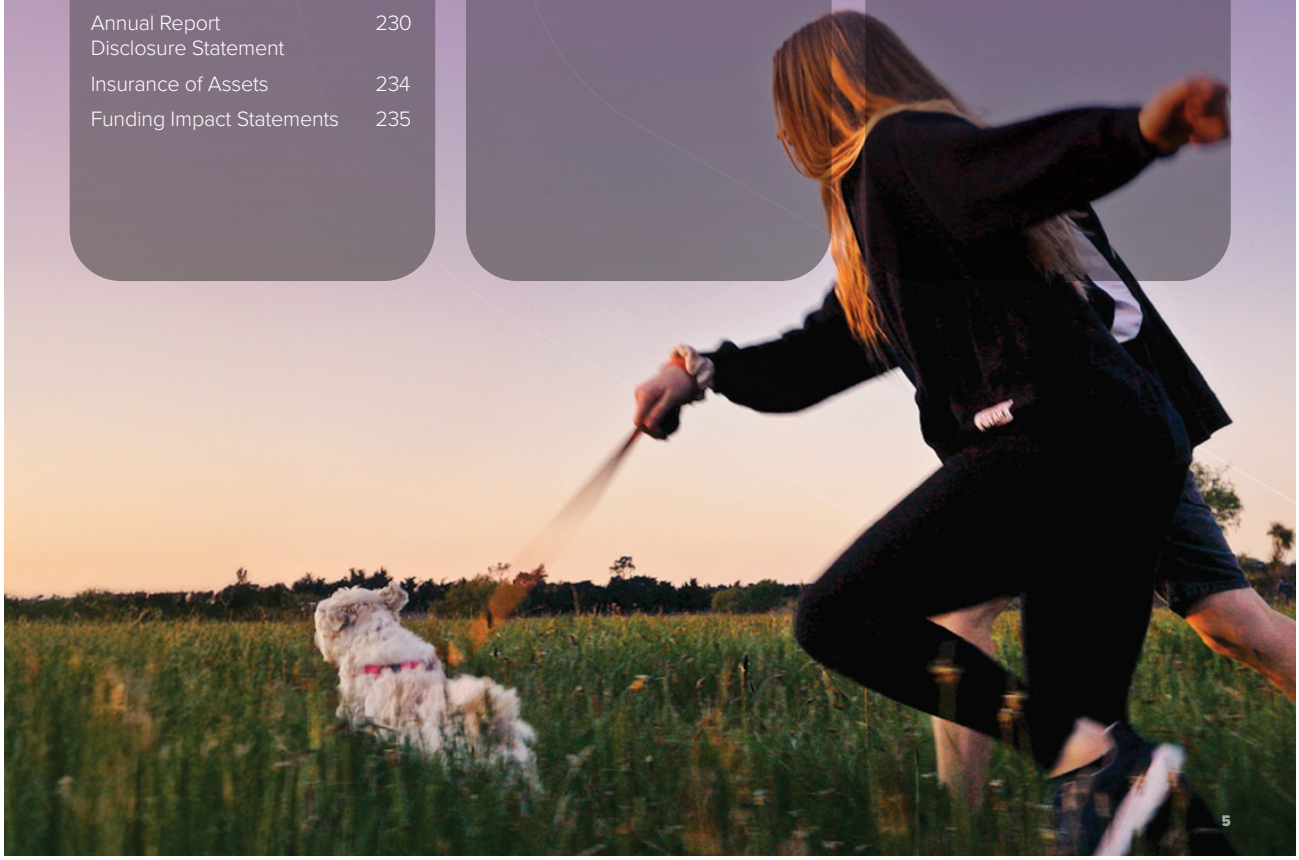
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YEAR IN REVIEW

It's been a big year for Palmerston North, and despite the challenges many in our community are facing, we've continued to make steady progress.

With rising costs affecting everyone, we've focused on getting the balance right – delivering essential services and upgrades while being mindful of spending. These pressures have shaped our decisions over the past few years, and they'll keep guiding us as we plan ahead.

We've made major improvements to our roads and water systems – rebuilding Railway Road, replacing the Amberley Avenue Bridge, and upgrading key water pipes across the city. We've also made it safer and easier to get around by upgrading 80 bus shelters and installing new pedestrian lights on Pioneer Highway.

We've also upgraded community spaces – from a fun new playground at Chippendale Reserve to a new outdoor gym near He Ara Kotahi, plus freshened-up parks, toilets, and changing rooms across the city.

We've supported future housing with rezoning consultations and continued work at Tamakuku Terrace, where new sections are on the way. And we've backed our local groups with extra funding through the Creative Communities Scheme and Strategic Priority Grants – helping them bring more life, colour, and connection to Palmy.

We even added polystyrene recycling to the Ferguson Street centre, collecting 3.5 tonnes to be reused in new products. That's a lot considering how light polystyrene is.

This year we also asked our community for feedback on options for managing drinking water, wastewater, and stormwater services in the future as part of the Government's Local Water Done Well programme. Following that feedback, we've committed to working with neighbouring councils to set up a new, council-owned water organisation – one that keeps decision-making local while ensuring safe, sustainable, and affordable services for the future.



There's still plenty to do, but we're proud of what we've achieved together. To everyone who's played a part – thank you.

Your input, support, and mahi help us live up to our city's vision:

He iti rā, he iti pounamu – Small city benefits, Big city ambition.



Grant Smith JP
Mayor
8 October 2025



Waid Crockett
Chief Executive
8 October 2025



FINANCIAL OVERVIEW

Total activity operating revenue

$6.0M

favourable to budget

Total activity operating expenditure

$3.4M

favourable to budget

Renewal capital expenditure of

$34.4M

delivered $1.4M higher than budgeted

New capital expenditure of

$27.5M

delivered $20M lower than budgeted

Growth capital expenditure of

$6.7M

delivered $8.3M lower than budgeted

Net debt increase by

$22.4M

which was $29.6M lower than the budgeted increase.



The financial performance shows that we continue to be in good shape and operating within our financial strategy.

Financially, the year has seen us finish in a strong position, with debt significantly lower than planned, an operating surplus higher than budgeted, and total assets exceeding $2.3B.

Total activity operating revenue	$6.0M favourable to budget	Some key areas that contributed to the favourable revenue were royalties from the windfarms, Tamakuku Terrace sales, and interest revenue from term deposits
Total activity operating expenditure	$3.4M favourable to budget	Depreciation was significantly lower than budgeted
Renewal capital expenditure to maintain capabilities	Spend of $34.4M, $1.4M higher than budget, and $2.8M higher than 2023/24	With higher inflation, particularly in roading, amounts in excess of budget were spent to maintain service levels. This was offset by reductions in new capital expenditure
New capital expenditure to increase capabilities	Spend of $27.5M, $20M lower than budget, and $18.3M higher than 2023/24	With changes in direction from central Government, funding from NZTA Waka Kotahi associated with Transport were reduced. This led to a reassessment of the 2024/25 expenditure as well as future years' planning
Growth capital expenditure to increase capacity	Spend of $6.7M, $8.3M lower than budget and $6.9M lower than 2023/24	Timeframes for growth programmes were reassessed to allow for better alignment with the timing of developments
Increase in net debt	Actual net debt increased by $22.4M, lower than the budgeted increase of $52.0M	Net debt has not increased as much as budgeted. This is mainly due to lower capital expenditure

Council sets rates and fees to achieve the income necessary for funding community services. Our financial strategy is to make sure we have allocated adequate funds for key projects from rates. This will allow us to maintain our services and allow for repayment of both existing and new debt. Calculation of these is detailed in the Groups of Activities section of the 2024-34 Long-Term Plan (after this referenced as LTP) and reported against in Section Two of this report.

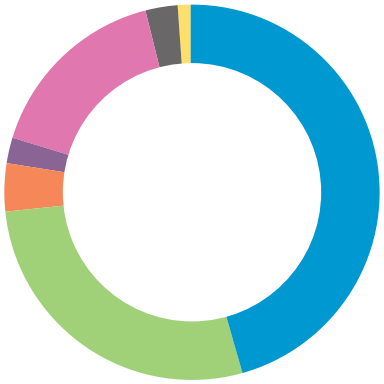


Operating Revenue and Expenditure

Operating Revenue

Many of the services provided and appreciated by the community are primarily funded by rates. Council also aims to charge the users of services directly where appropriate. Sources of operating revenue are summarised below in the chart.

Sources of Revenue



$86M General rates

$52M Targeted rates

$8M Regulatory user charges and fees

$4M NZTA operating subsidies

$31M Other services and income

$5M Rental income

$2M Interest and dividend income

General rates are Council's primary revenue source accounting for 46%. This is followed by targeted rates for water, wastewater, rubbish and recycling, business improvement district, and metered water to recover specific service delivery costs, as well as a new targeted rate based on capital values.

When compared to budget:

- Overall operating revenues were $7.4M higher than budget.
- Rates received, including penalties, were $1.3M more than budget.
- Finance revenue was $2.1M higher than budget.
- Operating revenue generated from activities was $3.3M more than budget.
- Operating subsidies and grants were $0.7M higher than budget.
- Other gains were $0.3M higher than budget.

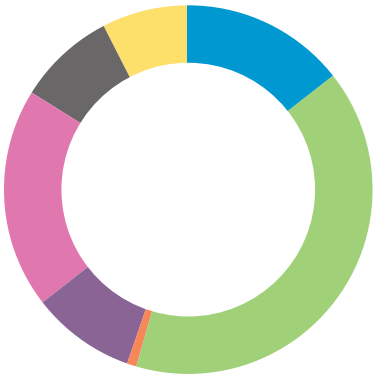
Other non-operating capital revenues relating to capital expenditure from government transport subsidies, DIA waters, grants, development contributions, and vested assets, were also received.

The Council Revenue and Financing Policy in the 2024-34 LTP includes information on how services are set to recover their operating expenses. This can be recovered through rates, fees/charges, and other sources. A table summarising the actual performance compared to the targets is included in Section Two of this report.

Operating Expenditure

Council services and facilities need to achieve a range of objectives to meet the Council's vision of He iti rā, he iti pounamu, small city benefits, big city ambition. The following chart shows the operating expenditure (excluding depreciation and other losses) required to help achieve that vision.

Types of Expenses Incurred



$22M Other expenditure on operating activities

$60M Employee benefit expenses

$1M Elected representatives benefit expenses

$14M Professional services

$29M Contractors

$13M Interest expenses

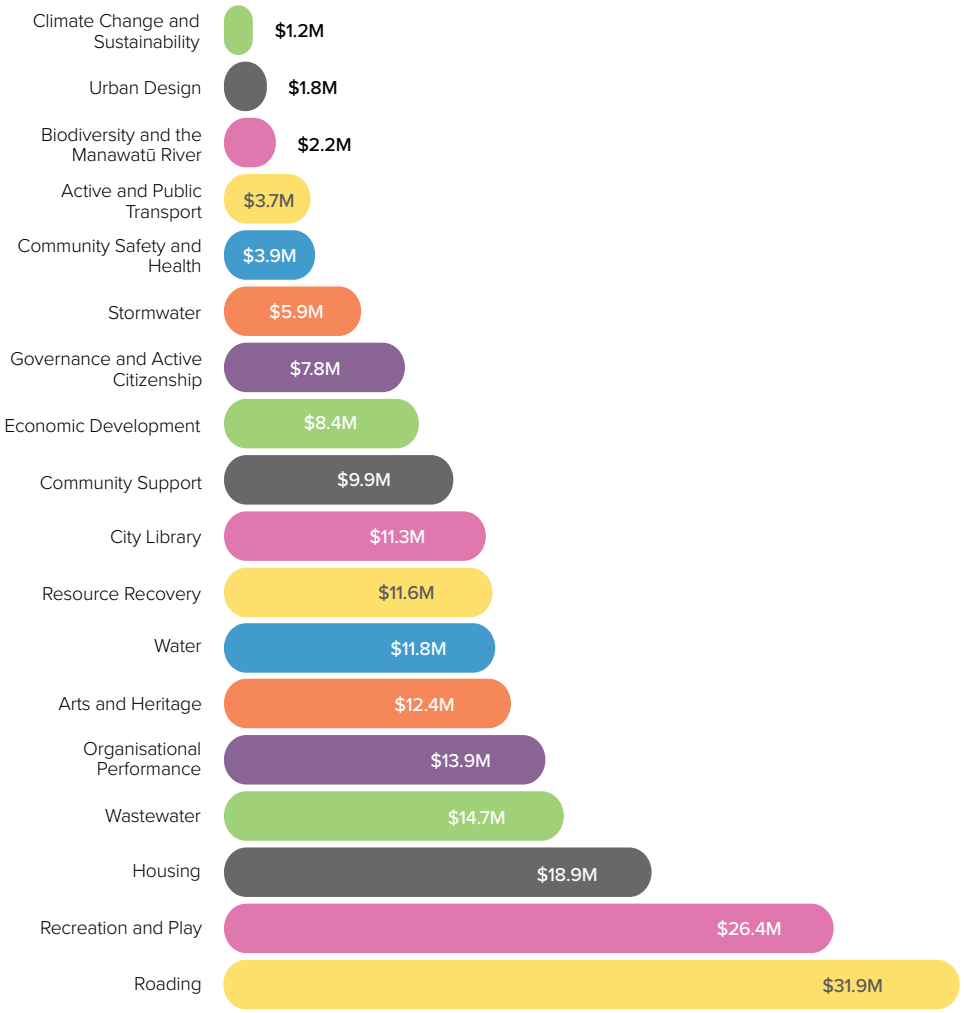
$11M Grants and funding to external organisations

When compared to budget:

- Employee benefit expenses (e.g kiwisaver) were $2.1M more than budget mainly due to higher wages and overtime needed to maintain service levels.
- Finance costs, excluding financial instruments, were $1.4M less than budget. This was due to lower debt and lower interest rates in the year.
- Overall operating expenses, excluding depreciation and financial instruments, were $1.4M less than budget.

Total operating expenditure from activities was $197.7M. This is detailed in Section Two by the services provided, known as Activities. The below chart summarises the operating expenditure, including depreciation, by Activity.

Operating Expenditure by Activity



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Capital Expenditure

Capital expenditure is required for the well-planned growth of the city and sustainable management of existing infrastructure.

This year, Council completed works totalling $68.6M compared with $91.0M in the previous year. There were some projects unable to be started due to significant funding changes through NZTA Waka Kotahi, and growth programme timeframes were reassessed to future years to better align with development.

$Million	Actual 2024/25	Budget 2024/25	Actual 2023/24
Renewal capital	34.4	33.0	31.7
New capital	27.5	47.4	48.5
Growth	6.7	15.0	10.8
Total	**68.6**	**95.4**	**91.0**

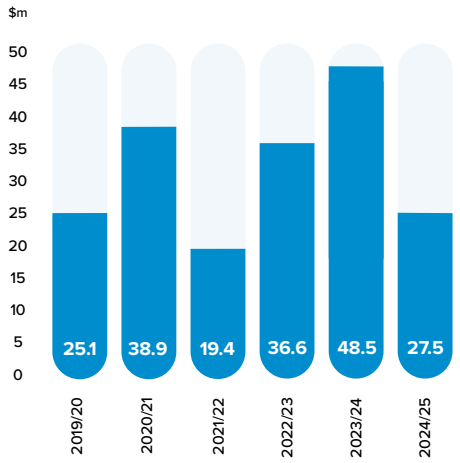
The following charts show how much capital has been spent in recent years for both new and renewal expenditure.

New capital expenditure decreased by 40% compared to the previous year and increased by 9% compared to 5 years ago.

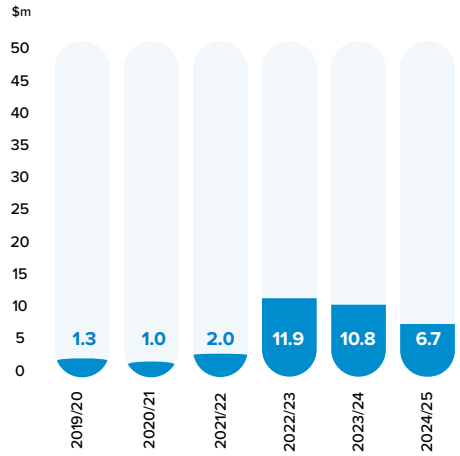
Growth capital expenditure decreased by 51% compared to the previous year and increased by 404% compared to 5 years ago.

Renewal capital expenditure increased by 9% compared to the previous year and by 29% compared to 5 years ago.

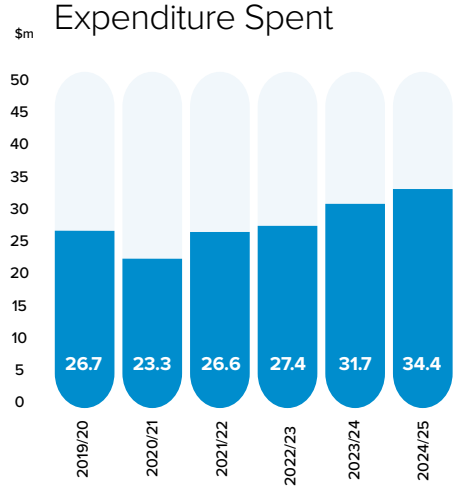
New Capital Expenditure



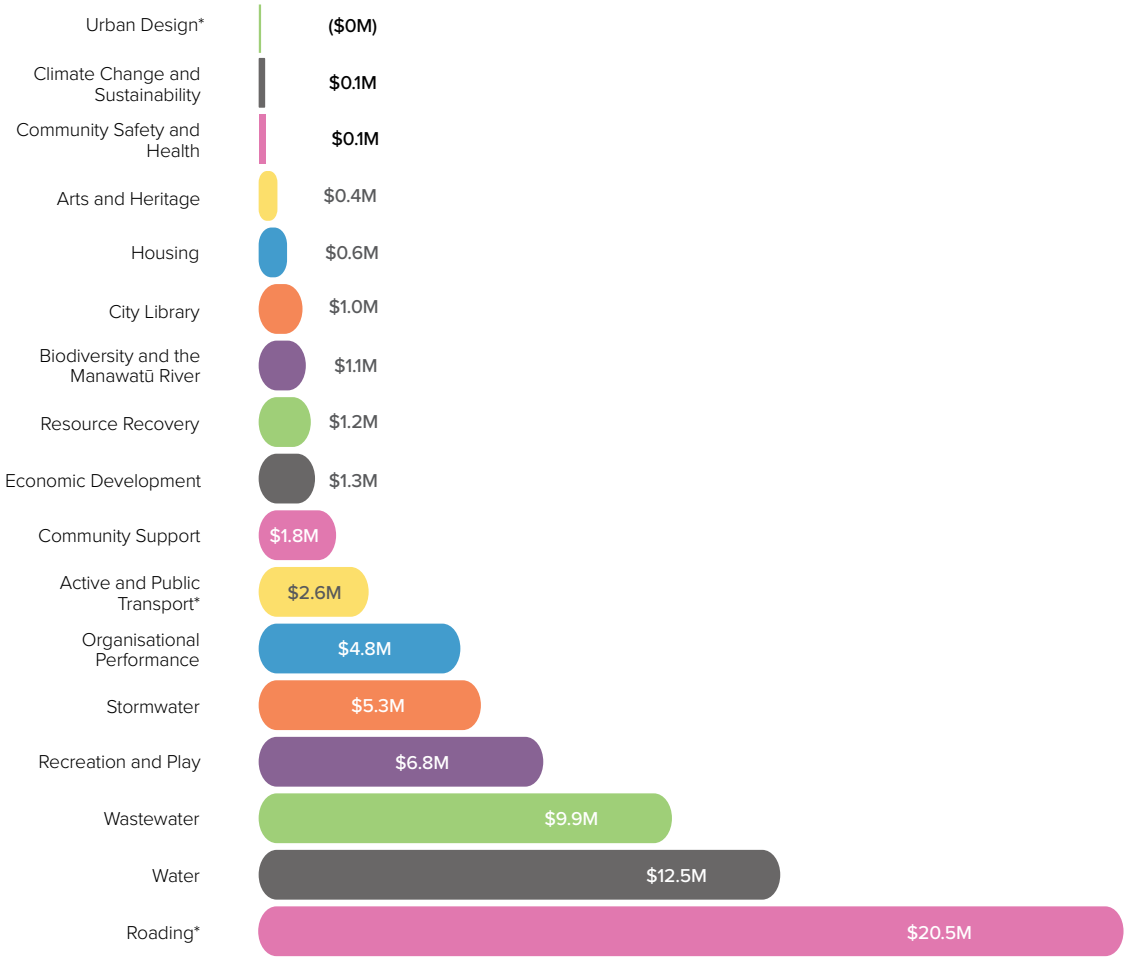
Growth Capital Expenditure



Renewal Capital Expenditure Spent



Capital Expenditure by Activity



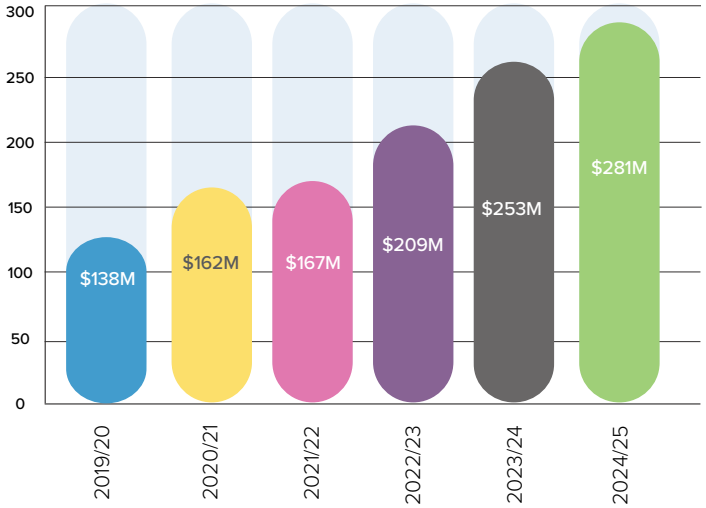
*The above activity graph excludes write-offs of prior year capital expenditure that occurred in the 2025 Financial Year. Those values are included in Section Two of the report, made up of $1.3M in Urban Design, $0.9M in Roading and $0.2M in Active and Public Transport.

Equity and Debt

	2023/24	2024/25	% change last year (unfav)
Total equity ($M)	2,049	2,251	9.9%
Equity per rateable property	$58,935	$64,439	9.3%
Equity per resident	$22,316	$24,655	10.5%
Total net debt ($m)	253	281	(11.4%)
Net debt per rateable property	$7,267	$8,053	(10.8%)
Net debt per resident	$2,752	$3,081	(12.0%)

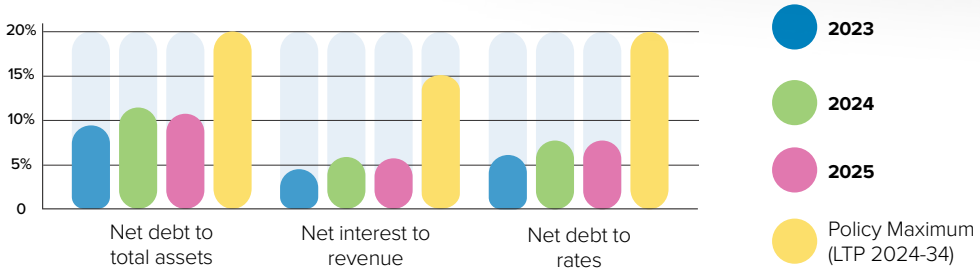
The financial strategy adopted by Council details the maximum level of borrowing considered sustainable, along with other practical limits. These graphs compare these limits in the Long-Term Plan 2024-34 to the actual amounts at financial year end.

Net Debt by Year





Borrowing Ratios at 30 June 2025



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How we work for the City

The purpose of Council is set out in the Local Government Act 2002. It has two main jobs: to enable local decision-making by and for communities, and to promote the social, economic, environmental and cultural wellbeing of communities now and into the future.

It's the role of the Mayor and Elected Members to decide how we do this for Palmerston North. They set goals through the Long-Term Plan and then monitor how we're tracking against those goals, including service levels, timing and budget. In making decisions, they consider local context, the lived experience of our community, and expert advice and evidence.

We also have a regulatory role. This means we put in place the requirements of laws like the Dog Control Act, Liquor Licensing Act, and the Resource Management Act. In some areas we apply rules on behalf of central government. In others, we set our own policies and bylaws to support community wellbeing.

A Long-Term Plan is completed every three years and outlines what we aim to do over the next decade, with a focus on the first three years. This is how we prioritise what our city needs. It includes community consultation on services, infrastructure, and new projects. In April 2024, we consulted on the Long-Term Plan 2024–34. We received over 1,400 submissions. More than 150 people spoke at hearings held over three full days in May 2024. Elected Members considered this feedback during deliberations. Changes were made to the proposed budget and the final plan was adopted on 26 June 2024. More information is available on our webpage 'Long-Term Plan 2024–34'.

Our Infrastructure Strategy is a key long-term planning document. It covers the city's core infrastructure, like roads, water, stormwater and wastewater. The first 10 years of this 30-year strategy are included in the Long-Term Plan to help plan resourcing. The strategy outlines what's needed to maintain and renew our infrastructure and meet growth and legislative requirements. Protecting past investment in our network is important to make sure people and businesses can rely on essential services. Planning for city growth is ongoing. We use a development framework to support new development and renewal, while aiming to share costs fairly between developers and the wider community. During consultation on the Long-Term Plan 2024–34, we also sought feedback on our Development Contributions Policy. We developed our first Future Development Strategy alongside Horizons Regional Council. This sets out growth priorities to help guide infrastructure investment over the next 30 years.

The Long-Term Plan also includes our Financial Strategy. This sets out how we manage debt and rates, and what kinds of activities we fund. In this update, we've included a commitment to review the assets we own and whether they're delivering good value. The plan explains the services we provide and how performance is measured. This year, Elected Members focused on staying within our debt ceiling, repaying debt for future generations, and managing the impact on current ratepayers. We also reviewed the Revenue and Financing Policy to support cost recovery and strike the right balance between public good and user-pays.

As part of the Long-Term Plan process, Elected Members reviewed the strategic framework that guides budget priorities and levels of service. We adopted the Oranga Papaioea City Strategy, which takes a long-term view across social, cultural, economic and environmental wellbeing. It confirms our commitment to working in partnership with Rangitāne o Manawatū. The strategy includes 15 plans under four goals: an innovative and growing city, a creative and exciting city, a connected and safe community, and a sustainable and resilient city.

The services we provide are all set out in the Long-Term Plan and include:

- Parks, sports fields and pathways
- Libraries
- Cemeteries
- Social housing
- Building services
- Animal management
- Community events

These and many other services help make Palmerston North a city where people enjoy the benefits of a smaller centre, while having access to the opportunities of a larger one. We update the Long-Term Plan budget each year through the Annual Budget. Every year, we also publish a detailed audited Annual Report to show how we performed against our plans, budgets and measures.



How our Council is Structured

Local decision-making

Local decision-making authority is set out under the law, which gives powers to Elected Members. After each election, the Mayor outlines how they want to organise the decision-making bodies, called committees.

Council representation

Residents of Palmerston North elect a Mayor and 15 Elected Members to represent them. All members represent the whole city. Two members are elected by those on the Māori roll for the Te Pūao Māori Ward. Thirteen are elected by those on the General roll for the Te Hirawanui General Ward.

We appoint a Chief Executive to manage the day-to-day running of Council with some responsibilities delegated to this role. The Chief Executive is responsible for putting our policies into action and making sure they're delivered on time and within budget.

Elections

Local elections are held every three years. The last election was in October 2022 and the next one is set for 11 October 2025.

Our committees

We have a range of committees that reflect the strategic focus areas and legal responsibilities of Council.

For the 2022–2025 term, the following committees have been set up. Unless advertised otherwise, most meet on Wednesdays at 9am or 1pm in the Council Chambers.

Monthly:

- Council

Six-weekly:

- Community
- Culture and Sport
- Economic Growth
- Strategy and Finance
- Sustainability

Quarterly:

- Rangitāne o Manawatū (Elected and Appointed members)
- Risk and Assurance (Appointed independent Chair)

Committees are made up of elected members and appointed members who bring specific knowledge and skills. There are currently four appointed members on committees.

Most meetings are open to the public, and we advertise in advance what will be discussed. Agendas are available at least two working days before each meeting on our Council Meetings webpage. Printed copies can also be found at the Central Library and Customer Services.

Residents are welcome to attend and observe. Most meetings include time for public comment. If you'd like to speak to something on the agenda, let an administrator know when you arrive. There may also be a chance to make a short presentation to the relevant committee. Please contact our Governance Support team in advance if you'd like to do this. You can also watch meetings live or after they happen on our YouTube channel.

Sometimes meetings include confidential topics. When that happens, the public may be asked to leave for that part of the discussion. We will always explain what the topic is and why it's confidential, following the rules set out in the Local Government Official Information and Meetings Act, having weighed the public interest against the relevant grounds for exclusion under the Act. Once any decisions are able to be made public, they will be published on our website.

Our key governance documents

Understanding how we work

Our Local Governance Statement is available on our website. It explains how decisions are made and how you can be involved in local decision-making.

Policies that guide elected members

You'll also find a set of governance publications online. These include the Code of Conduct, the Policy on the Appointment of Directors and Trustees, Standing Orders (meeting rules), the Expenses and Allowances Policy, and the Delegations Manual.

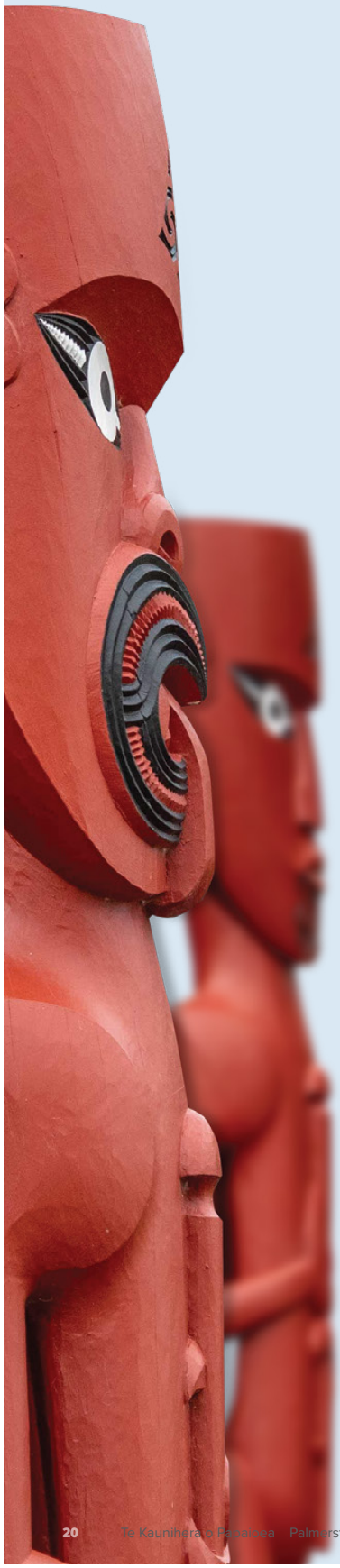
The Delegations Manual sets out the responsibilities that elected members have delegated to the Chief Executive to manage on our behalf. This helps make sure day-to-day operations run smoothly, while we still maintain full oversight.

Keeping things up to date

In 2024/25, we continued a rolling review of the Delegations Manual. A review of the Central Economic Development Appointments Policy is also underway with our co-shareholders at Manawatū District Council.



ITEM 8 - ATTACHMENT 1



Strengthening Māori representation in decision-making

For the 2022–2025 term, for the first time, we've had two Te Pūao Māori ward elected members at the Council table, alongside 13 from the Te Hirawanui General Ward. These elected members bring a te ao Māori (Māori worldview) lens to decision-making and have helped shape a more collaborative culture. These wards are one of the ways we ensure Māori voices are heard in our work.

We honour our Tiriti partnership with Rangitāne o Manawatū

Rangitāne o Manawatū are our Tiriti partner. As mana whenua, they hold customary authority in Palmerston North and signed their Treaty settlement with the Crown in 2015. That settlement acknowledges breaches of Te Tiriti o Waitangi and the ongoing impacts of those actions.

The settlement provides for formal ways to engage and make decisions together. These mechanisms are designed to support the restoration of mana whakahaere (authority) and enable Rangitāne to exercise rangatiratanga and kaitiakitanga across their rohe.

We're focused on responding to challenges and opportunities together, while understanding and supporting the unique and shared aspirations of iwi. Te Tiriti is about responsibility — to our mokopuna and to our tūpuna — to honour the legacy that benefits everyone in our city and region.

Our partnership agreement guides how we work together

We signed a formal Partnership Agreement with Rangitāne o Manawatū in 2019. This agreement affirms their status and responsibilities as mana whenua and sets out how we work together for the good of the whole community.

The agreement strengthens our understanding of tangata whenua and the wider Māori community, and how we can better reflect this in our plans. It also brings together the history, knowledge and values of Rangitānenuiarawa, Te Ao Māori and tikanga Māori. This helps guide the development of policies and strategies across our work.

At its heart, the agreement is about restoring and upholding mana and mauri. It reinforces our responsibility to honour Te Tiriti in everything we do and asks us to take care when making decisions that directly affect iwi Māori in our city.

Te Whiri Kōkō supports regular and open conversations

Te Whiri Kōkō is a regular hui where iwi members and staff come together to talk openly about projects, plans and aspirations. These monthly meetings cover everything from long-term goals to current operational projects.

A key purpose is to identify iwi interest in projects and confirm how Rangitāne want to be involved. Each project is looked at in terms of scale and timing, with iwi assigning priority and engagement timeframes. Where appropriate, Rangitāne's position is brought to Elected Members for endorsement.

A dedicated committee supports Māori wellbeing

The Rangitāne o Manawatū Committee provides oversight on matters related to Māori wellbeing in our city. It also focuses on the future development of Te Motu o Poutoa. The committee includes three Rangitāne representatives who bring the expertise of Rangitānenuiarawa. The chairperson and deputy chairperson roles alternate each year between Rangitāne and Elected Members.

Te Motu o Poutoa is managed through shared leadership

In 2019 we entered a formal co-management agreement — Te Kawenata — with Rangitāne o Manawatū to protect and enhance Te Motu o Poutoa, a wāhi tapu (sacred site) of deep ancestral importance.

This shared approach reflects the ancestral connection of Rangitāne to the site, while also recognising broader community aspirations. A proposed new facility is based on these values and includes a vision that honours the area's full history, including its connection to ANZACs and others who have fallen.

The Kairaukaha role builds capability and connection

The Kairaukaha role was created to help build Rangitāne's capability and strengthen their relationship with us. The focus is on three waters, climate change, and environmental issues, but the role also supports other strategic work as capacity allows.

It sits across our Māori advisory space and Te Ao Tūroa, supporting Rangitāne's responsibilities as kaitiaki for the environment.

Elected members and their portfolios



Grant Smith JP
Mayor



Debi Marshall-Lobb
Deputy Mayor



Billy Meehan
Community
Culture and Sport (Deputy Chair)
Economic Growth
Rangitāne o Manawatū



Brent Barrett
Community
Economic Growth
Risk and Assurance
Strategy and Finance
Sustainability (Chair)



Karen Naylor
Community
Rangitāne o Manawatū
Risk and Assurance (Deputy Chair)
Strategy and Finance (Deputy Chair)
Sustainability



Kaydee Zabelin
Community
Culture and Sport
Rangitāne o Manawatū
Risk and Assurance
Strategy and Finance
Sustainability (Deputy Chair)



Leonie Hapeta JP
Culture and Sport
Economic Growth (Chair)
Risk and Assurance
Strategy and Finance
Sustainability



Lew Findlay QSM
Community
Culture and Sport
Strategy and Finance



Lorna Johnson
Community (Chair)
Economic Growth
Risk and Assurance
Strategy and Finance
Sustainability



Mark Arnott
Culture and Sport
Economic Growth
Risk and Assurance
Strategy and Finance



Orphée Mickalad
Community
Economic Growth
Risk and Assurance
Strategy and Finance



Patrick Handcock ONZM
Community
Culture and Sport
Strategy and Finance
Sustainability



Rachel Bowen
Community
Culture and Sport (Chair)
Economic Growth



Roly Fitzgerald
Culture and Sport
Economic Growth
Rangitāne o Manawatū
Sustainability



Vaughan Dennison
Culture and Sport
Economic Growth
Rangitāne o Manawatū
Risk and Assurance
Strategy and Finance (Chair)



William Wood
Community
Culture and Sport
Economic Growth (Deputy Chair)
Risk and Assurance
Strategy and Finance

Community

Meetings with the Community



Mayor And 15 Councillors

Council + 7 Committees

Strategy and Finance
Chairperson: Vaughan Dennison

Community
Chairperson: Lorna Johnson

Culture and Sport
Chairperson: Rachel Bowen

Economic Growth
Chairperson: Leonie Hapeta JP

Sustainabilty
Chairperson: Brent Barrett

Risk and Assurance
Chairperson: Steve Armstrong

Rangitāne o Manawatū
Chairperson: Mayor Grant Smith JP



Management and Employees

Council appoints the Chief Executive to oversee Council operations. Certain powers of management are delegated to that position in accordance with Section 42 and clauses 33 and 34 of Schedule 7 of the Local Government Act 2002. The Chief Executive is responsible for the day-to-day operation of the Council's activities and acting within delegated authority from the Council, as detailed in the Council's Delegation Manual.

The Chief Executive implements and manages Council's policies and objectives within the budgetary constraints established by Council, and employs all other staff members. The managers of business units report to the Chief Executive. Important areas of focus for management are compliance with legislation, Council policy, management of risk, and acting in a sustainable manner while delivering agreed services within budget.

The Council is committed to ensuring that all staff have the capability to deliver the Long-Term Plan and Annual Budgets as agreed with the community. This involves training Council staff and providing an environment where its employees can work to their full potential. Council makes career development training frameworks that are linked to New Zealand Qualifications available across the organisation.



Chief Executive
Waid Crockett





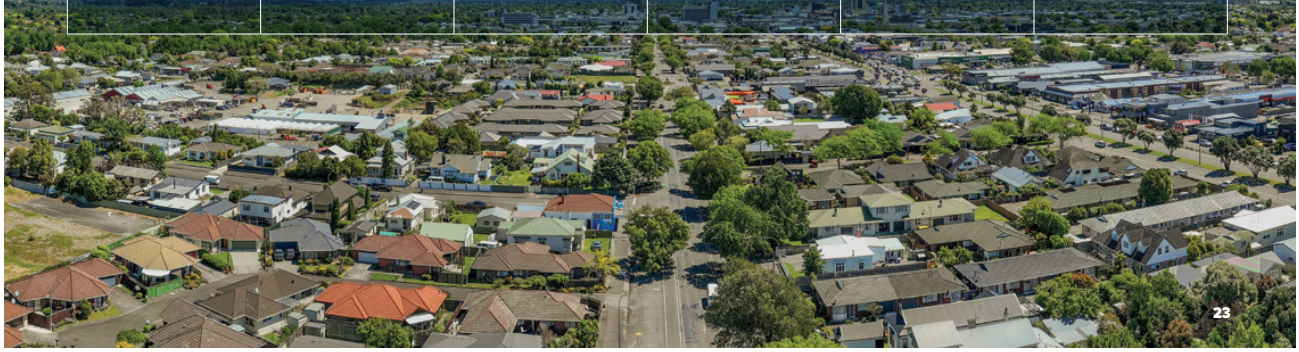








Cameron McKay	Danelle Whakatihi	Kerry-Lee Probert	Chris Dyhrberg	Sarah Morris	David Murphy
General Manager Corporate Services / Chief Financial Officer	General Manager Customer and Community	General Manager Development and Regulatory	General Manager Infrastructure / Deputy CEO	General Manager People and Capability	General Manager Strategic Planning
Finance	Library services	Planning services	Transport	People operations	Māori advisory
Finance strategy	Community development (including youth services)	Building services	Development engineering	Health, safety and wellbeing	Growth (strategic land use, funding and financing)
Commercial, Procurement and contracts	Venues and events	Regulatory services (environmental health, alcohol, animal management, licensing)	Asset management	Employee experience	Long-term plan (including organisation performance)
Legal, Risk & Assurance	Communications	Emergency management	Capital project management	Digital solutions	Strategy and policy
Fleet and supply	Marketing		Parks and reserves	Change management	Urban and spatial planning
Governance	Customer services		Three waters		International relations
			Property Resource Recovery (including security and forestry)		Climate change and sustainability



ITEM 8 - ATTACHMENT 1

What's happening in the City?

Our people – growing, youthful and clever

Palmerston North is a city that's growing and changing. People from all backgrounds call it home, bringing a mix of cultures, fresh ideas and talent. We're youthful, diverse, and proud to be a place where learning and opportunity go hand in hand.

We're a growing city, with our population increasing by 1.7% in the year to June 2024, matching the national rate. With steady growth like this, we're expected to pass 100,000 people by 2030. Our community is not just growing, it's also youthful, with a median age of 35.7 years compared to 37.9 nationally. We're known for being clever too, with one PhD for every 36 working-age residents and nearly 40% of our workforce in highly skilled roles. Add to that a community made up of people from more than 120 ethnic groups, and you've got a city that's diverse, energetic and full of potential.

**Sources: Stats NZ; Infometrics Regional Economic Profile*

Growing

Our population increased by

1.7%

over the year to June 2024 (*StatsNZ)

Clever

Our city boasts the second highest number of PhDs per capita

39.3%

Youthful

Our median age is

35.7

Diverse

Our residents represent over

120

different ethnic groups (*StatsNZ)



Children (average per female)

1.6

Less than for the Manawatū-Whanganui region at 1.9. Equal to NZ

Born overseas

22.0%

Lower proportion of our residents born overseas than nationally but higher than the Manawatū Whanganui Region of 16.0%

Māori ethnicity

20.7%

Higher proportion of our residents are Māori relative to the national proportion

Speak Te Reo

5.0%

A greater proportion of people in our community speak te Reo compared with the national average

Access to internet

91.1%

A slightly higher %age of people have access to the internet

Living in most deprived quintile

20.9%

Less than the Manawatū-Whanganui Region with 28.4% of the population living in the most deprived quintile

Palmerston North continues to attract new residents:

19.4%

almost one in five people were living elsewhere in New Zealand five years ago

Aged over 65 years

15.7%

We have a lower proportion of older people in our city

Couple with child(ren)

41.5%

Female gender

50.7%

A higher proportion of females



Housing is more affordable in Palmy

Owning or renting a home is more affordable in Palmerston North than in many other parts of the country. In April 2025, the average house price in the city was $634,094, compared with $914,504 nationally. Here, the average house price is 4.6 times the average household income, while nationally it's 6.5 times. The average household income in the city is $127,725. Renting is also more affordable, with average annual rent making up 20.1% of household income, compared with 22.1% across New Zealand. It's also lower than in the Manawatū District (20.8%) and the wider region (22.0%).

Average house price

$634,094

Average household income

$127,725

What our Residents told us

Each year, an independent residents' survey is carried out by Key Research to get a clear view of how people see us and the services we provide. Around 500 to 600 residents are randomly selected from the electoral roll to take part.

The 2024/25 survey results were lower than in the previous year, with overall satisfaction declining from 44% to 36%. This reduction reflects decreases across most demographics and is linked to financial concerns raised by residents, including the need for sensible spending and perceptions of high rates. However, a number of services continue to perform strongly, with high levels of satisfaction for the Regent Theatre (74%), public facilities (71%), parks and reserves (69%) and rubbish disposal services (68%).

The top three areas with the highest satisfaction were:

Kerbside rubbish and recycling collection

83%

Walkways and shared pathways

76%

Great for walking and lots of opportunities to be physically active

75%





Climate change and sustainabilty

We're working towards a more sustainable, low-emissions city. Our goal is to support low-carbon activities and help balance out those that produce greenhouse gases. Tracking carbon emissions across the city helps guide where to act first and is a key part of the Low Carbon Fund.

Each spring, the citywide emissions inventory is presented to the Sustainability Committee, once data from third parties becomes available. The most recent inventory, covering the 2023 calendar year, was presented to the October 2024 committee. It showed total net emissions of 647,252 tonnes of carbon dioxide equivalent (tCO2e), which was a 3.27% reduction compared to the year before. While this was still 11,929 tCO2e (1.88%) higher than our 2016/17 baseline, emissions per person have dropped 9% over the same period.

Continued improvements in pest control within Turitea Reserve have resulted in consistently low rat numbers. This allowed the local toutouwai population to have its most successful breeding season to date and gave us the confidence to pursue a second translocation to strengthen genetic diversity and resilience. During the week of 14 April 2025, 30 toutouwai were captured and banded at Bushy Park Tarapuruhi, working alongside Ngaa Rauru and conservation biologists. The birds were blessed by Ngaa Rauru before leaving, and on 16 April they were welcomed by Rangitāne and released into the Turitea Reserve. Their arrival brings the total population to 64. Monitoring is ongoing, but early signs show the toutouwai have settled in well.

We have a hub on our website called Tackling climate change, with resources to help residents reduce their carbon footprint. This includes FutureFit, an easy-to-use calculator that works out your household's weekly footprint, Love Food, Hate Waste to help reduce food waste, and GenLess for tips, tools and real stories from other New Zealanders reducing emissions. The hub also links to support for local businesses with tools and strategies to reduce emissions, save money and be more energy-efficient.

You'll also find information on the local impacts of climate change across the Manawatū and emissions data from both Council operations and the wider city.

We support some fantastic organisations across Palmy that rely on volunteers to help care for our natural environment and build resilience to the impacts of climate change. This includes groups like Environment Network Manawatū and the Green Corridors crew. There are regular chances to get involved — from planting days to learning how to fix household items at Palmy's monthly repair cafés.

ITEM 8 - ATTACHMENT 1

Water services – keeping pace with demand

Drinking water

In 2024/25, we supplied approximately 11 billion litres of drinking water, with high compliance maintained under the Drinking Water Quality Assurance Rules. We kept working on fixing contact time issues at several bore sites, while upgrades at Papaioea Park and Roberts Line moved ahead to strengthen supply resilience. To tackle water discolouration from iron and manganese, a new filtration plant was installed in Ashhurst, alongside network flushing programmes. Major new supply projects are now underway at Milson Line and Stoney Creek Road to support city growth. Security and resilience upgrades were also delivered at Longburn and Turitea.

Wastewater

We treated approximately 11 billion litres of wastewater during the year. We upgraded pipes on a number of streets including Victoria Avenue and Lyndhurst Street, where some pipes and equipment date back to 1907. Resilience work included pump replacements, strengthening of the digester, and an overhaul of the biogas generator. Progress was also made at the College Street pump station and on developing a city-wide inflow and infiltration strategy.

Nature Calls

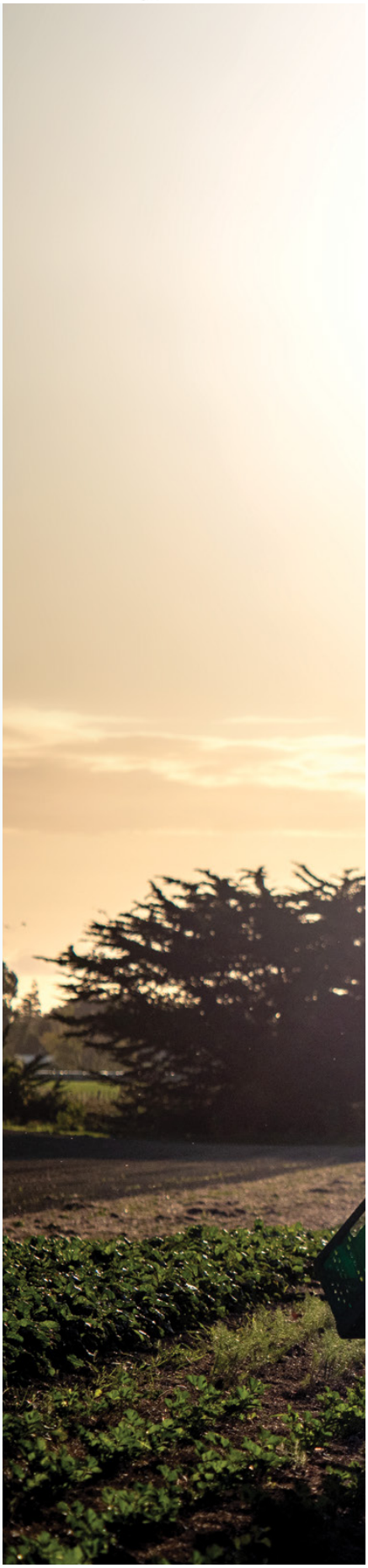
The Nature Calls programme continued work on long-term wastewater discharge options, aiming to meet regulatory requirements while also considering what's affordable for the community.

Stormwater

Heavy rainfall in August 2024 put pressure on stormwater systems and highlighted the need for more adaptive infrastructure. Key improvements were made, including the new attenuation pond at Whakarongo and upgrades in Schnell Reserve. Further works were completed along Awatea Stream, Ruahine Street and Raymond Street, and planning advanced for a new pump station at Wikiriwhi Street. We also worked closely with iwi and Horizons to improve stormwater quality and ensure compliance across the network.

Local water, done well

Over the past year, we continued to work with other Territorial Authorities on long-term water service delivery under the Government's Local Water Done Well legislative changes. We sought community feedback which supported collaboration, and efforts to reduce costs. A new jointly owned council-controlled water organisation will be established over the coming years. It will include Horowhenua and Rangitīkei district councils. The next key step is submitting a water services delivery plan to the Department of Internal Affairs by 3 September 2025.



A strong, growing economy

Our economy is in good shape. GDP reached $6.914B in the year to March 2025. Over the past five years, growth has hit 8.5%, slightly ahead of the national rate of 8.4%. More than $8B in investment is expected to flow into the wider region by 2034.

A key strength is the size of our government, education and health care sectors. These make up 31.7% of local GDP and 35.7% of employment, compared with 17.6% and 23.3% nationally.

There are 8,457 businesses and 56,973 employees across the city, with the average household income sitting at $127,725. In the year to April 2025, 432 new homes were consented, up 6.7% on the previous year. Commercial and industrial consents reached nearly $140M, an increase of 32.6%.

The city's economy is supported by a mix of strengths across food production, research, education, health, government and logistics. This mix adds stability and keeps us well positioned for steady, long-term growth. With strong performance in agri-food and ongoing investment in major sectors like healthcare, defence and distribution, the outlook for our economy remains positive.

**Sources: Infometrics Regional Economic Profile; Stats NZ*

More than

$8B

in investment is expected to flow into the wider region by 2034.

Commercial and industrial consents reached nearly

$140M

432

new homes were consented



Key Achievements

- Approved Aokautere Plan Change G for 1,000 new homes; subdivision consents underway
- Roxburgh Crescent Plan Change E for 105 homes, with a decision due by August 2025
- Resource consent granted to Safari Group to develop former Post Office site into a city centre hotel
- Started Tamakuku Stage 2 to provide more sections for housing
- Built Whakarongo stormwater detention pond to reduce flood risk for 500 future homes
- Fixed 2,559 potholes across the city
- Completed Amberley Ave bridge work, and carried out major maintenance on Mihaere Drive and repairs to Kahuterawa Rd
- Renewed water pipes across a number of streets including Ruahine St, Fitzherbert Ave, Milson Line, Raymond St and Te Matai Rd
- Installed 200 kW solar at the Recycling Centre to fully power sorting with zero carbon energy
- Started replacing petrol-powered parks equipment with electric alternatives
- Rolled out polystyrene recycling and free tyre drop-off through Tyrewise



- Upgraded Papaioea Park Bore #1 and started work to fix Ashhurst's water discolouration
- The number of fires on Ada Street dropped from 42 to just 2 following coordinated response with other service providers
- Under-5s swim access rose 24% to 855 children
- Central Energy Trust Arena hosted 3,010 bookings with over 440,000 attendees
- Planted 14,949 eco-sourced native plants in parks and reserves
- Delivered three Build Palmy forums and hosted our first for the hospitality sector
- Started new hospitality forum and targeted newsletter
- 60 people housed through homelessness outreach programmes
- Launched our first Civic Participation Report
- Library visits hit 529,670, with strong growth in digital use
- Large number of accessibility improvements underway in public spaces
- Progressed the Caccia Birch masterplan and key heritage projects
- Wildbase returned to 7-day operations and expanded its education programme




Ruahine Kiwi Project



WĀHANGA TUARUA
SECTION TWO

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What the Council Does
Statement of Service Performance

We know Palmerston North is a great place to be and we want people to enjoy living, working, visiting and doing business here. To ensure that's the case, we have a vision that sets the direction for all work we do.

Our vision for the city is: He iti rā, he iti pounamu. Small city benefits, big city ambition

At the heart of our vision is ensuring every resident is able to enjoy the benefits of living in a small city, with all the advantages of a big city. That means we're known for having a great quality of life while at the same time offering the lifestyle, education and business opportunities available in much larger cities.

To ensure this is achievable, we break it down to 4 goals:

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

Ngā hua | Outcomes:

- A city that fosters pride, and supports the aspirations of people and communities.
- A business environment that encourages investment and delivers career opportunities in a range of sectors.
- Enough land and infrastructure to enable housing development and business growth.
- The efficient movement of goods and services alongside safe and affordable transport options for people.
- A globally connected city that fosters opportunities for local people, businesses and organisations.
- An economy that embraces innovation and new ideas and uses resources sustainably.
- A resilient, low carbon economy.

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

Ngā hua | Outcomes:

- A vibrant city that connects people and where creativity is built into our cityscape.
- An arts community and cultural facilities that are well supported and invested in.
- Our unique heritage preserved and promoted.
- Opportunities to celebrate our many cultures.
- Access to exciting well-managed events and activities throughout the city and our neighbourhoods.
- Places across the city and its neighbourhoods for communities to participate in play and recreation.

Mana urungi, kiriraurautanga hihiri
Governance and Active Citizenship

This area is not included in our 4 goals; however, it is reported on in our levels of service:

- Base our decisions on sound information and advice.
- Oversee Council operations and communicate outcomes and decisions to our communities.
- Provide leadership and advocacy for Palmerston North.
- Provide clear and accessible information and opportunities or community input into Council decisions.

Activities Summary Information

The following tables summarise the following activity and service information:

- Operational requirement and funding.
- Funding sources.
- Capital expenditure.
- Non-financial performance measures.
- Since the budget was prepared, circumstances have changed in some areas. Explanations of significant variances is included in the activities sections that follow.

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

Ngā hua | Outcomes:

- Access to services and facilities that are inclusive and appropriate for their needs.
- Community social services groups and facilities that are well supported and invested in.
- The support they want to live healthy lives.
- Access to healthy and affordable housing.
- Opportunities to contribute to Council decision-making.
- Community social service groups and facilities that are well supported and invested in.

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

Ngā hua | Outcomes:

- A sustainable, low emissions city.
- Natural environment-focused community groups and facilities that are well supported and invested in.
- A resilient city and communities, that are prepared for the impacts of climate change.
- A circular economy with more resource recovery and less waste.
- A healthy, thriving ecosystem, including native biodiversity and food security.
- The Manawatu River and waterways restored to a healthy, respected and connected state.
- Sustainable urban planning with a low-carbon built environment.
- A safe, affordable, sustainable and resilient water supply.
- Effective, low-carbon, wastewater collection and treatment.
- Appropriate infrastructure and development to avoid and minimize the effects of flood events.
- Access to relevant information and education to support more sustainable choices.
- Natural environment-focused community groups and facilities that are well supported and invested in.

FINANCIAL RESULTS
OPERATIONAL SUMMARY BY ACTIVITY

ALL ACTIVITIES

	Actual 2025 **$000**	Long Term Plan 2025 **$000**	Variance 2025 **$000**	Actual 2024 **$000**
REVENUE				
A connected and safe community				
Community Support	1,423	1,002	421	1,262
City Library	88	80	8	135
Community Safety and Health	1,463	1,525	(62)	1,585
Creative and Exciting City				
Recreation and Play	5,445	4,000	1,445	3,949
Arts and Heritage	515	276	239	614
Supporting the Organisation				
Governance and Active Citizenship	183	399	(216)	215
Organisational Performance	6,108	4,565	1,543	5,420
A Sustainable and Resilient City				
Biodiversity and the Manawatū River	86	95	(9)	54
Resource Recovery	5,005	4,970	35	4,190
Climate Change and Sustainability	-	-	-	-
An Innovative and Growing City				
Housing	14,537	12,874	1,663	9,263
Economic Development	2,372	1,558	814	2,444
Urban Design	-	-	-	-
Stormwater				
Stormwater	(2)	-	(2)	65
Transport				
Active and Public Transport	367	1,029	(662)	598
Roading	12,014	11,435	579	10,673
Wastewater				
Wastewater	1,836	1,573	263	1,160
Water				
Water	23	44	(21)	19
TOTAL REVENUE	**51,463**	**45,425**	**6,038**	**41,646**

	Actual 2025 $000	Long Term Plan 2025 $000	Variance 2025 $000	Actual 2024 $000
EXPENSES				
A Connected and Safe Community				
Community Support	9,884	10,831	947	6,833
City Library	11,316	11,355	39	11,564
Community Safety and Health	3,898	4,200	302	3,879
Creative and Exciting City				
Recreation and Play	26,370	26,837	467	26,963
Arts and Heritage	12,441	13,528	1,087	12,459
Supporting the Organisation				
Governance and Active Citizenship	7,813	8,071	258	10,629
Organisational performance	13,941	12,518	(1,423)	9,783
A Sustainable and Resilient City				
Biodiversity and the Manawatū River	2,168	2,163	(4)	1,608
Resource Recovery	11,630	10,872	(758)	11,910
Climate Change and Sustainability	1,202	1,353	151	721
An Innovative and Growing City				
Housing	18,855	19,722	868	16,011
Economic Development	8,420	8,433	12	7,653
Urban Design	1,788	1,036	(753)	719
Stormwater				
Stormwater	5,895	6,842	947	4,864
Transport				
Active and Public Transport	3,686	5,357	1,671	4,074
Roading	31,901	29,625	(2,276)	27,485
Wastewater				
Wastewater	14,653	15,481	829	13,487
Water				
Water	11,835	12,916	1,081	11,476
TOTAL EXPENSES	**197,695**	**201,140**	**3,445**	**182,118**
NET OPERATING COST OF ACTIVITY	**(146,232)**	**(155,715)**	**9,483**	**(140,472)**
RATING ALLOCATION				
Add back depreciation	44,209	49,416	5,207	43,140
Less Transfers To/(From) Reserves	-	(5,840)	(5,840)	-
Less Renewal capital expenditure	(34,425)	(32,984)	(1,441)	(31,910)
Add/(Less) borrowing effect of renewal 3 year averaging	(238)	(1,198)	960	(3,447)
Add external revenue for renewal capital	4,715	5,549	834	3,518
Add proceeds from sale of assets	388	-	(388)	2,512
Less provision for debt reduction	6,615	7,760	1,146	1,945
Add targeted rates allocation	51,221	50,506	(715)	32,831
Add general rates allocation	86,977	86,346	(631)	91,883
FUNDING SURPLUS/(DEFICIT)	**-**	**-**	**-**	**-**

The funding surplus represents funds generated from operations by the Activities and variance in renewal capital expenditure incurred. This is used to fund the movement in working capital over the year and for additional debt reduction. Part of the renewal capital expenditure budgeted and not incurred will be incurred in the future when this will effectively reduce the funding surplus.

The following table separates the operating requirements above to show the balance and variance from rates-funded operating activities. This balance funds renewal capital to maintain the standard and quality of assets and debt reduction.

NET OPERATING COST OF ALL OPERATING ACTIVITIES	**(146,232)**	**(155,717)**	**9,485**	**(140,472)**
Add back non-cash depreciation	44,209	49,416	(5,207)	43,140
Add targeted rates allocation	51,221	(50,506)	(715)	32,831
Add general rates allocation	86,977	(86,346)	(631)	91,883
NET RATES-FUNDING AVAILABLE FOR RENEWAL CAPITAL EXPENDITURE AND DEBT REDUCTION	**52,243**	**68,281**	**2,932**	**27,382**

CAPITAL EXPENDITURE SUMMARY BY ACTIVITY

	Actual 2025 **$000**	Long Term Plan 2025 **$000**	Variance 2025 **$000**	Actual 2024 **$000**
CAPITAL RENEWAL				
A Connected and Safe Community				
Community Support	613	877	263	935
City Library	948	1,010	62	1,087
Community Safety and Health	40	102	62	134
A Creative and Exciting City				
Recreation and Play	4,598	3,561	(1,036)	3,912
Arts and Heritage	462	535	73	615
Supporting the Organisation				
Organisational Performance	3,830	3,633	(197)	3,160
A sustainable and resilient city				
Biodiversity and the Manawatū River	146	129	(16)	143
Resource Recovery	526	631	105	364
An Innovative and Growing City				
Housing	516	400	(116)	437
Economic Development	1,142	823	(320)	1,694
Transport				
Active and Public Transport	2,060	2,050	(10)	1,157
Roading	10,873	9,120	(1,753)	8,126
Stormwater	366	350	(16)	272
Wastewater	3,978	4,753	775	4,187
Water	4,326	5,010	684	5,431
TOTAL CAPITAL RENEWAL	**34,425**	**32,984**	**(1,441)**	**31,656**
CAPITAL NEW				
A Connected and Safe Community				
Community Support	1,197	2,266	1,069	2,526
City Library	5	25	20	0
Community Safety and Health	53	85	32	4,154
A creative and exciting city				
Recreation and Play	1,905	2,693	788	4,137
Arts and Heritage	(78)	0	78	1,789
Supporting the Organisation				
Governance and Active Citizenship	0	0	0	226
Organisational Performance	947	1,265	318	256

	Actual 2025 $000	Long Term Plan 2025 $000	Variance 2025 $000	Actual 2024 $000
A Sustainable and Resilient City				
Biodiversity and the Manawatū River	975	835	(140)	31
Resource Recovery	666	2,080	1,414	972
Climate Change and Sustainability	86	1,085	999	155
An Innovative and Growing City				
Housing	62	500	438	924
Economic Development	186	23	(164)	326
Urban Design	(1,282)	9	1,291	400
Transport				
Active and Public Transport	548	3,950	3,402	9,822
Roading	5,711	10,592	4,881	10,436
Stormwater	3,570	4,812	1,242	1,973
Wastewater	5,757	9,204	3,447	3,881
Water	7,142	7,978	836	3,741
TOTAL CAPITAL NEW	**27,451**	**47,401**	**19,950**	**45,751**
CAPITAL GROWTH				
A Creative and Exciting City				
Recreation and Play	280	273	(7)	1,563
A sustainable and Resilient City				
Biodiversity and the Manawatū River	0	0	0	562
Resource Recovery	0	0	0	64
An innovative and growing city				
Housing	0	0	0	595
Transport				
Roading	3,899	6,333	2,434	4,981
Stormwater	1,401	4,244	2,843	3,554
Wastewater	116	104	(12)	620
Water	1,013	4,019	3,005	1,659
TOTAL CAPITAL GROWTH	**6,710**	**14,972**	**8,263**	**13,597**
TOTAL CAPITAL EXPENDITURE	**68,586**	**95,357**	**26,771**	**91,005**

ITEM 8 - ATTACHMENT 1

FUNDING OF ACTIVITIES AND SERVICES	General rates/targeted rates		User fees and charges		Other	
	Policy Target	Actual	Policy Target	Actual	Policy Target	Actual
A CONNECTED AND SAFE COMMUNITY						
Community Support						
Cemeteries	20-39%	51%	60-79%	49%	-	-
Community Centres	80-100%	81%	0-19%	19%	-	-
Public Toilets	80-100%	100%	0-19%	-	-	-
Support to Community Groups	80-100%	97%	-	-	0-19%	3%
City Library						
Libraries	80-100%	99%	0-19%	1%	-	
Community Safety and Health						
Animal Control	20-39%	28%	60-79%	71%	-	1%
Civil Defence	80-100%	99%	-	-	0-19%	1%
Safer Community Initiatives	80-100%	100%	-	-	0-19%	-
Public Health	60-79%	50%	20-39%	49%	-	1%
A CREATIVE AND EXCITING CITY						
Recreation and Play						
Central Energy Trust Arena	60-79%	69%	20-39%	31%	-	
City Reserves	80-100%	56%	-	-	-	44%
Local Reserves	80-100%	98%	-	-	-	2%
Sportsfields	80-100%	96%	0-19%	4%	-	
Support to recreation groups	80-100%	100%	-	-	-	-
Swimming Pools	80-100%	100%	0-19%	-	-	-
Arts and Heritage						
Heritage Management	80-100%	100%	-	-	-	-
Other Cultural Facilities	80-100%	100%	-	-	-	-
Support to Arts, Culture & Heritage Groups	80-100%	93%	-	-	0-19%	7%
Te Manawa	80-100%	95%	-	-	-	5%
Community & Commemorative Events	80-100%	94%	0-19%	-	0-19%	6%
SUPPORTING THE ORGANISATION						
Governance and Active Citizenship						
Councillor Meetings and Administration	80-100%	99%	-	-	-	1%
Direction Setting	80-100%	97%	0-19%	3%	-	-
Elections	80-100%	100%	-	-	0-19%	-
Mayoral Office	80-100%	98%	-	-	-	2%
A SUSTAINABLE AND RESILIENT CITY						
Biodiversity and the Manawatū River						
Biodiversity	80-100%	99%	-	-	-	1%
Central Energy Trust Wildbase	80-100%	93%	-	-	0-19%	7%
Manawatu River	80-100%	100%	-	-	-	-
Resource Recovery						
Landfill Management	80-100%	72%	0-19%	28%	-	-
Waste Minimisation	60-79%	59%	0-19%	25%	0-19%	16%
Waste Management	0-19%	34%	80-100%	66%	-	-
Climate Change and Sustainability						
Climate Change and Sustainability	80-100%	100%	-	-	-	-

Support to Environmental Groups	80-100%	100%	-	-	-	-
Sustainable Practices	80-100%	100%	-	-	-	-
AN INNOVATIVE AND GROWING CITY						
Housing						
Building Services	20-39%	28%	60-79%	73%	-	1%
Housing and Future Development	80-100%	-	-	-	-	100%
Planning Services - Private	0-19%	5%	80-100%	95%	-	-
Planning Services - Public	80-100%	100%	-	-	-	-
Social Housing	0-19%	43%	80-100%	57%	-	-
Economic Development						
City Marketing	80-100%	96%	-	-	0-19%	4%
Conference & Function Centre	20-39%	51%	60-79%	49%	-	-
Economic Development	80-100%	96%	-	-	0-19%	4%
Economic Events	80-100%	100%	-	-	0-19%	-
International Relations	80-100%	87%	-	-	0-19%	13%
Investments in Companies (including Airport)	80-100%	24%	-	-	0-19%	76%
Investment Property	80-100%	27%	-	-	0-19%	73%
Investments	80-100%	55%	-	-	0-19%	45%
Urban Design						
City Centre	80-100%	100%	-	-	0-19%	-
Place Activation	80-100%	100%	-	-	0-19%	-
Placemaking	80-100%	100%	-	-	0-19%	-
Urban Design	80-100%	100%	-	-	0-19%	-
TRANSPORT						
Active and Public Transport						
Active Transport	80-100%	77%	-	-	0-19%	23%
Public Transport	80-100%	88%	-	-	0-19%	12%
Footpaths	80-100%	100%	-	-	0-19%	-
Roading						
Roads	80-100%	80%	-	1%	0-19%	19%
Parking	-	-	80-100%	100%	0-19%	-
Street Facilities	80-100%	100%	-	-	0-19%	-
Street Lighting	80-100%	70%	-	-	0-19%	30%
Traffic Services	80-100%	97%	-	-	0-19%	3%
STORMWATER						
Stormwater						
Stormwater Collection and Disposal	80-100%	100%	0-19%	-	-	-
WASTEWATER						
Wastewater						
Wastewater Collection	80-100%	100%	-	-	-	-
Wastewater Treatment and Disposal	80-100%	72%	0-19%	28%	-	-
WATER						
Water						
Water Collection	80-100%	100%	-	-	-	-
Water Distribution	80-100%	100%	0-19%	-	-	-
Water Treatment	80-100%	100%	-	-	-	-

How we measure what matters

Our approach to performance

We use a performance framework to help show how well we're delivering for the community. It does two key things:

- It lets residents judge whether a service or activity is worth funding through rates or fees
- It helps us make changes if the results aren't meeting expectations

Our Long-Term Plan brings together our strategies and plans. Each LTP activity links back to a strategy or plan, so the key performance indicators (KPIs) in the LTP are part of our wider monitoring approach. These service performance measures are mostly focused on processes and outputs, because they can be closely tied to our actions and are independently audited.

Measures within the plans themselves are often more focused on outcomes. These may reflect broader changes influenced by many factors, not just our work, and are usually updated less often.

We publicly report on LTP service measures each year in Section Two of the Annual Report. You can also track our progress using the City Dashboards at pncc.govt.nz/dashboards.

Statement of Compliance

The service performance information in this report is compliant with New Zealand's generally accepted accounting practice (NZ GAAP). Service performance information in the Annual Report 2025 has been informed by, and presented, in accordance with requirements under the Public Benefit Entity Financial Reporting Standard 48 Service Performance Reporting (PBE FRS) 48. Our service performance information is presented on pages 28 - 156.

How we use surveys to track satisfaction

We run a Residents Survey to understand how satisfied people are with everyday services. This is carried out by Key Research. Around 500 people are surveyed each year, selected randomly from the electoral roll, and spread across four quarters to even out any one-off influences. The survey is weighted to match the city's demographics and has a margin of error of 4.35%.

We also survey specific service areas. For parks, we use ParksCheck (a YardStick tool through Recreation Aotearoa). For social housing tenants, we run our own in-house surveys.

Why we use these measures

Some KPIs are set by the Department of Internal Affairs and must be included in the LTP. These are marked as mandatory. Others are based on our own plans, so they are aligned with our goals and the way we monitor progress.

Some KPIs are narrative measures. These combine data with a brief explanation of what's happening and why. They help show the impact our work is having in a more meaningful way than numbers alone.

For example, instead of just reporting the volume of waste going to landfill, our narrative measure also describes the trend and whether we're meeting our goals, along with reasons behind the result.

We also have KPIs for how well we meet legal timeframes for processing building and resource consents. While we aim to meet all deadlines, we know that a number may fall outside of statutory timeframes due to complexity or peaks in applications. We regularly monitor our staffing levels and also work with other councils to help manage demand.

Service Performance Judgements

When developing the performance measure framework, Council made a number of judgements in the selection of the performance measures and targets to be used to ensure that they would sufficiently measure progress towards delivering outcomes in the LTP and were a fair representation of the services provided across Council. Judgements were also applied to how these would be measured, aggregated and presented in order to find a balance between practicality, feasibility, community feedback, and risk of survey fatigue. The Department of Internal Affairs (DIA) sets some mandatory KPIs that all councils need to include in their Long-Term Plans with regard to 3 Waters and Roading activities. The remaining KPIs were set to align with Council Plans, statutory obligations, and our long-term aspirations that was our guiding document when the LTP 2024/34 was developed. Measurability is a critical issue in determining KPIs. Each

activity in the LTP was adopted with a number of measures and targets that best reflected how each level of service statement would be attained. There are a mix of quantitative and qualitative measures and qualitative descriptions and measure compliance, resident and user satisfaction, responsiveness, participation, and effectiveness. To be clear and meaningful in our non-financial performance reporting, the annual report's statement of service performance by activity includes explanatory narrative and/or remedial action for those measures that did not achieve target. Comparative results are provided from the previous year to show trends. This trend data can be useful in informing council's actions and strategic decisions. Council's Statement of Service Performance for the 2024-25 reporting year is covered in pages 28-156 of the Annual Report and also includes a reconciliation of financial statements to funding impact statements for each group of activities.

Other important information

For the measure 'percentage of real water loss from the water network', the full method is included on page 130 of the Annual Report.

Performance results for Council services are found in Section Two of the Annual Report. For Council-controlled organisations (CCOs), performance information is in Section Four.

Summary of non-financial performance measures

The following table records a summary of the non-financial performance achievements for each activity group. More details of the measures are found after each activity within this section and how many targets were met. More detail can be found in the relevant activity sections that follow.

	# OF MEASURES	# TARGETS MET
Goal 1: An Innovative and Growing City		
Housing	6	4
Urban Design	1	1
Economic Development	8	8
Transport	7	4
Goal 2: A Creative and Exciting City		
Arts and Heritage	4	3
Recreation and Play	5	3
Goal 3: A Connected and Safe Community		
Community Support	5	4
City Library	3	2
Community Safety and Health	6	4
Goal 4: A Sustainable and Resilient City		
Climate Change and Sustainability	2	1
Biodiversity and the Manawatū River	2	2
Resource Recovery	3	3
Water	9	7
Wastewater	6	6
Stormwater	6	5
Supporting the Organisation		
Governance and Active Citizenship*	4	4
* This area is not part of our 4 Goals but are measures in Levels of Service		
TOTAL MEASURES	**77**	**61**

WHĀINGA 1: HE TĀONE AUAHA, HE TĀONE TIPUTIPU

GOAL 1: AN INNOVATIVE AND GROWING CITY





ITEM 8 - ATTACHMENT 1

MAHERE WHARE HOUSING

We want everyone in our city to have access to healthy and affordable housing. We want to support the development of more housing to meet community needs.

Access to appropriate housing makes an important contribution to the wellbeing of city communities. Our role is to make sure there is enough land and infrastructure to accommodate residential growth. We need to manage the impact of this growth on the environment and protect productive land.

We want out city to have to have well-planned housing that encourages positive social outcomes. We will encourage development within the existing urban footprint and promote a greater range of housing types. We will continue to provide social housing and support community housing initiatives.



Residential growth: planning for the future

A structured approach to growth

As of March 2025, we have an estimated surplus land supply for homes in the existing Residential and Rural Zones to meet our 3-year demand in those locations. However, there's an estimated shortage in greenfield areas due to access restrictions to adjacent State Highways and the timing of supporting infrastructure. An updated Housing and Business Development Capacity Assessment in 2026 will provide a more detailed understanding of our ability to meet demand across different locations and housing types over the next 30 years.

Zoning and urban footprint

Proposed Plan Change E: Roxburgh Crescent Residential Area has undergone consultation and hearings, with a decision expected by August 2025. This plan change could enable approximately 105 new homes. Proposed Plan Change I: Increasing Housing Supply and Choice has also been consulted on, with hearings anticipated in September 2025. This change could allow for up to 1,512 homes over 30 years.

Plan Change G (Aokautere), approved in May 2024, zones land for an additional 1,000 homes. An appeal has been lodged, with an Environment Court hearing set for August. Since the plan change has early legal effect, subdivision consents are being processed in Aokautere.

We've revisited the approach to rezoning land in the Kākātangiata Urban Growth Area. Subject to Council approval in June, a plan change to rezone the land to Future Urban Zone for 2,500 homes is expected to be publicly notified in May 2026.

We're also working with developers considering private plan change requests to rezone rural land for residential use at 160 Napier Road (180 lots) and various parcels in the wider Kākātangiata area (800+ lots).

Under development

This year, we've granted 360 resource consents, an 8% decrease from the previous financial year, reflecting general uncertainty in the development industry, especially at the small-scale residential level. However, we've processed significant land use consents for developments at Te Rere Hau Windfarm, Railway Road, and North East Industrial areas. Large-scale subdivision consents in Aokautere, Kikiwhenua, and Whakarongo growth areas have also been processed.

Medium to large-scale multi-unit developments by Kāinga Ora have been completed and tenanted at Linton Street, Margaret Street, and North Street. Notably, the new Manawatū-Tararua Highway connection across the Ruahine Ranges opened in mid-June, following associated planning approvals.

To maintain industry connections, we've continued the successful Build Palmy initiative, hosting three well-received forums and distributing our popular monthly newsletter that provides targeted insights.

City development: supporting growth and housing choice

Over the year, around a third of resource consents for homes have been for multi-unit developments. This trend may be influenced by Kāinga Ora's development programme. Proposed Plan Change I, which is expected to be approved in late 2025, aims to enable a greater variety of housing types within the existing urban footprint.

Development activity has continued across the city despite the economic slowdown, with signs of recovery anticipated in 2026.

Key projects underway

Demolition has begun on the former Post Office building to make way for the new Tryp by Wyndham hotel. This major project will transform the central city, offering 86 boutique rooms, a spa, gym, conference facilities, and retail spaces, while preserving the building's iconic architectural character.

We have also approved the building consent for the demolition of the current airport terminal, clearing the way for the construction of a modern new gateway to Palmerston North. The $43M redevelopment will enhance seismic resilience, expand passenger and luggage screening areas, and increase capacity for more travellers.

Building consent activity

To date, we have received 950 building consent applications, an 6% increase from the previous year, reflecting wider industry trends and current economic conditions. Despite this, 887 building consents have been granted, supporting residential and commercial development across the city.

ITEM 8 - ATTACHMENT 1

Social housing: supporting our communities housing needs

Throughout the year, occupancy levels across our social housing portfolio remained consistently high, with demand exceeding availability. The demand for social housing in Palmerston North remains high, and officers continue to work closely with other social housing providers to maintain a coordinated approach to understanding and addressing housing demand and availability in our community.

How we support local community-led housing initiatives

We have provided funding to for-purpose organisations in the housing support sector, including Strategic Priority Grants funding for Camellia House, Housing Advice Centre, Manawatū Tenants Union, MASH Trust, Manawatū Community Housing Trust, Ora Konnect and Legacy Housing, and Community-Led Initiatives funding for Manawatū Tenants Union, and Community Development Small Grants for MASH Trust, Manawatū Tenants Union and Manawatū Community Housing Trust.

This year, we have also commenced the Housing Insecurity programme. This is a three-year pilot programme, which includes three workstreams, and is supported by a collective working group with representation from Niuvaka Trust, Homes for People, MASH Trust, Manawatū Tenants' Union, Ministry of Social Development, Kāinga Ora, Te Tihi o Ruahine Whānau Ora Alliance, Housing Advice Centre and Council. The workstreams are designed to be mutually reinforcing, and aim to address housing insecurity in Palmerston North with an emphasis on those individuals experiencing chronic homelessness. Achievements to date across the three workstreams include:

- Outreach programme – we have established an outreach programme, via MASH Trust, where we have employed a specialist to engage and work alongside individuals without shelter, with a focus on those who are chronically homeless. Their role is to develop relationships with individuals and support them to navigate barriers they are having to housing, including liaising with social services and other supports. This outreach programme started in March 2025 and to date has resulted in 60 people being housed.
- Flexi-fund – this is a quick response fund designed to act as a safety net for those experiencing issues in maintaining their tenancy, and to support the removal of barriers to individuals entering housing. Together with Manawatū Tenants Union, we are working to promote the availability of this support with services and the community, and it has been used to support small costs such as ID cards, which are required to achieve a tenancy.
- Housing First – with the support of Te Tihi, we are on track to developing a Housing First Model that fits the needs of Palmerston North, including the development of an operating model and implementation plan (year 1) and implementation (years 2 and 3).

We have done some early work to scope a community housing partnership programme, including surveying stakeholders to better understand the barriers to housing development in our city. We have also continued to build relationships with Kāinga Ora towards ensuring that the housing that is being developed in Palmy is accessible and promotes safe and connected communities.

LEVEL OF SERVICE	HOW THIS IS MEASURED	RESULT	COMMENT
Rezone enough land and provide infrastructure to accommodate residential growth.	Narrative measure showing Council has enough infrastructure-ready sections to meet National Policy Statement on Urban Development (NPS-UD) *The NPS-UD requires PNCC to complete a Housing and Business Needs Assessment (HBA) and a Future Development Strategy (FDS) and then ensure we are providing sufficient land and infrastructure to provide for the growth as detailed in the HBA and FDS. PNCC is a Tier 2 Council and further specific requirements can be found here*	Target not met	Based on building consents across the city and the most recent Housing and Business Development Capacity Assessment, estimated capacity in the residential zone is 1,177 dwellings: » This is a 636-dwelling surplus compared to our 3-year demand. » Capacity for serviced greenfield areas is 204 dwellings. This is a 189-dwelling shortage compared to our 3-year demand. » Capacity in our rural zone for rural-residential dwellings is 1,154 dwellings. This is a 1,105-dwelling surplus compared to our 3-year demand. (2023/24 – Target met)
	Narrative measure outlining progress on zoning and providing infrastructure for residential needs, including the proportion within the existing urban footprint.	Target met	We recently held hearings for Roxburgh Crescent (Plan Change E; 0.08% of the existing urban footprint) and expect a decision early 2025/26. The hearing for Plan Change I (Increasing Housing Supply and Choice; 16% of the existing urban footprint) is anticipated in early 2025/26. In June, Council approved the preparation of a plan change to zone the Kākātangiata urban growth area to a Future Urban Zone (FUZ). The FUZ (6% of the existing urban footprint) is expected to be notified in April/May 2026. Evidence is being prepared for Environment Court proceedings on Plan Change G (Aokautere Urban Growth; 9% of the existing urban footprint) in September 2025. (2023/24 – Target met)
	At least 80% of resource consent applications are processed within statutory timeframe. The number of resource consents not processed within the statutory timeframe will be identified, along with the actual time taken, and the reasons for this. Further information on statutory timeframes can be found here	Target not met	The financial year end resource consents on-time performance for 2024/25 was 67% with 375 consents granted during the year. This is a 16% increase on the previous 2023/2024 Financial Year where 51% of the 381 consents were on-time. The number of days taken to process the consents that were over-time was an average of 60 working days, as older, more complicated, consents were determined. The improvement in consents on-time performance has been achieved through a concerted team effort and a greater degree of day-to-day oversight. There has also been continued focus on supporting the customer to submit a better quality of applications at the front end using the pre-application process. This has helped reduce issues in the processing stage and therefore improves timeframes. In terms of resource consents lodged across the whole 2024/25 Financial Year, there were 399, slightly down on 424 lodged in 2023/24. It is noted the development market was volatile across the year especially noticeable in the up and down nature of consents lodged month on month. On the customer service front, the business requirements for a dedicated workflow tool have been completed and once implemented is expected to further improve processing time frames. In time it will also include a customer portal that provides the same benefits as the platform that the Building Division utilise. At a development industry outreach level, it is noted three further Build Palmy events hosted by staff were very well attended. (2023/24 – Target not met - 51% - 194 of 381)
Provide a regulatory framework that enables more housing choices (e.g. duplexes and terraced housing), inner city living, and less housing on productive soils or in flood-prone areas.	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.	Target met	The District Plan provides for a range of housing types through: » 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. » 28% of the dwellings consented in the last quarter were multi-unit. » Provision for apartments in the Inner Business Zone. Productive soils are currently being protected through: » The District Plan, by discouraging subdivision of rural zoned land outside of existing proposed rural residential areas or 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. 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 effects are mitigated. The review of the Future Development Strategy & Housing and Business Needs Assessment has started and will be prepared by October 2026 to inform the next Long-Term Plan. (2023/24 – Target met)

LEVEL OF SERVICE	HOW THIS IS MEASURED	RESULT	COMMENT
Provide a regulatory framework that enables more housing choices (e.g. duplexes and terraced housing), inner city living, and less housing on productive soils or in flood-prone areas.	At least 95% of building consent applications are processed within statutory timeframe. Further information on statutory timeframes can be found here	Target met	The building consent target was achieved, with 95.9% (911 of 950) of granted consents processed within the statutory timeframe. This result exceeds the threshold for substantial compliance, which is defined as 95%. A total of 950 building consent applications were received in the 2024/25 period, compared to 897 in 2023/24. Despite a nationwide downturn in the construction sector, activity in Palmerston North has remained steady. The small increase of 53 applications between the two periods highlights the relative stability of local development demand. (2023/24 – Target not met - 93% - 833 of 897)
Provide social housing and support community-led initiatives. **Facilitate new housing development and provide incentives to encourage other housing providers.**	Narrative measure outlining Council's social housing actions (including the number of Council Units, any Council tenants' survey results, and Council's actions to support community housing providers.	Target met	Council owns 444 social housing units, with a current occupancy rate of 96% (including properties undergoing maintenance.) All properties meet the Healthy Homes guidelines. The Tenant Satisfaction Survey for 2025 has just been completed, with a score of 94% for the last question; "Overall, I am satisfied living in a Palmerston North City Council housing unit." The next survey will take place in 2027. As was noted last quarter, a report went to the December Community Committee (following a Council workshop) providing information about various initiatives of Housing Plan actions. Committee and Council endorsed the proposed coordinated work plan, including terms of reference for a review of social housing models and a review of property holdings. Council continues to support a range of community housing providers through grant funding programmes. Coordination of the Palmerston North Housing Insecurity Response Collective is continuing, with three related pilot workstreams (the outreach programme, the flexi-fund, and the Housing First model) now well underway. A highlight has been the success to date of the outreach work, which over this quarter has seen 60 people supported into housing. (2023/24 – Target met)



FINANCIAL RESULTS
ACTIVITY OPERATIONAL REQUIREMENT AND FUNDING SUMMARY

HOUSING	Actual 2025 $000	Long Term Plan 2025 $000	Variance 2025 $000	Actual 2024 $000
REVENUE				
Building Services	4,824	4,837	(13)	4,418
Housing and Future Development	4,083	3,443	640	277
Planning Services - Private	2,252	1,333	919	1,321
Social Housing	3,378	3,261	117	3,246
TOTAL REVENUE	**14,537**	**12,874**	**1,663**	**9,262**
EXPENSES				
Building Services	6,680	6,303	(377)	6,704
Housing and Future Development	3,192	5,934	2,742	500
Planning Services - Private	2,365	1,193	(1,172)	2,407
Planning Services - Public	718	778	60	860
Social Housing	5,900	5,514	(386)	5,011
TOTAL EXPENSES	**18,855**	**19,722**	**867**	**15,482**
NET OPERATING COSTS OF ACTIVITY	**4,318**	**6,848**	**2,530**	**6,220**
RATING ALLOCATION				
Add back depreciation	1,440	1,349	91	1,590
Less Transfers To/(From) Reserves	-	-	-	-
Less Renewal capital expenditure	(516)	(400)	(116)	(437)
Add/(Less) borrowing effect of renewal 3 year averaging	107	(9)	116	531
Add external revenue for renewal capital	-	-	-	-
Add proceeds from sale of assets	-	-	-	2,013
Less provision for debt reduction	(2,973)	(294)	(2,679)	(372)
Add internal rates recovered	-	-	-	-
Add targeted rates allocation	6,260	6,202	58	-
Add general rates allocation	-	-	-	2,895
FUNDING SURPLUS/(DEFICIT)	-	-	-	-

ACTIVITY CAPITAL PROJECTS HOUSING	Actual 2025 $000	Long Term Plan Budget 2025 $000	Variance 2025 $000	Actual 2024 $000
CAPITAL RENEWAL				
180 - Social Housing - Renewals	516	400	(116)	
1742 - Social Housing - Grounds Renewals		-	()	
TOTAL CAPITAL RENEWAL	**516**	**400**	**(116)**	**437**
CAPITAL NEW				
1459 - Social Housing - Additional Social Housing Units	59	500	441	
2234 - Social Housing - Summerhays Street - New Units	4	-	(4)	
TOTAL CAPITAL NEW	**62**	**500**	**438**	**924**
CAPITAL GROWTH				
			-	
TOTAL CAPITAL GROWTH	**-**	**-**	**-**	**595**
TOTAL CAPITAL EXPENDITURE	**578**	**900**	**322**	**1,955**

MAHERE HOAHOA TĀONE
URBAN DESIGN

We want our city to have great places for everyone.

Our lives are connected through our common built environment. We all live and work in buildings, use public spaces, open spaces, transport systems and other urban infrastructure. The way we design our city affects environmental, economic, social and cultural wellbeing.

We want our city to be connected, co-ordinated and easy to get around. We want city places to be inclusive, adaptable and interesting. This means designing our city in collaboration with city communities. We want to take opportunities to connect with nature and have positive effects on the natural environment.



Good design makes our city better

Urban design is about creating places and spaces that work well for people. It helps bring different parts of our planning together to make sure what we build is safe, welcoming and connected. We're seeing the benefits of this across our projects, though there's always more to do.



Providing design advice

Our urban designer gives advice to planners, developers and designers to support better quality development. This includes regular pre-application meetings for a wide range of projects. This includes multi-unit housing and infill to commercial, industrial and greenfield developments.



Supporting well-designed development

Through our Delivering Change fund, we support design-led development across the city. This year the fund helped with the redevelopment of the former Post Office, design workshops for the Kia Toa RFC clubrooms, a central city health facility, and a medium-density housing development.



Development activity and updates

While overall consent numbers have dropped, multi-unit housing consents are still proving popular. We processed 14 lot design approvals at Tamakuku Terrace this year. Work on the Vegetation Greenprint has slowed as resources have been redirected to support the city growth programme.

Promoting our spaces and places

We continue to tell the story of our city through communications and marketing. By showing the improvements to our places and how people are using them, we help build community pride and support Palmy's reputation as a great place to live and do business.

Making our public spaces work for everyone

Community contribution opportunities

Members of the Pasifika community are actively involved in designing the new Pasifika Community Hub at Bill Brown Park. The Arena Steering Group has also reconvened and is helping shape the early planning for Arena 5. We're also working with multicultural communities on the design of a new facility in the main Council building that will better reflect and support the diverse cultures of our city.

Promoting safe, accessible and inclusive spaces

Our urban design, placemaking and play staff continue to champion good design in public spaces. Their work helps lift the social, cultural, economic and environmental benefits of our parks, streets and buildings. We also use our website and social media to highlight how Palmy's public spaces reflect the diversity of our people, with a growing library of images showing how these spaces cater for everyone.

Supporting accessibility

Accessibility matters to many in our community – including disabled people, older adults and families with young children. That's why the webpages for parks and community centres include useful details like where the nearest car park is or whether a playground for toddlers is fenced. This helps people plan ahead and feel confident visiting new places.

We also work with our Disability Reference Group to promote or encourage behaviour change with our wider community.

Assessing and improving accessibility

We've completed a detailed accessibility assessment of Council-owned buildings, identifying 1,800 action points. Improvements will be rolled out over the next one to five years.

We've started making upgrades across six areas: parking and pathways, colour contrast, signage and braille, doors and public spaces, and fixtures and fittings. These changes will be made gradually, based on available budget, and will often be combined with other planned upgrades like seismic work.

We continue to work closely with the Disability Reference Group to make sure their priorities are being met.

LEVEL OF SERVICE	HOW THIS IS MEASURED	RESULT	COMMENT
Maintain and promote a connected and well-designed urban environment. **Provide and promote connected, sustainable, accessible, safe, interesting and playful public spaces.**	Narrative measure outlining how Council's urban design and city making initiatives promote a connected, sustainable, accessible, safe, and interesting urban environment.	Target met	The city continues to progress good urban design through the year with several key initiatives: » Plan Change I and Plan Change E aim to create compact, connected, and walkable neighbourhoods with multiple transport options. The hearings for Plan Change E are now complete, and a decision is expected next financial quarter. Plan Change I is due to commence hearings this coming financial year. » The Caccia Birch Masterplan and developed design for the Pasifika Community Centre are advancing, with the Pasifika Centre set for construction this coming financial year. » The Arena 5 project is undertaking project scoping in anticipation for procuring services later in the year. » Funding from the 'Delivering Change' initiative has supported landscape planning for the Kia Toa RFC clubrooms, facilitated a design workshop for a new medical facility and design review for a medium-density townhouse development. » Urban design advice across a range of commercial and housing developments continues to be provided through consent pre-application meetings. Placemaking pop-up events continue around the City Centre. Officers continue to be actively involved in providing talks to public on urban design matters including talks to community groups, city walk-shops, heritage events and supporting education and learning with lectures and school groups. (2023/24 – Target met)

FINANCIAL RESULTS
ACTIVITY OPERATIONAL REQUIREMENT AND FUNDING SUMMARY

URBAN DESIGN	Actual 2025 $000	Long Term Plan 2025 $000	Variance 2025 $000	Actual 2024 $000
REVENUE				
City Centre	-	-	-	-
TOTAL REVENUE	**-**	**-**	**-**	**-**
EXPENSES				
City Centre	1,611	677	(934)	464
Place Activation	2	6	4	62
Placemaking	39	36	(3)	21
Urban Design	136	317	181	171
TOTAL EXPENSES	**1,788**	**1,036**	**(752)**	**718**
NET OPERATING COSTS OF ACTIVITY	**1,788**	**1,036**	**(752)**	**718**
RATING ALLOCATION				
Add back depreciation	24	25	(1)	24
Less Transfers To/(From) Reserves	-	-	-	-
Less Renewal capital expenditure	-	-	-	-
Add/(Less) borrowing effect of renewal 3 year averaging	-	-	-	-
Add external revenue for renewal capital	-	-	-	-
Add proceeds from sale of assets	-	-	-	-
Less provision for debt reduction	662	(82)	744	(91)
Add internal rates recovered	-	-	-	-
Add targeted rates allocation	251	250	1	-
Add general rates allocation	851	843	8	785
FUNDING SURPLUS/(DEFICIT)	**-**	**-**	**-**	**-**

ACTIVITY CAPITAL PROJECTS URBAN DESIGN	Actual 2025	Long Term Plan Budget 2025	Variance 2025	Actual 2024
	$000	**$000**	**$000**	**$000**
CAPITAL NEW				
1330 - City Centre - Placemaking Implementation	-	9	9	
2122 - City Centre - Streets for People Upgrade	(1,282)	-	1,282	
TOTAL CAPITAL NEW	**(1,282)**	**9**	**1,291**	**400**
TOTAL CAPITAL EXPENDITURE	**(1,282)**	**9**	**1,291**	**400**

MAHERE WHAKAWHANAKE OHAOHA ECONOMIC DEVELOPMENT

We want an innovative, resilient ad low-carbon city economy, where communities prosper and achieve their goals.

Our city's economic wellbeing depends on opportunities to improve our standard of living and reduce economic disadvantage. A profitable business sector, knowledge and skills, work, health, environmental amenity, and housing, all contribute to living standards.

We will partner with agencies and organisations to improve wellbeing. We will focus on delivering the conditions needed to support economic activity in the city, now and into the future.



Supporting Business Growth

As at March 2025, there's enough land available in both business and industrial zones to meet the city's expected demand over the next three years. We'll update this assessment through new vacancy surveys and demand forecasts as part of the 2026 Housing and Business Development Capacity Assessment. This will help confirm whether the types of land we have available match what different sectors actually need.

We're hearing from industry that there's limited land for large format industrial use, and a lack of good quality buildings for small and medium-sized businesses. There's also growing pressure on local business zones in our suburbs as demand increases. A future review of the business and industrial zones in the District Plan will help respond to this.

We're making good progress on zoning and infrastructure planning for new residential and business areas. Draft Plan Change N, which covers Areas A and B of the North East Industrial Zone, is moving from technical assessments into structure planning. This could unlock around 33 ha of land for logistics and distribution industries. A private plan change is also underway for the Bunnythorpe Business Park, with technical work being prepared ahead of a formal application later this year. This area could add a further 20 ha of industrial land over the medium term.

Supporting Business Events and Regional Growth

Palmy Conference + Function Centre continues to drive local economic benefit

The Palmy Conference + Function Centre hosts a range of events that bring significant economic benefits to the city. Business activity has been strong, with the number of bookings, including conferences, in line with last year's strong results. Confidence in the business events sector has remained high, and that's expected to continue in the year ahead. While some businesses are starting to tighten their budgets, forward bookings remain solid with a wide range of conferences, meetings, dinners, exhibitions, and social events locked in.

Palmy is facing tough national competition, with new venues in Christchurch and Wellington, as well as other regional facilities and the new Auckland Convention Centre opening soon. That means we need to keep promoting our unique strengths and flexible venue options. Our focus remains on providing top-quality service, marketing the venue, and offering tailored packages to suit a range of budgets. This year, the venue hosted:

- 287 events
- 190 seminars and meetings
- 80 social events
- 7 exhibitions
- 8 conferences
- 2 weddings

In total, the Conference and Function Centre contributed $3.67M in direct economic benefit to the city over the past financial year.

CEDA continues to support regional development and sector growth

The Central Economic Development Agency (CEDA) continues to work across economic development, people, place, and business. It does this in partnership with iwi, stakeholders, and the business community. CEDA has helped position our region as the Central New Zealand Distribution Hub through the development of Te Utanganui — a strategy to future-proof our transport network and support expected population and freight growth.

CEDA is also leading work on the Manawatū Food Strategy. This aims to position the region as a national leader in agrifood, science and innovation. It will support a more sustainable food system through collaboration with local industry leaders.

Big impact events supported in our city

Ford Ranger New Zealand Rural Games

The New Zealand Rural Games is the country's premier celebration of rural sports. It attracts top competitors from across New Zealand and Australia, including national and world champions. More than 30,000 people visited the event over three days. The event is committed to staying in Palmerston North for the next five years, cementing its place as a key event for our city.

National Young Performer Awards

Palmerston North has hosted the National Young Performer Awards for the past eight years. In 2018, we entered a Civic Partnership with the Performing Arts Competitions Association of New Zealand (PACANZ), naming Palmerston North as the permanent home for this three-day annual competition. Held at The Regent on Broadway, it showcases a rotation of performing art forms and brings an estimated $4M in direct and indirect economic benefit. It returns again in 2025.

Armageddon Expo

This annual event returned to Central Energy Trust Arena, drawing around 9000 unique visitors over two days. It continues to be a staple in our city's events calendar.

Palmy Drag Fest

Palmy Drag Fest returned with an expanded programme, including shows and activities at the Globe Theatre, Libré Restaurant, and the Palmy Conference + Function Centre. Thousands attended across four days, bringing wide economic and social benefits to the city.

Kiwibots – VEX National Championships

This annual event invites young people from across the country to take part in coding and robotics challenges. It's helping grow interest in STEM education and is strategically important for the city. Continued growth has prompted organisers to look for larger venues.

Central Districts Field Days

This regionally significant event brings a large number of visitors and exhibitors to the region. With support from the Major Events Fund, the organisers have been able to grow the food and fibre component of the event to make it more diverse and inclusive.

Manawatū Arts Trail

Support from the Major Events Fund has helped the Manawatū Arts Trail reach more people, improve its marketing and align with other regional arts trails. Organisers are continuing to evolve the event to increase its reach and impact.

Davis Cup – World Cup of Tennis

Tennis New Zealand brought the New Zealand vs Luxembourg Davis Cup tie to Palmerston North for the first time. With funding and delivery support from us, this partnership is expected to lead to more tennis activations and grow the sport locally.

Daybreaker Rally

The city hosted two special stages of the Daybreaker Rally at Central Energy Trust Arena. This added a new urban element to the rally and gave fans a great experience at a time of year when outdoor events are fewer.

All events that receive Major Event funding from us are bound by our Funding and Support Policy. Events continue to look to Palmerston North as a host city, and some multi-year or long-term partnerships that align with our economic and strategic aims may need to be considered individually.

Strategic investments supporting our city's growth

Palmerston North Airport Ltd

Palmerston North Airport is a vital hub for passengers and freight, with 24/7 operating capability and minimal disruption due to weather or other issues. Its location near the city and the growing commercial and industrial distribution area makes it easy to access.

We continue to support the airport's efforts to grow its services and facilities. Palmerston North Airport Ltd is actively promoting its Ruapehu Aeropark as a new warehousing location, helping boost local economic development.

Palmerston North Airport provides reliable and essential links to Christchurch and Auckland for both passengers and freight.

Gordon Kear Forest

We completed the 2024–25 silviculture and infrastructure programme at Gordon Kear Forest on time and within budget.



How we're promoting Palmy to visitors and locals

We delivered seasonal campaigns to encourage domestic travel, positioning Palmerston North as a warm and welcoming place to reconnect year-round.

At New Zealand's largest business events tradeshow, we partnered with local venues through the Manawatū Convention Bureau to promote the region as a top choice for business events. This work generated over 31 leads for future conferences and corporate events.

We've continued to grow the Palmy Proud platform, using it to shift perceptions of our city by sharing stories of the people, places and moments that show what makes Palmy unique.

We focus on telling real stories that reflect our people and places through seasonal marketing, Palmy Proud, and local partnerships. This helps build community pride and challenge outdated views of the city.

Our marketing is targeted and strategic. We focus on nearby regions, event organisers, and people with ties to Palmy, using digital, print and face-to-face channels to get the message across.



How we support and promote visitor services in Palmy

We supported over 102,747 visitors at the isite, helping them discover things to do, places to go, and how to make the most of their time in Palmerston North, with consistently high customer satisfaction.

Retail sales increased by 49.76% compared to last year, driven by a refreshed product range featuring local makers and regional goods that connect visitors with our community.

We refreshed key visitor resources so visitors can get out and explore, discover the best of our city, and uncover everything the wider region has to offer.

Reservation sales for rail, bus, and other transport bookings declined this year, reflecting a national trend seen across isite centres, with more travellers opting to book directly online.

As a council we encourage locals to rediscover their city by using the isite as a launch pad for inspiring staycations, short trips, and spontaneous weekend adventures.

We promote city events and exhibitions, helping both visitors and residents make the most of what's on. We also strengthened collaboration with our economic development agency to share stories and support cross-promotion of experiences.

In Ashhurst, we also installed a new dump station in Custom Street to support the needs of campervans accessing Te Ahu a Turanga and visitor attractions in the wider Te Apiti area.

Growing global connections through international relations

Palmerston North's sister city partnerships with Guiyang and Mihara have opened new opportunities in education, including the first local student to take up a scholarship at Hiroshima Global Academy. The inaugural Global Youth Summer Camp with Guiyang also gave young people a unique cultural exchange experience.

Over the past year, the city hosted more than 50 senior diplomats and welcomed 10 visiting delegations from Europe, the United States, China, India, and Southeast Asia. These visits focused on showcasing Palmerston North's strengths in innovation and entrepreneurship, while also building new relationships for local businesses.

We've also been exploring new connections with cities in France, China, Japan, Germany, and Vietnam to promote Palmerston North as a destination for tourism, investment, and international study.

Supporting local business in global markets

Local businesses received support to explore export opportunities across a range of countries including Germany, India, Japan, Thailand, the United States, Australia, and China. Connections are also growing in the AgriTech and Food Innovation sectors, where links with Campinas in Brazil and Nancy in France are helping unlock future collaboration.

Sharing knowledge and expertise

Palmerston North continues to back joint initiatives between FoodHQ and the East China Agricultural Sciences and Technology Centre (ECS-CAAS) in Kunshan. Our international partnerships also include support for Massey University's ongoing work with Yantai city in China.

We've shared insights from our environmental and climate change work with students in Chengdu, helping build global understanding of local challenges and action.

LEVEL OF SERVICE	HOW THIS IS MEASURED	RESULT	COMMENT
Provide opportunities and infrastructure to accommodate business growth.	Narrative measure showing Council has enough infrastructure-ready sections to meet National Policy Statement on Urban Development requirements. The NPS-UD requires PNCC to complete a Housing and Business Needs Assessment (HBA) and a Future Development Strategy (FDS) and then ensure we are providing sufficient land and infrastructure to provide for the growth as detailed in the HBA and FDS. PNCC is a Tier 2 Council, and further specific requirements can be found here	Target met	Based on uptake analysis of building consents across the city and our most recent Housing and Business Development Capacity Assessment, we currently have estimated capacity for: » 19.5 ha of land available in our business zones. This is an 18.1 ha surplus compared to our 3-year demand, 245 ha of land is available in our industrial zones. » This is a 222.1 ha surplus compared to our 3-year demand. (New measure)
	Narrative measure outlining progress on zoning and providing infrastructure for residential and business needs.	Target met	Technical assessments for Plan Change N (North East Industrial Zone Areas) A & B are halfway through completion, with current evidence indicating 33.2 ha of developable land. Infrastructure upgrades have been identified in advance of the next Long-Term Plan review. (New measure)
Support sustainable business activity and labour market development.	Narrative measure outlining the Council-supported initiatives provided by CEDA and their outcomes, with a focus on skills, talent and low carbon initiatives.	Target met	As a key partner of The Factory, CEDA supported the 2025 Manawatū Innovation Showcase – supporting careers in tech, agritech and innovation. CEDA supported TechWeek in Manawatū, including an IT Trades Fair, with a focus on sparking ideas, inspiring future pathways, and connecting our region's brightest minds across this fast-growing sector. The third Accelerate Academy – Hauora Wānanga o ngā Rangatahi o Manawatū was held at Te Whaioranga UCOL, bringing together over 100 rangatahi for an interactive, hands-on day exploring STEM and health career pathways. Delivered in partnership with the Ministry of Education, Health New Zealand – Te Whatu Ora and CEDA, the event offered a practical, immersive alternative to traditional career expos. CEDA supported Tahatū NZ Careers Expo Palmerston North in May, where 38 exhibitors got in front of more than 3,300 attendees, including 33 schools, for a day of career planning and connections. CEDA showcased the city and region at Tahatū NZ Careers Expo Wellington in June, alongside Massey and IPU, where we had great engagement from job changers and school leavers, with strong interest in our region's career and study opportunities. CEDA has been selected to represent the region and participate in Phase Two of the International Urban and Regional Cooperation (IURC) programme, funded by the European Union. This opportunity builds on the strength of our regional food strategy and our commitment to global collaboration in sustainable regional innovation. CEDA's Regional Land Diversification initiative, which aims to diversify land use, enhance farm resilience, and strengthen food production systems, was showcased to a national and global audience at E Tipu. This was followed by a LEAN workshop, delivered to support farmers from across the region from dairy, sheep and beef, horticulture, and arable, to explore ways to work smarter and future proof their farming practices. (New measure)
Attract and support major events and activities.	Narrative measure outlining the number and range of Council supported events, including attendance numbers and economic contribution.	Target met	A total of eight events in 2024/25 were supported through the Major Events Fund. These events included: Daybreaker Rally; Davis Cup Tennis; Palmy Drag Fest; Arts Trail Manawatū; Salud Festival; PACANZ Young Performer Awards; Armageddon Expo; Kiwibots Vex National Championships; and Rural Games. These events provided an estimated gross economic benefit of $7.4M to the region. Most events were well attended, with the approximate total visitation of 71,500 people across the eight events (37,500 Rural Games). (New measure)

LEVEL OF SERVICE	HOW THIS IS MEASURED	RESULT	COMMENT
Manage Council's strategic investments and attract external investment.	Narrative measure outlining how Council's strategic investments and advocacy are attracting inwards investment.	Target met	Te Motu o Poutoa attracted $1M of external funding from two major community trusts. The results of an additional funding application to the Regional Infrastructure Fund are expected to be known in the next quarter. An external advisor has been appointed to provide structural and funding advice for the Civic and Cultural Precinct Project. The advisor has significant commercial experience in similar projects around New Zealand. Achieving external investment and commercial viability is vital to the success of the project. Staff are also working with the Ministry for the Environment to achieve external funding towards the Materials Recovery Facility. As a result, the facility could produce additional revenue from expanded regional service offerings. In the last quarter of 2024/25, Council has strengthened its international engagement efforts, leveraging strategic relationships and city-to-city diplomacy to promote and attract new inward investment and global partnerships. A Palmerston North city delegation, including CEDA and Tanenuiarangi Manawatū Charitable Trust Rōpu representatives, actively engaged in the third China-New Zealand Mayoral Forum in Chengdu, China. CEDA presented on investment opportunities into the Manawatū, particularly Te Utanganui and agrifood innovation. This participation positioned Palmerston North as an open, capable, and future-focused destination for investment. It aligns with the city's international engagement strategy and reflects its growing reputation as a globally connected regional centre. Procurement of consultancy support for the Indicative Business Case (IBC) for the Manawatū Regional Freight Ring Road (MRFRR) was completed in June 2025. The consultant team have now been appointed and the project planning phase of the project has commenced. This work is an essential prerequisite for attracting central government investment. (New measure)
Promote the City	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.	Target met	City Marketing – Over the last year we have run seasonal campaigns with our largest being our Great in Every Season campaign. Timed with the Te Ahu a Turanga opening to attract Hawke's Bay visitors back to Palmy. The campaign highlighted unique local spots and experiences through billboards, digital ads, TVNZ OnDemand, and Stuff articles. A targeted giveaway in Napier encouraged people to plan a weekend here, boosting reach in one of our key drive markets. Palmy Proud has continued to be a place where we can tell the great stories of our city. We have produced over 70,000 copies delivered nationwide. With the latest edition featuring a food innovation pullout that showcased our city's vital role in the food value chain. Local events continued to be promoted to drive visits and spend. We attended MEETINGS 2025, the industry's biggest tradeshow for business events. We met with 23 buyers, promoting Palmy and Manawatū as a prime destination for conferences and corporate gatherings. We also followed up on new leads and showcased our venues and operators to keep building the region's profile in this competitive space. Visitor numbers at our isite were up compared to the last year, driven by more people in town for events and general foot traffic. Retail sales stayed strong up 27% year-on-year thanks to our focus on better displays and a wider product range. Reservation sales remained challenging due to ongoing issues with the Interislander ferry, which put people off booking travel. Despite that, total revenue was up on last year, showing the importance in having a diversified product offering for customers. (New measure)

ITEM 8 - ATTACHMENT 1

LEVEL OF SERVICE	HOW THIS IS MEASURED	RESULT	COMMENT
Provide services for visitors including the Conference and Function Centre, isite Visitor Centre, and holiday park.	Narrative measure outlining the Conference and Function Centre initiatives and how they attract and meet the needs of visitors.	Target met	Over the year we've stepped up efforts to connect with visitors and meet their diverse needs. By enhancing our communication channels and showcasing our facilities, we're ensuring that every interaction is impactful. Increased Social Media Presence: We've significantly upped our social media activity, creating a detailed content calendar with engaging themes and ideas. This has allowed us to share more frequent updates and connect meaningfully with our audience. Strategic Content Distribution: By utilising our email newsletter database and updating our website with fresh, targeted content, we're keeping stakeholders informed and inspired. Showcasing Our Spaces: Every new inquiry is an opportunity to highlight the unique features of the Conference + Function Centre, as well as nearby accommodation, food spots, retail, and local attractions to enhance the visitor experience in Palmerston North. We're ensuring each lead gets a personalised glimpse of what makes our facilities and customer service exceptional. We attended MEETINGS 2025, where two days of back-to-back meetings with Professional Conference Organisers have again led to a significant number of enquiries, refreshing connections with clients, and many new booking leads. Through these initiatives, we've not only attracted new visitors but also built stronger connections with our existing audience. As we move forward, we remain committed to offering top-tier experiences and services, including in-house audio-visual equipment and technicians, a dedicated Event Coordinator, free parking, and our in-house caterer, as part of our full-service package to clients. Our next steps are to carry out our social media plan and content to grow the platform and we have also recently launched a new business events campaign. (New measure)
Support international education and promote Palmerston North's interests to global partners.	Narrative measure outlining the Council's international initiatives and how they are promoting the City's interests, especially for international markets, students and visitors.	Target met	Council has continued to elevate the city's international profile through a series of targeted diplomatic, economic, and cultural engagements. The activities have been focused on strengthening relationships with key partners in ASEAN, Northeast Asia, and Europe, supporting trade and investment opportunities, and positioning Palmerston North as a globally connected and forward-looking regional hub. Council led a city delegation including the Rangitāne Kapa Haka Kura Awatea to participate in the third China-NZ Mayoral Forum in China and visited other Chinese partner cities to promote investment as well as sector-specific collaboration such as agritech, food, logistics and education. Council's support for local institutions and businesses with international interests has also grown this quarter with coordinated efforts to connect them to global networks and support them in their overseas mission where possible. In collaboration with central government agencies and regional stakeholders, Council has helped align local opportunities with broader international strategies. Key outcomes of this quarter include: » Elevated city's standing and promoted investment opportunities at the third China-NZ Mayoral Forum. - Explored new food expo and scalable export trade opportunity with Kunshan city. » Progress on strategic discussions with international education providers at the International Education Regional Forum. » Connected local AgriTech and Food sector with counterparts in Nancy, France and Campinas, Brazil to explore possible collaborative opportunities and commercial cooperation. These activities reflect Council's strategic approach to international engagement - one that builds long-term relationships, fosters cultural and economic exchange, and ensures that Palmerston North is well-positioned to benefit from global opportunities. (New measure)

FINANCIAL RESULTS
ACTIVITY OPERATIONAL REQUIREMENT AND FUNDING SUMMARY

ECONOMIC DEVELOPMENT	Actual 2025 $000	Long Term Plan 2025 $000	Variance 2025 $000	Actual 2024 $000
REVENUE				
City Marketing	19	111	(92)	120
Conference & Function Centre	1,121	880	241	1,172
Economic Development	128	131	(3)	151
International Relations	70	34	36	69
Investments in Companies (including Airport)	669	150	519	490
Investment Property	364	252	112	341
Investments	-	-	-	100
TOTAL REVENUE	**2,371**	**1,558**	**813**	**2,443**
EXPENSES				
City Marketing	489	681	192	76
Conference & Function Centre	2,265	1,928	(337)	2,052
Economic Development	3,041	3,079	38	2,986
Economic Events	628	694	66	322
International Relations	531	554	23	515
Investments in Companies (including Airport)	880	425	(455)	892
Investment Property	328	702	374	312
Investments	258	370	112	208
TOTAL EXPENSES	**8,420**	**8,433**	**13**	**7,363**
NET OPERATING COSTS OF ACTIVITY	**6,049**	**6,875**	**826**	**4,920**
RATING ALLOCATION				
Add back depreciation	681	790	(109)	619
Less Transfers To/(From) Reserves	-	240	(240)	-
Less Renewal capital expenditure	(1,142)	(823)	(319)	(1,694)
Add/(Less) borrowing effect of renewal 3 year averaging	185	(135)	320	99
Add external revenue for renewal capital	-	-	-	-
Add proceeds from sale of assets	-	-	-	-
Less provision for debt reduction	(565)	(34)	(531)	(38)
Add internal rates recovered	-	-	-	-
Add targeted rates allocation	1,659	1,644	15	-
Add general rates allocation	5,231	5,193	38	5,934
FUNDING SURPLUS/(DEFICIT)	**-**	**-**	**-**	**-**

ACTIVITY CAPITAL PROJECTS ECONOMIC DEVELOPMENT	Actual 2025	Long Term Plan Budget 2025	Variance 2025	Actual 2024
	$000	$000	$000	$000
CAPITAL RENEWAL				
85 - Depot - Buildings and Structures Renewals	143	120	(23)	
251 - Conference & Function Centre - Replacement of Equipment	16	37	21	
270 - Holiday Park - Renewals	282	300	18	
272 - Staff Cafeteria - Replacement of Equipment	1	6	6	
664 - Conference & Function Centre - Renewals	43	50	7	
1166 - Conference & Function Centre - Equipment Purchases	84	74	(9)	
1730 - Information Centre - Building Renewals	21	20	(1)	
1753 - Investment Properties - Building Renewals	50	50		
1791 - Parks Depot - Building Renewals	356	30	(326)	
1943 - Information Centre Refurbishment	1	-	(1)	
1970 - Gordon Kear Forest Culvert Replacements	61	35	(26)	
2022 - Property - Hard Surfaces Renewals	87	100	13	
TOTAL CAPITAL RENEWAL	**1,142**	**823**	**(320)**	**1,694**
CAPITAL NEW				
1451 - Property - LED Lighting Upgrades	1	-	(1)	
2345 - Property - Solar Panel Installations	91	23	(68)	
2553 - Property Purchase Ruahine Street	94	-	(94)	
TOTAL CAPITAL NEW	**186**	**23**	**(164)**	**326**
TOTAL CAPITAL EXPENDITURE	**1,328**	**845**	**(483)**	**2,021**

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TŪNUKU TRANSPORT

We want a city transport system that links people and opportunities.

Managing Palmerston North's transport system is a complicated process. We need to respond to many competing demands and balance the needs of a variety of users.

As the city's population grows, congestion, road safety issues and maintenance deficits become more significant. We need to adopt a more proactive and planned approach to manage our transport network. We must prioritise safety, access, value for money, and reducing environmental impacts.



Responding to funding shortfalls while keeping key transport projects moving

Despite strong progress on local transport work, the recent National Land Transport Programme funding allocations from New Zealand Transport Agency Waka Kotahi left Palmerston North with a $74M shortfall. We received just 43% of the co-funding we had budgeted for in our Long-Term Plan. While funding for road maintenance and pothole prevention was largely secured—including some support for the Amberley Avenue bridge—no co-funding was received for new capital projects or business cases. This impacts a range of projects including the Transit Hub, shared pathways, and upgrades to Kelvin Grove and Stoney Creek Roads. Our bid for $12M to support walking and cycling infrastructure was met with only $2.7M. In response, elected members voted to retain funding for footpaths, drainage, and intersection upgrades, and asked us to use debt we anticipated to use for co-funded projects to be reallocated to the RFRR business case.

Key projects over the year included completing the Amberley Ave bridge replacement work, a major upgrade effort on Mihaere Drive bridge, repairing and increasing the resiliance of the severe weather damaged Kahuterawa Road and a significant number of road re-seals across the city.

Palmerston North Integrated Transport Initiative, and Ring Road

Work has continued on a range of projects under the Palmerston North Integrated Transport Initiative. The City Centre business case is nearing completion and will support co-investment in a future upgrade of the central bus hub. Procurement is complete for the Regional Freight Ring Road business case, with the study itself starting in the new financial year. Once finalised, this will help confirm the preferred route and provide clarity to affected communities and landowners. We've also shifted away from a city-wide parking framework in favour of area-specific parking plans, starting with the hospital area in line with planned Health NZ changes.

Ongoing road maintenance

Fulton Hogan has now completed its fourth year as our road maintenance contractor. Over the year, we resealed more than 44 kilometres of roads—covering both asphalt roads in residential areas and chip-sealed roads in rural and urban locations. Thousands of potholes were repaired, and routine tasks such as street sweeping, sump cleaning, vegetation management and asset inspections were carried out. We also added five kilometres of vested roads into our network as a result of new subdivisions. Like many cities, Palmerston North faces challenges from increased heavy traffic and ageing road structures. Maintaining ride comfort and safety remains a key focus, and we are planning for a significant programme of rehabilitation work in the future.

Improving active transport infrastructure and promoting everyday access

As the city grows, so does the pressure on our transport system. Supporting active and public transport helps ease that pressure and gives people more options for getting around. We're focused on improving the infrastructure that supports these modes, including ongoing maintenance of footpaths and renewing bus stops and shelters across the city. While funding reductions from New Zealand Transport Agency Waka Kotahi meant some active transport works were scaled back, we targeted key areas to maintain safe access.

We regularly promote walking and cycling as everyday transport choices through our social media channels and the Bike Palmy hub on our website, which provides maps, tips and local inspiration. We also highlight our shared pathways and regularly share our walkways guide to help people explore more of the city on foot or by bike.

LEVEL OF SERVICE	HOW THIS IS MEASURED	RESULT	COMMENT
Provide a safe, low carbon, integrated and multi-modal transport network.	Narrative measure outlining Council's actions within the transport network and their contribution to safe, low carbon, integrated multi-modal transport, including active and public transport needs.	Target not met	We have not made the desired progress on this action, due to factors such as the funding constraints in the National Land Transport Programme (NLTP). However, patronage on the city's bus network has increased in the last 12 months, contributing to achieving this measure. (New measure)
Include active and public transport needs in all transport network planning.	Residents Survey satisfaction results meet targets with Council's provision of: » Roads (32%) » Footpaths (43%) » Cycling (44%) » Parking availability (42%)	Target not met	» Roads 28% (2023/24: 28%) » Footpaths 36% (2023/24: 36%) » Cycling 33% (2023/24: 36%) » Parking 41% (2023/24: 41%) Active and public travel features heavily in transport network panning, including the provision of walking, cycling and public transport infrastructure. The Council, like all councils in New Zealand, suffered heavy cutbacks on active and public transport co-funding from NZTA during last year's National Land Transport Fund (NLTF) allocation process. In response, we allocated $1M this Financial Year for footpath renewals and $0.7M for the installation of new bus shelters, with both being 100% Council funded. Normally, Council would receive 51% co-funding from NZTA for this work. This funding will now allow for additional footpaths to be renewed and new bus shelters to be established. Council will seek the reinstatement of NZTA's co-funded share of the active and public transport works under the 2027-2030 NLTF process, which will allow greater investment in this area. (New measure)
Encourage communities to make active and public transport choices.	There is a reduction in the number of fatal and serious injury crashes from the previous year on the city's local network. (The city's local network excludes state highways and private roads within the city boundary).	Target met	In the 12-month period ending June 2025, there were 10 fatal and 19 serious injury crashes (29 in total) in Palmerston North; 4 of these involved cyclists, and 5 involved pedestrians. The 12 months prior, there were 2 fatal crashes and 31 serious injury crashes (33 in total). None of those crashes involved cyclists and 6 involved pedestrians. Subsequently, there has been a reduction in the number of fatal and serious injury crashes from the previous year on the city's local road network. *The results for the period ending 30 June 2024 differ to what was reported on in last years' Annual Report 2023/24. During the 2025 Financial Year, it was identified that state highways within the city boundaries were being included within the calculation. The definition for the city's road network excludes state highways and private roads from the calculation. This has been amended going forward and has retrospectively been adjusted for the prior year comparatives.* (2023/24 – Target Met - 2 fatal, 31 serious)
	More than 3.5% of the sealed local road network is resurfaced.	Target met	4.2% of the network was resealed. (2023/24 – Target met – 5.32%)
	Greater than 93% of footpaths meet Council's standard (i.e., rated 3 or above). Footpath ratings are defined in Institute of Public Works Engineering Australasia National Asset Management Strategy Group (IPWEA NAMS). Practice Note 1: Footpaths and Cycleways Condition Assessment: This guide sets out the criteria for scoring, which includes the categories: 1 - Very Good, only planned maintenance required 2 - Good, minor maintenance required plus planned maintenance 3 - Fair, significant maintenance required 4 - Poor, significant renewal/ rehabilitation required 5 - Very Poor, physically unsound and/or beyond rehabilitation.	Target not met	84% of Transport managed footpaths with a known condition rating rated between 1 (Excellent) and 3 (Average) meet the Council's standard. » 12.5% of footpaths have a rating of 4 (Poor) » 3.5% have a rating of 5 (Very Poor) Council footpaths are below the required condition. To increase the condition rating on footpaths, additional funding would be required. (2023/24 – Target not met - 83.5%)
	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.	Target met	98% of urgent priority road/footpath/cycleway jobs from the public dispatched, on-site, or completed within 3 working days for the 2024-2025 Financial Year. (2023/24 – Target not met – 86.4%)
	The average quality of ride on the sealed local road network, measured by smooth travel exposure, is greater than 80%.	Target met	The average quality of ride on the sealed local road network, measured by smooth travel exposure, is 82%*. **As at 30 June 2025, this was based on the best information available at the time but has subsequently been identified as calculated using some invalid data with a very minor impact on the overall result.* (Smooth travel exposure means a measure of the percentage of vehicle kilometres travelled on roads that occurs above the targeted conditions for those roads, calculated in accordance with standard industry methodology.) (2023/24 – Target met – 84%)

FINANCIAL RESULTS
ACTIVITY OPERATIONAL REQUIREMENT AND FUNDING SUMMARY

TRANSPORT	Actual 2025	Long Term Plan 2025	Variance 2025	Actual 2024
	$000	**$000**	**$000**	**$000**
REVENUE				
Active Transport	332	872	(540)	414
Public Transport	35	-	35	183
Footpaths	-	157	(157)	-
TOTAL REVENUE	**367**	**1,029**	**(662)**	**597**
EXPENSES				
Active Transport	1,427	1,455	28	2,038
Public Transport	292	298	6	334
Footpaths	1,967	3,604	1,637	1,706
TOTAL EXPENSES	**3,686**	**5,357**	**1,671**	**4,078**
NET OPERATING COSTS OF ACTIVITY	**3,319**	**4,328**	**1,009**	**3,481**
RATING ALLOCATION				
Add back depreciation	1,695	2,692	(997)	1,608
Less Transfers To/(From) Reserves	-	-	-	-
Less Renewal capital expenditure	(2,060)	(2,050)	(10)	(1,157)
Add/(Less) borrowing effect of renewal 3 year averaging	(19)	(31)	12	-
Add external revenue for renewal capital	224	1,046	(822)	369
Add proceeds from sale of assets	-	-	-	-
Less provision for debt reduction	459	(327)	786	(480)
Add internal rates recovered	-	-	-	-
Add targeted rates allocation	-	-	-	-
Add general rates allocation	3,020	2,998	22	3,141
FUNDING SURPLUS/(DEFICIT)	**-**	**-**	**-**	**-**

ACTIVITY CAPITAL PROJECTS TRANSPORT	Actual 2025	Long Term Plan Budget 2025	Variance 2025	Actual 2024
	$000	**$000**	**$000**	**$000**
CAPITAL RENEWAL				
64 - City-wide - Footpath - Renewals (Cofunded)	1,237	1,150	(87)	
181 - City-wide - Public Transport Infrastructure Renewa	99	150	51	
648 - City-wide-Supporting Cycle Infrastructure Renewals	(7)	-	7	
2256 - Bunnythorpe - Transport - Footpath Renewals	48	50	2	
2371 - City-wide - Cycling Network - Renewals	266	300	34	
2372 - City-wide - Streetscape - Renewals	87	50	(37)	
2373 - City-wide - Shared Pathways - Renewals	303	300	(3)	
2383 - City-wide - Active Transport Supporting Infrastructure - Renewals	29	50	21	
TOTAL CAPITAL RENEWAL	**2,060**	**2,050**	**(10)**	**1,157**
CAPITAL NEW				
1121 - Tennent Drive - Safety Improvements - Food HQ & Massey	-	200	200	
1559 - City-wide - Cycling Network Improvements	169	250	81	
1680 - City-wide - Public Transport - Network Improvements	40	500	460	
2026 - Active Transport Measurement	(155)	-	155	
2057 - City-wide - Shared Pathways - New and Link Improvements	99	2,000	1,901	
2206 - 2206 - Storm Damage – August 2022 Roading	(12)	-	12	
2231 - City-wide - Public Transport - Transport Choices - Additional Bus Shelters	236	200	(36)	
2233 - 2233 - CW-Urban Cycle Infras. Improv.-Streets for People	9	-	(9)	
2368 - City-wide - Footpaths - New	-	500	500	
2505 - City-wide - Shared Pathways - Slip Prevention	162	300	138	
TOTAL CAPITAL NEW	**548**	**3,950**	**3,402**	**9,824**
TOTAL CAPITAL EXPENDITURE	**2,609**	**6,000**	**3,391**	**10,981**


Airport 101
3759
QLL744
connect
horizons transit

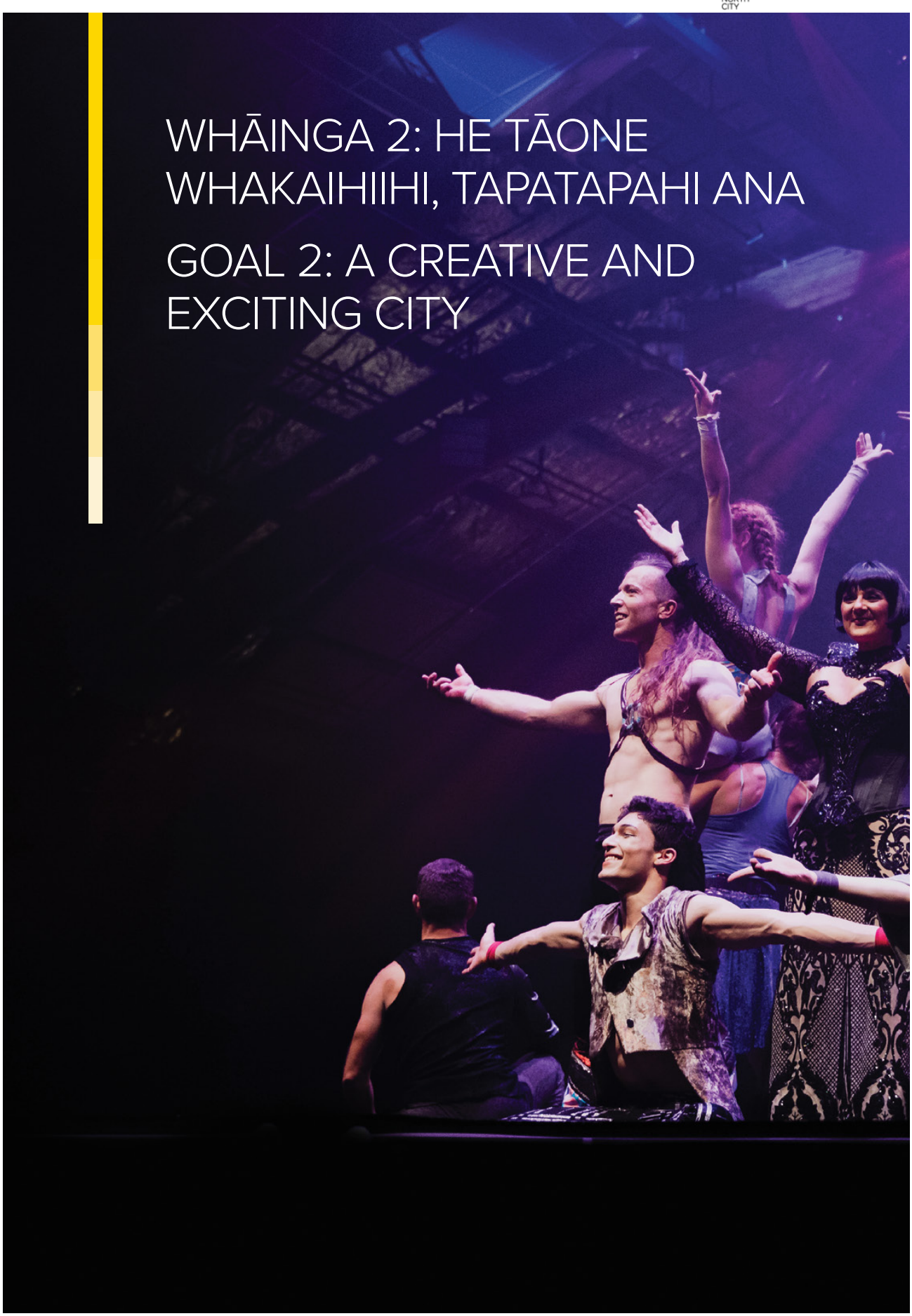
FINANCIAL RESULTS
ACTIVITY OPERATIONAL REQUIREMENT AND FUNDING SUMMARY

ROADING	Actual 2025	Long Term Plan 2025	Variance 2025	Actual 2024
	$000	**$000**	**$000**	**$000**
REVENUE				
Roads	4,423	4,160	263	3,601
Parking	6,891	6,657	234	6,262
Street Facilities	2	184	(182)	2
Street Lighting	629	434	195	652
Traffic Services	70	-	70	155
TOTAL REVENUE	**12,015**	**11,435**	**580**	**10,672**
EXPENSES				
Roads	21,580	17,355	(4,225)	18,194
Parking	3,775	3,585	(190)	3,507
Street Facilities	2,409	6,043	3,634	2,316
Street Lighting	2,110	2,481	371	2,122
Traffic Services	2,027	161	(1,866)	1,404
TOTAL EXPENSES	**31,901**	**29,625**	**(2,276)**	**27,543**
NET OPERATING COSTS OF ACTIVITY	**19,886**	**18,190**	**(1,696)**	**16,871**
RATING ALLOCATION				
Add back depreciation	9,610	12,233	(2,623)	8,756
Less Transfers To/(From) Reserves	-	-	-	-
Less Renewal capital expenditure	(10,873)	(9,120)	(1,753)	(8,135)
Add/(Less) borrowing effect of renewal 3 year averaging	1,494	(259)	1,753	(509)
Add external revenue for renewal capital	4,486	4,503	(17)	3,108
Add proceeds from sale of assets	-	-	-	-
Less provision for debt reduction	2,896	(1,334)	4,230	(1,580)
Add internal rates recovered	-	-	-	-
Add targeted rates allocation	8,497	8,419	78	-
Add general rates allocation	3,776	3,748	28	15,231
FUNDING SURPLUS/(DEFICIT)	**-**	**-**	**-**	**-**

ACTIVITY CAPITAL PROJECTS ROADING	Actual 2025	Long Term Plan Budget 2025	Variance 2025	Actual 2024
	$000	**$000**	**$000**	**$000**
CAPITAL RENEWAL				
74 - City-wide - Street Light Renewals	677	500	(177)	
82 - City-wide - Off-Street Parking - Renewals	562	150	(412)	
115 - City-wide - Sealed Roads - Pavement Rehabilitation	3,103	3,100	(3)	
122 - City-wide - Road Drainage Renewals	611	500	(111)	
139 - City-wide - Sealed Road Resurfacing	3,711	3,200	(511)	
162 - City-wide - Vehicle Crossing Renewals	319	140	(179)	
2357 - Bunnythorpe - Transport - Pavement Renewals	96	200	104	
2375 - City-wide - Unsealed Roads - Resurfacing	85	100	15	
2376 - City-wide - Traffic Services - Renewals	963	600	(363)	
2377 - City-wide - Transport - Environmental Renewals	26	30	4	
2379 - City-wide - Transport - Structural Component Renewal	720	600	(120)	
TOTAL CAPITAL RENEWAL	**10,873**	**9,120**	**(1,753)**	**8,126**
CAPITAL NEW				
159 - Kelvin Grove Road - Safety Improvements	273	1,000	727	
167 - James Line (Schnell Dr to Kelvin Grove Rd) - Imp.		-	()	
279 - City-wide - Minor transport improvements	12	-	(12)	
684 - Longburn Rongotea Road/No. 1 Line - Intersection	(3)	-	3	
1367 - City-wide - Street Light Infill		-	()	
1804 - City-wide - Road Drainage - Additional Drainage Upgrades	121	120	(1)	
1807 - City-wide - Car Park Infrastructure Improvements	52	500	448	
1944 - Villages - Transport - Road Upgrades to Urban Standard	148	300	152	
2013 - PNITI – Strategic Transport Corridor Improvements	4	-	(4)	
2065 - Urban Growth - Whakarongo - Transport	12	-	(12)	
2111 - Kelvin Grove Road - Safety Improvements	3	-	(3)	
2119 - Transport Safety Improvements	(774)	-	774	
2204 - City-wide - Street Racer Prevention	32	60	28	
2206 - 2206 - Storm Damage – August 2022 Roading	(2)	-	2	
2254 - Safety Improv. at College Street/Botanical Road	1	-	(1)	
2335 - Stoney Creek Road - Safety Improvements	266	500	234	
2362 - City-wide - Transport - Bridge Improvements	259	200	(59)	
2380 - City-wide - Transport - Emergency Reinstatements	1,295	250	(1,045)	
2390 - City-wide - Transport - Low Cost/ Low Risk and Road to Zero	1,104	4,000	2,896	
2428 - City-wide - Street Trees - New and Replacements	309	600	291	
2456 - Cliff Road Upgrade - Te Motu O Poutoa	244	500	256	
2526 - Amberley Avenue Bridge	2,353	2,562	209	
TOTAL CAPITAL NEW	**5,711**	**10,592**	**4,881**	**10,436**
CAPITAL GROWTH				
201 - Urban Growth - Transport - Development Contributions Top-up	44	220	176	
1003 - Whakarongo - Intersection - Safety Improvements	1,496	1,200	(296)	
1681 - Urban Growth - Kikiwhenua - Transport	284	3,000	2,716	
2058 - Urban Growth - NEIZ - New Roads	(20)	-	20	
2124 - Urban Growth - Ashhurst - New Roads	2,096	1,913	(183)	
TOTAL CAPITAL GROWTH	**3,899**	**6,333**	**2,434**	**4,985**
TOTAL CAPITAL EXPENDITURE	**20,483**	**26,044**	**5,561**	**23,547**

WHĀINGA 2: HE TĀONE WHAKAIHIIHI, TAPATAPAHI ANA

GOAL 2: A CREATIVE AND EXCITING CITY





ITEM 8 - ATTACHMENT 1

TOI ME NGĀ TAONGA TUKU IHO ARTS AND HERITAGE

We want to celebrate the arts and the city's history and cultural diversity. We want there to be lots for people to do in our creative and exciting city.

The arts bring the city to life, challenging ideas, and generate excitement. Palmerston North has a strong arts sector and thriving art scene. It is home to notable local artists, exhibitions, cultural facilities, and events.

The heritage of the city contributes to our identity and sense of belonging. Understanding and celebration of the city's heritage shapes our city's character.

We want our city arts and cultural facilities to be strong and resilient. We want to collaborate with our community to showcase and make our diverse city heritage more visible and understood. We want to see our heritage become part of our cityscape.



Arts initiatives supporting local creativity

We've continued to support a wide range of community-led arts projects, covering everything from music and weaving to visual arts and live performances. This year, six large-scale events were supported through the Arts Events Fund, 42 projects through the Creative Communities Scheme, and many smaller events and initiatives through the Community-Led Initiatives Fund.

Māori art and storytelling have been a strong focus, with support for initiatives like the Tui Tui gallery at Square Edge and a Puanga exhibition showcasing Toi Rangitāne, the artwork of Rangitāne o Manawatū.

Our city's public art and historic objects continue to be maintained and celebrated. This includes replacing the damaged Kotahitanga statue and repairing the red rods of the Giants Among Us artwork on Cuba Street.

The Palmerston North Sculpture Trust is progressing plans to install a new sculpture in the heart of the city, continuing to grow our public art collection and enrich our city environment.

How our cultural facilities have supported community participation

Performance and community use

It's been a strong year for our three cultural facilities – The Regent, The Globe and Te Manawa. All three met most of their performance measures and reported increased patronage and visitor numbers, showing strong support from our community.

The Regent and The Globe theatres are well used by local groups, with around 70% of theatre time taken up by community users.

Generating support and future plans

Te Manawa increased its external revenue this year compared to 2023/24. It's also actively seeking sponsorship to help bring a new science centre to life in the years ahead.

Creating opportunities across the city

Te Manawa has supported the development of the new Heritage Reference Group and plays an active role within it. It also continues to offer free education sessions to local schools and provides holiday and afterschool programmes to spark interest in art and science.

Both the Regent and The Globe theatres are part of the Companion Card scheme, which allows disabled people to bring a companion to events free of charge.

The Globe has had another big year, with its weekly Six to Sixty Choir being a standout success. It continues to encourage emerging performers through its split box office pricing model, which lowers the cost to hire the venue by sharing ticket revenue instead.

ITEM 8 - ATTACHMENT 1

How we're preserving and sharing our heritage

Supporting and maintaining heritage places

The Natural and Cultural Heritage Fund and the Earthquake Prone Heritage Buildings Programme have supported several important projects this year. These include research and promotion of the history of Musica Viva Manawatū, maintenance of the former Turners & Growers building, and repair work on the former Andersons Cottage and Bryant Cottage. Funding also supported seismic assessments and structural designs for the former Post Office building and the former Grand Hotel.

Local heritage also featured strongly during engagement on the draft Bunnythorpe Community Plan, with residents highlighting the importance of the town's built history.

We've also continued to prioritise heritage and cultural work across the city. Four of our projects, including the Green Corridors Programme and He Ara Kotahi, were featured as case studies in the Wellbeing Economy Alliance Aotearoa's Policy for the Public Good guide. We reviewed and consulted on the Kahuterawa Outdoor Recreation Plan and the Otangaki–Ashhurst Domain Reserve Management Plan, and approved a new General Reserve Management Policy for consultation. These reserve plans support the goals of our Heritage Plan, particularly in reflecting Rangitāne o Manawatū's relationship with reserves across the city. We also installed the Te Pa Tuna sculpture at Ruahine Reserve, created by Ephraim Russell in partnership with Rangitāne o Manawatū and Wallace Development. As part of the Te Āpiti Masterplan, the opening of Te Ahu a Turanga has progressed a number of outcomes, including investment into tangata whenua storytelling through toi Māori. In 2024, we adopted New Zealand's first Asset Management Plan for Public Art and Heritage Objects. We also advanced planning for the ancestral site of Te Motu o Poutoa to better recognise, protect and promote Rangitāne heritage values and aspirations. At the Hui-a-Iwi Rangitāne Expo, we supported the Rangitāne o Manawatū Settlement Trust by providing maps showing key iwi sites across the city.

Revitalising Caccia Birch House

Caccia Birch House has transitioned into the Council's Venues and Events division. With a larger support team now in place, the venue benefits from greater staffing, resource sharing and event expertise. This has helped enhance community access to the house, especially for public events. The Awhina Room floor was recently repaired, and use of the venue is now returning to previous levels. Efforts continue to keep operations running smoothly and to ensure the venue meets community needs.

A masterplan for Caccia Birch House was developed in the second half of the year and will be considered by Council in the new financial year. The plan sets a clear direction for how we'll care for the house and grounds, improve storytelling of its history, and support more community use. The work has been shaped with input from the Caccia Birch Trust and Advisory Group. The goal is to protect the heritage of the house while creating a better visitor experience and encouraging use of the space.



By the numbers – this year at Caccia Birch House:

- 298 events
- 185 seminars or meetings
- 90 social events
- 7 exhibitions
- 15 conferences
- 1 wedding

Celebrating our city through community events

A range of major community events were delivered by us and our partners this year, including Explore Esplanade Day, New Year's in The Square, and A Very Palmy Christmas and Parade. All of these will return in the coming 12 months.

Honouring service and remembrance

We worked alongside the Palmerston North Anzac and Remembrance Organising Committee and local RSAs to support ANZAC Day services in the city, Bunnythorpe and Ashhurst. Armistice Day has also become a regular fixture in our annual calendar. We now hold a dawn service of remembrance and a civic commemoration to reflect the importance of our connection to both Linton Army Base and Airforce Base Ohakea.

Cultural events and collaborations

We delivered Waitangi Day and the Puanga Twilight Festival in collaboration with Rangitāne o Manawatū. We also worked closely with the Manawatū Multicultural Council, community representatives and the Ministry for Ethnic Communities on Diwali and the Festival of Colours. The Lunar New Year and Moon Festival were delivered in partnership with East Asian communities, the Manawatū Multicultural Council and the Ministry for Ethnic Communities. The Festival of Cultures was another highlight, delivered with the Manawatū Multicultural Council and many other cultural groups and organisations.

Supporting community-led events

Through our grant funding programmes, we supported over 20 community events. These included cultural celebrations, sporting events, neighbourhood gatherings and more.

Growing local capacity

A new community events trailer has been fitted out and will be available from summer 2025/2026 to help local groups run their own events.

Celebrating the arts

We supported Summer Shakespeare's 2025 season of The Tempest, which drew a record 2,300 attendees across seven shows.



LEVEL OF SERVICE	HOW THIS IS MEASURED	RESULT	COMMENT
Support community arts initiatives and organisations.	Narrative measure outlining initiatives undertaken by Council-supported organisations to promote the arts in the City.	Target met	This year we have supported a wide range of arts projects delivered by organisations and individuals across a variety of art forms. In addition to continuing our support of well-established arts organisations, this year we have focused on promoting opportunities for support into communities who may face barriers to participation. As a result, we had the largest number of applications received to our Creative Communities Scheme in the last five years, with a total of 67 applications received over the two rounds. Other highlights included an initiative delivered between Square Edge Community Arts and How2, promoting arts access for people of refugee background, and support provided to Pasifika, Māori, and youth focused initiatives. Funding and support have been provided to the development of new and existing arts events, which promote the city as a creative and exciting arts destination, including another successful Summer Shakespeare season, 2025 Rose City Dancesport Championships, and new events Palmy Punk Fest and Burleskiwi International Festival of Aotearoa. (New measure)
Provide and support cultural facilities.	Narrative measure summarising the results from the Regent and Globe theatres and Te Manawa 6 and 12 monthly reports.	Target met	Council's cultural facilities – the Regent on Broadway, the Globe Theatre, and Te Manawa – remain central to supporting a vibrant and creative city. » The Regent on Broadway exceeded service targets, hosting 198 auditorium hires, 33 touring performances, and 426 events overall. Attendance reached 101,081, with the community/commercial split maintained at 70/30. The Trust's sustainability was strengthened through grants and event activity, alongside continued engagement with schools, graduations, and diverse cultural events. » The Globe Theatre Trust recorded strong community engagement, with 87% of usage and 75% of performances delivered by local groups. Highlights included the Frozen Jr production (2,770 attendees) and performances by Ed Byrne and Graeme James. The theatre hosted major festivals and is investing in upgrades such as sound, lighting, and solar initiatives to enhance sustainability. » Te Manawa Museums Trust surpassed expectations, welcoming 146,900 visitors (112% of target), 253,537 online users, and achieving 99% visitor satisfaction. Eighteen exhibitions were delivered, including Robyn Kahukiwa: Tohunga Mahi Toi, Sunlight – Iho Kōmaru (35,000 visitors), and The Active Eye. Education programmes exceeded targets, reaching 4,286 students, while partnerships with Rangitāne supported the integration of Mātauranga Māori. Progress continued on digitising collections, with more than 19,000 Peter Bush photographs archived. Overall, the three facilities exceeded most performance targets, strengthened community participation, and provided diverse, high-quality cultural opportunities. (New measure)
Promote, protect, celebrate, and share knowledge of local history.	Narrative measure outlining Council's actions supporting local history, including support for Rangitane in its kaitiaki role, and their outcomes.	Target not met	Heritage funding has been approved and completed for recent notable tree work on Ihaka Street and repair work to the Anderson Cottage in Summerhill. The Earthquake Prone Heritage Buildings Fund last financial year ran a $40,000 surplus due to an applicant not being able to fulfil their funding commitment. Officers will review delivery conditions on heritage funding to ensure commitments are met earlier in the financial year. The recent Te Pa Tuna o Ruahine sculpture was unveiled in the Hokowhitu Residential Area, in partnership between Rangitāne o Manawatū, Wallace Development, and PNCC. (New measure)
Support Rangitane o Manawatu in its role as kaitiaki of their historic heritage places.			
Provide, fund, and support city and community events.	Narrative measure outlining the number and range of Council provided and supported events, including attendance numbers and satisfaction.	Target met	Resident surveying indicates a continued general satisfaction with council-delivered and supported events. Council has delivered ten large-scale community events this year, including Diwali Mela (5,000 pax), Remembrance Day (500 pax), Puanga Festival (7,000 pax), A Very Palmy Christmas (5,000 pax), New Year in the Square (8,000 pax), Lunar New Year (1,500 pax), Waitangi Day (2,000 pax), Festival of Cultures (12,000 pax), Festival of Colours, and Explore Esplanade (17,000 pax). Attendance numbers remain at past levels with an approximately 10% increase at Diwali Mela, despite weather issues. The Very Palmy Christmas Parade remains the single largest attended event annually, with approximately 20,000 residents in attendance. (New measure) (2024 - Target met: 71% of respondents to the Annual Residents' Survey were satisfied, or very satisfied with the number and range of free public events)

FINANCIAL RESULTS
ACTIVITY OPERATIONAL REQUIREMENT AND FUNDING SUMMARY

ARTS AND HERITAGE	Actual 2025 $000	Long Term Plan 2025 $000	Variance 2025 $000	Actual 2024 $000
REVENUE				
Other Cultural Facilities	-	-	-	1
Support to Arts, Culture & Heritage Groups	198	240	(42)	167
Te Manawa	208	33	175	176
Community & Commemorative Events	109	3	106	271
TOTAL REVENUE	**515**	**276**	**239**	**615**
EXPENSES				
Heritage Management	89	250	161	66
Other Cultural Facilities	3,043	3,082	39	3,686
Support to Arts, Culture & Heritage Groups	2,977	3,203	226	2,373
Te Manawa	4,575	5,559	984	4,489
Community & Commemorative Events	1,757	1,434	(323)	1,879
TOTAL EXPENSES	**12,441**	**13,528**	**1,087**	**12,493**
NET OPERATING COSTS OF ACTIVITY	**11,926**	**13,252**	**1,326**	**11,878**
RATING ALLOCATION				
Add back depreciation	2,117	3,019	(902)	2,747
Less Transfers To/(From) Reserves	-	-	-	-
Less Renewal capital expenditure	(462)	(535)	73	(615)
Add/(Less) borrowing effect of renewal 3 year averaging	(84)	(12)	(72)	967
Add external revenue for renewal capital	-	-	-	-
Add proceeds from sale of assets	-	-	-	-
Less provision for debt reduction	(716)	(211)	(505)	(2,943)
Add internal rates recovered	-	-	-	-
Add targeted rates allocation	-	-	-	-
Add general rates allocation	11,071	10,991	80	11,722
FUNDING SURPLUS/(DEFICIT)	**-**	**-**	**-**	**-**

ACTIVITY CAPITAL PROJECTS ARTS AND HERITAGE	Actual 2025 $000	Long Term Plan Budget 2025 $000	Variance 2025 $000	Actual 2024 $000
CAPITAL RENEWAL				
213 - Cultural Facilities - Renewals	419	500	81	
1452 - Community Stage - repair	10	-	(10)	
1496 - Replacement of Street Flags	23	25	2	
2420 - Caccia Birch Signage Renewals	9	10	1	
TOTAL CAPITAL RENEWAL	**462**	**535**	**73**	**615**
CAPITAL NEW				
902 - Property - Seismic Strengthening of Council Properties	(6)	-	6	
1948 - Events and Festival Equipment Purchase	1	-	(1)	
2210 - Regent Roof Upgrade	(73)	-	73	
TOTAL CAPITAL NEW	**(78)**	**-**	**78**	**1,789**
TOTAL CAPITAL EXPENDITURE	**384**	**535**	**151**	**2,405**

MAHERE MAHI Ā-RĒHIA RECREATION AND PLAY

We want Palmerston North to be one of the most active communities in New Zealand.

Being active supports all aspects of health, as recognised in the Maori understanding of te whare tapa wha. Our actions can help our communities to be more active and improve well-being and resilience.

We will work collaboratively with others to respond to community needs. We want to offer accessible and inclusive places with opportunities for everyone. Our activities will promote biodiversity and a healthy ecosystem.



Creating welcoming parks and reserves for our community

Keeping our parks safe, attractive and accessible

We completed our annual parks and reserves work programme, focused on improving access, lifting amenity value, and making sure our walkways, parks and reserves are safe and functional for everyone.

Significant renewals included:

- Re-liming paths and replacing steps across the walkway network
- Resurfacing carparks, paths and roadways in Ashhurst Domain, Linklater Reserve and Victoria Esplanade
- Rekeying our parks paddocks and issuing keys to users and staff under a key register and bond system to better manage safety and security
- Completing design, consenting and first stage of procurement ahead of the Esplanade shade house renewal in 2025/26

Filling service gaps

To close identified service gaps, we:

- Installed 10 new seats, 12 tables, and 4 rubbish bins
- Installed 13 new signs and pathway markers throughout Ashhurst Domain
- Added basketball and netball hoops at Clausen, Rangitāne and Celaeno Parks
- Made playground and accessibility improvements to Clausen and Rangitāne Parks
- Installed retaining walls and safety rails on steep sections of walkways to improve access and safety
- Completed minor accessibility, safety and shade improvements at a few of our neighbourhood reserves
- Worked closely with Police – after years of issues with motorbikes along Mangaone Stream, a major effort has significantly reduced offending

Planning for future demand

To improve levels of service and meet future demand, we:

- Built a walkway between Turitea Valley footbridge and the Valley Views extension
- Installed exercise equipment at Edwards Pit Park
- Made minor improvements to the Ashhurst Campground
- Added 29 fruit trees to our edible plantings in parks throughout the city

Improving access and sharing information

We completed the process of classifying the reserves we administer. We also engaged with stakeholders and the community to develop three draft reserve management plans under the provisions of the Reserves Act, and started formal consultation on these.

Our process improvement programme continued, with more customer-facing information and forms now available on our website.

Making sure everyone feels welcome

We regularly promote specific features that support different groups to enjoy our public spaces. Examples include sharing info about the free mobility scooters at the Lido to help people explore Victoria Esplanade, the river path and He Ara Kotahi, or the map showing where all the Council mobility car parks are across the city.

We often share friendly reminders about how to use shared pathways safely and respectfully. Palmy's walkways are for everyone – from walkers and runners to dog owners, skaters, cyclists and horse riders. We encourage people to look out for each other, be considerate, and do the little things that help everyone enjoy their time outdoors. Whether it's picking up after your dog or biking a little slower, our message is clear: let's share with care.

Improving access and facilities at our swimming pools

More young tamariki are enjoying our pools, with a 24% increase in the number of under 5-year-olds accessing the supervised swimming programme, rising from 690 in 2023/24 to 855. We've also made several upgrades to pool facilities to improve accessibility and service levels. This included renovating the changing rooms at both the Lido and Freyberg Pools, and installing LED lighting at both sites to reduce future energy use. At Splashhurst, we added a new UV system to support better water treatment.



ITEM 8 - ATTACHMENT 1

Supporting sport and community through well-used facilities

Central Energy Trust Arena had a busy year in 2024/2025, hosting 2754 individual bookings and welcoming more than 440,000 attendees. The venue continues to be in high demand, with a full calendar that includes large-scale exhibitions, national sporting tournaments and competitions, international sports fixtures, concerts, commercial events, and regular community use. Community sport and non-sport activities made up 97% of total bookings.
Major events held during the year included:

- Armageddon Expo
- Food HQ E-Tipu Conference
- NZ Gymnastics Championships
- Davis Cup Tennis
- Day Breaker Rally
- Red Cross Book Sale
- Palmy Brick Show
- Te Matoe o te Reo Conference
- Devilskin Concert
- NZ Secondary Schools Basketball Nationals
- NZ Secondary Schools Volleyball Nationals
- Manawatū Home & Lifestyle Expo
- Property Brokers Company Day
- NZ Junior Badminton Nationals
- North Island Table Tennis Championships
- Bunnings NPC Rugby
- Farrah Palmer Cup
- National 1st XV Rugby Finals
- Ultimate Frisbee Nationals
- NZ Careers Expo
- Speedway Regular Season
- ENZED Superstock Teams Champs (2 nights)
- Women's Lifestyle Expo
- Jets Basketball Season
- Pulse Netball

Utilisation continued to be strong and demand is still growing. The Arena's packed calendar ensures there's something for all areas of our community. Planning has begun on Arena 5, a new venue identified in the Arena Masterplan, which is expected to be delivered over the next few years to provide a versatile, multi-use facility.

As part of our ongoing investment in sports facilities, we completed our annual sportsfield renovation programme in-house, achieving significant savings on contractor costs. We also completed drainage improvements at Ongley Park, improving turf quality and ensuring fields can be used shortly after heavy rain. To improve the spectator experience, we planted 126 new trees to provide future shade and resurfaced carparks at Monrad and Skoglund Parks.

Creating opportunities through play

The play programme, which supports our Play Policy, continued strongly this year with a range of new initiatives to promote inclusive and accessible play in our city.

Inspiring spontaneous play: We installed Tākaro Play boxes in locations across the city. These boxes offer free sports and games equipment to spark playful activity and encourage people to make the most of our public spaces.

Improving access to play spaces: We co-designed Communication Boards to help make our play areas more inclusive and accessible. These were developed with the Creating Inclusive Spaces and Places Collective—a parent-led group formed in late 2024 alongside Autism NZ and Council. The boards will be trialled in four locations in 2025.

Celebrating traditional and local play: We partnered with Best Care Whakapai Hauora, our Manawatū Heritage Team and Te Manawa to create the Heritage Games & Ngā Taonga Tākaro initiative. This project highlights traditional Māori games and historic forms of play, and was delivered as part of Local History Week and Manawatū Heritage Month in March. It's about connecting generations and celebrating culture through play.

Showcasing play across cultures: We delivered the Play Palmy Festival in partnership with the Manawatū Multicultural Council and Global Parents. More than 2,000 people came to enjoy over 20 interactive stalls that showcased play from around the world.

Taking play to local neighbourhoods: We coordinated pop-up play events with Sport Manawatū during school holidays and worked with Kāinga Ora to support community connections in new neighbourhoods like North Street and Wharenui Terrace.

LEVEL OF SERVICE	HOW THIS IS MEASURED	RESULT	COMMENT
Provide city, suburb, and local parks and reserves, sports fields and facilities, walkways and shared paths.	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 sportsfields, parks and reserves.	Target met	Overall satisfaction across all parks, reserves, and sports grounds was recorded at 99.3%. This score is based on responses from community users who indicated they were either "satisfied" or "very satisfied". This represents an increase in satisfaction compared to last year's result of 97.6%. We are performing above the New Zealand median, which sits this year at 98.8%. (2023/24 – Target met)
Provide swimming pools and other water-based recreation facilities.	Usage numbers at Lido, Freyberg and Ashhurst Pools are maintained or increased. (Usage = Entry to the facility by either paying at the door or on a concession card. Entries also include supervising adults). Resident satisfaction with Council's provision of public swimming pools is at least 65%.	Target not met	The total number of users across the three aquatic facilities for the 12-month period was 580,152, representing a 2.8% decrease, 16,853 fewer users, compared to last year. Lido Aquatic Centre recorded 391,280 users, a 1.8% increase from the previous year. Freyberg Community Pool had 163,658 users, marking a 13.4% decrease from the previous year. Splashhurst Community Pool saw 25,214 users, reflecting a 7.1% increase compared to the same period last year. A key factor impacting usage at both Freyberg and Lido was the reduction in participation in the Chill Out childcare holiday program and before/after school care, a trend observed nationwide. Across all three pools, Swim Magic entries and Aqua Aerobics sessions have increased. User satisfaction from the pool surveys was 87%, in comparison to resident satisfaction of 46%. (2023/24 – Target not met)
Provide community sport and sport-event facilities at Central Energy Trust Arena.	Narrative measure outlining 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%.	Target not met	Over the year, the Arena hosted 2,661 Community Sport and Non-Sport bookings (Sport - 2,611, Non-Sport - 50), which was 97% of bookings undertaken. These accounted for 9,738 hours of use, which was 61% of total hours of use. Community Sport and Non-Sport bookings contributed to 26% of revenue. The resident satisfaction survey indicated a 67% satisfaction rate (19% very satisfied, 48% satisfied, 29% neutral, 3% dissatisfied, and 1% very dissatisfied). With surveys undertaken annually, the target of 70% will not be achieved given 29% of residents were neutral. (2023/24 – Target met)
Support and fund for purpose organisations and community partners.	Narrative measures outlining initiatives undertaken by Council-supported organisations to provide sport and recreation opportunities.	Target met	Sport Manawatū held a successful development day for student coaches and officials, with around 80 participants engaging in training across both disciplines. Many of these students have since taken up roles in coaching and officiating during the winter season. Sport Manawatū also facilitated multiple sessions on adolescent brain development and mental barriers in sport, led by Dave Mackay from Athlete Mentoring. Kylie Turuwhenua-Tapsell, one of the General Managers at Sport Manawatū, led a workshop for Regional Sports Organisations and clubs on integrating Tiriti o Waitangi principles into sport. This session built on previous discussions and aimed to deepen understanding and application of these principles across the region. Council's strategic partnership and funding agreement for 2022-25 has concluded, with reporting on its Annual Plan for 2024/25, the final year of the agreement, due in September. Work on a refreshed agreement for 2025-28 has been a feature of this last quarter. Outcomes are focused on a having an active and healthy community, that sports events provide significant economic benefits and enhance social vibrancy, and residents actively use sustainable transport options, improving their health and contributing to a sustainable future. (New measure)
Provide and promote opportunities for play.	Narrative measure outlining Council's play initiatives and their outcomes (including target groups).	Target met	The play programme, which supports our Play Policy, continued strongly this year with a range of new initiatives to promote inclusive and accessible play in our city. Highlights have included play activations across the city, which have encouraged thousands of tamariki and whānau to play in new ways, and the development of innovative play installations such as our Tākaro Play boxes, which promote free play in public spaces, and Communication Boards to help make our play areas more inclusive and accessible. A play equity mapping programme is underway and will be completed in 2025/2026, to help inform play investment decisions in future. (New measure)

FINANCIAL RESULTS
ACTIVITY OPERATIONAL REQUIREMENT AND FUNDING SUMMARY

RECREATION AND PLAY	Actual 2025	Long Term Plan 2025	Variance 2025	Actual 2024
	$000	**$000**	**$000**	**$000**
REVENUE				
Central Energy Trust Arena	3,015	2,561	454	2,247
City Reserves	2,199	1,203	996	1,463
Local Reserves	82	69	13	92
Sportsfields	141	163	(22)	139
Support to Recreation Groups	-	-	-	-
Swimming Pools	9	5	4	7
TOTAL REVENUE	**5,446**	**4,001**	**1,445**	**3,948**
EXPENSES				
Central Energy Trust Arena	9,597	9,867	270	9,195
City Reserves	5,016	5,227	211	5,553
Local Reserves	3,986	4,116	130	4,785
Sportsfields	3,656	4,024	368	3,670
Support to Recreation Groups	749	641	(108)	923
Swimming Pools	3,366	2,964	(402)	2,925
TOTAL EXPENSES	**26,370**	**26,839**	**469**	**27,051**
NET OPERATING COSTS OF ACTIVITY	**20,924**	**22,838**	**1,914**	**23,103**
RATING ALLOCATION				
Add back depreciation	8,117	7,848	269	8,130
Less Transfers To/(From) Reserves	-	-	-	-
Less Renewal capital expenditure	(4,598)	(3,561)	(1,037)	(3,964)
Add/(Less) borrowing effect of renewal 3 year averaging	360	(219)	579	815
Add external revenue for renewal capital	6	-	6	(19)
Add proceeds from sale of assets	-	-	-	-
Less provision for debt reduction	(3,092)	(1,215)	(1,877)	(1,390)
Add internal rates recovered	-	-	-	-
Add targeted rates allocation	-	-	-	-
Add general rates allocation	20,131	19,985	146	19,531
FUNDING SURPLUS/(DEFICIT)	**-**	**-**	**-**	**-**

ACTIVITY CAPITAL PROJECTS RECREATION AND PLAY	Actual 2025	Long Term Plan Budget 2025	Variance 2025	Actual 2024
	$000	**$000**	**$000**	**$000**
CAPITAL RENEWAL				
819 - Central Energy Trust Arena - Replacement of Equipment	22	60	38	
1051 - CET Arena - Arena Renewals	685	500	(185)	
1759 - CET Arena - Grounds Renewals	75	40	(35)	
1786 - Recreational Buildings - Sports Pavilion and Changing Room Renewals	208	200	(8)	
1827 - Local Reserves - Renewals	886	798	(88)	
1829 - Sportsfields and Artificial Turfs - Renewals	437	260	(177)	
1830 - City Reserves - Memorial Park - Renewals	63	30	(33)	
1831 - City Reserves - Te Marae o Hine - The Square - Renewals	77	69	(7)	
1832 - City Reserves - Ashhurst Domain - Renewals	108	100	(8)	
1834 - City Reserves - Walkways - Renewals	148	120	(28)	
1835 - City Reserves - Linklater Reserve - Renewals	23	15	(8)	
1837 - Swimming Pools - Pool Renewals	1,550	1,153	(397)	
1840 - City Reserves - Victoria Esplanade - Renewals	239	217	(22)	
1960 - Central Energy Trust Arena- Arena 1 Sound System Replacement-oval	16	-	(16)	
1962 - Arena Security Card System	27	-	(27)	
1963 - Central Energy Trust Arena- Score clock Replacment Arena2	50	-	(50)	
1964 - Arena Indoor Stadium Sound System Replacement	(16)	-	16	
TOTAL CAPITAL RENEWAL	**4,598**	**3,561**	**(1,036)**	**3,952**
CAPITAL NEW				
111 - Local Reserves - Roslyn - Edwards Pit Park Development	26	25	(1)	
165 - Outdoor Adventure Reserves - Arapuke Forest Park/Kahuterawa Development	2	-	(2)	
967 - City-wide - Edibles Planting	5	5	()	
1099 - Parks and Reserves - Shade Development	42	40	(2)	
1194 - CET Arena - Masterplan Redevelopment	102	500	398	
1763 - CET Arena - Property Purchase	585	840	255	
1838 - City Reserves - Victoria Esplanade - Exotic Aviaries	89	100	11	
1844 - City Reserves - Manawatu River Park - Capital New	(9)	-	9	
1847 - City Reserves - Victoria Esplanade - Capital New	37	34	(3)	
1848 - City Reserves - Linklater Reserve - Capital New	30	30	()	
1851 - Sportsfield Improvements - Capital New	221	208	(13)	
1852 - Local Reserves - Improvements to existing reserves to close identified level of service gaps	227	228	1	
1853 - Local Reserves - Development of Existing Reserves - Capital New	76	117	42	
1854 - Swimming Pools - Splashhurst Pool Enhancements	98	56	(41)	
1884 - Local Reserves - Accessibility and Safety Improvements	121	116	(6)	
2006 - City Centre Play - Fixed Play Development	(1)	-	1	
2209 - Arena 3 Upgrade	(9)	-	9	
2349 - Ashhurst - Te Apiti Masterplan - Three Bridges Loop Development	7	394	387	
2545 - Whakarongo Oxbow development - developer agreement	256	-	(256)	
TOTAL CAPITAL NEW	**1,905**	**2,693**	**788**	**4,137**

ACTIVITY CAPITAL PROJECTS RECREATION AND PLAY	Actual 2025	Long Term Plan Budget 2025	Variance 2025	Actual 2024
	$000	**$000**	**$000**	**$000**
CAPITAL GROWTH				
1846 - City Reserves - Walkway Extensions - Capital New	193	184	(9)	
1856 - City Reserves - Manawatu River Park - Roxburgh Entrance Development	1	-	(1)	
1862 - Urban Growth - Kakatangiata Central - Reserves Purchase and Development	7	-	(7)	
2527 - Urban Growth - Aokautere - Reserves Development	79	89	10	
TOTAL CAPITAL GROWTH	**280**	**273**	**(7)**	**1,563**
TOTAL CAPITAL EXPENDITURE	**6,783**	**6,528**	**(256)**	**9,653**

WHĀINGA 3: HE HAPORI TŪHONONOHONO, HE HAPORI HAUMARU

GOAL 3: A CONNECTED AND SAFE COMMUNITY



MAHERE TAUTĀWHI HAPORI
COMMUNITY SUPPORT

We want a strong and connected community, where diversity is celebrated.

For-purpose organisations are strong and resilient when they have stable governance, appropriate funding, volunteer support, and time to build relationships and learn from others. We understand that communities are best placed to identify, understand, and develop solutions to meet their own needs. We will promote community wellbeing through transparent and fair access to funding and support. A community-led development approach underpins our work.

Nine community centres provide places for people to meet and take part in community activities. Each of these centres has a different operational model and meets different needs. Caccia Birch provides a place for communities to meet, and Hancock Community House is a central hub for community services.



Backing our community organisations and local initiatives

We've supported a wide range of for-purpose organisations, community groups and communities of interest through grant funding and other initiatives this year.

Through the Community Development Small Grants, 52 organisations received funding to help cover their operational costs so they could keep delivering vital services. The Community-led Initiatives Fund supported 33 events and projects that contribute to our city's social and cultural wellbeing. Another 42 organisations received funding through our Strategic Priority Grants to deliver programmes aligned with our city's goals.

The Youth Council's initiatives fund helped support "Play for Change" – a youth-led, sport-based programme run by Best Care Whakapai Hauora.

A total of 104 organisations were supported with subsidised use of Council-owned properties. We also ran 16 training events through the Community Training Fund to build capability in the sector. Training topics included communications, good governance, Te Tiriti o Waitangi, volunteer management, inclusion, funding, and first aid.

Bunnythorpe community groups received dedicated grant funding which enabled a successful market day with over 30 stallholders, and other local initiatives.

We partnered with other funders to host the annual Funding Expo – a one-stop event that connects community groups with funders from across the region. We also supported several organisations to update their governance documents to meet the requirements of the updated Incorporated Societies Act.

Pasifika communities were supported to run 14 language weeks, establish a monthly night market and start a community garden.

Finally, we supported the bi-annual Social Wellbeing Forum, delivered by Te Pū Harakeke in September 2024. This event brought together 140 people from across local and central government, agencies, and community organisations to focus on the city's most pressing social issues: housing, the cost of living, youth and mental health.

Community wellbeing programmes help build a more inclusive and connected city

We delivered a wide range of events and initiatives through the Welcoming Communities programme this year. Highlights included Welcoming Week in September, which featured a Plant and Play session at Frederick Krull Reserve, the relaunch of the Multicultural Passport to Play, and an open mic poetry event at the City Library with Massey University. This event showcased the city's rich linguistic diversity and gave people a space to share their cultural identity. Palmerston North was one of the first cities in Aotearoa to achieve Advanced Welcoming Communities accreditation, and we've since been invited to speak about our work at conferences around the country.

Our membership in the Age Friendly Aotearoa New Zealand programme and the WHO Age Friendly Cities and Communities network is helping make our city more inclusive and accessible for all ages. Together with Age Friendly Palmerston North and the local seniors' community, we've co-designed an Age Friendly Action Plan that sets a clear direction for the work ahead.



The Companion Card scheme continues to help more people access arts and entertainment venues by allowing support people to attend for free. This year, 14 venues took part, enabling 297 visits.

We're part of several inter-agency groups focused on community wellbeing. Through the Ora Konnect Alliance, we're supporting initiatives in the city's western suburbs, including improvements to the Highbury Shopping Centre to make it safer and more attractive.

We also launched a new work programme focused on youth wellbeing. This includes taking a more active coordination role across the youth sector and hosting a Youth Wellbeing Forum in April. The forum brought together 80 people from 46 organisations. We also supported "Kick for the Seagulls", a 17-week youth-led programme funded through our quick response fund. It helps students gain NCEA Level 1 or 2 in literacy and numeracy through sport. Run in partnership with UCOL and YCentral's Rangatahi Ora programme, the pilot saw 8 out of 10 participants graduate, with many continuing their studies. A second group of 9 participants is now underway.

We made it easier to establish community gardens and created a guide now available online. Two new gardens have already been approved: one at Bill Brown Park linked to the Pasifika Centre and another near the Bunnythorpe Community Centre. We also increased funding to Environment Network Manawatū's Environmental Initiatives Fund to support local food resilience projects.

The Tuia programme and Youth Council continue to offer leadership development to young people. This year, Youth Council awarded 11 scholarships to young people excelling in sports, arts, academics and community work.

We also teamed up with community sector partners to develop an online GIS map of local housing and social services. This resource is now live on our website and available to both service providers and the public.

Community centres and hubs: improving access and planning for the future

We manage Hancock Community House, Square Edge, nine community centres, and Youth Space. These venues offer bookable spaces for events, meetings, and activities, with over 9,000 people using our community centres each month. This year, we reviewed how we run these spaces. Overall, things are working well, but we've found some areas where we can improve booking processes and the customer experience. We'll focus on those changes next year.

Youth Space continues to be a popular place for rangatahi, with over 68,000 visits during the year. Youth Week in May was a highlight, attracting 2,745 attendees, including more than 400 at Whai Wahi Fest.

We're working closely with our community to design two new facilities. The Multicultural Hub is due to be finished in late 2025, and the Pasifika Community Hub is expected to start construction in 2025/2026.

We've also started looking into the need for a community hub in Roslyn. Early findings show it's worth doing a full feasibility study, which we'll carry out with local groups later this year. For the planned Awapuni Community Hub, we'll do extra engagement soon so we fully understand the community's priorities.

Improving access and quality across our public toilets

We've surveyed all our public toilets for accessibility and identified what needs to be improved. This includes things like colour contrast, signage and braille, door handles, locks, toilet seat back rests, fixtures, pathways and accessible parking. These upgrades will be rolled out under a series of programmes over the next one to five years.

Over the past year, we've made some major upgrades too. In Ashhurst, we completed new accessible unisex toilets at Guildford Street in September 2024. We've also renewed the toilets at Kelvin Grove Cemetery, which were completed in November 2024. Planning is still underway for a new toilet at the Albert Street river entrance.

Ongoing investment and improvements across our cemeteries

We've continued to receive positive feedback about the care of our cemeteries and the service provided by our staff. To help people better understand and access these services, we updated our brochure and web page, including a set of frequently asked questions.

Ashhurst Domain has been identified as a potential future site for natural burials. This year, we also completed our full cemetery capital programme with minimal disruption to the community. At Kelvin Grove Cemetery, we added nine new niche walls, four burial beams and a new pergola to enhance the pedestrian entrance from Tamakuku Terrace. We also completed a land exchange to secure secondary vehicle access from Stoney Creek Road, improving resilience in an emergency.



ITEM 8 - ATTACHMENT 1

LEVEL OF SERVICE	HOW THIS IS MEASURED	RESULT	COMMENT
Support for-purpose organisations and communities of interest and deliver programmes to promote community wellbeing.	Narrative measure outlining initiatives undertaken by Council-supported organisations to promote community wellbeing.	Target met	Council-supported organisations have delivered a wide range of high impact initiatives, services and activities this year to promote community wellbeing. Grant funding is a key avenue of support for community wellbeing initiatives, with the Strategic Priority Grants, Community-led Initiatives and Community Development Small Grants funds all fully expended this year. Council continued a strong role in supporting capacity and capability building in the community sector, with the delivery of the annual Funding Expo, the biennial Social Wellbeing Forum and a range of engaging trainings through our Training Fund, in collaboration with partners. (New measure)
	Resident Survey satisfaction with Council's provision of funding and support for community groups is at least 43%	Target not met	Resident Survey satisfaction with Council's provision of funding and support for community groups is 40%. As there is no narrative collected for this question, we are unable to determine reasons for the rating; however, the trend is in line with overall downward trends of dissatisfaction with Council financial decision making across the survey, suggesting this result is not reflective of dissatisfaction of users of these services. To understand user satisfaction, officers have been conducting evaluation of the recent Strategic Priority Grants application and assessment process, and early data shows 85% of applicants were satisfied or highly satisfied with the process. (New measure) (2024 - Target met: 44% of respondents to the Annual Residents' Survey were satisfied, or very satisfied with Council funding and support for community groups)
Provide and support community centres and Hancock Community House.	Narrative measure outlining use (type and range) of community centres and Hancock House. Narrative measures outlining progress on the community hub projects.	Target met	Thousands of residents have used our community facilities for casual and regular bookings this year. Community centres continue to be well used by a wide variety of groups and individuals, including hobby groups, education groups, workshops and meetings, social service provision, whānau celebrations, and more. We have conducted a review of the delivery model this year, which found that the system is working well overall, with high levels of user satisfaction; areas identified for improvement included the booking system and marketing, and these will be addressed in the coming year in partnership with the management committees of each centre. Hancock House offices are full, and the facility continues to be well used by community members seeking support services, resources and spaces for workshops and events. The Multicultural Hub and Pasifika Hub developments are progressing well, each having been co-designed together with community representatives, ready for construction in the coming year. (2023/24 – Target met)
Provide cemetery services.	Narrative measure outlining user and community feedback (including Annual Residents' Survey).	Target met	60% of respondents to the 2025 Annual Residents' Survey were satisfied, or very satisfied with the maintenance of cemeteries, up 6% compared to 54% Resident satisfaction in 2024. (New measure) (2023 - Target met: 56% of respondents to the Annual Residents' Survey were satisfied, or very satisfied with the maintenance of cemeteries)
Provide public toilets throughout the city.	Narrative measure outlining number, type, accessibility, and location of toilets, plus annual satisfaction survey results.	Target met	⪢ There are 45 toilet locations with 123 toilet pans and 91 urinals. ⪢ 86 toilets are gender neutral and 69 are accessible toilets. ⪢ 61 of the accessible toilets are gender neutral, with 4 female and 4 male. ⪢ Resident satisfaction with public toilets for the year to date is 75%. (2023/24 – Target met)

FINANCIAL RESULTS
ACTIVITY OPERATIONAL REQUIREMENT AND FUNDING SUMMARY

COMMUNITY SUPPORT	Actual 2025 $000	Long Term Plan 2025 $000	Variance 2025 $000	Actual 2024 $000
REVENUE				
Cemeteries	967	860	107	929
Community Centres	305	142	163	222
Public Toilets	4	-	4	4
Support to Community Groups	147	-	147	106
TOTAL REVENUE	**1,423**	**1,002**	**421**	**1,261**
EXPENSES				
Cemeteries	1,987	1,449	(538)	1,582
Community Centres	1,629	1,607	(22)	1,356
Public Toilets	1,922	2,197	275	1,392
Support to Community Groups	4,347	5,578	1,231	2,496
TOTAL EXPENSES	**9,885**	**10,831**	**946**	**6,826**
NET OPERATING COSTS OF ACTIVITY	**8,462**	**9,829**	**1,367**	**5,565**
RATING ALLOCATION				
Add back depreciation	1,364	859	505	893
Less Transfers To/(From) Reserves	-	-	-	-
Less Renewal capital expenditure	(613)	(877)	264	(935)
Add/(Less) borrowing effect of renewal 3 year averaging	(43)	246	(289)	53
Add external revenue for renewal capital	-	-	-	-
Add proceeds from sale of assets	-	-	-	-
Less provision for debt reduction	(2,091)	(173)	(1,918)	(157)
Add internal rates recovered	-	-	-	-
Add targeted rates allocation	-	-	-	-
Add general rates allocation	9,845	9,774	71	5,711
FUNDING SURPLUS/(DEFICIT)	**-**	**-**	**-**	**-**

ACTIVITY CAPITAL PROJECTS COMMUNITY SUPPORT	Actual 2025	Long Term Plan Budget 2025	Variance 2025	Actual 2024
	$000	**$000**	**$000**	**$000**
CAPITAL RENEWAL				
186 - Public Toilets - Renewals		120	120	
265 - Community Centres - Renewals	115	300	185	
1769 - Community Agency Facilities - Renewals	48	50	2	
1796 - Cemeteries - Building Renewals	339	294	(45)	
1828 - Cemeteries - Non-Building Asset Renewals	111	113	2	
TOTAL CAPITAL RENEWAL	**613**	**877**	**263**	**935**
CAPITAL NEW				
161 - Public Toilets - New City-wide Toilets	195	469	274	
1196 - Cemeteries - Kelvin Grove - Replacement & enhancement of staff facilities	200	34	(167)	
1833 - City Growth - Cemeteries - Extensions to burial and ashes areas to meet demand	218	216	(2)	
1882 - City Growth - Cemeteries - Expansion of Kelvin Grove Cemetery Roading network	49	50	1	
2343 - Citywide - New Community Hubs	46	1,000	954	
2350 - Cultural Facilities - New Multicultural Facility	118	450	332	
2431 - Community Events Trailer	35	40	5	
2440 - Community Centres - Pasifika Centre Expansion	337	-	(337)	
2452 - Community Gardens - Water Supply and Signage	-	8	8	
TOTAL CAPITAL NEW	**1,197**	**2,266**	**1,069**	**2,526**
TOTAL CAPITAL EXPENDITURE	**1,811**	**3,143**	**1,332**	**3,461**


SPIDER-MAN
MARVEL

MAHERE WHARE PUNA MĀTAURANGA CITY LIBRARY

We want our City Library to provide opportunities for connection and learning.

We provide library services through the City Library, made up of the Central Library, four community libraries (Ashhurst, Awapuni, Te Pātikitiki Highbury, and Roslyn), the mobile library, Blueprint, and Youth Space. City archives gather and protect materials that tell our city's stories.

Our City Library's kaupapa is Te Ara Whānui o Te Ao – to inspire people to explore the pathways of the world. The City Library collects, curates and provides access to knowledge, ideas and creative works that focus on communities with the greatest needs. Programmes and services support literacy in all its forms. The City Library will minimise barriers to access and provide libraries that reflect community identities and needs



Libraries continue to be well-used and well-loved

Our seven library locations (Central Library, Blueprint (makerspace), Ashhurst, Awapuni, Roslyn, Te Pātikitiki, and the Mobile Library) remain very popular with our community. This year, we had 529,670 visits across the network, a 4.8% increase on last year. Key metrics also rose, including Wi-Fi sessions, visits per capita, active members, and holds placed.

We expanded our digital library, making it easier for people to access content from home. This year, people streamed 29,896 films through Beamafilm and Kanopy (a 52.5% increase on last year), read 53,983 titles through Press Reader, and used Ancestry 24,780 times (a 30.2% increase on last year).

Lifelong learning programmes are thriving

We delivered 2,725 activities, programmes, and events this year, with 63,634 attendees. These included book launches, writers and readers series, poetry readings, book clubs, film festivals, sustainability workshops, and support for Anzac Day and Remembrance Day. Local History Week and Heritage Month, now in their third year, offered 94 activities, attracting 3,026 attendees and featuring 7 displays across 17 partner groups and organisations.

We coordinated the ‘Back Issues’ series, a weekly feature with strong visual images, for the Manawatū Standard. Working with local writers, historians, and knowledge holders, the focus is on local history, and all articles are uploaded to Manawatū Heritage. We also supported the Palmerston North Defence Heritage Advisory Group in delivering the Military Heritage Commemoration programme and the Military History presentation programme.

We celebrate and acknowledge many language weeks, sharing cultural diversity through exhibitions, displays, talks, panel discussions, and flag-raising ceremonies. We connect community groups to our library programmes and the community language collection. For Summer Reading, iRead, and First Voice, volunteers from different communities assisted with book chats, allowing children to have book chats in their first language.

Children’s reading programmes support literacy and language

This year, 1,776 children participated in our reading and literacy programmes. The Summer Reading Programme had 564 participants aged 4–10 years across all library locations. Our Te Reo Māori reading programme, delivered with a Te Ao Māori immersive approach in a bilingual setting, achieved 100% completion for all 76 participants.

Children who spoke another language completed were also able to complete book chats in their first voice. Language volunteers were connected to participants through our partnership with the Manawatū Multicultural Council. Thirty-four participants chose another language for their book chats, and stories were read in Bahasa Indonesia, Chinese, Farsi, French, Portuguese, Samoan, and Spanish.

The iRead (Intermediate) Summer Reading Programme for 11–13-year-olds was successfully completed by 122 young people. The Book Buds Winter Warmers reading programme was completed by 1,014 primary school-aged children.

Outreach and home services extend our reach

We continued building community connections to generate new outreach projects focused on connecting under-served communities with all our library offers. This included:

- Adult literacy initiatives with Literacy Aotearoa
- Attending the Te Pūkenga UCOL Community Connect Day to promote library resources and membership to students
- Recycle-A-Device (RAD) sessions for 13–19-year-olds, teaching young people how to refurbish laptops that are then donated to the community
- Shared reading groups at the Central Library, STAR Ward at Palmerston North Hospital, Brightwater Home, Willard Home, Cook Street Nursing Care Centre, Arohanui Hospice, and Aroha Lifecare
- A closed group for neurodiverse people from Choices NZ/IHC to enjoy being creative with LEGO in a low sensory space
- Activities during Dying Matters Week to raise awareness and connect people with resources, information, services, and advice to begin what can often be very challenging conversations

Through our Home Service, we supported 114 people through scheduled long-term deliveries of library materials. We promoted the service across the community by networking with key stakeholders such as rest homes, retirement village administrators, health professionals, and whānau.

Community Stories

Ian Matheson City Archive

The City Library collects documents, published works, ephemera, and images that tell the local story. History is created every day, and primary source material is best collected at the time. We do this with the community, using crowd-sourcing techniques and community-created resources, which are uploaded into our digital repository, Manawatū Heritage. The collections held in the Ian Matheson City Archive, both Council and Community, are a significant part not only of our local heritage but also the national documentary heritage of New Zealand. The Archive has an important place alongside our natural, built, and cultural heritage, reflecting both our national and Palmerston North identity.

Additions to the Community Archive include:

- Recordings of the Pasifika Fusion Concerts (2007–2019 and 2023)
- Records of the Palmerston North Business and Professional Women's Inc. (1987–2001)
- Plans of the Ernest Adams Factory
- The foundation stone from the Municipal Opera House
- Papers for the Japan Society Manawatū Incorporated (1968–2002)
- Records about the life and work of Margaret Taylor, documenting her involvement in the art and museum sectors

Collections processed for the Council Archive this year include the rehousing and creation of metadata for:

- 200 Service Level Agreement (Internal Contract) files
- 41 Committee Report books
- 323 Legal documents (including property files)
- 294 Correspondence and Subject files (Series 50)
- 44 PNCC City Manager's files (Series 68)
- 78 Property Office – Legal document files (Series 50B)

Manawatū Heritage

We continued to increase the capacity of Manawatū Heritage for our collections. Now with close to 46,200 items online, the reach of Manawatū Heritage continues to grow nationally and internationally. A new resource type has been created to reflect an important and growing piece of our digital collections—plans can now be searched for and browsed separately.

Items uploaded to Manawatū Heritage this year include:

- Images of Te Roopu o te Matakite (1975)
- Images of the installation of pouwhenua in Te Marae o Hine (1990)
- Images of the restoration of Caccia Birch House (1987)
- Historical maps from the PNCC Council Archive
- Films and documentaries, including the Madge films, the Evans Traffic Flow films, and the Untold Stories documentary
- Books, including "The History of the Manawatū Striders" and "The Rotary Club of Palmerston North Centenary 1924–2024"
- Documents and ephemera relating to Jimmy Carter's visit to the city
- Programmes from Centrepoint Theatre
- Terrace End Primary School Logbooks (1884–1947)
- Manawatū Journal of History editions
- Back Issues articles
- Research files of street names in the Cuba Street Precinct

For more information, visit the Palmerston North City Library website.

LEVEL OF SERVICE	HOW THIS IS MEASURED	RESULT	COMMENT
Provide collections, services and programmes through all City Library locations.	Narrative measure outlining use of the Library's collections, services and programmes, and showing they are accessible and responsive to community needs.	Target met	This year there were 529,670 physical visits across the seven City Library locations, compared to 505,167 last year, an increase of 4.9% (24,503 visits). Of note Awapuni Library had an increase of 15.9% (33,153 visits vs 28,600); Te Pātikitiki had an increase of 10.9% (24,985 vs 22,520); Blueprint had an increase of 10.6% (22,882 vs 20,682) and Roslyn Library an increase of 9.5% (37,047 vs 33,820). Annual visits per capita are 6.24 (national average 4.98) and the average use per collection item is 4.42 (national average 2.79). Virtual visits included the City Library website with 374,586 page views; Enterprise with 745,899 page views; the Library App with 152,430 page views; Manawatū Heritage with 286,273 page views; Club Sandwich with 11,092 user engagements; and the Tour App hosted 399 sessions. Our libraries hosted 65,361 PC sessions and 169,140 Wi-Fi sessions (a 6.7% increase on last year). There were 772 heritage inquiries; 2,295 digital help sessions; and 3,930 people were assisted with reference enquiries. Circulation of library materials is up 2.4% compared to last year. eBook & eAudio collections had 171,002 items issued, which is 17.6% of total issues. This year 2,725 lifelong learning programmes were delivered with 63,634 attendees. Highlights this quarter included a local writer's stream with an open mic session on Race Relations Day; a Versions writing workshop; book launches with Abbas Muhammad and Ian Harvey; and Mysterious Manawatū (Ngaio Marsh Mystery in the Library series). A diverse programme (live performances, exhibitions and film) was delivered for Aotearoa NZ Music Month. Partnerships and collaborations included Off the Page with Massey University; Future Living Skills workshops with Environment Network Manawatū; the language expo with the Manawatū Multicultural Council (MMC); First Voice in partnership with Palmerston North Intermediate Normal School and MMC; and an evening with the Randell Cottage Writer in Residence (Tītaua Peu) with Alliance Francaise. Children's reading programmes included the Hell Reading Challenge; the Comic Craze 3 Reading Challenge; and this year Book Buds has 975 participants across 8 schools. Community programming included language weeks, flag raising ceremonies and the delivery of the online version of the Passport to Puanga via the Manawatū Heritage Tour App. Library outreach included the RAD club session with Massey Children's University at Te Kura o Takaro and support for Elder Abuse Awareness Week. There were 114 permanent Home Service users at the end of June. (New measure)
	Resident Survey satisfaction with Council's provision of public libraries is at least 81%.	Target not met	Total user satisfaction year-to-date is 74%. This means the target is not met; however, we see a difference between users' and non-users' satisfaction ratings in comparison to the overall total. For the year, the cumulative measure of satisfaction with library services for library users was 83% satisfied, with 1% dissatisfied, and for non-users, 43% satisfied and 10% dissatisfied. (New measure) (2023 - Target not met: 80% of respondents to the Annual Residents' Survey were satisfied, or very satisfied with the Council's provision of public libraries)

ITEM 8 - ATTACHMENT 1

LEVEL OF SERVICE	HOW THIS IS MEASURED	RESULT	COMMENT
Collect and protect community stories through the city archives.	Narrative measure outlining how the archives collect and protect community stories.	Target met	Additions to the Council archives this quarter included the rehousing and creation of metadata for 294 Correspondence and Subject files (Series 50); 44 PNCC City Manager's files (Series 68); and 78 Property Office - Legal Document files (Series 50B). Several files also required rehousing for conservation purposes. Additions to the Community Archives this quarter included the McLennan Boman papers; the Thurza Muriel Todd papers; and papers from the Manawatū branch of the New Zealand Geographical Society. Work is continuing on the arrangement and description of the David Taylor architectural drawings; the Ken Lundy papers; and the Manawatū Breath Easy records. Donations to the Community Archive included materials relating to the Royal Antediluvian Order of the Water Buffaloes; a book of poetry from a local poet [My Garden, by Philip H Keyes]; and a portrait of Jimmy Carter from his visit in 1982. Content added to Manawatū Heritage this quarter included images of Te Roopu o te Matakite (1975); Graham Tom's images of the installation of pouwhenua in Te Marae o Hine (1990); the Rotary Club of Palmerston North Centenary 1924-2024 (book); historical maps and plans from PNCC Council archives; Terrace End Primary School Log Books, 1884-1947; the Register of Miscellaneous Licenses, 1912-1921; scouting, soccer and school images from the Frederic Cutler papers, c.1909-1927; and photographs of the restoration of Caccia Birch (1987). A new resource type has been created on Manawatū Heritage to reflect an important and growing piece of our digital collections – plans can now be searched for and browsed separately. Research enquiries included providing school records for Ashhurst School c.1985-1992 for the NZ Police; and locating photographs (in both the Community Archives and the MES negative collection) of the Hammond family for a woman whose family photographs had been lost. Presentation and displays included 'Heat, Light and Cooking with Gas: Palmerston North's Gas Supply, 1889-1970' to the U3A NZ History group; ANZAC displays (1945 and 80th Anniversary of Victory celebrations) in partnership with ECMC; and a Pride Month display using resources from the MaLGRA archive and reference collections. We hosted Taitoko School – 60 children had a tour of the Central Library building, a talk on what the archives does and learned how to use Manawatū Heritage. (New measure)

FINANCIAL RESULTS
ACTIVITY OPERATIONAL REQUIREMENT AND FUNDING SUMMARY

CITY LIBRARY	Actual 2025 $000	Long Term Plan 2025 $000	Variance 2025 $000	Actual 2024 $000
REVENUE				
Libraries	88	80	8	135
TOTAL REVENUE	**88**	**80**	**8**	**135**
EXPENSES				
Libraries	11,316	11,355	39	11,564
TOTAL EXPENSES	**11,316**	**11,355**	**39**	**11,564**
NET OPERATING COSTS OF ACTIVITY	**11,228**	**11,275**	**47**	**11,429**
RATING ALLOCATION				
Add back depreciation	1,647	2,656	(1,009)	1,612
Less Transfers To/(From) Reserves	-	-	-	-
Less Renewal capital expenditure	(948)	(1,010)	62	(1,147)
Add/(Less) borrowing effect of renewal 3 year averaging	(235)	(172)	(63)	(1,188)
Add external revenue for renewal capital	-	-	-	-
Add proceeds from sale of assets	-	-	-	-
Less provision for debt reduction	874	(17)	891	(17)
Add internal rates recovered	-	-	-	-
Add targeted rates allocation	-	-	-	-
Add general rates allocation	9,890	9,818	72	12,169
FUNDING SURPLUS/(DEFICIT)	**-**	**-**	**-**	**-**

ACTIVITY CAPITAL PROJECTS
CITY LIBRARY

	Actual 2025 $000	Long Term Plan Budget 2025 $000	Variance 2025 $000	Actual 2024 $000
CAPITAL RENEWAL				
178 - City Library (all sites) Replacement of Shelving, Furniture and Equipment	20	20	()	
188 - City Library (all sites) Replacement and Purchase of Library Materials	819	815	(4)	
202 - City Library - Central Library Interior Design Renewals	14	20	6	
203 - City Library - Community Libraries, Youth Space, Blueprint and Mobile Library Interior Design Renewals	2	25	23	
1120 - Community Libraries - Renewals	2	30	28	
1138 - City Library (all sites) Digital Technology to Support 21st Century Citizens and Service (Renewal)	52	50	(2)	
1775 - Central Library - Renewals	39	50	11	
TOTAL CAPITAL RENEWAL	**948**	**1,010**	**62**	**1,087**
CAPITAL NEW				
2501 - City Library- Creative Interpretive Heritage Markers for Cuba Street Area	5	25	20	
TOTAL CAPITAL NEW	**5**	**25**	**20**	**-**
TOTAL CAPITAL EXPENDITURE	**953**	**1,035**	**82**	**1,087**

MAHERE HAUMARU HAPORI, HAUORA HAPORI
COMMUNITY SAFETY AND HEALTH

We want to be a healthy city, where out community is safe and feels safe.

Community wellbeing encompasses all aspects of health, including the Maori understanding of Te Whare Tapa Wha. Many Council services support community safety and health. They are provided alongside Government services which aim to support everyone to live longer in good health.

We understand that people feel safe in communities that respond to their needs and concerns. We want to increase our readiness to provide core services to respond in emergencies. We also want to realise opportunities to promote everyday community safety and health through a wider range of activities. We want to work with others to make sure city services are co-ordinated, well-managed, and designed to promote community wellbeing.



Civil defence emergency management: building readiness and community resilience

We have learnt from the 2023 North Island severe weather events that many of our staff were unfamiliar with emergency management processes, and there was a lack of training and clarity around responsibilities. To address this, we developed a training and capability strategy to ensure we are ready to respond to emergencies. The first phase of this strategy has been completed.

To prepare for disasters, our incident management team has been running regular training activities and scenario exercises in our Emergency Operations Centre. This ongoing training helps ensure the team is familiar with the centre, and with our plans and processes.

We have also been working with our reference groups to make sure our engagement activities and messages are relevant and accessible. These relationships with community partners are vital to supporting our residents during emergencies.

We have supported our volunteer rescue team NZRT4 to strengthen their capability and operability, helping them continue their valuable work alongside emergency services.

Our relationships with emergency services and other key stakeholders across the city have continued to grow stronger. We meet and train regularly with these partners to make sure we are all prepared to respond effectively to likely natural hazard events.

Over the past year, we have focused on making sure our community has the information and support they need to stay safe and be prepared. We delivered a series of campaigns promoting general emergency preparedness and specific information about flood risks and stormwater. These efforts are part of our ongoing work to build community resilience and ensure people across the city understand the risks and how to respond.

One of the biggest developments this year has been the launch of a dedicated online hub for emergency preparedness. This new section on our website includes practical information and resources for different types of emergencies, including earthquakes, floods, tsunamis, wildfires, droughts, pandemics and volcanic activity. Each page includes checklists, tips and links to further support to help individuals, whānau and community groups get ready.

We've also been active in the community, delivering 27 presentations and engagement sessions, including 10 community events and 16 presentations to local groups. These sessions reached more than 2,700 people and allowed us to provide tailored information, answer questions and build stronger community relationships that will support future emergency responses.



ITEM 8 - ATTACHMENT 1

Environmental health: keeping our city safe and compliant

Animal management

Te Whare Kouru became the new home for Animal Management with dogs transferring in November 2025 after remedial work ensured temperatures met animal welfare standards. The facility's modern design has improved our ability to provide temporary housing and a safer, healthier environment for dogs.

Shifting operations to Te Whare Kouru allowed for a review of internal processes. With remote access to systems, officers are now more efficient and visible in the community. Heat map reporting has also been introduced to help target responses and improve service.

A change to the Palmerston North Dog Control Policy now requires new preferred dog ownership applicants to have emergency readiness plans in place for their pets, helping prepare owners for civil defence emergencies.

We continue to provide education where possible, including bite prevention training at Te Whatu Ora, participating in Linton Military Camp's Wellness Expo, and presenting at the Animal Emergency Incident Management Network Conference.

Our website provides a hub for information about keeping animals in Palmy—from chickens and honeybees to livestock, cats and dogs. We use social media to promote dog registration and preferred owner status, including the annual 'Palmy's Top Dog' competition which offers free registration as a prize.

We also share regular updates and education about dog ownership, dog-friendly spaces, and any changes to local rules. Clear signage at all parks and reserves, along with an online map, helps dog owners understand leash requirements and find suitable off-leash areas.

Our free annual microchip event provides an opportunity for dog owners to have their pets microchipped and learn more about our work. It's also a key engagement moment during live consultations.

We've developed a preferred dog owner booklet to help people understand responsible dog ownership. These are distributed through vet clinics and pet shops across the city.

Business food safety, gambling regulations and alcohol licensing

We've embedded Food and Health Standards (2006) as our Environmental Health Contractor on a two-year basis with a one-year right of renewal. Their work includes food enquiries, registrations and verifications, alcohol licensing, bylaw investigations, health complaints, and inspecting all licensed premises for compliance.

We continue to enforce our Class 4 Gambling Venue Policy, which operates under a 'sinking lid' approach. No new consents are granted for venues with gaming machines unless they are relocating existing licenses. Our TAB Venue Policy guides decisions about where TAB venues can be located.

Building safety

We completed over 7,000 building inspections this year to ensure buildings across the city are safe, healthy and durable. Our Build Palmy initiative continues to strengthen relationships with the industry, supporting better collaboration with builders and developers.

An International Accreditation New Zealand (IANZ) assessment of our Building Consent Authority in April 2024 identified minor non-compliances. These were addressed, and we retained accreditation in November 2024.

We reissued earthquake-prone notices to align with new legislative deadlines under the Building Amendment Bill incorporating the new four-year timeframe.



Community safety: partnerships, prevention and public spaces

We've continued to strengthen our partnerships with Police, who provide support when engaging with members of the public in high-risk situations. Our CCTV network has been expanded in key locations to deter crime and assist with incident investigations. Footage is shared promptly with Police, which has helped identify offenders and, in some cases, led to arrests. This responsiveness promotes confidence in our support and strengthens our relationship.

Responding to emerging safety issues

This year we continued to coordinate the Palmerston North Safety Advisory Board, a cross-agency group including a range of government agencies and local representatives who have a common interest in safety in the city. The Safety Advisory Board provides an opportunity for members to share information and ideas to improve safety, and to collaborate on safety issues as they arise. The Ada Street Initiative was one example of successful collaboration this year, with representatives from member agencies working together with local residents to successfully reduce incidents of deliberately lit fires; in 2024/2025 there were only 2 reported fires, compared to 42 reported in the year prior.

We have also funded and supported a number of community-led harm reduction initiatives, including an event for White Ribbon Day in Roslyn which attracted over 300 attendees, the development of the 'Are you OK' poster campaign to promote local and national family violence support services, and a rainbow whānau group.

Grant funding has been provided to the Palmerston North Surf Life Saving Club to support the regional lifeguard service at Himatangi Beach. This year the Club conducted 5 rescues, 2 first aid responses, and 225 preventative actions.

CCTV monitoring continues to be undertaken by the Safe City Hosts, coordinated by Palmy BID, on Thursday, Friday and Saturday nights in the city centre.

Supporting safer public spaces

This year's Māngai Atawhai City Ambassadors programme continued to provide a welcoming presence in the central city. Based at the Unbox space, the programme delivered a range of activities over summer, including picnics, cultural performances, guided city tours and wellbeing sessions. Events such as the Teddy Bear and Superhero Picnics, the Super Scoots Summer Tour, and activities like waiata and meditation attracted strong participation and helped build community connections. We also made improvements to the Unbox space, including a new mural by local artist Pania Molloy and new play equipment and flags to support engagement and accessibility.

Community health: promoting safety and wellbeing

We keep the public safe by encouraging responsible dog ownership and responding to incidents involving dogs. Our approach includes education, enforcement, and collaboration with other agencies.

Our Environmental Health contractors carry out food safety verifications, manage alcohol licensing, and respond to health-related complaints. Their work ensures that food businesses and licensed premises operate safely and in line with regulations.

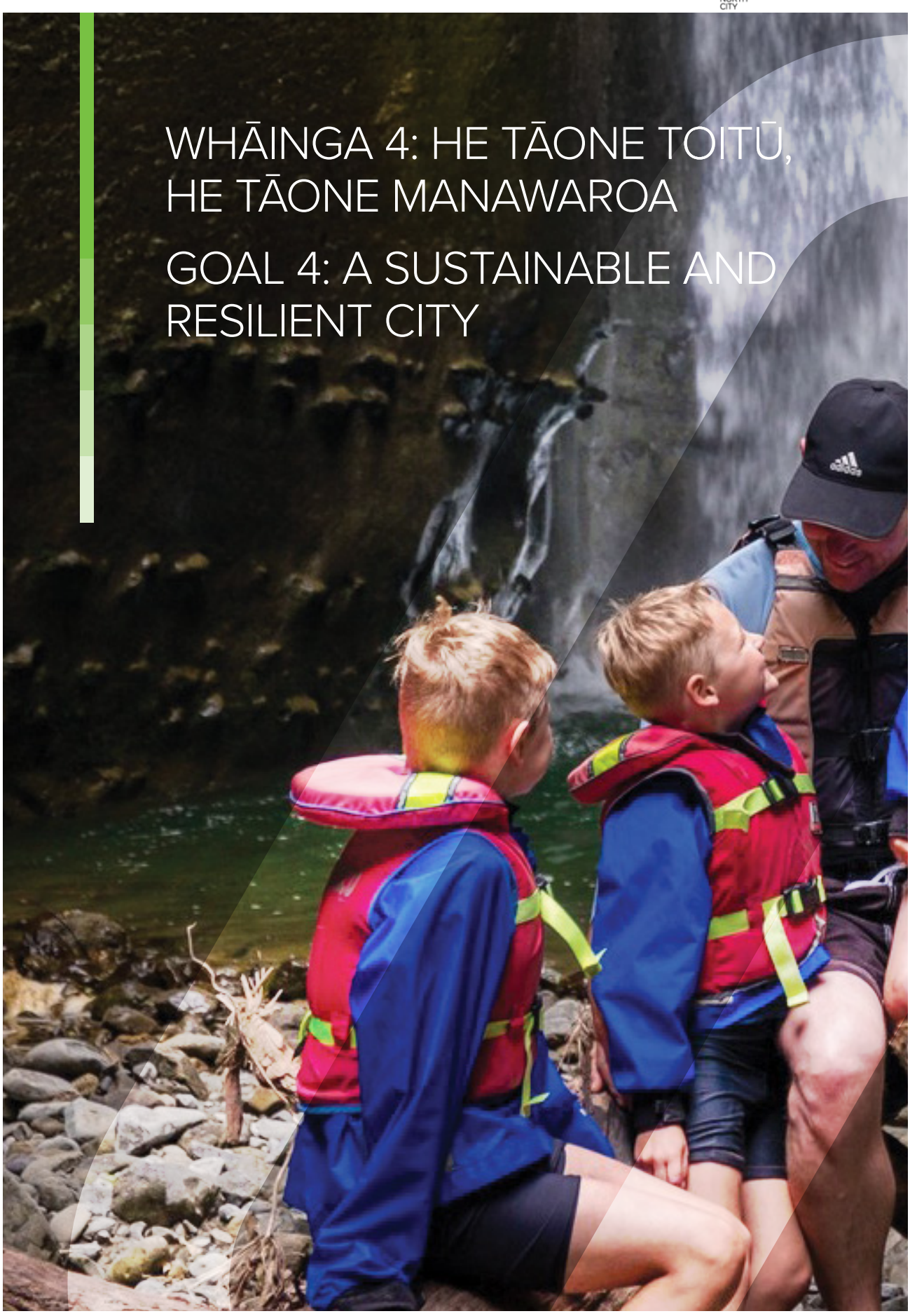
Guided by our Health Promotion Policy, we continue to support healthy communities by providing clean, safe, and free drinking water at public facilities and events, and by installing drinking water fountains in public spaces.

LEVEL OF SERVICE	HOW THIS IS MEASURED	RESULT	COMMENT
Provide Civil Defence Emergency Management.	Narrative measure outlining Council's civil defence initiatives and their contribution to the communities' and Council's readiness for emergencies.	Target met	Council's Emergency Management team continue to promote and sell 200L water tanks to the community, which is a popular initiative. Council attends the Manawatū Home and Garden Show, promoting this initiative and advocating personal preparedness. Council has carried out two general awareness campaigns: 'Know your Risks', and 'Storm Water / Flooding' with good engagement from our community. Regular community group presentations take place with a focus on Iwi/Māori, Pacifica, Disability, and Seniors. Regular engagement with emergency services and regional stakeholders in emergency management continues. Council staff are involved in providing feedback on the development of the replacement Manawatū-Whanganui CDEM Group Plan that is under review. A plan is in place to increase the Council's emergency management readiness with 78% of Council Staff now trained at the National Emergency Management Agencies foundational level training. Council's Emergency Response Team NZRT4 train regularly and frequently exercises their skills in the community. The Crisis Managment Plan and Business Continuity Plans have been updated, and essential service Plans have been tested. Council is preparing for changes that the new Emergency Management Bill, and the Emergency Management System Improvement Programme. (2023/24 – Target met)
Provide environmental health services.	Narrative measure outlining Council's environmental health initiatives and their impacts. There are no successful legal challenges to Council's environmental health functions.	Target met	There is a range of policies and bylaws in place regulating environmental 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, the Alcohol Control Bylaw, and the Dangerous and Insanitary Buildings Policy. Deliberations on the Draft Health Promotion Policy took place in May. This proposed policy includes guidelines for venues and community spaces. There have been no successful legal challenges to Council's environmental health functions. (New measure)
	Resident satisfaction with Council's provision of control of roaming dogs is at least 61%.	Target not met	Resident satisfaction with the Council's provision of control of roaming dogs is 52%. A review of Officer response times to roaming dog complaints indicates that there has been no change to these. However, we are implementing revised ways of working within the Animal Management team to increase visibility of Officers in the community. (New measure) (2024 - Target not met: 54%)
	Resident satisfaction with Council's provision of noise control is at least 54%.	Target not met	Resident satisfaction with Council's provision of noise control is 44%. The number of noise complaints being received by Council has increased 30% year on year. The prevalence of there being no noise when our Officers attend has increased. No noise was identified across 85% of all noise complaints received this year, this compares to 63% the year prior. (New measure) (2024 - Target not met: 49%)
Promote community health	Narrative measure outlining how Council's venues, spaces, events and health initiatives promote community health.	Target met	The Draft Health Promotion Policy was out for consultation and hearings were held in December. The Council deliberated on submissions and adopted the Health Promotion Policy in May 2025. During the deliberations, Council rescinded the provisions within the Health Promotion Policy relating to restrictions on the sale of sugar-sweetened beverages at Council facilities and events. Implementation of this policy will occur in 2025/26. (New measure)
Co-ordinate and support community safety and harm reduction initiatives.	Narrative measure outlining how Council works alongside other organisations to promote and support community safety.	Target met	This year we have continued to coordinate the Palmerston North Safety Advisory Board, a cross-agency group made up of government agencies and local representatives who have a common interest in safety. Alongside this, our coordination of the Palmerston North Housing Insecurity Response Collective has an impact on community safety by improving housing security in our city. We also contribute to the Manawatū Abuse Intervention Network, which has a focus on harm reduction and safety of individuals in our community. In addition to this collaborative work, we support a range of organisations to provide community services and initiatives which promote safety outcomes, such as Strategic Priority Grant funding provided to Camellia House, Abuse and Rape Crisis Support Manawatū, Manawatū Alternatives to Violence Inc, Youthline, Te Manawa Family Services, and more. A key highlight this year has been the Ada Street project, which saw Council bring together a working group of government agencies and stakeholders to improve the safety of Ada Street by taking a community-led approach to reducing incidents of deliberately lit fires. (New measure)

FINANCIAL RESULTS
ACTIVITY OPERATIONAL REQUIREMENT AND FUNDING SUMMARY

COMMUNITY SAFETY AND HEALTH	Actual 2025	Long Term Plan 2025	Variance 2025	Actual 2024
	$000	**$000**	**$000**	**$000**
REVENUE				
Animal Control	968	1,050	(82)	982
Civil Defence	12	-	12	20
Safer Community Initiatives	2	-	2	(6)
Public Health	481	475	6	589
TOTAL REVENUE	**1,463**	**1,525**	**(62)**	**1,585**
EXPENSES				
Animal Control	1,344	1,582	238	1,341
Civil Defence	952	901	(51)	896
Safer Community Initiatives	645	627	(18)	312
Public Health	957	1,090	133	1,337
TOTAL EXPENSES	**3,898**	**4,200**	**302**	**3,886**
NET OPERATING COSTS OF ACTIVITY	**2,435**	**2,675**	**240**	**2,301**
RATING ALLOCATION				
Add back depreciation	161	297	(136)	72
Less Transfers To/(From) Reserves	-	-	-	-
Less Renewal capital expenditure	(40)	(102)	62	(134)
Add/(Less) borrowing effect of renewal 3 year averaging	(119)	(57)	(62)	(26)
Add external revenue for renewal capital	-	-	-	-
Add proceeds from sale of assets	-	-	-	-
Less provision for debt reduction	(261)	(138)	(123)	(78)
Add internal rates recovered	-	-	-	-
Add targeted rates allocation	-	-	-	-
Add general rates allocation	2,694	2,675	19	2,467
FUNDING SURPLUS/(DEFICIT)	**-**	**-**	**-**	**-**

ACTIVITY CAPITAL PROJECTS COMMUNITY SAFETY AND HEALTH	Actual 2025	Long Term Plan Budget 2025	Variance 2025	Actual 2024
	$000	**$000**	**$000**	**$000**
CAPITAL RENEWAL				
1269 - Bylaw Signage - Replacement	-	7	7	
1512 - CCTV Citywide - Rolling replacements	27	80	53	
2242 - Civil Defence Emergency Operations Centre - Equipment replacement	9	10	1	
2382 - Civil Defence Emergency Management - NZRT4 - Safety Equipment Replacement	3	5	2	
TOTAL CAPITAL RENEWAL	**40**	**102**	**62**	**134**
CAPITAL NEW				
1552 - Animal Shelter - New Building	10	-	(10)	
2410 - CCTV Citywide - New Cameras	43	80	37	
2416 - Civil Defence Emergency Management - NZRT4 - New Safety Equipment	-	5	5	
TOTAL CAPITAL NEW	**53**	**85**	**32**	**4,154**
TOTAL CAPITAL EXPENDITURE	**92**	**187**	**94**	**4,288**



WHĀINGA 4: HE TĀONE TOITŪ, HE TĀONE MANAWAROA

GOAL 4: A SUSTAINABLE AND RESILIENT CITY



ITEM 8 - ATTACHMENT 1

MAHERE ĀHUARANGI HURIHURI ME TE TOITŪTANGA

CLIMATE CHANGE AND SUSTAINABILITY

We want to reduce our emissions and the impact of climate change on the Council and the City. We want to make Council and community activities more sustainable.

Climate change is an urgent Global challenge. We need to be a low-carbon, climate resilient city within a decade to avoid worsening the impacts of increasingly unstable and unpredictable weather. At the same time, we need to work with our partners to prepare our infrastructure and systems to cope with those unpredictable times.

We want to be leaders in sustainability. We do this best by including climate and resource use in all our decision making and by sharing our impact and successes with our community.

We want to do more to educate and support the residents, business and other city partners to deliver their own greenhouse gas emissions ambitions.



Reducing greenhouse gas emissions

We've continued to invest through our Low Carbon Fund to reduce emissions and save money. Our emissions inventories help us target where to act, guiding long-term decisions and interventions in high-emissions areas. The Green Building Fund, launching in 2025/26, will support community-led sustainability efforts. We'll be sharing information through the Build Palmy forum and resource consent meetings to encourage uptake.

We also regularly connect with regional partners through the Climate Action Joint Committee, sharing knowledge to meet shared climate goals.

Responding to climate change

We've worked to systematically reduce the city's exposure to climate related risks, such as through the ongoing development of a new stormwater strategy to prepare for emergencies related to heavy rain and strong winds—two of Palmerston North's most likely natural hazards. We've delivered a community education campaignto raise awareness, explain how our stormwater system works, and share practical tips for preparing at home.

Managing stormwater is a major investment for council too. You can read more about this in the water section of this report.

We also launched a new online hub which provides emergency preparedness information for events like floods, droughts, earthquakes, and wildfires. It includes checklists, advice, and links for individuals, whānau, and community groups.

Making sustainability part of everyday operations

Facility improvements this year included upgrading pool heating, lighting, and water filtration, and expanding the use of electric parks equipment.

Our 'Tackling climate change' website hub offers tools like FutureFit, Love Food Hate Waste, and GenLess to help residents reduce emissions. It also tracks council and citywide emissions and provides updates on local climate impacts. We've helped other councils build their own emissions inventories and worked with Rangitāne o Manawatū on local sustainability projects.

We continue to support local volunteers and groups like Environment Network Manawatū and Green Corridors, sharing chances to get involved in things like planting days or repair cafés.

ITEM 8 - ATTACHMENT 1

LEVEL OF SERVICE	HOW THIS IS MEASURED	RESULT	COMMENT
Reduce the production of greenhouse gasses from Council activities (e.g. use of diesel, electricity and natural gas). **Promote activities that support low-carbon city outcomes, including those that compensate for activities that produce greenhouse gases.** **Encourage and promote sustainable best-practices in Council activities and the wider community.**	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 tCO2e (measured annually).	Not available	The organisation's most recent verified emissions inventory covers the 2023/24 financial year. Emissions have reduced from 26,444 tonnes of CO2 equivalent (tCO2e) in 2015/16 to 17,180 tCO2e in 2023/24 – a 35% reduction. Within this, non-landfill-related emissions declined from 6,942 tCO2e to 5,661 tCO2e, representing an 18.46% reduction since 2015/16 and a 5.6% decrease compared to 2022/23. Emission sources include methane from closed landfills electricity and natural gas, petrol and diesel, wastewater treatment, staff commuting, travel, waste, fertiliser use, and refrigerant leakage. These results, and the underlying data, were independently assessed against ISO14064-3 by an external verifier. Palmerston North City's most recent emissions inventory covers the 2023 calendar year. Emissions reduced by 3.27% compared to the year before but increased by 1.88% (11,929 tCO2e) when compared 2016/17, which was when the city's baseline measurement was set. Emissions inventories for both the organisation and the city (for the 2024/25 Financial Year and 2024 Calendar Year respectively) are currently being compiled and are expected to be available by October 2025. Actions Council have taken in 2024/25 to reduce emissions and inform the community include: • Installation of LED Lighting at Freyberg Pool, Turitea water treatment plant and Lido. • Replacement of petrol-based light equipment with electric alternatives. • Replacement of heating with more efficient electric heat pumps at Depot and Milson Community Centre. • A hub on the Council website called Tackling Climate Change, with resources to help residents reduce their carbon footprint. Quantifying GHG emissions is subject to inherent uncertainty because the scientific knowledge and methodologies to determine the emissions factors and processes to calculate or estimate quantities of GHG sources is still evolving, as are GHG reporting and assurance standards. (2023/24 – Target met: 17,180 tCO2e; 35% reduction)
Strengthen our city's adaptive capacity to Palmerston North's climate-related risks.	Narrative measure outlining Council's climate-related stormwater and civil defence initiatives and their contribution to strengthen the City's adaptive capacity.	Target met	Draft stormwater strategy complete, with involvement from Climate Change Team, including advice on expectations of future rainfall volumes. Civil defence improvements are long-running, but training and readiness levels have improved considerably over recent years. (New measure)



FINANCIAL RESULTS
ACTIVITY OPERATIONAL REQUIREMENT AND FUNDING SUMMARY

CLIMATE CHANGE AND SUSTAINABILITY	Actual 2025	Long Term Plan 2025	Variance 2025	Actual 2024
	$000	$000	$000	$000
REVENUE				
Sustainable Practices	-	-	-	-
TOTAL REVENUE	**-**	**-**	**-**	**-**
EXPENSES				
Climate Change and Sustainability	716	863	147	396
Support to Environmental Groups	402	358	(44)	187
Sustainable Practices	84	132	48	139
TOTAL EXPENSES	**1,202**	**1,353**	**151**	**722**
NET OPERATING COSTS OF ACTIVITY	**1,202**	**1,353**	**151**	**722**
RATING ALLOCATION				
Add back depreciation	26	11	15	12
Less Transfers To/(From) Reserves	-	-	-	-
Less Renewal capital expenditure	-	-	-	-
Add/(Less) borrowing effect of renewal 3 year averaging	-	-	-	-
Add external revenue for renewal capital	-	-	-	-
Add proceeds from sale of assets	-	-	-	-
Less provision for debt reduction	(186)	(11)	(175)	(18)
Add internal rates recovered	-	-	-	-
Add targeted rates allocation	-	-	-	-
Add general rates allocation	1,362	1,353	9	728
FUNDING SURPLUS/(DEFICIT)	**-**	**-**	**-**	**-**

ACTIVITY CAPITAL PROJECTS CLIMATE CHANGE AND SUSTAINABILITY	Actual 2025	Long Term Plan Budget 2025	Variance 2025	Actual 2024
	$000	$000	$000	$000
CAPITAL NEW				
1888 - Low Carbon Fund	()	1,005	1,005	
1924 - Improving remote monitoring capabilities	87	80	(7)	
TOTAL CAPITAL NEW	**86**	**1,085**	**999**	**155**
TOTAL CAPITAL EXPENDITURE	**86**	**1,085**	**999**	**155**

MAHERE KANORAU KOIORA ME TE AWA O MANAWATŪ
BIODIVERSITY AND THE MANAWATŪ RIVER

We want a healthy Manawatu River, greater biodiversity, and a thriving native ecosystem.

The Manawatu River is of great historical, cultural, and spiritual and traditional significance to Rangitane and to our City. However, our river and the natural environment it supports and depends on, are under threat. The Manawatu River Leaders Accord reflects our commitment to improving the mauri of the whole river system.

Biodiversity contributes to and enhances climate change mitigation and adaption. Conversely, climate change can lead to further degradation and loss of biodiversity. Historic harms caused by land management practices prevent or slow down the re-establishment of native ecosystems. We need to rectify these harms and ensure that they are not repeated in the future. We want to nurture our natural resources and ecosystems as environmental stewards, promoting biodiversity and environmental sustainability.



Enhancing access, culture and connection along the Manawatū River

Civic marae and cultural centre at Te Motu o Poutoa – ANZAC Park

Significant progress has been made on the development of a Civic Marae and Cultural Centre at Te Motu o Poutoa – ANZAC Park. This includes the formation of a project steering group, completion of the developed design and resource consent application, and confirmation of a future governance and management structure as a Council-controlled organisation (CCO) with equal governance alongside Rangitāne o Manawatū. Grants of $500,000 each were secured from Central Energy Trust and Eastern and Central Community Trust.

How the river is accessible for recreation

Severe weather events over summer led to flooding and fallen trees throughout the river park, resulting in extra emergency works. Despite this, renewals were completed including resurfacing bike jump tracks, paths and driveways, and replacing signs and barrier rails. The gym platforms near He Ara Kotahi Bridge remain a popular feature, now requiring additional servicing due to their high use.

We continued our plant pest management programme and supported community planting efforts in Ahimate Reserve. The Mokomoko Pou was installed at the end of the year on the Massey side of He Ara Kotahi. This marked the final part of a joint project between CEDA and Rangitāne. The Hei Ara Kōrero digital platform now allows river users to explore Rangitāne o Manawatū's cultural and environmental mātauranga by scanning QR codes throughout the river park.

Nature conservation and restoration in our parks and reserves

We continued to deliver our plant and animal pest control programme across the city's parks and reserves, with focused work in Arapuke Forest Park, Manawatū River Park and the Aokautere gullies. We remain an active member of the Te Āpiti–Manawatū Gorge Governance Group, supporting the implementation of the Whakatakororanga Matua Ki Te Āpiti Masterplan.

As part of the Draft Ashhurst Domain Reserve Management Plan, we've proposed the restoration of the lower terrace from grassland back into native vegetation. This complements our ongoing efforts to remove invasive weeds and reinstate native plants in both Ashhurst Domain and the Aokautere gullies.

ITEM 8 - ATTACHMENT 1

Supporting communities through conservation education and environmental partnerships

Central Energy Trust Wildbase Recovery returned to full 7-day operations this year, welcoming strong and growing visitation while consistently delivering engaging conservation education programmes to schools and the public. We delivered curriculum-linked programmes onsite, visited schools across the region, and hosted special interest groups including English language learners.

We successfully brought all permanent animal care responsibilities in-house, including for resident species and captive breed-for-release programmes, while maintaining our partnership with Massey University for wildlife rehabilitation. This now includes the Victoria Esplanade Aviaries, further strengthening our internal processes and conservation outcomes.

Engagement has remained strong, with consistent participation and strengthened relationships with local schools and community groups. We worked with Powerco and selected schools to develop marketing materials that help grow the reach of our programmes, and partnered with Horizons Regional Council on education-focused events.

LEVEL OF SERVICE	HOW THIS IS MEASURED	RESULT	COMMENT
Encourage and enable the community's connection with the Manawatū river. **Protect, enhance and increase natural areas (e.g. bush remnants, gardens, stream banks, and berms).**	Narrative measure outlining how Council's initiatives and information encourage community use of the River and enhance its biodiversity.	Target met	We provide information on what the river has to offer through social media posts and our website and walkways brochure. The exercise gym platforms by He Ara Kotahi bridge have encouraged the community to be active down by the river and were very popular this year.We continue to promote the QR codes along the river that the community can scan to access He Ara Kotahi, Hei Ara Kōrero - the digital platform through which Rangitāne o Manawatū shares their cultural and environmental mātauranga (knowledge) related to the Manawatū River. We supported community plantings in Ahimate Reserve this year. (2023/24 – Target met)
Support and fund for-purpose organisations and local communities working to help achieve nature conservation outcomes.	Narrative measure outlining how Council's support and funding help organisations and communities achieve good conservation outcomes.	Target met	Support and funding has been provided to a number of organisations towards good conservation outcomes, including Toimata Foundation, RECAP, Plant to Plate, and our Sector Lead partners Environment Network Manawatū. As part of our agreement with Environment Network Manawatū, they also administer the Environmental Initiatives Fund, which supports community initiatives in the areas of food sovereignty, biodiversity protection and enhancement, circular economy and climate action; this year they funded 23 initiatives. (New measure)

FINANCIAL RESULTS
ACTIVITY OPERATIONAL REQUIREMENT AND FUNDING SUMMARY

BIODIVERSITY AND THE MANAWATU RIVER	Actual 2025	Long Term Plan 2025	Variance 2025	Actual 2024
	$000	$000	$000	$000
REVENUE				
Biodiversity	3	-	3	3
Central Energy Trust Wildbase	83	95	(12)	50
Manawatu River	-	-	-	-
TOTAL REVENUE	**86**	**95**	**(9)**	**53**
EXPENSES				
Biodiversity	529	556	27	376
Central Energy Trust Wildbase	1,208	1,135	(73)	1,042
Manawatu River	431	472	41	192
TOTAL EXPENSES	**2,168**	**2,163**	**(5)**	**1,610**
NET OPERATING COSTS OF ACTIVITY	**2,082**	**2,068**	**(14)**	**1,557**
RATING ALLOCATION				
Add back depreciation	-	12	(12)	-
Less Transfers To/(From) Reserves	-	-	-	-
Less Renewal capital expenditure	(146)	(129)	(17)	(143)
Add/(Less) borrowing effect of renewal 3 year averaging	56	39	17	15
Add external revenue for renewal capital	-	-	-	-
Add proceeds from sale of assets	-	-	-	-
Less provision for debt reduction	(26)	(36)	10	(38)
Add internal rates recovered	-	-	-	-
Add targeted rates allocation	-	-	-	-
Add general rates allocation	2,198	2,182	16	1,723
FUNDING SURPLUS/(DEFICIT)	**-**	**-**	**-**	**-**

ACTIVITY CAPITAL PROJECTS BIODIVERSITY AND THE MANAWATU RIVER	Actual 2025	Long Term Plan Budget 2025	Variance 2025	Actual 2024
	$000	$000	$000	$000
CAPITAL RENEWAL				
1136 - CET Wildbase Recovery Centre - Renewals	46	30	(16)	
1825 - City Reserves - Manawatu River Park - Renewals	100	99	(1)	
TOTAL CAPITAL RENEWAL	**146**	**129**	**(16)**	**143**
CAPITAL NEW				
1077 - Citywide - Biodiversity Enhancement Through Native Planting	38	30	(8)	
1892 - City Reserves - Manawatu River Park - Hokowhitu Lagoon Development Plan	1	-	(1)	
2239 - City Reserves - Te Motu o Poutoa - Design and Consenting	816	685	(131)	
2429 - Turitea Predator Control - Self Resetting Traps	120	120	-	
TOTAL CAPITAL NEW	**975**	**835**	**(140)**	**31**
CAPITAL GROWTH				
			-	
TOTAL CAPITAL GROWTH	**-**	**-**	**-**	**562**
TOTAL CAPITAL EXPENDITURE	**1,121**	**964**	**(157)**	**736**

MAHERE TAUMANU PARA RESOURCE RECOVERY

We want to minimise all waste and its impact on the environment.

The national Te Rautaki Para Waste and resource efficiency strategy provides a roadmap for a low-emissions, low-waste society build upon a circular economy. A circular economy is one where products are better able to be recovered, reused, repurposed, or regenerated. This model is an alternative to a 'take-make-use-waste' approach to our products and purchases.

The national changes will reshape the way we manage city waste and increase out resource recovery. We want all our activities, including purchasing good and services, to focus on waste reduction.



Reducing waste and supporting local solutions

We continue to support waste reduction in Palmerston North by partnering with community groups and running education initiatives. Our funding for Environment Network Manawatū now includes support for the popular Repair Café, which welcomed 498 visitors and repaired 354 items over the last year. We've reached more than 500 people through tours of the Awapuni Resource Recovery Park and recycling truck visits to education centres, and ran community talks and workshops, including seminars by WasteEd with Kate, attended by over 300 people.

We promote waste minimisation through our website, social media, and printed materials, with an online Waste Hub that makes it easy to book tours, find information or request resources like magnets and bin stickers. These tools help our community recycle right and reduce waste.

Waste services

Helping communities reduce waste

We supported three local initiatives through our Resource Recovery Fund this year. Precycle received funding to pilot a dishwashing truck for events, helping reduce single-use items. Organic Packaging Limited used funding to improve its cardboard recycling process, and Butterfly Compassion Society received support for its pre-loved goods distribution programme.

Expanding access to specialist recycling services

We've continued to expand the range of items residents can recycle locally. Our Ferguson Street Recycling Centre now accepts a variety of hard-to-recycle items, helping to divert more waste from landfill.

Residents can drop off household batteries, mobile phones, and small electronics like computer mice and GPS units, TVs, printers, large appliances, motor oil, car seats and polystyrene too. Some of these services are free while others have a fixed free or a charge for the weight of the item.

Drop-off sites

Our Drop-off sites are for both specialist recycling, and extra recycling people may have built up at home following a move or an event or even a new purchase. These facilities are:

- Ferguson Street Recycling Centre: Accepts a wide range of recyclables, including e-waste, batteries, motor oil, polystyrene, and child car seats.
- Awapuni Resource Recovery Park: Offers services for green waste, tyre recycling, and compost sales.
- Ashhurst Transfer Station: Provides general waste disposal services and green waste drop off.

Recycling and landfill operations

A Section 17a review is underway to assess the efficiency and effectiveness of our rubbish and recycling services, with findings expected later this year. We introduced a new local polystyrene recycling service now used by other councils, and rolled out the Tyrewise product stewardship scheme, enabling free tyre drop-offs at Awapuni. Since then, reports of dumped tyres have decreased.

We're also in the procurement phase for a major upgrade of our Materials Recovery Facility (MRF), which will bring in better technology to boost our recycling rates. A new fence was added around the MRF to prevent windblown recycling escaping into the environment.

ITEM 8 - ATTACHMENT 1

Kerbside collection improvements

This year we collected 3,052.06 tonnes of kerbside recycling and saw a 8% increase in reported illegal dumping. We're working on safety upgrades to our collection vehicles, including cameras and new technology that will help us track and improve our collection processes. This will also support our contamination monitoring programme, set to begin next year. It will help us better manage recycling contamination and respond when repeated issues are identified.

Managing compost and landfill

We diverted 7,861.74 tonnes cubic metres of organic material from landfill through composting. A new compost bagging machine is now in use to improve processing efficiency, while delivery of a new shredder/chipper is expected by December 2025. Early conversations have also begun with Horizons about renewing resource consents for the Awapuni site, due to expire in 2029.

Weighbridge operations

We rolled out a purpose-built weighbridge software and reporting system to support growing reporting needs from the Ministry for the Environment.

LEVEL OF SERVICE	HOW THIS IS MEASURED	RESULT	COMMENT
Promote waste reduction. **Divert waste from landfill.**	Narrative measure outlining how Council's waste and recycling collection services, initiatives and information promote waste reduction and divert waste from landfill.	Target met	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. Some of the actions this quarter to promote waste reduction include education (including an open day and tours of the Materials Recovery Facility, and officer visits to education centres); working with the commercial sector to reduce business waste to landfill. (New measure)
Provide support for-purpose organisations and local communities to recover, reuse, repurpose or regenerate products.	100% compliance with resource consents measured by having no: abatement notices, infringement notices or enforcement order convictions.	Target met	100% compliant - no abatement notices, infringement notices, enforcement orders or convictions. As well as continual monitoring of relevant operational activities and providing reports to Horizons as required, recently the Environmental Management Plan for the composting operation was updated. (2023/24 – Target not measured)
Provide recycling collection services, including kerbside recycling, drop-off centres and public space recycling bins. **Provide waste collection services, including kerbside collection, the Ashhurst transfer station, and public space rubbish bins.** **Monitor and manage the closed landfills.**	Resident satisfaction with Council's provision of kerbside rubbish and recycling collections is at least 79%.	Target met	Year-to-date resident satisfaction with rubbish and recycling collection service is 83%, up 3% from last year. This remains one of the highest-rated Council services and is listed among the top five areas of best performance across all services and facilities. Overall satisfaction with rubbish disposal services is 68%. Overall satisfaction with rubbish disposal services is 68%. This includes drop off points for recycling services, green waste and our transfer station in Ashhurst with 72% satisfaction (up 3% from 69% in 2024). Resident satisfaction with cleanliness of the streets in general has increased from 59% to 61% in 2025. (New measure)

FINANCIAL RESULTS
ACTIVITY OPERATIONAL REQUIREMENT AND FUNDING SUMMARY

RESOURCE RECOVERY	Actual 2025	Long Term Plan 2025	Variance 2025	Actual 2024
	$000	**$000**	**$000**	**$000**
REVENUE				
Landfill Management	782	920	(138)	508
Waste Minimisation	2,658	2,181	477	2,486
Waste Management	1,565	1,869	(304)	1,196
TOTAL REVENUE	**5,005**	**4,970**	**35**	**4,190**
EXPENSES				
Landfill Management	2,759	1,754	(1,005)	2,519
Waste Minimisation	6,498	7,035	537	6,762
Waste Management	2,373	2,083	(290)	2,635
TOTAL EXPENSES	**11,630**	**10,872**	**(758)**	**11,916**
NET OPERATING COSTS OF ACTIVITY	**6,625**	**5,902**	**(723)**	**7,726**
RATING ALLOCATION				
Add back depreciation	892	1,060	(168)	817
Less Transfers To/(From) Reserves	-	-	-	-
Less Renewal capital expenditure	(526)	(631)	105	(364)
Add/(Less) borrowing effect of renewal 3 year averaging	16	121	(105)	(14)
Add external revenue for renewal capital	-	-	-	-
Add proceeds from sale of assets	-	-	-	-
Less provision for debt reduction	546	(247)	793	(7)
Add internal rates recovered	-	-	-	-
Add targeted rates allocation	5,697	5,599	98	7,294
Add general rates allocation	-	-	-	-
FUNDING SURPLUS/(DEFICIT)	**-**	**-**	**-**	**-**

ACTIVITY CAPITAL PROJECTS RESOURCE RECOVERY	Actual 2025	Long Term Plan Budget 2025	Variance 2025	Actual 2024
	$000	**$000**	**$000**	**$000**
CAPITAL RENEWAL				
185 - Closed Landfills and Transfer Stations - Site Renewals	137	131	(6)	
612 - Recycling - City-wide Wheelie Bin and Crate Renewals	111	100	(11)	
649 - Recycling - Materials Recovery Facility Renewals	75	200	125	
1368 - City-wide - Public Space Rubbish & Recycling Bins Renewals	46	75	29	
1374 - City-wide - Recycling Drop Off Facilities - Renewals	17	15	(2)	
1721 - Composting Activity Site Renewals	10	10	()	
1784 - Rubbish and Recycling Buildings - Renewals	129	100	(29)	
TOTAL CAPITAL RENEWAL	**526**	**631**	**105**	**364**
CAPITAL NEW				
506 - City-wide - Public Space Rubbish & Recycling Bins Development	50	150	100	
657 - Urban Growth - Recycling - City-wide Wheelie Bins and Crates	53	90	37	
721 - Awapuni Closed Landfill - Landscaping Development	(2)	-	2	
727 - Recycling - Materials Recovery Facility Development	59	200	141	
1371 - Closed Landfills and Transfer Stations - Safety, Security and Development	491	1,270	779	
1410 - Recycling - City-wide Recycling Services to Commercial/ orgnisational Properties Development	26	20	(6)	
1810 - CW-Diversion of Waste from Landfill-New Material	(13)	-	13	
2227 - Resource Recovery Centre Resilience Improvements	-	50	50	
2338 - Recycling Contamination Monitoring Development	-	55	55	
2503 - Collection Vehicles - Safety and Security Development	2	245	243	
TOTAL CAPITAL NEW	**666**	**2,080**	**1,414**	**972**
CAPITAL GROWTH				
			-	
TOTAL CAPITAL GROWTH	**-**	**-**	**-**	**64**
TOTAL CAPITAL EXPENDITURE	**1,192**	**2,711**	**1,519**	**1,400**


PAPAIOEA
HANGARUA KARAEHE
PALMY
HINO
PALMY

MAHERE WAI
WATER

We want our city to have enough safe water and to be safe from flooding during storm events. We want our wastewater to be effectively collected, treated and disposed of.

Water services have been undergoing significant reform in the past few years. The National-led Government has repealed the previous government's Three Waters programme and replaced it with 'Local Water Done Well'.

The Government is still working through the details of what this involves, but it does include local government keeping ownership of water assets. Councils will be encouraged to form regional groupings (to get the benefits of size) and Council-Controlled Organisations (to be able to borrow funds without affecting Council balance sheets). Further details will not be developed before the new Long-Term Plan is adopted. In the meantime, Council has planned and budgeted to provide water, stormwater and wastewater services for the ten years of the new Long-Term Plan.



The future of our water services

The Government's Local Water Done Well programme has introduced significant regulatory and financial reforms at change the way councils are expected to deliver water services.

These changes are significant for the way water work is funded and paid for by the consumer. One of the drivers of this change is that successive governments want to see councils working together to deliver water services to ensure it is affordable, meets all regulatory standards, and is invested in properly.

While some councils are able to meet the new standards and continue to deliver water services as they do now, that isn't the case for our city. Most other mid-sized cities are in the same situation as they have a far bigger, and wider range, of other services and facilities that need ongoing investment, for example: transport networks, rubbish and recycling, parks, libraries, museums, other property, large cemeteries and more.

Early in 2025 we sought feedback from our community on three options. Our residents and businesses cared about affordability and were keen for collaboration.

In June 2025, we confirmed our intention to form a new council-controlled organisation (CCO) with Horowhenua and Rangitīkei District Councils to deliver drinking water and wastewater services. This jointly owned organisation will be responsible for the day-to-day operations, infrastructure management, and service delivery for water services across our districts.

Stormwater services, which is made up of our pipe networks, roads, parks and reserves, remain under consideration. One option we're considering is that we retain ownership of our stormwater assets and are responsible for all the planning of work, but contract the day to day management and operations to the new organisation.

This model responds to increasing demands: stricter environmental and health regulations, major investment requirements (such as the city's future wastewater solution under Nature Calls), better community ooutcomes and the need to balance limited funding across all council priorities.



WATER SUPPLY



Delivering safe, reliable drinking water

This year, we successfully extracted, treated and distributed just under 11 billion litres of drinking water. Our network includes the Turitea Dam and a number of bore supplies across the city. Our water supply achieved a very high level of compliance with the Drinking Water Quality Assurance Rules, and water losses remain low by international standards at 9.3%.

While we continue to meet the standards for residual disinfection, fluoridation and monitoring, not all of our bore sites comply with the required contact time under the rules. We've disclosed this to Taumata Arowai, who are currently considering whether changes to this rule may be needed nationally. In the meantime, we've allocated funding in the Long-Term Plan to bring these sites up to full compliance, regardless of the outcome of that decision.

Investing in upgrades and resilience

We completed an upgrade to Papaioea Park Bore #1, which is now back in production, and similar works are underway at Roberts Line Bore #1. The Roberts Line bore remains offline while we improve chlorine disinfection systems on site. We're also investigating how to bring our remaining non-compliant bores at Takaro, Keith Street and Roberts Line into full compliance. This may include additional reservoirs or Utraviolet disinfection.

We've continued preparatory work for replacing a critical dewatering valve at the upper Turitea dam, and design is underway to replace the ageing raw water main between the lower dam and the Water Treatment Plant to improve network resilience. The final phase of the seismic strengthening work at the Turitea plant is progressing, with design now underway to strengthen the sludge storage tank. Security improvements, including CCTV and an automated gate, are also being implemented at key water supply sites.

Responding to water quality challenges

A water sample taken in the city centre this year returned a positive result for E.coli. A full response was activated immediately. Investigations indicated this was most likely a sampling anomaly caused by adverse weather on the day. We've taken steps with our sampling provider to ensure the issue doesn't recur.

We continue to receive complaints from residents about discoloured water. This is typically related to iron and manganese in our bore supplies reacting with the higher levels of disinfectant now required under the new rules. We're tackling this through targeted renewals of older water mains, increased network flushing, and the use of a specialised filter truck in priority areas.

Planning for future growth

Construction of a new filtration plant is underway for Ashhurst and expected to be completed by year-end. This will significantly reduce iron and manganese levels and help address discolouration. We're also scoping filtration and UV treatment upgrades at Bunnythorpe, which is currently in the investigation phase.

To support growth and improve resilience, we're progressing plans for two new bore water sources both with full treatment facilities. They are at Milson Line and Stoney Creek Road. Design, investigations and land acquisition are well advanced. We're also exploring a potential site in Longburn that could provide both treatment and storage to support the area's future needs.

Managing demand and compliance

Minor water restrictions were required in Longburn over summer after demand exceeded our consented annual allowance. Investigations led to the identification and repair of several leaks, but maintaining compliance remains a challenge. We're trialling remote-read water meters to better manage usage and are in discussions with Horizons Regional Council about increasing the annual allowance.

LEVEL OF SERVICE	HOW THIS IS MEASURED	RESULT	COMMENT
Provide safe and readily available water.	Narrative measure outlining how Council's water supply is safe and well-maintained and people are encouraged to conserve water.	Target not met	While Council did not achieve 100% compliance, this was not due to unsafe water. It is due to technical issues with 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. A voluntary water conservation program over the summer has seen Palmerston North avoid water restrictions for the last four years. Longburn residents were placed under Level 2 water restrictions as we work to resolve supply Vs demand issues, relating to consented extraction limits.
	Resident satisfaction with Council's provision of water supply is at least 78%.		Resident satisfaction with the water supply was 74% for the year to date, which is better than last year's result, however, below the target of 78%. The reason for this is unclear, however, a rise in discoloured water events due to increased chlorination required to meet the Drinking Water Quality Assurance Rules may be contributing. (New measure) (2024 - Target not met: 75%)
	The following are mandatory measures from the DIA: 100% compliance with the bacterial and protozoal requirements of the Water Services (Drinking Water Services for New Zealand Regulations 2022).	Target not met	Monitoring data received for the period July 2024 to June 2025 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. *Council is required to comply with the Drinking Water Standards for New Zealand Regulations 2022 and the implementation of these by meeting the Drinking Water Quality Assurance Rules 2022 (DWQAR). In June 2025, DIA provided clarification on the expected assessment and reporting methodology to be used for the 2024/25 audits. The DWQAR methodology represents a change from previous assessments, meaning results are not directly comparable with earlier years. These results align with DIA and Audit NZ performance measure 1 – the safety of drinking water and the extent to which the Council's supply complies with the relevant standards* Below is a breakdown of compliance by water sources:

Water Supply	Treatment Plant		Distribution Zone	Comment
	Bacterial	Protozoal	Microbiological	
Ashhurst	66% (2023/24 Target met)	Class 1 100% (2023/24 Target met)	100%	Bacterial compliance not met due to gaps in data monitoring (concentration (Ct) and effective contact time (T10) not consistently measured).
Bunnythorpe	63% (2023/24 Target met)	Interim Class 1 100% (2023/24 Target met)	100%	Bacterial compliance not met from insufficient monitoring (data gaps, location/frequency issues).
Longburn	76.8% (2023/24 Target met)	Class 1 100% (2023/24 Target met)	100%	Bacterial compliance not met due to data monitoring gaps (Ct/T10).
PNC-Keith St WTP	55.9% (Chlorine) (2023/24 Bore 1 Target not met)	Class 1 100% (2023/24 Target met)	N/A	Low bacterial compliance due to chlorine monitoring/ location and data gaps.
PNC-Papaioea Park WTP	91.7% (UV) (2023/24 Bore 1 & Bore2 Target not met)	UV 95.2% (2023/24 Bore 1 Target not met; Bore 2 Target met)		Bacterial compliance not met as reference sensor checks were not completed for 5 months; this assumption has also been applied to protozoa compliance, as both were UV related, for the July-December period.
PNC-Roberts Line WTP	Not used during period (2023/24 Bore 2 Bacterial Target not met)	Not used during period (2023/24 Protozoal Target met)		
PNC-Railway WTP	100% (Chlorine) (2023/24 Bore Target not met)	100% (Class 1) (2023/24 Target met)	N/A	Target met - no compliance issues noted.
PNC-Takaro WTP	64.7% (Chlorine) (2023/24 Bore Target not met)	100% (Class 1) (2023/24 Target met)		Bacterial compliance not met due to physical site limitations relating to Ct & T10.

LEVEL OF SERVICE	HOW THIS IS MEASURED	RESULT	COMMENT

Water Supply	Treatment Plant		Distribution Zone	Comment
	Bacterial	Protozoal	Microbiological	
PNC-Turitea WTP	100% (Chlorine) (2023/24 Target met)	100% (Filter) (2023/24 Target met)	N/A	Target met - no compliance issues noted.
Overall PNC Plants	82.5%	99%		
PNC-Aokautere zone	N/A	N/A	100%	Microbiological standards target met.
PNC-Fitzherbert zone			100%	Microbiological standards target met.
PNC-Kelvin Grove zone			100%	Microbiological standards target met.
PNC-KPN City zone			100%	Target not met due to a technicality in rules: compliance assessed on sampling frequency rather than positive results. Found compliant under rule calculation, with flaw noted in method.
Overall PNC Zones			100%	Distribution Network 2023/24 Target not met for Bacterial compliance, distribution network chlorinated but did not meet all residual chlorine requirements for the period.

NOTE: 100% = All met, 95-99.9% = Almost met, 0.01-94.99% = Partially met, 0% = None met.
(2023/24 – Target not met, less than 100% compliance)



LEVEL OF SERVICE	HOW THIS IS MEASURED	RESULT	COMMENT
Provide safe and readily available water.	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. (Connection = Lateral Pipe connected from mains to a property including domestic & industrial/commercial use)	Target met	There were 29 complaints per 1,000 connections. (2023/24 – Target met - 39.3 complaints per 1,000 connections)
	Average consumption of less than 360 litres of drinking water per day per resident. (Water Consumption is measured and calculated using the standard WaterNZ Water Bench Loss Calculator.)	Target met	The average water consumption for the entire year was 241 litres per resident per day. This is 15% less than the average for last year, which was 284 litres per day. This has been achieved through a leak detection programme that has identified and rectified multiple leaks. (2023/24 – Target met - 284 litres per day)
	2 hours or less median response time for urgent callout attendance. Urgent callout is one that leads to a complete loss of supply of drinking water. Non-urgent callout is one where there is still a supply of drinking water. This is defined in guidance provided by the DIA found here	Target met	The median response time was 31 minutes for urgent callout attendance. (2023/24 – Target met - 42 minutes)
	7 hours or less median response time for resolution of urgent callouts. Urgent callout is one that leads to a complete loss of supply of drinking water. Non-urgent callout is one where there is still a supply of drinking water. This is defined in guidance provided by the DIA found here	Target met	The median response time for resolution of urgent callouts was 1 hour and 42 minutes. (2023/24 – Target met - 2.7 hours)
	10 hours or less median response time for non-urgent callout attendance. Urgent callout is one that leads to a complete loss of supply of drinking water. Non-urgent callout is one where there is still a supply of drinking water. This is defined in guidance provided by the DIA found here	Target met	The median response time for non-urgent callout attendance was 1 hour and 28 minutes. (2023/24 – Target met - 9 hours)
	75 hours or less median response time for resolution of non-urgent callouts. Urgent callout is one that leads to a complete loss of supply of drinking water. Non-urgent callout is one where there is still a supply of drinking water. This is defined in guidance provided by the DIA found here	Target met	The median response time for resolution of non-urgent callouts was 2 hours and 49 minutes. (2023/24 – Target met - 23.1 hours)
	Less than 20% of real water loss from the water reticulation network.	Target met	The real water loss from the water reticulation network was 9.3%. This is significantly lower than other major cities in New Zealand. The calculation for real water loss was revised this year with more accuracy due to updated census data and more representative survey metering. The methodology used is taken from the Benchmarking of Water Losses NZ Manual (2008). (2023/24 – Target met - 15%)

FINANCIAL RESULTS
ACTIVITY OPERATIONAL REQUIREMENT AND FUNDING SUMMARY

WATER	Actual 2025	Long Term Plan 2025	Variance 2025	Actual 2024
	$000	**$000**	**$000**	**$000**
REVENUE				
Water Collection	-	30	(30)	-
Water Distribution	23	4	19	19
Water Treatment	-	10	(10)	-
TOTAL REVENUE	**23**	**44**	**(21)**	**19**
EXPENSES				
Water Collection	2,283	4,500	2,217	2,314
Water Distribution	6,964	7,829	865	6,580
Water Treatment	3,350	587	(2,763)	3,298
TOTAL EXPENSES	**12,597**	**12,916**	**319**	**12,192**
NET OPERATING COSTS OF ACTIVITY	**12,574**	**12,872**	**298**	**12,173**
RATING ALLOCATION				
Add back depreciation	4,896	4,421	475	4,579
Less Transfers To/(From) Reserves	-	-	-	-
Less Renewal capital expenditure	(4,326)	(5,010)	684	(5,560)
Add/(Less) borrowing effect of renewal 3 year averaging	(1,148)	(464)	(684)	(1,530)
Add external revenue for renewal capital	-	-	-	-
Add proceeds from sale of assets	-	-	-	-
Less provision for debt reduction	(2,587)	(669)	(1,918)	(112)
Add internal rates recovered	763	-	763	697
Add targeted rates allocation	14,977	14,594	383	14,099
Add general rates allocation	-	-	-	-
FUNDING SURPLUS/(DEFICIT)	**1**	**-**	**1**	**-**

ACTIVITY CAPITAL PROJECTS WATER	Actual 2025	Long Term Plan Budget 2025	Variance 2025	Actual 2024
	$000	**$000**	**$000**	**$000**
CAPITAL RENEWAL				
88 - Turitea WTP - Falling Main from WTP to Reservoir	1	-	(1)	
199 - City-wide - Water Supply Bore and Network Facility Renewals	458	245	(213)	
207 - Turitea WTP - Equipment and Facility Renewals	86	200	114	
214 - City-wide - Water Toby and Manifold Renewals	347	400	53	
218 - City-wide - Water Main Renewals	3,057	3,000	(57)	
1061 - City-wide - Water Supply Reservoir Renewals	8	50	42	
1700 - City-wide - Water Meter Renewals	74	250	176	
1701 - City-wide - Water Supply Valve & Hydrant Renewals	37	250	213	
1797 - Water Treatment Plant - Building Renewals	53	50	(3)	
1822 - Water Pump Stations - Building Renewals	42	45	3	
2278 - Longburn - Water Bore and Treatment Renewal	17	100	83	
2279 - Longburn - Water Asset Renewals	36	300	264	
2288 - Turitea WTP - Automation and PLC Renewals	50	50		
2310 - Citywide - Water Critical Spare Replacements	60	70	10	
TOTAL CAPITAL RENEWAL	**4,326**	**5,010**	**684**	**5,431**
CAPITAL NEW				
124 - Turitea WTP - Drinking Water Standards Upgrades	39	-	(39)	
132 - City-wide - Water Supply Resilience - Trunk Mains	655	600	(55)	
986 - Turitea Dams - Aeration Upgrade	108	290	182	
1054 - Ashhurst - Water Quality Improvements	1,729	2,500	771	
1384 - City-wide - Water Supply Resilience - City Supply Reservoir	37	500	463	
1388 - Palmerston North - District Metering Areas for Water Supply	55	75	20	
1389 - City-wide - Water Supply Resilience - Security of Supply	523	393	(130)	
1607 - City-wide - Health & Safety - Water Treatment Chemical Handling	3	-	(3)	
1696 - City-wide - Drinking Water Standards Upgrades	84	100	16	
1697 - Turitea WTP - Water Supply Resilience - Upgrades	154	200	46	
1873 - City-wide - Water Main Upgrades - Firefighting	17	100	83	
1874 - Turitea Dams - Health & Safety Improvements	233	150	(83)	
1883 - 3 Waters - Small Plant and Equipment	86	100	14	
2042 - Turitea WTP - Raw Water Main Duplicate	195	200	5	
2048 - City-wide - Water Toby and Manifold enhancements	796	750	(46)	
2060 - City-wide - Commercial Water Meters	200	70	(130)	
2228 - City-wide - Water Main Improvement	1,736	1,000	(736)	
2298 - Bunnythorpe - Water Quality Improvements	159	50	(109)	
2303 - Citywide - Bore Facility Improvements	333	900	567	
TOTAL CAPITAL NEW	**7,142**	**7,978**	**836**	**3,741**

ACTIVITY CAPITAL PROJECTS WATER	Actual 2025	Long Term Plan Budget 2025	Variance 2025	Actual 2024
	$000	**$000**	**$000**	**$000**
CAPITAL GROWTH				
246 - Urban Growth - Development Contributions - Water Supply	1	260	259	
1004 - Urban Growth - Whakarongo - Water Supply	1	200	199	
1170 - Urban Growth - Kakatangiata - Water Supply	1	-	(1)	
1841 - Urban Growth - Ashhurst - Water Supply	()	-		
1864 - Longburn Extension - Water Supply	1	-	(1)	
2226 - Urban Growth - Terrace End Bore		-	()	
2297 - Urban Growth - Napier Road Bore (City East)	116	1,000	884	
2299 - Urban Growth - New Northern Water Supply Bore (Milson Line)	49	1,000	951	
2301 - Urban Growth - New Longburn Water Supply Bore	28	259	231	
2512 - Urban Growth - Kikiwhenua - Water Supply	817	1,300	483	
TOTAL CAPITAL GROWTH	**1,013**	**4,019**	**3,005**	**1,659**
TOTAL CAPITAL EXPENDITURE	**12,482**	**17,006**	**4,524**	**10,831**

STORMWATER



Managing stormwater in a changing climate

August 2024 was the wettest month on record for the Manawatū. The significant rainfall created challenges for stormwater assets, with instances of localised flooding of streets and streams. Stormwater remains one of Palmerston North's most significant challenges, which is expected to increase with climate change and future growth. It is time to consider shifting to a more adaptive way of living and growing with stormwater.

We are developing a long-term Stormwater Strategy to guide, integrate and inform a more holistic approach to managing stormwater. This strategy is being developed in partnership with Rangitāne o Manawatū and is still a work in progress. It will provide a shared framework for integrating cultural values, community needs and urban development, helping us plan better and be more resilient.

Key stormwater infrastructure upgrades

The construction of a new detention and treatment pond at Whakarongo was undertaken this year, with final planting planned for the next financial year. The Whakarongo Pond covers an area of 2.2ha, providing sufficient storage and treatment for the development of an additional 500 houses.

The Awatea Stream meanders approximately 3km through an urban area. We have developed a strategy to maintain and upgrade the stream, with the first steps being implemented this year. Further work is required, which will include collaboration with residents that border the stream.

We are upgrading stormwater assets in the Schnell Reserve. This follows extensive investigations and modelling to understand the key issues within this complex catchment. The outputs will reduce flood risks for local residents and lead to a wider piece of work to improve outcomes for the entire catchment.

Multiple pipe renewal and upgrade projects have been undertaken across the city to improve levels of service and cater for future growth. These include significant works at Ruahine Street, Fitzherbert Avenue, Milson Line, Raymond Street and Te Mātai Road. Multiple designs are currently underway to upgrade other key areas within the stormwater network that have historic ponding issues.

We undertook structural improvements to the flume that delivers stormwater from the upper terrace into the top of the Gas Works Drain. This work is temporary while we undertake detailed design to replace the flume in future years, thereby futureproofing this critical asset for growth.

Design was completed for a new stormwater pump station to be constructed next year at Wikiriwhi Street. This site has historic flooding issues during heavy rain as the existing small pump station is overwhelmed on a regular basis. The new pump station has capacity to cater for large storms, improving safety and resilience for local residents.

Collaboration and compliance

We continue to collaborate with key partners including Rangitāne o Manawatū and Horizons Regional Council. This has resulted in several instances where staff jointly work on contamination issues and improvement options for our open streams. Additional work is underway to clarify compliance options for stormwater treatment devices, management plans and flood hazards mapping.

ITEM 8 - ATTACHMENT 1

LEVEL OF SERVICE	HOW THIS IS MEASURED	RESULT	COMMENT
Protect buildings and communities from flooding.	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%.	Target not met	The design of new stormwater assets allows for impacts due to projected future climate change. This approach is recognised as best practice and helps to mitigate potential flood risks. Resident satisfaction for stormwater services was 57% for the year to date, which is below the target of 62%. This is likely due to the higher than average rainfall, with the month of August experiencing the highest rainfall on record. (New measure)
	The following are mandatory measures from the DIA: Less than 5 flooding events that result in stormwater from Council's stormwater system entering a habitable floor in an urban area.	Target met	There was 1 recorded incident where stormwater entered a habitable floor (which was a residential home). (2023/24 – Target met - zero events)
	Less than 2 habitable floors per 1,000 properties within urban stormwater service areas affected by a flood event.	Target met	There are 31,580 properties rated for stormwater in the urban areas with one habitable floor flooded during the 2024/25 Financial Year. This means there were 0.032 habitable floors per 1,000 properties within urban stormwater service areas affected by a flood event. (2023/24 – Target met - zero events)
	Less than 2 hours median time to attend a flooding event	Target met	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 request for service was lodged (related to wider rainfall response event.) (2023/24 – Target met - zero events)
	Less than 15 complaints received about the performance of the Council's urban stormwater system per 1,000 properties connected. (Connection = Lateral Pipe connected from mains to a property including domestic & industrial/commercial use)	Target met	There were 6 complaints per 1,000 connections. (2023/24 – Target met - 6.6 complaints per 1,000 properties)
	100% compliance with resource consent conditions for discharge from our stormwater system measured by the number of: abatement notices, infringement notices or enforcement order convictions.	Target met	100% compliance was achieved for the year. There were no abatement or infringement notices, enforcement orders or convictions. (2023/24 – Target met - 100% compliance)

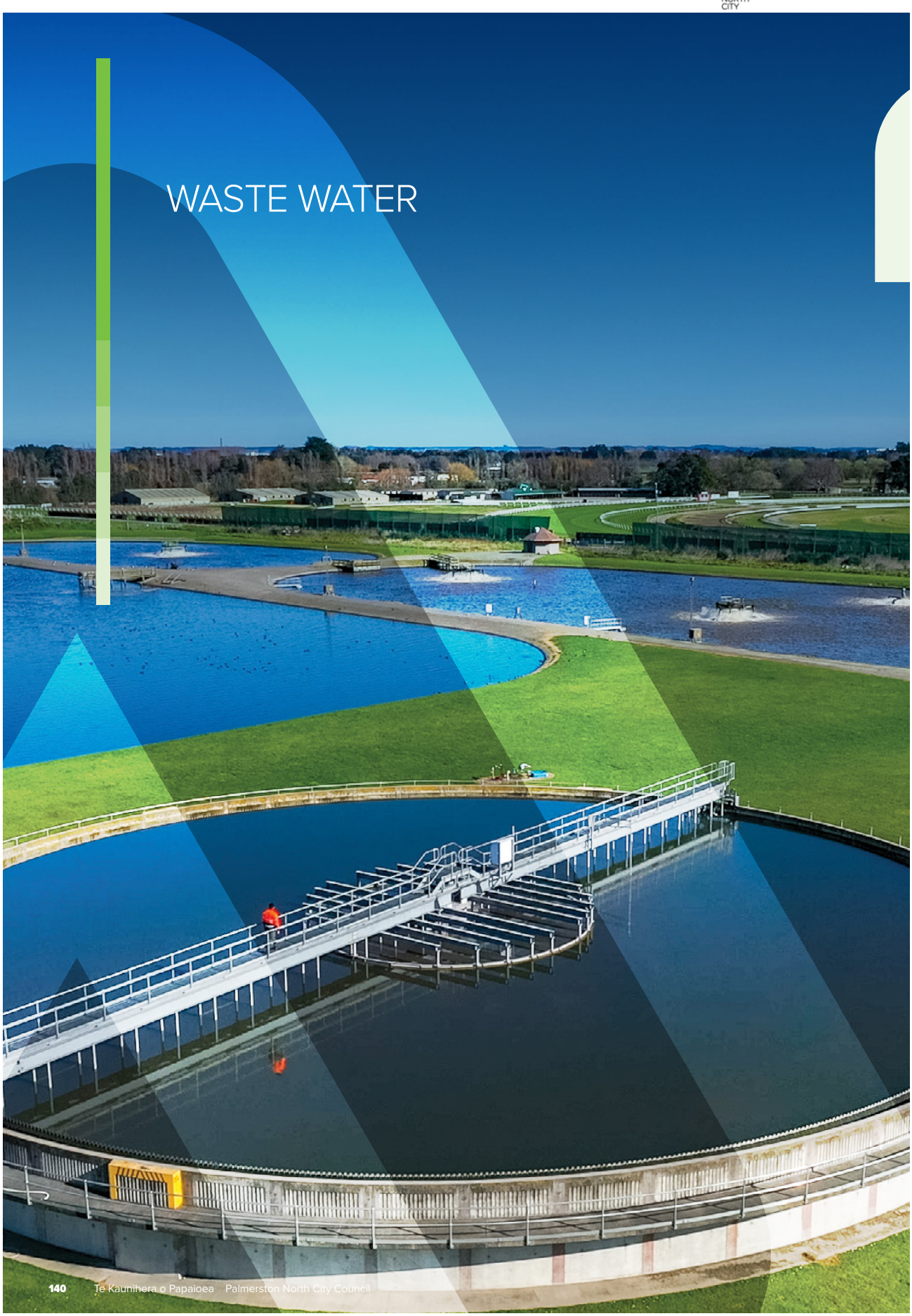
FINANCIAL RESULTS
ACTIVITY OPERATIONAL REQUIREMENT AND FUNDING SUMMARY

STORMWATER	Actual 2025	Long Term Plan 2025	Variance 2025	Actual 2024
	$000	**$000**	**$000**	**$000**
REVENUE				
Stormwater Collection and Disposal	(2)	-	(2)	65
TOTAL REVENUE	**(2)**	**-**	**(2)**	**65**
EXPENSES				
Stormwater Collection and Disposal	5,895	6,842	947	4,870
TOTAL EXPENSES	**5,895**	**6,842**	**947**	**4,870**
NET OPERATING COSTS OF ACTIVITY	**5,897**	**6,842**	**945**	**4,805**
RATING ALLOCATION				
Add back depreciation	2,321	2,545	(224)	2,259
Less Transfers To/(From) Reserves	-	-	-	-
Less Renewal capital expenditure	(366)	(350)	(16)	(273)
Add/(Less) borrowing effect of renewal 3 year averaging	(149)	(165)	16	(585)
Add external revenue for renewal capital	-	-	-	-
Add proceeds from sale of assets	-	-	-	-
Less provision for debt reduction	(974)	(217)	(757)	-
Add internal rates recovered	-	-	-	-
Add targeted rates allocation	-	-	-	-
Add general rates allocation	5,065	5,029	36	3,404
FUNDING SURPLUS/(DEFICIT)	**-**	**-**	**-**	**-**

ACTIVITY CAPITAL PROJECTS STORMWATER	Actual 2025	Long Term Plan Budget 2025	Variance 2025	Actual 2024
	$000	**$000**	**$000**	**$000**
CAPITAL RENEWAL				
20 - City-wide - Stormwater Pump Station Renewals	244	250	6	
1062 - City-wide - Stormwater Network Renewal Works	122	100	(22)	
TOTAL CAPITAL RENEWAL	**366**	**350**	**(16)**	**272**
CAPITAL NEW				
22 - Citywide - Restoring Flood Capacity of Stormwater Channels	165	150	(15)	
1060 - City-wide - Stormwater Network Improvement Works	2,194	2,257	63	
1372 - City-wide Stormwater Pump Stations Improvement	430	556	126	
1708 - City-wide - Stormwater Flood Mitigation	476	1,549	1,073	
2313 - Citywide - Installation of new Stormwater Assets	109	100	(9)	
2509 - Bunnythorpe - Stormwater Asset Improvement	195	200	5	
TOTAL CAPITAL NEW	**3,570**	**4,812**	**1,242**	**1,973**
CAPITAL GROWTH				
51 - Urban Growth - Development Contributions - Stormwater	42	250	208	
1001 - Urban Growth - Whakarongo - Stormwater	795	2,500	1,705	
1704 - Urban Growth - Aokautere - Stormwater	250	1,052	801	
2034 - Urban Growth - Ashhurst - Stormwater		-	()	
2035 - Urban Growth - Napier Rd Extention - Stormwater	109	150	41	
2324 - Urban Growth - Stormwater Roxborough Crescent Infill	205	293	88	
TOTAL CAPITAL GROWTH	**1,401**	**4,244**	**2,843**	**3,554**
TOTAL CAPITAL EXPENDITURE	**5,337**	**9,406**	**4,069**	**5,799**


CAT

WASTE WATER



Managing our city's wastewater

Just under 11 billion cubic litres of wastewater was collected and treated over the past year, with operations remaining within consent limits and meeting environmental standards. Horizons Regional Council received our Annual Compliance Report, which now also supports forward planning and performance conversations.

Upgrading our infrastructure

Ongoing renewal of old pipes continued with work in Lyndhurst Street, Victoria Avenue and Botanical Road. On Victoria Avenue, a pipeline installed in 1907 was replaced. Some upgrades also increased pipe size to improve network capacity and support future growth.

Key assets at the treatment plant were upgraded, including installation of a new main lift pump and clarifier pump to improve resilience. The digesters were also strengthened with new fibre-reinforced plastic bands and removal of a concrete roof to improve seismic resilience. A full overhaul of the biogas generator helped improve performance and support on-site energy generation.

Pump station improvements

Work at the College Street wastewater pump station included installation of a backup generator, updated electrical controls, and an extra pump to boost capacity. As part of a wider strategic review, we've also started assessing other pump stations to identify priority sites for upgrades. A catchment analysis for the Maxwell's Line pump station is helping to plan for future demand.

Lifting performance and resilience

Sludge removal is under way at the aerated lagoons to increase treatment capacity and performance. A detailed seismic assessment of key plant structures is guiding decisions ahead of the Nature Calls project.

Work is under way to update the city's hydraulic model to better understand capacity constraints, inflow and infiltration, and future growth. New software and additional rain gauges now provide more accurate analysis of how the network responds to rain events, helping to reduce overflow risk and improve network planning.

Planning for the future

A city-wide strategy to manage inflow and infiltration is being developed to support long-term investment decisions and reduce pressure on the network during wet weather.

Nature calls project

Work is progressing on Nature Calls, which will determine how Palmerston North's wastewater is treated and discharged in future. With the current consent expiring in 2028, a new solution is required to meet changing environmental and regulatory standards.

After lodging a consent in 2022 for a combined river and land discharge option, feedback in the 2024 Long-Term Plan process raised strong concern about the $640M cost. In response, elected members capped the project budget at $480M and asked staff to review options and explore new technologies that meet the lower budget.

Current options focus on high-level treatment with river discharge, aligning with anticipated regulatory requirements from Taumata Arowai. These are expected to be finalised in late 2025. Once confirmed, the shortlisted options will be reviewed, followed by public consultation in early 2026 and a final decision mid-2026.

More information is available at www.naturecalls.nz.

LEVEL OF SERVICE	HOW THIS IS MEASURED	RESULT	COMMENT
Manage city wastewater.	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%.	Target met	Council's wastewater systems are well maintained and provide agreed levels of service and acceptable resilience for the communities they serve. Resident satisfaction was 73% (2023/24: 71%) which meets the 73% target. It is unclear why there has been a decline in this area, with Operations Teams not responding to any increase in issues or complaints. However, the reduced satisfaction may be related the wet August of 2024. The Nature Calls project has revised the long list of options to be considered for taking into a shortlisting process. The options were presented to Council, who removed a number from the list, mainly due to cost and non-alignment with draft standards. The Water Services Authority (Taumata Arowai) have released a draft series of national wastewater standards. Officers are continuing to work on a no regrets basis to progress the project while waiting for the final version of the standards. This is expected in late August 2025. (New measure)
	The following are mandatory measures from the DIA: Less than 1 dry weather wastewater overflows from Council's wastewater system per 1,000 connections.	Target met	There were 0 dry weather wastewater overflows from Council wastewater systems per 1,000 connections. (2023/24 – Target met - 10 incidents equating to 0.29 dry weather overflows per 1,000 connections) (Dry weather wastewater overflow means wastewater that escapes a territorial authority's wastewater system and enters the environment during periods of dry weather)
	No more than 15 complaints per 1,000 connections about: ⋗ Wastewater odour ⋗ Wastewater system fault ⋗ Wastewater system blockages Response to issues with the wastewater system.	Target met	There were 5 complaints per 1,000 connections. (2023/24 – Target met - 9.1 complaints per 1,000 connections) (Dry weather wastewater overflow means wastewater that escapes a territorial authority's wastewater system and enters the environment during periods of dry weather)
	Median time for attending overflows resulting from blockages or other faults is less than 1.5 hours.	Target met	The median time for attending overflows resulting from blockages or other faults was 34 minutes. (2023/24 – Target met - 1.1 hours median time)
	Median time for resolution of overflows resulting from blockages or other faults is less than 8 hours.	Target met	Median time for resolution of overflows resulting from blockages or other fault was 3 hours and 56 minutes. (2023/24 – Target met - 4.2 hours median time)
	100% compliance with resource consents for discharge from our wastewater system as measured by the number of: abatement notices, infringement notices, enforcement notices or convictions received by us in relation to resource consents.	Target met	100% compliance was achieved for the year. There were no abatement or infringement notices, enforcement orders or convictions. (2023/24 – Target met - 100% compliance)

FINANCIAL RESULTS
ACTIVITY OPERATIONAL REQUIREMENT AND FUNDING SUMMARY

WASTEWATER	Actual 2025	Long Term Plan 2025	Variance 2025	Actual 2024
	$000	**$000**	**$000**	**$000**
REVENUE				
Wastewater Collection	20	-	20	23
Wastewater Treatment and Disposal	1,816	1,573	243	1,137
TOTAL REVENUE	**1,836**	**1,573**	**263**	**1,160**
EXPENSES				
Wastewater Collection	8,098	10,997	2,899	8,032
Wastewater Treatment and Disposal	6,555	4,484	(2,071)	5,467
TOTAL EXPENSES	**14,653**	**15,481**	**828**	**13,499**
NET OPERATING COSTS OF ACTIVITY	**12,817**	**13,908**	**1,091**	**12,339**
RATING ALLOCATION				
Add back depreciation	5,690	5,702	(12)	5,583
Less Transfers To/(From) Reserves	-	-	-	-
Less Renewal capital expenditure	(3,978)	(4,753)	775	(4,191)
Add/(Less) borrowing effect of renewal 3 year averaging	(1,134)	(359)	(775)	(797)
Add external revenue for renewal capital	-	-	-	59
Add proceeds from sale of assets	-	-	-	-
Less provision for debt reduction	(1,641)	(480)	(1,161)	497
Add internal rates recovered	-	-	-	-
Add targeted rates allocation	13,880	13,798	82	11,188
Add general rates allocation	-	-	-	-
FUNDING SURPLUS/(DEFICIT)	**-**	**-**	**-**	**-**

ACTIVITY CAPITAL PROJECTS WASTEWATER	Actual 2025	Long Term Plan Budget 2025	Variance 2025	Actual 2024
	$000	**$000**	**$000**	**$000**
CAPITAL RENEWAL				
54 - City-wide - Wastewater Pipe Renewal	1,881	1,800	(81)	
65 - City-wide - Wastewater Pump Station Renewal	173	165	(8)	
179 - Totara Road Wastewater Treatment Plant - Minor Equipment Renewals	265	264	(1)	
601 - Citywide - Aeration Pond Wave Band Repairs	42	150	108	
1068 - Totara Road Wastewater Treatment Plant - Replacement of Inlet Pumps	19	-	(19)	
1380 - Totara Rd WWTP - Biogas Generator Major Overhauls	348	259	(89)	
1714 - City-wide Wastewater Trunk Mains Renewal	345	500	155	
1799 - Wastewater Treatment Plant - Buildings Renewals	48	50	2	
1801 - Wastewater Pump Stations - Building Renewals	36	45	9	
1887 - 3 Waters Minor Equipment Renewals	31	20	(11)	
2323 - Citywide - Relining of Wastewater Pipes	458	600	142	
2411 - Renewal of Oxidation Ponds and Sludge Lagoons	57	700	643	
2530 - Bunnythorpe - Wastewater Reticulation Renewals	275	200	(75)	
TOTAL CAPITAL RENEWAL	**3,978**	**4,753**	**775**	**4,187**
CAPITAL NEW				
66 - Totara Road Wastewater Treatment Plant - Resilience Programme	163	557	393	
628 - Totara Road Wastewater Treatment Plant - Consent Renewal Upgrade	904	3,000	2,096	
1074 - Totara Road Wastewater Treatment Plant - Earthquake Strengthening of Civil Structures	963	1,000	37	
1535 - City-Wide - Campervan Dump Stations	211	198	(13)	
1616 - City-wide - Wastewater Pump Station - Capacity Upgrade	574	1,000	426	
1617 - Totara Road Wastewater Treatment Plant - Biogas System Improvements	252	710	458	
1619 - WWTP - Inlet Screens		-	()	
1677 - Upsizing of Kairanga Bunnythorpe Road Sewer and Storage		-	()	
1712 - City-wide Wastewater reticulation wet weather overflow mitigation	418	500	82	
1821 - City-wide Wastewater Pipeline Realignment of critical at-risk mains	291	500	209	
2229 - City-wide - Wastewater Pipe Improvement	1,253	1,000	(253)	
2257 - Citywide - Discharge Smart Meters for Large Tradewaste Customers	21	40	19	
2322 - Bunnythorpe - Wastewater Network Upgrades	336	300	(36)	
2329 - Citywide - Wastewater Pump Station H&S Upgrades	49	50	1	
2331 - Citywide Wastewater Critical Spares	98	100	2	
2347 - Wastewater Trunk Main - Infill Upgrades	222	250	28	
TOTAL CAPITAL NEW	**5,757**	**9,204**	**3,447**	**3,881**
CAPITAL GROWTH				
1711 - Industrial Growth - Longburn Industrial Park - WW	113	-	(113)	
73 - Urban Growth - Development Contributions - Wastewater	3	104	101	
TOTAL CAPITAL GROWTH	**116**	**104**	**(12)**	**620**
TOTAL CAPITAL EXPENDITURE	**9,851**	**14,061**	**4,210**	**8,689**

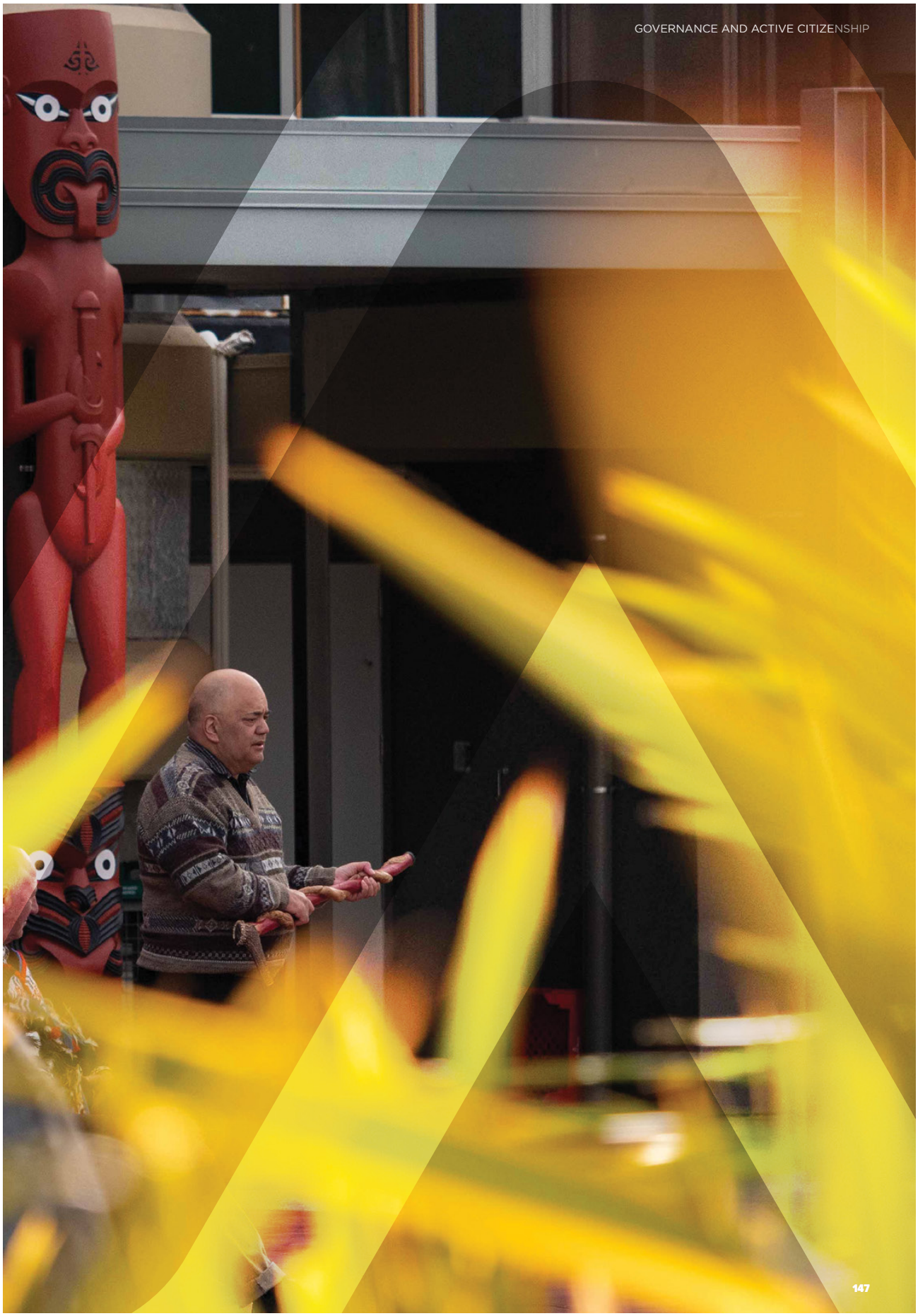
MAHERE MANA URUNGI ME TE KIRIRARAUTANGA HIHIRI

GOVERNANCE AND ACTIVE CITIZENSHIP

We want to actively engage with the community to enable well-informed, transparent, and joined-up decisions. We want to work in partnership with Rangitāne o Manawatū.

As elected members and decision-makers we want to have access to information and impartial advice. This means allocating appropriate attention and resources to significant decisions. We will support systems that enable transparent decisions and accountability.

We want our communities to understand how Council decisions affect their lives. Conversations with our communities will help us make better choices. We will continue to make more meaningful opportunities for people to have their say. We want a broad range of engagement options, so we hear a greater variety of voices.



We supported good decision-making with clear advice and early planning

This year we held 30 committee meetings and 17 Council meetings. A key milestone was adopting the Annual Budget earlier than usual, on 4 June 2025. That earlier timing followed focused work before Christmas and again in February. It gave us a strong start to the new financial year.

We continued to support staff who provide advice to Elected Members. A peer support group is now well established, and training remains ongoing. Our external benchmark score for policy advice improved, with feedback highlighting our openness to improving how advice is presented.

Report templates were updated to align with the new Long-Term Plan framework. A broader review is underway to improve how reports show alignment with strategy, legislation and policy.

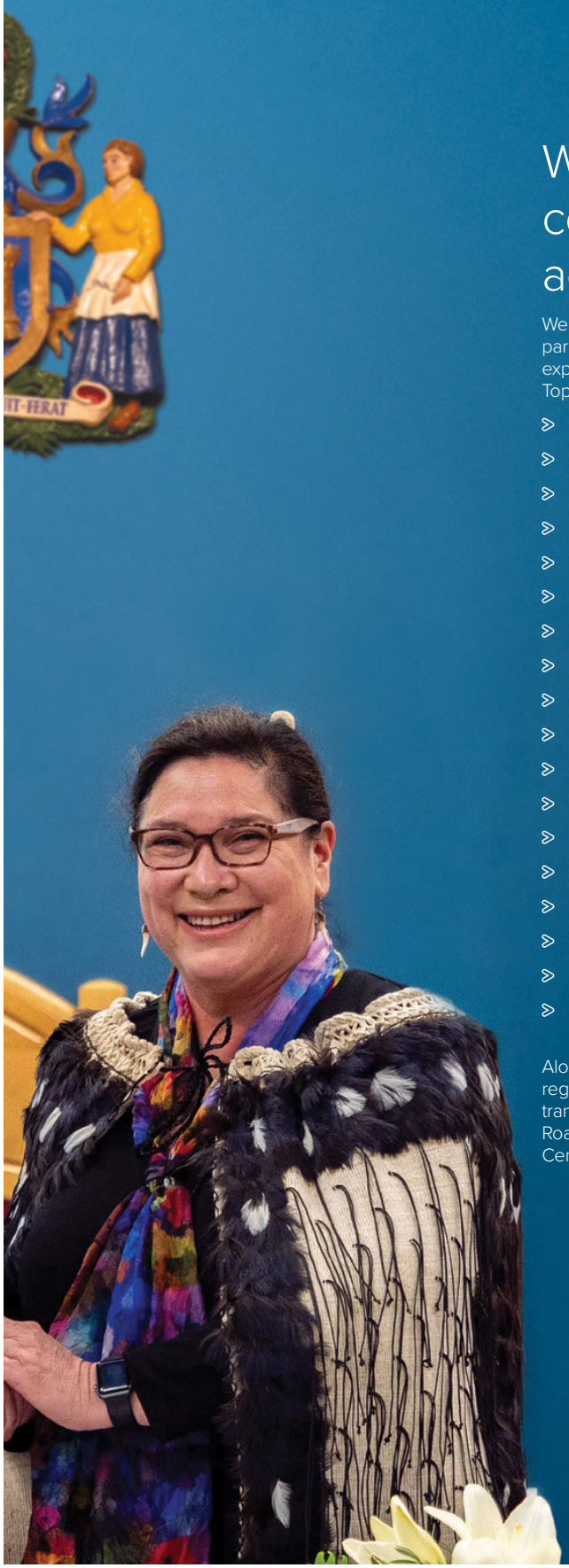
Quarterly and annual reports were regularly reviewed by the Strategy and Finance Committee, and sent directly to Council when timing required it.

We also received regular reporting from our Council-Controlled Organisations — Palmerston North Airport, CEDA, Te Manawa, The Regent and The Globe. The only exception was Te Manawa's six-monthly report for 2024/25, which was received late.

Reference Groups, including the Seniors, Pasifika, Disability and Youth groups, continued to contribute to operational and strategic decisions. These groups meet every two months with Elected Member liaisons attending, and report to Committee at least once a year. This year, their input helped shape accessibility improvements, the design of the new Pasifika Hub, and contributed to our membership in the WHO Age-Friendly Cities and Communities network.

We also partnered with MBIE to help deliver the Meaningful Refugee Participation programme, aimed at supporting civic engagement by people from refugee backgrounds. We continue to work closely with our Youth Council throughout the year, supporting their voice and presence in civic life and helping strengthen their contribution to decision-making.





We contributed to national conversations and advocated for local needs

We made submissions on a wide range of government and parliamentary processes. Most were prepared by subject matter experts and presented by Elected Members where appropriate. Topics included:

- National wastewater standards
- RMA and Fast Track Bill
- Treaty Principles Bill
- Electoral reform (four-year terms)
- Electorate boundary changes
- Speed limits on SH56 and SH3
- Speed Limits Rule 2024
- Granny Flats Discussion Document
- Amendments to earthquake-prone buildings legislation
- Toll proposal for Te Ahu a Turanga
- Overseas building products and certification
- Remote inspections in the building consent process
- Draft Manawatū Growth Strategy
- Resource Management Amendment Bill
- Local Government Water Services Bill
- Criteria for natural hazard decision-making
- Long-Term Plan amendment related to CentrePort
- Changes to waste legislation

Alongside submissions, we continued to advocate for the city and region. This included working with NZTA and Horizons on regional transport planning, with a focus on the Manawatū Freight Ring Road. We also worked alongside CEDA to support investment in the Central New Zealand Distribution Hub (Te Utanganui).



We created more ways for people to participate and be heard

Agendas were published on time, helping our community and Elected Members prepare for decisions. Four petitions were received this year, covering a range of location and topic-based concerns. Examples included calls for an on-leash dog area at Linklater Park and flooding mitigation at Julia Wallace Retirement Village.

Some topics generated strong public interest. The Annual Budget deliberations in May 2025 filled the Council Chamber and spilled into breakout areas.

All Council and committee meetings were streamed live and remain available on demand. People making submissions could also present via Microsoft Teams, making participation easier and more accessible.

Since February, we've been out in the community ahead of the September 2025 Council elections. We've attended local events and met with groups to encourage enrolment and make sure people have their details up to date.

We stayed visible in the community and tried new ways to engage

Over the past year there were 17 formal consultation processes, and some more informal ones. This year we looked for more opportunities to connect with people where they are. We had a general stand at the Home Show for the first time, attended university open days, and had a presence at the Central District Field Days. We also trialled a pool party event focused on local water use.

Other engagement activities included open days at the new Awapuni Resource Recovery site, and a collaborative playground project with Milson School students, who helped choose colours for their new playground at the park outside the school.

Engagement with schools has continued across a wide range of topics. We also maintained and built relationships with individuals and groups in suburbs, villages and communities to support awareness of Council services and encourage participation in decision-making.

This year we published our first Civic Participation Report. It brings together information on one-to-one conversations, formal consultation, Reference Group involvement and broader communication. The report introduces new indicators that we will track annually and, to our knowledge, it is the first of its kind in New Zealand.

We kept people informed through multiple channels

The closure of the Manawatū Guardian meant there were fewer local media outlets available. In response, we maintained a strong presence in other spaces — including around 15 radio interviews and 15 media releases each month, and regular responses to 20 to 50 media enquiries.

Social media continues to be a key channel for communication and two-way interaction. Content across our platforms reached millions of people this year, and we received more than 60,000 direct messages. Our Facebook page remains the most engaged of any council in the country.

Our website had just under one million visits this year. Popular pages included recycling days, cemetery searches and rates information. Other page views rose and fell based on local events, issues and campaigns.

ITEM 8 - ATTACHMENT 1

LEVEL OF SERVICE	HOW THIS IS MEASURED	RESULT	COMMENT
Base our decisions on sound information and advice.	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.	Target met	» Monthly peer group for report writers continues to meet with approx. 15-20 staff regularly in attendance. » NZIER external reviewer commented that they were impressed by PNCC staff openness to ongoing improvement of the quality of their advice and writing. » Work is progressing with our software provider to update reasons for confidentiality in the Part II paper template in line with the Ombudsman's review and plain language/ transparency expectations. (New measure)
Oversee Council operations and communicate outcomes and decisions to our communities.	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.	Target met	» The 2023/24 Annual Report was adopted and published on the Council website within Statutory timeframes. » Council quarterly reports were considered in the public committee to date. » Our Annual Report will be presented to the Council for adoption in October, before being published on our website. » CCO's six-monthly reports were considered by Council throughout March, April and May and have been published on the Council website. All CCO Annual Reports will be considered after year-end. (New measure)
Provide leadership and advocacy for Palmerston North.	Narrative measure outlining how Council's advocacy promotes the City's interests.	Target met	CEDA and the Te Utanganui office continue to advocate strongly for the project, including promotion to various ministerial visits and conferences. The Regional Freight Ring Road has been submitted to the national infrastructure priorities plan. » The City Planning Team is drafting a submission on proposed changes to National Direction for land use management. This submission is due 27 July and will be reported to Council later in the year. » The new organisational planning and performance team will coordinate strategic advocacy activities, but individual submissions will continue to be prepared by subject matter experts within the organisation. (New measure)

LEVEL OF SERVICE	HOW THIS IS MEASURED	RESULT	COMMENT
Provide clear and accessible information and opportunities for community input into Council decisions.	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.)	Target met	We know our community wants to be informed and involved. People regularly take part in consultations, attend events, message us directly, and raise issues through elected members, media, and local networks. At the same time, like government agencies across Aotearoa and around the world, we're seeing ongoing challenges around public trust. That's why we're focusing on being transparent, accessible, and present in the places people already are. To support this, we released our first ever Public Participation and Engagement Report, a full-year summary of how our community has interacted with us between January 2024 and March 2025. It's the first report of its kind in Aotearoa New Zealand and aims to make public participation more visible, valued, and better understood. Over the year, we ran 17 public consultations on topics including housing, health-related policies and the annual budget. These were supported by drop-ins, stakeholder meetings, direct mail, social media, advertising and media. We received thousands of submissions and also heard from the community through petitions and direct feedback at events and service points like on social media, our libraries, call centre and customer service centre. Our Pasifika, Disability, Seniors and Youth reference groups continued to meet regularly and give advice on plans and proposals. We also worked closely with iwi, sector leads, funding recipients and many community groups to bring more voices into council discussions. These groups helped us test ideas, shape projects and understand and combat barriers to participation. We took part in multiple community events across the city, from big public days like Esplanade Day and the Festival of Cultures, to specialist expos, community workshops and local celebrations. Our staff were out talking to people in markets, malls, playgrounds, classrooms and meeting rooms across the rohe. We set up information stalls, held pop-ups, and joined in with existing events so people could ask questions and share ideas in a way that feels comfortable and informal. We also visited schools, tertiary institutions and community groups to talk about council mahi and how decisions are made. These sessions help demystify local government and encourage people to get involved. From classroom lessons and university lectures to community hui and group presentations, we reached hundreds of people through face-to-face kōrero. We averaged 25 media queries a month, gave 10–15 interviews and issued 10–20 media releases each month to share key updates and decisions. Our social media platforms continue to grow, especially Facebook where our content reached over 20.5 million views and received more than 1.2 million interactions. We received more than 30,000 direct messages and 75,000 clicks through to our website from Facebook alone. Instagram, LinkedIn and TikTok helped us reach new audiences and share content in different ways to reach different audiences. Our website saw a 14.2 per cent increase in visitors compared to the previous year, with 591,491 people visiting 1.15 million times. It also achieved a Digital Certainty Index score of 97.7/100, which is well above the government benchmark. That reflects high standards for accessibility, content quality and search visibility. It also scored in the top 3 of council websites in New Zealand. (New measure)

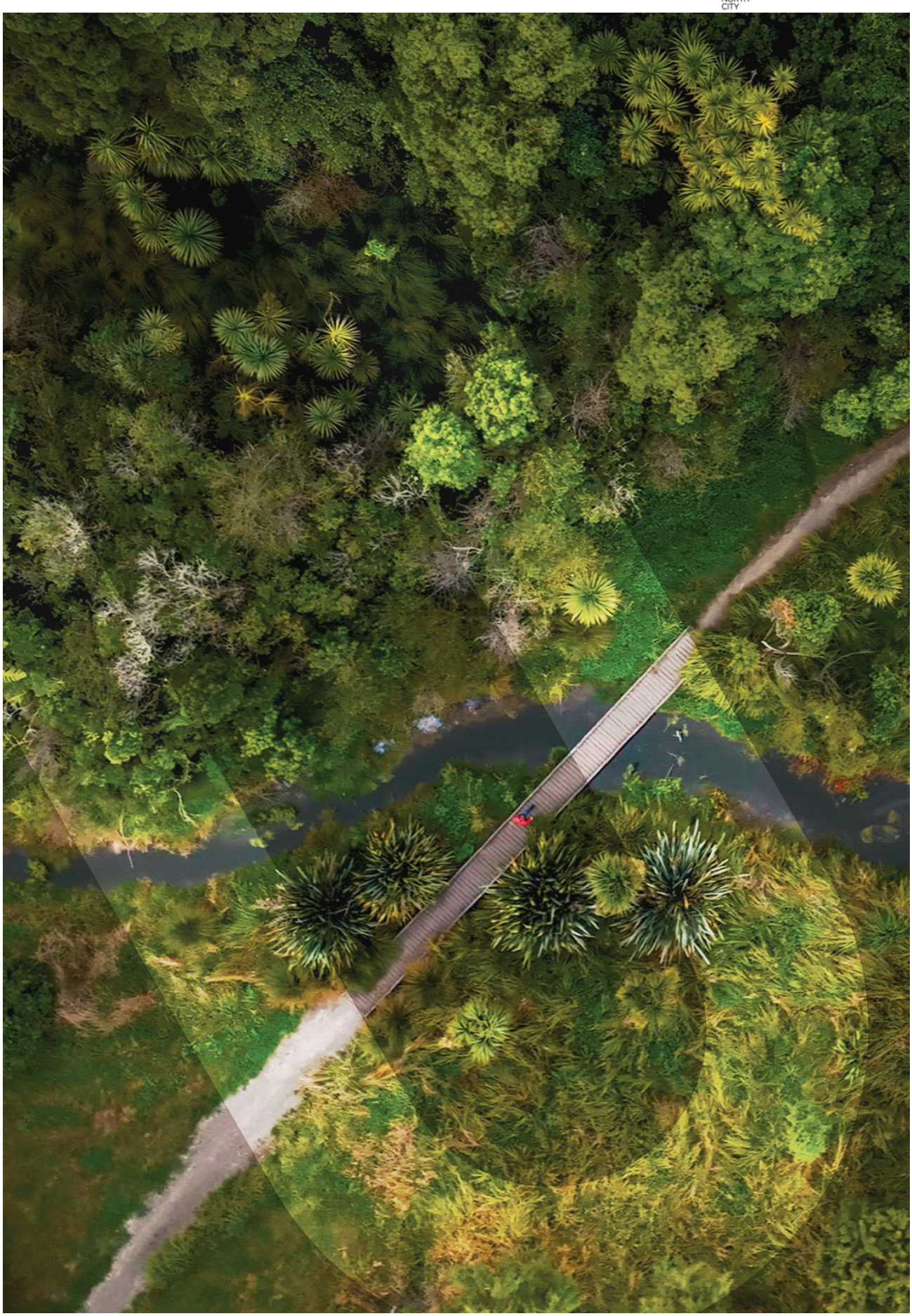
FINANCIAL RESULTS
ACTIVITY OPERATIONAL REQUIREMENT AND FUNDING SUMMARY

GOVERNANCE AND ACTIVE CITIZENSHIP	Actual 2025	Long Term Plan 2025	Variance 2025	Actual 2024
	$000	**$000**	**$000**	**$000**
REVENUE				
Councillor Meetings and Administration	31	107	(76)	63
Direction Setting	143	293	(150)	143
Elections	-	-	-	-
Mayoral Office	9	-	9	9
TOTAL REVENUE	**183**	**400**	**(217)**	**215**
EXPENSES				
Councillor Meetings and Administration	2,133	2,636	503	3,016
Direction Setting	5,069	5,035	(34)	6,614
Elections	111	55	(56)	3
Mayoral Office	500	345	(155)	1,116
TOTAL EXPENSES	**7,813**	**8,071**	**258**	**10,749**
NET OPERATING COSTS OF ACTIVITY	**7,630**	**7,671**	**41**	**10,534**
RATING ALLOCATION				
Add back depreciation	57	28	29	49
Less Transfers To/(From) Reserves	-	-	-	-
Less Renewal capital expenditure	-	-	-	-
Add/(Less) borrowing effect of renewal 3 year averaging	-	-	-	-
Add external revenue for renewal capital	-	-	-	-
Add proceeds from sale of assets	-	-	-	-
Less provision for debt reduction	(133)	(7)	(126)	(20)
Add internal rates recovered	-	-	-	-
Add targeted rates allocation	-	-	-	-
Add general rates allocation	7,706	7,650	56	10,505
FUNDING SURPLUS/(DEFICIT)	**-**	**-**	**-**	**-**

ACTIVITY CAPITAL PROJECTS GOVERNANCE AND ACTIVE CITIZENSHIP	Actual 2025	Long Term Plan Budget 2025	Variance 2025	Actual 2024
	$000	**$000**	**$000**	**$000**
CAPITAL NEW			-	
TOTAL CAPITAL NEW	**-**	**-**	**-**	**226**
TOTAL CAPITAL EXPENDITURE	**-**	**-**	**-**	**226**

ORGANISATIONAL PERFORMANCE	Actual 2025	Long Term Plan 2025	Variance 2025	Actual 2024
	$000	**$000**	**$000**	**$000**
REVENUE				
Civic Administration Building	208	198	10	100
Customer Services	-	1	(1)	3
Financial Services	1,920	331	1,589	1,689
Human Resources	-	-	-	-
Information Services	-	-	-	-
Marketing & Communications	-	-	-	-
Print Synergy	12	-	12	(2)
External Contracts	3,950	4,035	(85)	3,606
Plant and Vehicle Operations	17	-	17	25
TOTAL REVENUE	**6,107**	**4,565**	**1,542**	**5,421**
EXPENSES				
Civic Administration Building	1,097	1,113	16	1,282
Customer Services	87	1	(86)	(314)
Financial Services	3,523	399	(3,124)	2,716
Human Resources	10	(2)	(12)	52
Information Services	8,215	9,326	1,111	1,929
Marketing & Communications	167	169	2	994
Print Synergy	37	219	182	76
External Contracts	3,140	3,764	624	4,300
Plant and Vehicle Operations	(241)	506	747	538
TOTAL EXPENSES	**16,035**	**15,495**	**(540)**	**11,573**
NET OPERATING COSTS OF ACTIVITY	**9,928**	**10,930**	**1,002**	**6,152**
RATING ALLOCATION				
Add back depreciation	3,471	3,870	(399)	3,797
Less Transfers To/(From) Reserves	-	5,600	(5,600)	-
Less Renewal capital expenditure	(3,830)	(3,633)	(197)	(3,160)
Add/(Less) borrowing effect of renewal 3 year averaging	475	278	197	(1,278)
Add external revenue for renewal capital	-	-	-	-
Add proceeds from sale of assets	388	-	388	499
Less provision for debt reduction	3,193	(2,269)	5,462	(259)
Add internal rates recovered	2,095	2,977	(882)	1,386
Add targeted rates allocation	-	-	-	-
Add general rates allocation	4,136	4,107	29	5,167
FUNDING SURPLUS/(DEFICIT)	**-**	**-**	**-**	**-**

ACTIVITY CAPITAL PROJECTS ORGANISATIONAL PERFORMANCE	Actual 2025	Long Term Plan Budget 2025	Variance 2025	Actual 2024
	$000	**$000**	**$000**	**$000**
CAPITAL RENEWAL				
53 - User Hardware - rolling replacement	469	470	1	
58 - Network Additions and Upgrades	62	75	13	
63 - Play Palmy	(128)	-	128	
68 - Aerial Photography	29	35	6	
80 - Council Small Mobile Plant and Equipment - Replacement	570	351	(219)	
86 - Property - Furniture Replacements	24	30	6	
221 - Replacement of Print Synergy Machinery	6	-	(6)	
281 - CAB - Renewals	218	200	(18)	
318 - Telecommunications Replacement - Council Buildings	(3)	-	3	
755 - Replacement of Parking Enforcement Hand Helds and iPhones	44	35	(9)	
784 - Replacement of Council's Photocopiers/Printers	4	18	14	
1879 - Council's Plant and Vehicle - Replacements	1,903	1,750	(153)	
2027 - Video and Audio Equipment	9	9		
2494 - Modern Telephony Replacement	139	200	61	
2496 - Data Centre - Refresh	96	460	364	
TOTAL CAPITAL RENEWAL	**3,442**	**3,633**	**191**	**2,661**
CAPITAL NEW				
60 - Information Management Strategic Plan Project	14	75	61	
99 - New Vehicles and Plant to enable the delivery of improved Council services	404	307	(97)	
1875 - Fleet - Upgrade to Electric Vehicles - Capital New	212	213	1	
2460 - Fleet - Hydrovac/Airvac unit	276	620	344	
2499 - Smart Cities / Smart Palmy	41	50	9	
TOTAL CAPITAL NEW	**947**	**1,265**	**318**	**256**
TOTAL CAPITAL EXPENDITURE	**4,389**	**4,898**	**509**	**2,917**





WĀHANGA TUATORU
SECTION THREE

PUAKANGA AHUMONI
FINANCIAL STATEMENTS

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AUDIT NEW ZEALAND
Mana Arotake Aotearoa

INDEPENDENT AUDITOR'S REPORT

To the readers of Palmerston North City Council group's annual report for the year ended 30 June 2025

The Auditor-General is the auditor of Palmerston North City Council (the Council) and its subsidiaries and controlled entities (the Group). The Auditor-General has appointed me, Debbie Perera, using the staff and resources of Audit New Zealand, to carry out the audit on his behalf.

We have audited the annual report of the Group in accordance with the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations).

We refer to this information as "the disclosure requirements" in our report.

Opinion on the audited information

In our opinion:

- the financial statements of the Group on pages 165 to 228:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2025;
    - the results of its operations and cash flows for the year ended on that date; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the Group's statement of service performance for the year ended 30 June 2025 on pages 28 to 156:
  - provides an appropriate and meaningful basis to enable readers to assess the Group's actual service performance for each group of activities; determined in accordance with generally accepted accounting practice in New Zealand;
  - fairly presents, in all material respects, the Group's actual levels of service for each group of activities, including:
    - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved; and
    - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
  - complies with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the statement comparing actual capital expenditure to budgeted capital expenditure for each group of activities of the Group for the year ended 30 June 2025 on pages 237 to 245, has been prepared, in all material respects, in accordance with clause 24 of Schedule 10 to the Act;
- the funding statement for each group of activities of the Group for the year ended 30 June 2025 on pages 237 to 245 has been prepared, in all material respects, in accordance with clause 26 of Schedule 10 to the Act;
- the funding impact statement of the Group for the year ended 30 June 2025 on pages 236 has been prepared, in all material respects, in accordance with clause 30 of Schedule 10 to the Act.

Report on the disclosure requirements

We report that:

- the Council has complied with the information disclosure requirements of Part 3 of Schedule 10 to the Act for the year ended 30 June 2025; and
- the Council's disclosures about its performance against benchmarks required by Part 2 of the Regulations for the year ended 30 June 2025 are complete and accurate.

Date

We completed our work on 8 October 2025. This is the date on which we give our opinion on the audited information and our report on the disclosure requirements.

Emphasis of matters

Without modifying our opinion, we draw attention to the following disclosures.

Future of water delivery

Note 37 on page 228, which outlines that in response to the Government's Local Water Done Well reforms, the Council has decided to establish a wholly owned water organisation to deliver water, wastewater and stormwater services.

There is some uncertainty as the proposal is yet to be accepted by the Secretary for Local Government.

Inherent uncertainties in the measurement of Greenhouse gas emissions

The Group has chosen to include a measure of its greenhouse gas (GHG) emissions in its performance information. In considering the public interest in climate change related information, we draw attention to page 112 which outlines the inherent uncertainty in the reported GHG emissions. Quantifying GHG emissions is subject to inherent uncertainty because he scientific knowledge and methodologies to determine the emissions factors and processes to calculate or estimate quantities of GHG sources are still evolving, as are GHG reporting and assurance standards.

Basis for our opinion on the audited information and the disclosure requirements

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards, the International Standards on Auditing (New Zealand), and New Zealand Auditing Standard 1 (Revised): The Audit of Service Performance Information issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor for the audited information and the disclosure requirements section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information and our report on the disclosure requirements.

Responsibilities of the Council for the audited information and the disclosure requirements

The Council is responsible for preparing the audited information and the disclosure requirements in accordance with the Act.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the audited information and the disclosure requirements that are free from misstatement, whether due to fraud or error.

In preparing the audited information and the disclosure requirements the Council is responsible for assessing its ability to continue as a going concern.

Responsibilities of the auditor for the audited information and the disclosure requirements

Responsibilities for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue a report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the Group's long-term plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We evaluate whether the statement of service performance includes all groups of activities that we consider are likely to be material to the readers of the annual report.
- We evaluate whether the measures selected and included in the statement of service performance for groups of activities present an appropriate and meaningful basis that will enable readers to assess the Group's actual performance. We make our evaluation by reference to generally accepted accounting practice in New Zealand.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Group.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Group audited information. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Responsibilities for the disclosure requirements

Our objective is to provide reasonable assurance about whether the Council has complied with the disclosure requirements. To assess whether the Council has met the disclosure requirements we undertake work to confirm that:

- the Council has made all of the disclosures required by Part 3 of Schedule 10 to the Act and Part 2 of the Regulations; and
- the disclosures required by Part 2 of the Regulations accurately reflect information drawn from the Group's audited information and, where applicable, the Group's long-term plan and annual plans.

Our responsibilities for the audited information and for the disclosure requirements arise from the Public Audit Act 2001.

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises all the information included in the annual report other than the audited information and the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the audited information and our report on the disclosure requirements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Group in accordance with the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to the audit, we have carried out a limited assurance engagement related to the Council's debenture trust deed, which are compatible with the independence requirements.

Other than the audit, our report on the disclosure requirements, and these engagements, we have no relationship with or interests in the Council.

Debbie Perera

Audit New Zealand

On behalf of the Auditor-General

Palmerston North, New Zealand

STATEMENT OF COMPLIANCE AND RESPONSIBILITY

Compliance

1. Council and management of Palmerston North City Council hereby confirms that all statutory requirements relating to the Annual Report adopted on 8 October 2025 have been complied with.

Responsibility

2. The Council and management of Palmerston North City Council accept responsibility for the preparation of the annual Financial Statements and the judgements used in them.

3. The Council and management of Palmerston North City Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

4. In the opinion of the Council and management of Palmerston North City Council, the annual Financial Statements for the year ended 30 June 2025 fairly reflect the financial position and operations of Palmerston North City Council.



Grant Smith
Mayor
8 October 2025



Waid Crockett
Chief Executive
8 October 2025

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

for the year ended 30 June 2025 Palmerston North City Council

		Council			Group	
	Notes	Actual 2025 $000	Budget 2025 $000	Actual 2024 $000	Actual 2025 $000	Actual 2024 $000
OPERATING REVENUE						
Rates revenue	2	138,200	136,852	124,714	137,687	124,283
Finance revenue	3	2,438	356	1,977	1,846	1,695
Other revenue	4	41,962	38,699	35,994	60,262	52,652
Operating subsidies and grants	5	7,062	6,370	6,135	7,224	6,277
Other gains	6	115	-	217	622	217
TOTAL OPERATING REVENUE		**189,777**	**182,277**	**169,037**	**207,641**	**185,124**
CAPITAL REVENUE						
Capital subsidies and grants	5	9,692	16,093	14,494	9,792	14,011
Development contributions		2,567	1,961	2,436	2,567	2,436
Vested assets		10,483	2,000	8,534	10,607	3,994
TOTAL CAPITAL REVENUE		**22,742**	**20,054**	**25,464**	**22,966**	**20,441**
TOTAL REVENUE	7	**212,519**	**202,331**	**194,501**	**230,607**	**205,565**
EXPENSES						
Employee and elected representatives benefit expenses	8	61,350	59,292	56,836	68,498	62,413
Depreciation and amortisation	17 & 18	44,209	49,417	43,141	51,747	45,773
Finance costs	3	21,256	14,520	14,422	21,359	14,565
Other expenses	9	76,814	77,912	69,135	79,539	71,528
Other losses	6	2,362	-	1,260	2,472	1,681
TOTAL EXPENSES		**205,991**	**201,141**	**184,794**	**223,615**	**195,960**
NET SURPLUS/(DEFICIT) BEFORE TAX		**6,528**	**1,190**	**9,707**	**6,992**	**9,605**
Share of associate's surplus/(deficit)	15	-	-	-	59	22
Income tax refund/(expense)	10	114	-	110	82	(1,508)
NET SURPLUS/(DEFICIT) AFTER TAX		**6,642**	**1,190**	**9,817**	**7,133**	**8,119**
OTHER COMPREHENSIVE REVENUE AND EXPENSE						
Increase/ (decrease) in valuations	26	195,403	6,422	(19,905)	197,287	(15,603)
Financial assets at fair value through other comprehensive revenue and expense	26	58	-	34	58	34
Movement in deferred tax on revaluations	26	-	-	-	63	-
TOTAL OTHER COMPREHENSIVE REVENUE AND EXPENSE		**195,461**	**6,422**	**(19,871)**	**197,408**	**(15,569)**
TOTAL COMPREHENSIVE REVENUE AND EXPENSE		**202,103**	**7,612**	**(10,054)**	**204,541**	**(7,450)**

Explanations of significant variances against budget are detailed in Note 36. The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

as at 30 June 2025 Palmerston North City Council

	Notes	Council			Group	
		Actual 2025 **$000**	Budget 2025 **$000**	Actual 2024 **$000**	Actual 2025 **$000**	Actual 2024 **$000**
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	11	2,462	1,315	1,677	3,303	3,820
Trade and other receivables	12	25,494	11,884	25,031	26,617	26,345
Inventories	13	1,648	247	4,543	1,671	4,566
Other financial assets	14	-	-	6,000	1,082	7,275
Derivative financial instruments	16	798	-	2,965	798	2,965
TOTAL CURRENT ASSETS		**30,402**	**13,446**	**40,216**	**33,471**	**44,971**
NON-CURRENT ASSETS						
Inventories	13	2,756	22,403	749	2,756	749
Other financial assets	14	12,000	-	8,000	120	56
Investments in CCOs and industry companies	14	21,254	17,784	18,425	10,412	7,583
Investment in Associate	15	1	-	1	375	316
Derivative financial instruments	16	2,035	-	6,104	2,035	6,104
Property, plant and equipment	17	2,520,629	2,366,229	2,283,906	2,636,367	2,394,503
Intangible assets	18	1,128	971	1,466	1,191	1,524
Forestry assets	20	2,187	1,571	2,072	2,187	2,072
Investment property	21	4,365	14,249	4,535	20,202	19,864
TOTAL NON-CURRENT ASSETS		**2,566,355**	**2,423,207**	**2,325,258**	**2,675,645**	**2,432,771**
TOTAL ASSETS		**2,596,757**	**2,436,653**	**2,365,474**	**2,709,116**	**2,477,742**
LIABILITIES						
CURRENT LIABILITIES						
Trade and other payables	22	28,481	28,143	31,981	31,508	34,490
Provisions	23	847	-	797	847	797
Employee benefit liabilities	24	8,132	-	7,721	9,035	8,617
Borrowings	25	22,000	-	25,000	23,300	27,700
Derivative financial instruments	16	780	-	-	780	-
TOTAL CURRENT LIABILITIES		**60,240**	**28,143**	**65,499**	**63,131**	**71,604**

STATEMENT OF FINANCIAL POSITION

as at 30 June 2025 Palmerston North City Council

	Notes	Council			Group	
		Actual 2025 **$000**	Budget 2025 **$000**	Actual 2024 **$000**	Actual 2025 **$000**	Actual 2024 **$000**
NON-CURRENT LIABILITIES						
Provisions	23	251	1,217	322	251	322
Employee benefit liabilities	24	1,204	6,567	1,064	1,204	1,066
Borrowings	25	283,266	309,386	250,005	283,266	250,005
Deferred tax liability	10	-	-	-	8,520	9,990
Derivative financial instruments	16	1,109	-	-	1,109	-
TOTAL NON-CURRENT LIABILITIES		**285,830**	**317,170**	**251,391**	**294,350**	**261,383**
TOTAL LIABILITIES		**346,070**	**345,313**	**316,890**	**359,820**	**332,987**
NET ASSETS (ASSETS MINUS LIABILITIES)		**2,250,687**	**2,091,340**	**2,048,584**	**2,349,296**	**2,144,755**
EQUITY ATTRIBUTABLE TO PNCC						
Retained earnings	26	1,113,968	1,155,118	1,107,326	1,151,963	1,144,886
Other reserves	26	1,136,719	936,222	941,258	1,197,333	999,869
TOTAL EQUITY		**2,250,687**	**2,091,340**	**2,048,584**	**2,349,296**	**2,144,755**

Explanations of significant variances against budget are detailed in Note 36.

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2025 Palmerston North City Council

	Note	Council			Group	
		Actual 2025 $000	Budget 2025 $000	Actual 2024 $000	Actual 2025 $000	Actual 2024 $000
BALANCE AT 1 JULY		**2,048,584**	**2,083,728**	**2,058,638**	**2,144,755**	**2,152,205**
Total comprehensive revenue and expense for the year		202,103	7,612	(10,054)	204,541	(7,450)
BALANCE AT 30 JUNE	26	**2,250,687**	**2,091,340**	**2,048,584**	**2,349,296**	**2,144,755**

Explanations of significant variances against budget are detailed in Note 36. The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

for the year ended 30 June 2025 Palmerston North City Council

	Notes	Council			Group	
		Actual 2025 $000	Budget 2025 $000	Restated* Actual 2024 $000	Actual 2025 $000	Restated* Actual 2024 $000
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from rates revenues		138,256	136,852	125,396	137,768	124,965
Interest received		2,236	200	1,743	2,322	1,834
Dividends received		202	156	7	7	7
Operating subsidies and grants		7,062	6,370	6,135	7,228	6,255
Receipts from other revenue		40,417	38,699	24,643	58,353	41,433
Capital subsidies and grants		11,138	16,093	14,494	11,238	14,494
Development contributions		2,567	1,961	2,436	2,567	2,436
Receipts from tax losses		114	-	110	-	-
Payments to suppliers and employees		(136,453)	(142,450)	(118,418)	(145,648)	(126,054)
Interest paid		(13,129)	(14,520)	(11,838)	(13,632)	(12,281)
Income tax paid (net)		-	-	-	(731)	(1,393)
Goods and Services Tax (net)		239	-	(466)	227	(468)
NET CASH FROM OPERATING ACTIVITIES	27	**52,649**	**43,361**	**44,242**	**59,699**	**51,228**
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from sale of property, plant and equipment		284	-	3,069	284	3,071
Proceeds from sale of biological assets		-	-	-	-	-
Proceeds from investments*		24,525	-	19,772	25,419	20,457
Investment in property development		-	-	1	-	1
Purchase of intangible assets		(129)	-	(457)	(164)	(457)
Purchase of property, plant and equipment		(81,509)	(95,357)	(90,181)	(92,409)	(95,618)
Purchase of investment property		-	-	(751)	-	(751)
Other advances made, repayment received		-	-	-	-	-
Acquisition of investments		(25,296)	(1,300)	(30,452)	(22,207)	(28,277)
NET CASH FROM INVESTMENT ACTIVITIES		**(81,125)**	**(96,657)**	**(98,999)**	**(89,077)**	**(101,715)**

STATEMENT OF CASH FLOWS

for the year ended 30 June 2025 Palmerston North City Council

	Notes	Council			Group	
		Actual 2025 $000	Budget 2025 $000	Restated* Actual 2024 $000	Actual 2025 $000	Restated* Actual 2024 $000
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from borrowings		58,261	61,057	78,077	60,561	78,077
Repayment of borrowings		(28,000)	(7,761)	(23,300)	(30,700)	(26,365)
NET CASH FROM FINANCING ACTIVITIES		**30,261**	**53,296**	**54,777**	**29,861**	**51,712**
Net (decrease)/increase in cash, cash equivalents and bank overdrafts		785	-	20	(517)	1,225
Cash, cash equivalents and bank overdrafts at the beginning of the year		1,677	1,315	1,657	3,820	2,595
CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS AT THE AT THE END OF THE YEAR	11	**2,462**	**1,315**	**1,677**	**3,303**	**3,820**

***Prior year adjustment:** The Council and Group has identified that the presentation of investments should be separated into 'Proceeds from investments' and 'acquisitions of investments'. Therefore, the Council and Group has adjusted its comparative year statement of cash flows for the year ending 30 June 2024 to separate investment cash flows. No changes were required to the total amounts.

The Income tax paid (net) and GST (net) component of operating activities reflects the respective net amounts paid and received with the Inland Revenue Department. These have been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes. Explanations of significant variances against budget are detailed in Note 36.

The movement in net debt for the year comprises the total of:	$000
Proceeds from borrowings	58,261
Repayment of borrowings	(28,000)
Increase in net debt for the year	30,261

The accompanying notes form part of these financial statements.

NOTE 1
Statement of Accounting Policies for the year ended 30 June 2025

Reporting Entity

Palmerston North City Council (PNCC) is a territorial local authority governed by the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002.

The parent 'council' financial statements are for PNCC as a separate legal entity. The Palmerston North City Council 'group' financial statements incorporate the Palmerston North City Council, its 100% share of its subsidiary Palmerston North Airport Limited (PNAL) and the following Council Controlled Organisations (CCO's) (100% share) with all incorporated in New Zealand:

- Globe Theatre Trust Board,
- Palmerston North Performing Arts Trust Board,
- The Regent Theatre Trust, and
- Te Manawa Museums Trust.

PNCC's 50% equity share of its associate Central Economic Development Agency Limited (CEDA) is equity accounted into the group financial statements.

PNCC and group provide local infrastructure, regulatory services and local public services to the community. The Council does not operate to make a financial return. Accordingly, PNCC has designated itself and the group as public benefit entities ("PBE") for financial reporting purposes.

The financial statements of PNCC and entities included in the group are for the year ended 30 June 2025. The financial statements were authorised for issue by Council on 8 October 2025.

Basis of Preparation

The financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the period.

Statement of compliance

The financial statements of PNCC have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

These financial statements and service performance information have been prepared in accordance with NZ GAAP. They comply with NZ Public Benefit Entity International Public Sector Accounting Standards, and are prepared in accordance with Tier 1 PBE Standards.

Measurement base

The financial statements have been prepared on an historical cost basis, modified by the revaluation of land and buildings, infrastructural assets, investment property, biological assets and certain financial instruments (including derivative instruments).

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars ($'000), unless shown otherwise.

Changes in accounting policies

New amendment applied

Disclosure of Fees for Audit Firms' Services amendments to PBE IPSAS 1 has been adopted in the preparation of these financial statements. The amendment changes the required disclosures for fees relating to services provided by the audit or review provider, including a requirement to disaggregate the fees into specified categories. This new disclosure is included in Note 9.

Standards issued and not yet effective that have not been early adopted

Standards and amendments issued but not yet effective and not early adopted are:

2024 Omnibus Amendments to PBE Standards (amendments to PBE IPSAS 1)

This amendment clarifies the principles for classifying a liability as current or non-current. The amendment is effective for the year ended 30 June 2027.

PBE IFRS 17 Insurance Contracts

PBE IFRS establishes principles for the recognition, measurement, presentation, and disclosure of insurance contracts and will replace PBE IFRS 4. This standard is effective for the year ended 30 June 2027.

These amendments and standards are not expected to have a significant impact on PNCC reporting.

Significant Accounting Policies

Basis of consolidation

The consolidated financial statements are prepared by adding together like items of assets, liabilities, equity, revenue and expenses of entities in the group on a line-by-line basis. All significant intra-group balances, transactions, revenue and expenses are eliminated on consolidation.

Subsidiaries

PNCC consolidates as subsidiaries in the group financial statements all entities where PNCC has the capacity to control their financing and operating policies so as to obtain benefits from the activities of the entity. This power exists where PNCC controls the majority voting power on the governing body or where such policies have been irreversibly predetermined by PNCC or where the determination of such policies is unable to materially impact the level of potential ownership benefits that arise from the activities of the subsidiary.

PNCC measures the cost of a business combination as the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, in exchange for control of the subsidiary.

Any excess of the cost of the business combination over PNCC's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised as goodwill. If PNCC's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised exceeds the cost of the business combination, the difference will be recognised immediately in the surplus or deficit.

Investment in subsidiaries is carried at cost in PNCC's own "parent entity" financial statements.

Associate

An associate is an entity over which the Council has significant influence and that is neither a subsidiary nor an interest in a joint venture. PNCC's associate investment is accounted for in the group financial statements using the equity method. The investment in an associate is initially recognised at cost and the carrying amount in the group financial statements is increased or decreased to recognise the group's share of the surplus or deficit of the associate after the date of acquisition. Distributions received from an associate reduce the carrying amount of the investment in the group financial statements.

If the share of deficits of an associate equals or exceeds its interest in the associate, the group discontinues recognising its share of further deficits. After the group's interest is reduced to zero, additional deficits are provided for, and a liability is recognised, only to the extent that PNCC has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports surpluses, the group will resume recognising its share of those surpluses only after its share of the surpluses equals the share of deficits not recognised.

Where the group transacts with an associate, surpluses or deficits are eliminated to the extent of the group's interest in the associate.

Dilution gains or losses arising from investments in associates are recognised in the surplus or deficit.

The investment in the associate is carried at cost in the PNCC's parent entity financial statements.

Joint ventures

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control.

For jointly controlled assets, PNCC recognises in its financial statements its share of jointly controlled assets, the liabilities and expenses it incurs, its share of liabilities and expenses incurred jointly, and revenue from the sale or use of its share of the output of the joint venture.

Revenue

Revenue is measured at the fair value of consideration received or receivable when it is probable that the economic benefit will flow to PNCC.

Rates revenue

The following policies for rates have been applied:

- General rates, targeted rates (excluding metered water), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Rates arising from late payment penalties are recognised as revenue when rates become overdue.
- Revenue from metered water rates is recognised on an accrual basis based on usage. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.
- Rate remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.

Agency revenue

Where revenue is derived by acting as an agent for another party, the revenue that is recognised is the commission or fee on that transaction.

Provision of services

Revenue from the rendering of services is recognised on a percentage completion basis with reference to the recoverable costs incurred at balance date.

Sale of goods

Sales of goods are recognised when a product is sold to the customer. Sales are usually in cash or by credit card. The recorded revenue is the gross amount of the sale, including credit card fees payable for the transaction. Such fees are included in other expenses.

Government subsidies and other grants

PNCC receives government subsidies from the New Zealand Transport Agency, which subsidises part of PNCC's costs of maintenance and capital expenditure of the local roading infrastructure. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

Traffic and parking infringements

Traffic and parking infringements are recognised when the infringement notices are issued, less assessed impairment losses determined by considering the collection history over the last year.

Vested assets

Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as capital revenue when control over the asset is obtained. Fair value is determined by reference to the cost of constructing the asset or construction cost of the property developer.

Development contributions

Development and financial contributions are recognised as revenue when PNCC provides, or is able to provide, the service for which the contribution was charged. Otherwise development and financial contributions are recognised as liabilities until such time that PNCC provides, or is able to provide, the service.

Development contributions are classified as part of "Capital Revenue" in the Statement of Comprehensive Revenue and Expense.

Interest and dividends

Interest revenue is recognised using the effective interest method.

Dividends are recognised when the right to receive payment has been established. Dividends are recognised in surplus or deficit unless the dividend clearly represents a recovery of part of the cost of the investment.

Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

Grant expenditure

The Council's grants awarded have no substantive conditions attached.

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where PNCC has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of PNCC's decision.

Income Tax

Income tax expense comprises both current tax and deferred tax, and is calculated using tax rates that have been enacted or substantively enacted by balance date.

Current tax is the amount of income tax payable based on the taxable surplus for the current year, plus any adjustments to income tax payable in respect of prior years.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable surplus.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable surpluses will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting surplus nor taxable surplus.

Current tax and deferred tax are recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive revenue and expense or directly in equity.

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Trade and other receivables

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (ECL).

The Council and group apply the simplified ECL model of recognising lifetime ECL for short-term receivables.

In measuring ECLs, receivables have been grouped into rates receivables, and other receivables, and assessed on a collective basis as they possess shared credit risk characteristics. They have then been grouped based on the days past due. A provision matrix is then established based on historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

Rates are "written-off":

•when remitted in accordance with the Council's rates remission policy; and

•in accordance with the write-off criteria of sections 90A (where rates cannot be reasonably recovered) and 90B (in

relation to Māori freehold land) of the Local Government (Rating) Act 2002.

Other receivables are written-off when there is no reasonable expectation of recovery.

Financial assets

Other financial assets (other than shares in subsidiaries) are initially recognised at fair value. They are then classified as, and subsequently measured under, the following categories:

- amortised cost;
- fair value through other comprehensive revenue and expense (FVTOCRE); and
- fair value through surplus and deficit (FVTSD).

Transaction costs are included in the value of the financial asset at initial recognition unless the it has been designated at FVTSD, in which case it is recognised in surplus or deficit.

The classification of a financial asset depends on its cash flow characteristics and the Council and group's management model for managing them.

A financial asset is classified and subsequently measured at amortised cost if it gives rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal outstanding and is held within a management model whose objective is to collect the contractual cash flows of the asset.

A financial asset is classified and subsequently measured at FVTOCRE if it gives rise to cash flows that are SPPI and held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Financial assets that do not meet the criteria to be measured at amortised cost or FVTOCRE are subsequently measured at FVTSD. However, the Council and group may elect at initial recognition to designate an equity investment not held for trading as subsequently measured at FVTOCRE.

Initial recognition of concessionary loans

Loans made at nil or below-market interest rates are initially recognised at the present value of their expected future cash flow, discounted at the current market rate of return for a similar financial instrument. For loans to community organisations, the difference between the loan amount and present value of the expected future cash flows of the loan is recognised in the surplus or deficit as a grant expense.

Subsequent measurement of financial assets at amortised cost

Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method, less any expected credit losses (ECL). Where applicable, interest accrued is added to the investment balance. Instruments in this category include term deposits, community loans, and loans to subsidiaries and associates.

Subsequent measurement of financial assets at FVTOCRE

Financial assets in this category that are debt instruments are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense, except ECL and foreign exchange gains and losses are recognised in surplus or deficit. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified to surplus and deficit. Debt instruments in this category are the Council and group's listed bonds.

Financial assets in this category that are equity instruments designated as FVTOCRE are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense. There is no assessment for impairment when fair value falls below the cost of the investment. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to accumulated funds within equity. The Council and group designate into this category all equity investments that are not held for trading as they are strategic investments that are intended to be held for the medium to long-term.

Subsequent measurement of financial assets at FVTSD

Financial assets in this category are subsequently measured at fair value with fair value gains and losses recognised in surplus or deficit.

Interest revenue and dividends recognised from these financial assets are separately presented within revenue.

Other than for derivatives, the Council and group has no instruments in this category.

Expected credit loss allowance (ECL)

The Council and group recognise an allowance for ECLs for all debt instruments not classified as FVTSD. ECLs are the probability-weighted estimate of credit losses, measured at the present value of cash shortfalls, which is the difference between the cash flows due to Council and group in accordance with the contract and the cash flows it expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

ECLs are recognised in two stages. ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). However, if there has been a significant increase in credit risk since initial recognition, the loss allowance is based on losses possible for the remaining life of the financial asset (Lifetime ECL).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Council and group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Council and group's historical experience and informed credit assessment and including forward-looking information.

The Council and group consider a financial asset to be in default when the financial asset is more than 90 days past due. The Council and group may determine a default occurs prior to this if internal or external information indicates the entity is unlikely to pay its credit obligations in full.

Council measure ECLs on loan commitments at the date the commitment becomes irrevocable. If the ECL measured exceeds the gross carrying amount of the financial asset, the ECL is recognised as a provision.

Shares in subsidiaries (at cost)

The investment in subsidiaries is carried at cost in the Council's parent entity financial statements.

Derivative financial instruments

Derivative financial instruments are used to manage exposure to interest rate risks arising from the Council's financing activities. In accordance with its Treasury Management Policy, the Council does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance date.

The associated gains or losses on derivatives that are recognised in surplus or deficit.

The portion of the fair value of an interest rate derivative that is expected to be realised within 12 months of balance date is classified as current, with the remaining portion of the derivative classified as non-current.

Inventories

Inventories (such as spare parts and other items) held for distribution or consumption in the provision of services are measured at cost adjusted for any loss of service potential.

The amount of any write down from cost for any loss of service potential is recognised in the surplus or deficit.

When land held for development and future resale is transferred from property, plant and equipment to inventory, the fair value of the land at the date of transfer is its deemed cost.

Costs directly attributable to the developed land are capitalised to inventory, with the exception of infrastructural assets which are capitalised to property, plant and equipment.

Non-current assets held for sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, rather than through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

Property, plant and equipment

Property, plant and equipment consists of:

Operational assets - include land, buildings, recreation and community facilities, landfill post-closure, library books, heritage and art collections, plant and equipment, and motor vehicles.

Restricted assets - are parks and reserves owned by PNCC which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

Infrastructure assets - are the fixed utility systems owned by PNCC and the group. The infrastructure networks owned by PNCC include transport, water, wastewater and stormwater networks, waste management and airport utility assets (PNAL). Each asset class includes all items that are required for the network to function, for example, wastewater reticulation includes reticulation piping and sewer pump stations.

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

Revaluation

The following property, plant and equipment asset groups are revalued at least every three years to ensure their carrying amount does not differ materially from fair value:

- roading (except land under roads) and parking network,
- waste management
- water, wastewater and stormwater networks, and
- parks, building property, recreation, sportsfields and community facilities.

All other asset classes are carried at depreciated historical cost.

PNCC assesses the carrying values of its revalued assets annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

PNCC accounts for revaluations of property, plant and equipment on a class of asset basis.

Land under roads is generally considered 'non tradable' due to the perpetual nature of community use. As there is no generally accepted methodology for the valuation of land under roads, PNCC is not revaluing this land and will carry this at deemed cost. Under the previous NZ IFRS PNCC has elected to use the fair value of land under roads as at 1 July 2005 as deemed cost.

Accounting for revaluation

The results of revaluing are included in other comprehensive revenue and expense and credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to PNCC and group and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired through a non-exchange transaction, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to PNCC and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment (except as referred to in the following paragraph), at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

Land, land under roads, restricted assets, assets under construction, investment properties, biological assets, and the museum, art gallery and heritage assets are not depreciated.

The heritage and art collection assets of Te Manawa Museums Trust have not been depreciated, as it is the Trust's policy to maintain the collections in its current state, in accordance with the Trust's Conservation Policy. Donated objects are recorded at fair value, or depreciated replacement cost, or nil value if considered unrealisable or irreplaceable. There is a portion of the heritage and art collection that is not formally owned by the Te Manawa Museums Trust. These assets are held and maintained by the Trust by agreement with the owners.

The useful lives used to determine associated depreciation rates of major classes of assets have been estimated as follows:

	Years
OPERATING ASSETS	
Buildings	50-100
Building fit-out	10-50
Plant and equipment	3-25
Furniture and fittings	4-25
Motor vehicles	3-18
Computer equipment	2-7
Library books	3-10
Exhibitions	1-5
Leasehold improvements	1-30
INFRASTRUCTURAL ASSETS	
Roading	
Bridges and culverts	55-125
Sub-base and base course	100
Surfaces	1-45
Footpaths	10-100
Kerb and channel	80-90
Signage	15-40
Signals, streetlights	15-60
Trees	100
Vehicle crossing	80
Railings	20-30
Bus Shelters	15-50
Cycle Stands	20-40

	Years
Carparks	
Carpark buildings	50
Sub-base and base course	100
Surfaces	10-40
Waste Management	
Buildings	50-100
Safety fence, portable screens	40
Pumps	30
Sumps, drainage	100
Machinery	15-35
Wheelie bins	15
Stormwater	
Pipework	100-250
Sumps	150
Laterals, manholes	120-150
Pumping station/pumps	10-100
Wastewater	
Pipeworks, laterals, manholes	75-120
Pumps	15-30
Pumping stations	30-100
Buildings	50-100
Treatment plants	15-120

	Years
Water	
Pipeworks, laterals	50-120
Hydrants	75
Tobies	50-70
Valves	80
Water meters	15-25
Pumping stations	10-100
Dams	15-1000
Reservoirs	100
Airport	
Runway, taxiways, and aprons	2-99

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

Intangible assets

Goodwill

Goodwill on acquisition of subsidiaries is included in "Intangible Assets".

Separately recognised goodwill is tested for impairment annually and carried at cost less accumulated impairment losses. An impairment loss recognised for goodwill is not reversed in any subsequent period.

Goodwill is allocated to cash generating units for the purposes of impairment testing. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from the business combination in which the goodwill arose.

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use by PNCC are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Costs associated with maintaining computer software and staff training costs are recognised as an expense when incurred.

Costs associated with development and maintenance of the Council's website are recognised as an expense when incurred.

Other intangible assets

Costs incurred are capitalised on assets constructed on third party land, such as an athletic track, which have long term access available to residents.

Carpark leases

Acquired carpark leases are capitalised on the basis of the costs incurred to acquire and bring to use the specific carparks.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit.

The useful lives used to determine amortisation rates of major classes of intangible assets have been estimated as follows:

Computer software and licences	3-7 years
Athletic track	9 years
Carpark leases	50 years

Impairment of property, plant and equipment and intangible assets

Intangible assets subsequently measured at cost that have an indefinite useful life, or are not yet available for use, and goodwill, are not subject to amortisation and are tested annually for impairment.

Property, plant, and equipment and intangible assets subsequently measured at cost that have a finite useful life are reviewed for impairment at each balance date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to other comprehensive revenue and expense and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in the surplus or deficit.

Value in use for non-cash-generating assets

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Value in use for cash-generating assets

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return.

The value in use for cash-generating assets and cash-generating units is the present value of expected future cash flows.

Forestry assets

Standing investment forestry assets are independently revalued annually at fair value less estimated costs to sell for one growth cycle. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined rate. This calculation is based on existing sustainable felling plans and assessments regarding

growth, timber prices, felling costs and silvicultural costs and takes into consideration environmental, operational and market restrictions.

Gains or losses arising on initial recognition of biological assets at fair value less estimated costs to sell and from a change in fair value less estimated costs to sell are recognised in the surplus or deficit.

The costs to maintain the forestry assets are included in the surplus or deficit when incurred.

Compensating emission units relating to pre-1990 forest land are recorded at a nil cost. Possible deforestation penalties relating to pre-1990 forest land are not recognised. Refer Note 29 for details.

Investment property

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at its cost, including transaction costs.

After initial recognition, PNCC measures all investment property at fair value as determined annually by an independent valuer.

Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

Trade and other payables

Short-term creditors and other payables are measured at the amount payable.

Employee benefits

Short-term employee benefits

Employee benefits that PNCC expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned, but not yet taken at balance date, retirement gratuities and long service leave entitlements expected to be settled within 12 months, time in lieu and sick leave.

PNCC recognises a liability for sick leave to the extent that compensated absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that PNCC anticipates it will be used by staff to cover those future absences.

Long-term employee benefits

Entitlements that are payable beyond 12 months, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information, and
- the present value of the estimated future cash flows discounted at a current market determined rate.

Superannuation schemes

Defined contribution schemes - obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the surplus or deficit as incurred.

Defined benefit schemes - PNCC belongs to the Defined Benefit Plan Contributors Scheme (the scheme), which is managed by the Board of Trustees of the National Provident Fund. The scheme is a multi-employer defined benefit scheme.

Insufficient information is available to use defined benefit accounting, as it is not possible to determine from the terms of the scheme the extent to which the scheme's surplus/deficit will affect future contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a defined contribution scheme. Further information on this scheme is disclosed in note 29.

Provisions

PNCC recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in "finance costs".

Financial guarantee contracts

A financial guarantee contract is a contract that requires PNCC to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at fair value. If a financial guarantee contract was issued in a stand-alone arm's-length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received, the fair value of the liability is initially measured using a valuation technique, such as considering the credit enhancement arising from the guarantee or the probability that the Council will be required to reimburse a holder for a loss incurred discounted to present value. If the fair value of a guarantee cannot be reliably determined at initial recognition, a liability is recognised at the amount of the loss allowance determined in accordance with the expected credit loss (ECL) model.

Financial guarantees are subsequently measured at the higher of:

- the amount determined in accordance with the ECL model; and
- the amount initially recognised less, when appropriate, cumulative amortisation as revenue.

Borrowings

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance.

Borrowings are classified as current liabilities unless PNCC and group has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

Equity

Equity is the community's interest in PNCC and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

retained earnings,

special reserves and funds,

asset revaluation reserves, and

fair value through other comprehensive revenue

and expense.

Special reserves and funds

Special reserves and funds are a component of equity generally representing a particular use to which various parts of equity have been assigned. Special reserves and funds may be legally restricted or created by PNCC.

Special reserves and funds are those subject to specific conditions accepted as binding by PNCC and which may not be revised by PNCC without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Also included in special reserves and funds are reserves restricted by Council decision. The Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

PNCC's objectives, policies and processes for managing capital are described in note 35.

Asset revaluation reserves

Asset revaluation reserves relates to the revaluation of property, plant and equipment to fair value.

Fair value through other comprehensive revenue and expense

Fair value through other comprehensive revenue and expense reserve relates to the cumulative net change of fair value of financial assets through other comprehensive revenue and expense.

Goods and Services Tax (GST)

All items in the financial statements are stated exclusive of GST, except for trade and other receivables and trade and other payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Budget figures

The budget figures are those approved by the Council prior to the beginning of the year in the relevant 10 Year Plan or Annual Budget. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by PNCC for the preparation of these financial statements.

Cost allocation

PNCC has derived the cost of service for each significant activity of PNCC using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers and floor area.

Critical accounting estimates and assumptions

In preparing these financial statements PNCC has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Landfill aftercare provision

Estimating the landfill aftercare provision – see note 23.

Retirement gratuities and long service leave

Estimating retirement gratuities and long service leave – see note 24.

Property, Plant and Equipment Revaluation, Investment Properties and Forestry

- Estimating the fair value of groups of property, plant and equipment – see note 17.
- Estimating the fair value of forestry – see note 20.
- Estimating the fair value of investment property – see note 21.

Infrastructural assets

Estimating depreciated replacement cost (DRC) valuations over infrastructural assets. These include:

- the physical deterioration and condition of an asset, for example PNCC could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by PNCC performing a combination of physical inspections and condition modelling assessments of underground assets.
- estimating any obsolescence or surplus capacity of an asset.
- estimates of the replacement cost of the asset are based on recent construction contracts in the region for modern equivalent assets, from which unit rates are determined. Unit rates have been applied to components of the network based on size, material, depth, and location. If recent contract cost information is considered out of date, it is indexed using Statistics New Zealand's Capital Goods Price Index (based on the March 2025 quarter index) for civil constructions to convert them to current dollar value at the valuation date.
- estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then PNCC could be over or under estimating the annual deprecation charge recognised as an expense in the surplus or deficit. To minimise this risk PNCC's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the New Zealand Asset Management Support Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of the PNCC's asset management planning activities, which gives PNCC further assurance over its useful life estimates.

Experienced independent registered valuers perform PNCC's infrastructural asset revaluations.

Critical judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies for the period ended 30 June 2025.

Classification of property

PNCC owns a number of residential rental properties (community housing), which are maintained primarily to provide housing to older people and people with special needs. The receipt of market-based rental from these properties is not the prime reason for holding these properties. The properties are held for service delivery objectives as part of PNCC's social housing policy. The properties are therefore accounted for as property, plant and equipment and not investment property.

For the purpose of assessing impairment indicators and impairment testing, PNCC classifies non-financial assets as either cash-generating or non-cash-generating assets.

PNCC classifies a non-financial asset as a cash-generating asset if the primary objective of the asset is to generate commercial return. All other assets are classified as non-cash-generating assets.

All property, plant and equipment and intangible assets held by PNCC and the group are classified as non-cash-generating assets. This includes assets that generate fee revenue or other cash flows, as the cash flows generated are generally not sufficient to represent commercial return on the assets. Forestry Assets and Investment Property are classified as cash-generating assets as these assets generate cash returns.

Reporting format

These financial statements incorporate applicable amendments to legislation governing financial reporting requirements. In addition, the 2024/34 Long Term Plan may incorporate changes from the 2021/31 10 Year Plan. The effect of these is that any required additional or amended disclosure has also required restatement of 2024 comparative information from that previously reported.

NOTE 2

Rates revenue

	Council	
	Actual 2025 **$000**	Actual 2024 **$000**
General rates (including UAGC)	88,176	92,415
Rates penalties	1,158	854
Targeted rates:		
Water	11,423	11,138
Wastewater	13,773	11,188
Rubbish and recycling	5,643	7,294
Metered water	4,218	3,658
Business improvement district	251	250
Capital value targeted rate	16,415	-
	141,057	126,797
Less internal rates	(2,857)	(2,083)
Total revenue from rates	**138,200**	**124,714**

PNCC is required by the NZLGFA Guarantee and Indemnity Deed to disclose in its financial statements its annual rates revenue, as defined in that Deed. For this purpose the total revenue from rates above is as defined in that Deed.

Rates remissions
Rates revenue is shown net of rates remissions. PNCC has adopted rates remission policies that provide for rates to be remitted for a variety of purposes. During the year the following sums have been remitted in accordance with these policies.

	Council	
	Actual 2025 **$000**	Actual 2024 **$000**
Community organisations	114	147
Arts, recreation and sporting organisations	30	22
Wastewater charges for non-residential properties	18	15
Penalties	157	135
Wastewater charges for educational establishments	220	176
Residential land in commercial or industrial areas	8	5
Total remissions	**547**	**451**

In accordance with the Local Government (Rating) Act 2002 certain properties cannot be rated for general rates. This includes schools, universities, hospitals, places of religious worship, public gardens and reserves. These non-rateable properties, where applicable, may be subject to targeted rates in respect of wastewater, water, rubbish and recycling. Non-rateable land does not constitute a remission under PNCC's rates remission policy.

PNCC's rating base information at the end of the preceding financial year are detailed below:

	Council	
	Actual 2025	Actual 2024
Number of rating units (units)	34,932	34,760
Total capital value of rating units ($million)	33,668	33,358
Total land value of rating units ($million)	18,888	18,849

NOTE 3
Finance revenue and finance costs

	Council		Group	
	Actual 2025 $000	Actual 2024 $000	Actual 2025 $000	Actual 2024 $000
FINANCE REVENUE				
Interest revenue	2,236	1,970	1,839	1,688
Dividend received	202	7	7	7
Total finance revenue	**2,438**	**1,977**	**1,846**	**1,695**
FINANCE COSTS				
Interest on borrowings:				
Secured loans	13,129	11,838	13,232	11,981
Fair value movement through surplus or deficit:				
Loss/(gain) on derivative financial instruments	8,127	2,584	8,127	2,584
Total finance costs	**21,256**	**14,422**	**21,359**	**14,565**
Net finance revenue (costs)	**(18,818)**	**(12,445)**	**(19,513)**	**(12,870)**

NOTE 4
Other revenue

	Council		Group	
	Actual 2025 $000	Actual 2024 $000	Actual 2025 $000	Actual 2024 $000
Regulatory user charges and fees	8,445	7,147	8,445	7,147
Fines and infringements	3,870	3,357	3,870	3,357
Rendering of services and other revenue (excludes metered water)	23,872	19,909	42,172	36,567
Rental revenue from investment properties	363	341	363	341
Rental revenue from operating properties	4,838	4,609	4,838	4,609
Fuel tax	549	584	549	584
Impairment of receivables recovered	25	47	25	47
Total other revenue	**41,962**	**35,994**	**60,262**	**52,652**

NOTE 5

Subsidies and grants

	Council		Group	
	Actual 2025 $000	Actual 2024 $000	Actual 2025 $000	Actual 2024 $000
OPERATING SUBSIDIES AND GRANTS				
Receipt of grants	2,708	2,082	2,870	1,741
NZ Transport Agency subsidies	4,354	4,053	4,354	4,053
Total operating subsidies and grants	**7,062**	**6,135**	**7,224**	**5,794**
CAPITAL SUBSIDIES AND GRANTS				
Revenue for capital expenditure	3,389	1,405	3,489	1,405
NZ Transport Agency subsidies	6,303	13,089	6,303	13,089
Total capital subsidies and grants	**9,692**	**14,494**	**9,792**	**14,494**

There are no unfulfilled conditions and other contingencies attached to government grants recognised (2024 nil).

NOTE 6

Other gains/(losses)

	Council		Group	
	Actual 2025 $000	Actual 2024 $000	Actual 2025 $000	Actual 2024 $000
OTHER GAINS				
Gain on changes in fair value of forestry assets (note 20)	115	217	115	217
Gain on harvest of investment forest	-	-	-	-
Gain on changes in fair value of investment property (note 21)	-	-	507	-
Other gains on investments	-	-	-	-
Total other gains	**115**	**217**	**622**	**217**
OTHER LOSSES				
Loss on changes in fair value of investment property (note 21)	(170)	(290)	(170)	(361)
Assets under construction written-off	(2,382)	-	(2,382)	-
Net gain/(loss) on disposal of property, plant and equipment	190	(970)	80	(1,320)
Total other losses	(2,362)	(1,260)	(2,472)	(1,681)
Total gains/(losses)	**(2,247)**	**(1,043)**	**(1,850)**	**(1,464)**

Gains/(losses) on changes in fair value arises from the annual revaluation of investment properties, forestry assets and other valuation changes. In accordance with PBE accounting standards, all changes in the fair value of these assets must be recognised in surplus or deficit.

NOTE 7

Exchange and non-exchange revenue

	Council		Group	
	Actual 2025 $000	Actual 2024 $000	Actual 2025 $000	Actual 2024 $000
EXCHANGE REVENUE				
Elections	-	-	-	-
External contracts	3,950	3,631	3,950	3,631
Investment property	363	341	363	341
Investments	-	317	77	(63)
Investments in companies	669	380	-	380
Print Synergy	12	(2)	12	(2)
Public rental housing	363	341	363	341
Civic Administration Building	208	100	208	100
Provision of goods and services	4,083	2,847	21,119	19,202
Total exchange revenue	**9,648**	**7,955**	**26,092**	**23,930**
NON-EXCHANGE REVENUE				
Revenue from rates				
Rates	138,200	124,714	137,687	124,283
Revenue from transfers				
Provision of goods and services	22,552	19,729	24,323	20,131
Fines and infringements	3,870	3,357	3,870	3,357
Regulatory user charges and fees	8,445	7,147	8,445	7,147
Operating subsidies and grants	7,062	6,135	7,224	6,277
Capital subsidies and grants	9,692	14,494	9,792	14,011
Development contributions	2,567	2,436	2,567	2,436
Vested assets	10,483	8,534	10,607	3,993
Total non-exchange revenue	202,871	186,546	204,515	181,635
Total revenue	**212,519**	**194,501**	**230,607**	**205,565**

Revenue is classified as exchange or non-exchange based on the funding of the underlying activity which generates the revenue.

NOTE 8

Employee and elected representatives benefit expenses

	Council		Group	
	Actual 2025 **$000**	Actual 2024 **$000**	Actual 2025 **$000**	Actual 2024 **$000**
Salaries, wages and earned compensation	63,494	60,156	70,456	65,502
less capitalised remuneration	(5,523)	(6,462)	(5,523)	(6,462)
Elected representatives total remuneration	1,078	1,043	1,078	1,043
Employer contributions to multi-employer defined contribution plans	1,750	1,600	1,929	1,738
Increase/(decrease) in employee benefit liabilities	551	499	558	592
Total employee and elected representatives benefit expenses	**61,350**	**56,836**	**68,498**	**62,413**

Employer contributions to superannuation plans include those required as an employer, for example to KiwiSaver, plus contributions paid by the employer as part of the employees' remuneration package, excluding any employee salary contribution.

Chief Executive
The Chief Executive of PNCC is appointed under section 42 of the Local Government Act 2002. Waid Crockett received total remuneration (including any non-financial benefits) of $422,645 (2024 Waid Crockett received $398,829).

Senior Leadership Team Remuneration
The table below includes detail of the key management personnel, being the Chief Executive and members of the Senior leadership team. Details of Councillors are excluded and detailed below.

	Council	Council
	Actual 2025	Actual 2024
Total remuneration	$2,041,852	$2,017,651
Full-time equivalent members	7	7

Elected Representatives

Elected representatives received the following remuneration:

Member	Position	Annual Salary 2025 $	Communications Allowance $	Participation in regulatory bodies allowance $	Total Remuneration 2025 $	Annual Salary 2024 $	Communications Allowance $	RMA hearings $	Total Remuneration 2024 $
Current Elected Representatives									
Smith G	Mayor	160,142	-		160,142	154,804	-		154,804
Marshall-Lobb D	Deputy Mayor	63,809	798		64,607	61,571	798		62,369
Arnott M	Councillor	56,569	1,047		57,616	54,584	1,047		55,631
Barrett B	Councillor	61,736	2,144		63,880	59,570	2,144		61,715
Bowen R	Councillor	61,736	1,137		62,873	59,570	1,137		60,708
Dennison V	Councillor	61,736	1,825		63,561	59,570	1,825		61,395
Findlay L	Councillor	56,569	2,144		58,713	54,584	2,144		56,728
Fitzgerald R	Councillor	56,569	1,047		57,616	54,584	1,047		55,631
Handcock P	Councillor	58,636	1,047		59,683	56,579	1,047		57,626
Hapeta L	Councillor	61,736	1,745		63,481	59,570	1,745		61,316
Johnson L	Councillor	61,736	1,745	1,674	65,155	59,570	1,745	5,045	66,361
Meehan B	Councillor	58,636	1,047		59,683	56,579	1,047		57,626
Mickalad O	Councillor	56,569	1,047	1,440	59,056	54,584	1,047		55,631
Naylor K	Councillor	60,703	1,446		62,149	58,573	1,446		60,019
Wood W	Councillor	58,636	1,047		59,683	56,579	1,047		57,626
Zabelin K	Councillor	58,636	1,047		59,683	56,579	1,047		57,626
Total remuneration					**1,077,582**				**1,042,810**
Number of elected representatives				16				16	

Due to the difficulty in determining the full-time equivalent for Councillors, the full-time equivalent figure is taken as the number of Councillors.

The Remuneration Authority sets the total remuneration amount for elected members. PNCC has nominated to pay its councillors an annual salary for the 2024/25 financial year, with chairs and deputy chairs of Committees, and the Deputy Mayor getting slightly more than an ordinary councillor (see above).

The Remuneration Authority also provides for and sets the payment of hearing fees for those Councillors who sit as members on Hearing Panels. This includes hearings of resource consent applications lodged under the Resource Management Act 1991, Sectional District Plan Reviews and Dog Control Hearings , The fees for members who act in this capacity are paid at the rate of $116 per hour for the Chair and $93 per hour for other members of the Committee. Councillors may also sit as members on the District Licensing Committee with fees paid at the rate of $78 per hour for the Chair and $51 per hour for other members. Fees received by Councillors who have sat on these regulatory bodies are listed in the table above.

Elected Members also receive a communications allowance as set out in the Council's Elected Member Expenses Policy and approved by the Remuneration Authority.

The Mayor, Grant Smith, was also provided with a motor vehicle for use on PNCC business and private use in addition to the Mayor's remuneration above.

Employee Remuneration
The table below includes details of employees and their remuneration, including members of key management but excluding elected representatives.

	Council Actual 2025 Number	Council Actual 2024 Number
Number of employees receiving total annual remuneration at 30 June of:		
Less than $60,000	105	176
Between $60,001 and $79,999	236	206
Between $80,000 and $99,999	142	132
Between $100,000 and $119,999	87	62
Between $120,000 and $139,999	48	56
Between $140,000 and $159,999	30	22
Between $160,000 and $179,999	23	14
Between $180,000 and $199,000	7	9
Between $200,000 to $219,999	7	-
Between $200,000 and 259,999	-	6
Between $220,000 and $439,999	8	-
Between $260,000 and $419,999	-	4
Total employees	693	687

As required by legislation where the number of employees in any band is 5 or fewer, the number for that band has been combined with the next highest band or bands.

The total employees comprises:

	Council Actual 2025 Number	Council Actual 2024 Number
Full-time employees	569	560
Full-time equivalent of all other employees (basis 40 hour working week)	79	81
Total full-time equivalent	**648**	**641**

Severance payments
For the year ended 30 June 2025, PNCC made 5 severance payment exceeding contractual entitlements totalling $106,949 (2024, 2, total $27,292). The value of each severance payments made were $3,650, $4,968, $10,000, $60,000 and $28,331.

The term severance payment includes non-monetary benefits but excludes salary, holiday pay, superannuation contributions and any other contractual entitlements to which the employee was already entitled. The precise amount of each severance payable to each individual is required to be disclosed. Employees are not required to be named, however, section 33 of schedule 10 of the Local Government Act 2002 requires the disclosures of the severance paid to a Chief Executive.

NOTE 9

Other expenses

	Council		Group	
	Actual 2025 $000	Actual 2024 $000	Actual 2025 $000	Actual 2024 $000
Audit of the financial report	397	343	653	564
Audit related services:				
Audit fees for long term plan audit	-	147	-	147
Audit fees for debenture trust deed audit	7	7	7	7
Total fees incurred for assurance services provided by Audit NZ	**404**	**497**	**660**	**718**
Allowance for expected credit loss	79	59	73	76
Minimum lease payments under operating leases	758	728	759	848
Grants for community support and economic promotion	11,237	10,128	6,968	5,939
Professional service costs	13,681	15,170	14,805	16,030
Contractors*	29,349	25,547	29,513	25,547
Insurance premiums	4,125	3,550	4,746	4,066
Other operating expenses*	17,181	13,456	22,015	18,304
Subtotal	**76,410**	**68,638**	**78,879**	**70,810**
Total other expenses	**76,814**	**69,135**	**79,539**	**71,528**

Audit fees above include disbursements.

The audit fee disclosed for the financial report represents the fee for the annual statutory audit engagement carried out under the Auditor-General's auditing standards, as described in the audit report on pages 160-162. This fee also includes the audit of the summary annual report, also a statutory requirement, which is completed in conjunction with this engagement and not billed separately.

In the context of reporting by local authorities, donations are interpreted as per their common usage, that is, discretionary charitable gifts, and exclude any grants made in terms of PNCC's normal funding programme that seek to achieve the objectives of the Council. There have been no donations during the year.

*For the year ending 30 June 2025, Contractors expense has been separated from Other operating expenses to provide increased transparency. Both Contractors and Other operating expenses have been restated for 30 June 2024 to provide meaningful comparative information. No changes were required to the total amounts.

NOTE 10

Tax

	Actual 2025 $000	Actual 2024 $000	Actual 2025 $000	Actual 2024 $000
Components of tax expense				
Current tax expense	-	-	-	(878)
Adjustments to current tax for prior years	114	110	114	110
Deferred tax expense	-	-	-	(740)
Deferred tax adjustment from removal of tax depreciation on buildings	-	-	-	-
Income tax refund/ (expense)	**114**	**110**	**114**	**(1,508)**
Relationship between tax expense and accounting profit:				
Surplus/(deficit) before tax	6,528	9,707	6,992	9,605
Tax at 28% (2020 28%)	1,828	2,718	2,012	2,690
Non-deductible expenditure	-	-	-	-
Non-taxable revenue, permanent differences	(1,828)	(2,718)	(2,008)	(2,305)
Loss on sale of land	-	-	-	-
Prior year adjustment, deferred tax adjustment	-	-	-	-
Deferred tax adjustment for the year & deferred tax movement at revaluation	(114)	(110)	(86)	1,123
Tax charge for the year	**(114)**	**(110)**	**(82)**	**1,508**
Movement in deferred tax due to tax depreciation changes	-	-	-	-
Movement in deferred tax due to tax rate changes	-	-	-	-
Tax expense/(refund)	**(114)**	**(110)**	**(82)**	**1,508**

Deferred Tax Assets/(Liabilities)	Investment property	Property, plant and equipment	Employee entitlements	Other provisions	Total
GROUP					
Balance at 30 June 2023	(205)	(9,127)	76	5	(9,251)
Charged to surplus or deficit	(50)	(715)	26	-	(739)
Charged to other comprehensive income					
Balance at 30 June 2024	(255)	(9,842)	102	5	(9,990)
Charged to surplus or deficit	(22)	1,425	6	(2)	1,407
Charged to other comprehensive income		63			63
Balance at 30 June 2025	(277)	(8,354)	108	3	(8,520)

Additional disclosures

During the year, tax losses were transferred to PNAL by tax loss offset with payment of $114,000 and loss effect of $407,000.
A deferred tax asset has not been recognised in relation to unused tax losses of $407,000 (2024 $393,000) with a tax effect of $114,000 (2024 $110,000).
Imputation credits of $7.6M (PNAL) are available to impute distributions from subsidiaries.

NOTE 11

Cash and cash equivalents

	Council		Group	
	Actual 2025 **$000**	Actual 2024 **$000**	Actual 2025 **$000**	Actual 2024 **$000**
Cash at bank and on hand	962	427	1,448	2,329
Short term bank deposits with maturities of less than three months	1,500	1,250	1,855	1,491
Total cash and cash equivalents	2,462	1,677	3,303	3,820

Although cash and cash equivalents at 30 June 2025 are subject to the expected credit loss requirements of PBE IPSAS 41, no loss allowance has been recognised because the estimated allowance is trivial.

The Construction Contracts Act 2002 requires that where PNCC holds retention money deducted from commercial construction contracts those retentions be held "on trust" in the form of cash or other liquid assets for the benefit of those contractors. This relates to contracts entered into or renewed on or after 31 March 2017. At June 2025 PNCC has designated that $1,500k of the short term bank deposits are held on trust for those contractors (2024 $1,250k). At 30 June 2025 the actual retentions held amounted to $891k (2024 $1,278k). The amount held "on trust" is reviewed regularly to ensure it is sufficient to cover obligations.

The total value of cash and cash equivalents that can only be used for a specified purpose as outlined in the relevant trust deeds is $nil (2024 $nil).

Cash and cash equivalents are held by each entity within the group. Each of the group entities are governed by controlling documents, for example trust deeds, with those documents determining the availability of the cash and cash equivalents to other members of the group. The requirements of those documents in applying group cash amounts means that the amounts may not be available to other members of the group.

Cash and bank overdrafts include the following for the purposes of the cash flow statement:

	Council		Group	
	Actual 2025 **$000**	Actual 2024 **$000**	Actual 2025 **$000**	Actual 2024 **$000**
Cash at bank and on hand	962	427	1,448	2,329
Short term bank deposits with maturities of less than three months	1,500	1,250	1,855	1,491
Bank overdrafts (note 25)	-	-	-	-
	2,462	1,677	3,303	3,820

ITEM 8 - ATTACHMENT 1

NOTE 12

Trade and other receivables

	Council		Group	
	Actual 2025 $000	Actual 2024 $000	Actual 2025 $000	Actual 2024 $000
Rates receivables	3,508	3,505	3,508	3,505
Other receivables	7,213	9,734	8,423	10,754
Related party receivables	296	223	-	-
Water debtors	466	477	466	477
Tax receivable (includes GST receivables)	2,954	2,543	2,954	2,796
Prepayments and accruals	11,157	8,621	11,374	8,899
	25,594	25,103	26,725	26,431
Less allowance for credit losses	(100)	(72)	(108)	(86)
Total current trade and other receivables	**25,494**	**25,031**	**26,617**	**26,345**
Total receivables comprises:				
Receivables from exchange transactions*	19,132	19,055	19,132	20,130
Receivables from non-exchange transactions*	6,362	5,976	7,485	6,215

** the 2024 exchange and non-exchange transactions have been restated to correctly classify the prior year reported results.*

The carrying value of trade and other receivables approximates their fair value.

PNCC does not provide for any expected credit losses (ECLs) on rates receivable as it has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. These powers allow PNCC to commence legal proceedings to recover any rates that remain unpaid 4 months after the due date for payment. If payment has not been made within 3 months of the Court's judgment, then PNCC can apply to the Registrar of the High Court to have the judgment enforced by sale or lease of the rating unit.

Rates and penalties receivable and overdue at balance date comprise the following:

	Council		Group	
	Actual 2025 $000	Actual 2024 $000	Actual 2025 $000	Actual 2024 $000
Current year	3,103	3,214	3,103	3,214
Past due one year	329	291	329	291
Past due two years	76	-	76	-
Carrying amount	3,508	3,505	3,508	3,505

The Chief Executive approved the write-off of rates receivable during the year under the LG(r)A as follows:
-Section 90A: Nil (2024: Nil)
-Section 90B: Nil (2024: Nil)

The allowance for credit losses based on Council and the group's credit loss matrix is as follows:

Council	Actual 2025 **$000**				Actual 2024 **$000**			
	ECL rate	Gross	Lifetime ECL	Net	ECL rate	Gross	Lifetime ECL	Net
Not past due	0.20%	2,411	5	2,406	0.05%	2,428	1	2,427
Past due 1-30 days	0.50%	343	2	341	0.30%	691	2	689
Past due 31-60 days	2.00%	186	2	184	0.70%	166	1	165
Past due > 60 days	3.80%	4,569	91	4,478	1.05%	6,449	68	6,381
		7,509	100	7,409		9,734	72	9,662

Group	Actual 2025 **$000**				Actual 2024 **$000**			
	ECL rate	Gross	Lifetime ECL	Net	ECL rate	Gross	Lifetime ECL	Net
Not past due	0.37%	3,557	13	3,544	0.05%	3,430	2	3,428
Past due 1-30 days	0.50%	343	2	341	0.35%	691	2	689
Past due 31-60 days	1.00%	186	2	184	0.75%	166	1	165
Past due > 60 days	2.00%	4,570	91	4,479	1.25%	6,454	81	6,373
		8,656	108	8,548		10,741	86	10,655

The ECL rates for other receivables at 30 June 2024 and 1 July 2025 are based on the payment profile of revenue on credit over the prior two years at the measurement date and the corresponding historical credit losses experienced for that period. The historical loss rates are adjusted for current and forward-looking macroeconomic factors that might affect the expected recoverability of receivables. Given the short period of credit risk exposure, the effects of macroeconomic factors are not considered significant.

There have been no changes since 1 July 2025 in the estimation techniques or significant assumptions in measuring the loss allowance.

Movements in the allowance for credit losses as follows:

	Council		**Group**	
	Actual 2025 **$000**	Actual 2024 **$000**	Actual 2025 **$000**	Actual 2024 **$000**
Opening balance for credit losses at 1 July	72	98	86	115
Additional provisions made during the year	79	46	79	49
Provisions reversed during the year	(25)	(46)	(25)	(46)
Receivables written-off during the period	(26)	(26)	(32)	(32)
Balance at 30 June	**100**	**72**	**108**	**86**

NOTE 13

Inventories

	Council		Group	
	Actual 2025 $000	Actual 2024 $000	Actual 2025 $000	Actual 2024 $000
Current portion				
Depot Store - roading, water, stormwater and wastewater reticulation spares and various network parts	394	411	394	411
Plant nursery	29	42	29	42
Fuel and other consumables	17	20	40	43
Tamakuku land development - current portion	1,208	4,070	1,208	4,070
Total Current Portion	**1,648**	**4,543**	**1,671**	**4,566**
Non current portion				
Tamakuku land development - non-current portion	2,756	749	2,756	749
Total non-current portion	**2,756**	**749**	**2,756**	**749**

All inventory held for distribution is valued at the lower of costs or net realisable value (NRV).
The write-down of inventories for loss of service potential amounted to $nil (2024 $nil).
No inventories are pledged as security for liabilities (2024 $nil).
Land is classified as held for sale if the carrying amount will be recovered principally through a sale transaction rather than continuing use. It is measured at the lower of the carrying amount and fair value less costs to sell.
The Council is currently developing land for future sale, and 70% of the inventory value of $3,964k are not expected to be recovered until after 30 June 2026 (2024 18% of $4,819k).

NOTE 14

Other financial assets

	Council		Group	
	Actual 2025 **$000**	Actual 2024 **$000**	Actual 2025 **$000**	Actual 2024 **$000**
CURRENT PORTION				
Short term bank deposits with maturities of 4-12 months	-	6,000	1,082	7,275
Total current portion	**-**	**6,000**	**1,082**	**7,275**
NON-CURRENT PORTION				
Investments in CCOs and industry companies:				
Shares in subsidiaries (Palmerston North Airport Ltd)	10,842	10,842	-	-
Unlisted shares - Civic Financial Services Ltd	391	383	391	383
Unlisted shares - New Zealand Local Government Funding Agency	536	486	536	486
Borrower notes - New Zealand Local Government Funding Agency	9,485	6,714	9,485	6,714
	21,254	18,425	10,412	7,583
Other financial assets:				
Loans to subsidiaries	12,000	8,000	-	-
Bank deposits with maturities beyond 12 months	-	-	120	56
	12,000	8,000	120	56
Total non-current portion	**33,254**	**26,425**	**10,532**	**7,639**
Total other financial assets	**33,254**	**32,425**	**11,614**	**14,914**

Impairment
There are no impairment provisions for other financial assets. None of the financial assets are either past due or impaired.

Fair value
The carrying value of loans and receivables, short term bank deposits and other advances approximates their fair value, except as detailed below.

Palmerston North Airport Limited owns and operates Palmerston North Airport. As at 30 June 2025 PNCC owned 100% (2024 100%) of the issued and paid up share capital of the Company.

Palmerston North Airport Limited's share capital at 30 June 2025 comprised 9,195,000 fully paid ordinary shares (2024 9,195,000 fully paid ordinary shares). All shares carry equal voting rights and the right to any share in surplus on the winding up of the company. None of the shares carry fixed dividend rights.

PNCC and Palmerston North Airport Limited (PNAL) have entered an unsecured and subordinated loan facility agreement through which PNCC agrees (subject to a range of conditions) to provide PNAL with a credit facility equal to the lesser of $50m or the amount representing PNAL's total borrowing requirement recorded in its annual Statement of Intent plus an additional amount of 10% of that sum. The maximum sum may be increased or decreased by written agreement between the parties. The ten year term of the facility is subject to automatic annual extension.

$12m was outstanding as at 30 June 2025 with interest rates between 4.51% and 5.8467%. $5m matures on 15 July 2027, $3m on 15 July 2028 and $4m on 15 July 2030. (2024 $5m, 4.51%, 15 July 2027 and $3m, 5.8467%, 15 July 2028). Interest is payable semi-annually in arrears.

Civic Financial Services Ltd provides financial services primarily to New Zealand local government. PNCC holds a 3.73% (2024 3.73%) shareholding in the entity. There is no intention to dispose of this investment and there has not been a business valuation to establish fair value. As the holding is not material, net asset backing has been used as a proxy to assess fair value.

PNCC is a shareholder of the New Zealand Local Government Funding Agency Limited (NZLGFA). The NZLGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. During the 2013 year PNCC subscribed for $200,000 of shares, including $100,000 of uncalled capital. There is no intention to dispose of this investment and there has not been a business valuation to establish fair value. As the holding is not material, net asset backing has been used as a proxy to assess fair value.

When a local authority obtains debt from the NZLGFA it is required to subscribe for "borrower notes" for a portion of the debt. These notes have maturity as for the debt, accrue interest and are repayable when the associated debt is repaid. Interest has been accrued and included in the total outstanding.

There are no short term bank deposits as at 30 June 2025 (2024 $6m).

Short term bank deposits held by group entities are governed by each entities controlling documents, for example trust deeds. Those documents determine the requirements in applying funds and availability of the bank deposits to other members of the group. The requirements of those documents in applying group cash amounts means that the amounts may not be available to other members of the group.

NOTE 15

Investment in Associate

	Actual 2025 $000	Actual 2024 $000	Actual 2025 $000	Actual 2024 $000
NON-CURRENT PORTION				
Investment in Central Economic Development Agency Limited (CEDA) at cost	1	1	1	1
Equity accounted share of associate's surplus/(deficit)	-	-	374	315
Total non-current portion	**1**	**1**	**375**	**316**

	Actual 2025 $000	Actual 2024 $000
PNCC's 50% share of associate's group summarised financial information:		
Assets	611	576
Liabilities	237	315
Revenues	1,917	1,980
Surplus/(deficit)	59	22
Group's interest	50%	50%
Share of contingent liabilities incurred jointly with other investors	-	-

The CEDA group includes the Events Manawatu Trust as CEDA has the capacity to control the trust's governing body.

NOTE 16

Derivative financial instruments

	Actual 2025 $000	Actual 2024 $000	Actual 2025 $000	Actual 2024 $000
CURRENT ASSET PORTION				
Interest rate swaps	798	2,965	798	2,965
Total current asset portion	**798**	**2,965**	**798**	**2,965**
NON-CURRENT ASSET PORTION				
Interest rate swaps	2,035	6,104	2,035	6,104
Total non-current asset portion	**2,035**	**6,104**	**2,035**	**6,104**
CURRENT LIABILITY PORTION				
Interest rate swaps	780	-	780	-
Total current liability portion	**780**	**-**	**780**	**-**
NON-CURRENT LIABILITY PORTION				
Interest rate swaps	1,109	-	1,109	-
Total non-current liability portion	**1,109**	**-**	**1,109**	**-**

All derivative financial instruments are categorised as held for trading at fair value through surplus or deficit. The fair value of interest rate swaps have been determined using discounted cash flow valuation techniques based on quoted market prices.

Outstanding interest rate swap contracts at 30 June 2025 comprised the following:

No notional value of swaps in which PNCC will pay fixed interest rate (2024 none) and receive floating on a monthly basis (2024 $nil).

$148m notional value of swaps in which PNCC will pay fixed interest varying from 0.4% to 3.9% (2024 0.4% to 4.5%) and receive floating on a quarterly basis (2024 $126m).

$100m notional value of forward start swaps in which PNCC will pay fixed interest varying from 3.8% to 4.0% (2024 3.8% to 4.0%) and receive floating on a quarterly basis (2024 $85m).

NOTE 17

Property, plant and equipment

2025	Cost/ revaluation 1-Jul-24 $000	Accumulated depreciation & impairment charges 1-Jul-24 $000	Carrying amount 1-Jul-24 $000	Reclassification / Adjustments * $000	Current year additions constructed by Council $000	Curren year vested asse additions
COUNCIL OPERATIONAL ASSETS						
Land	190,315	-	190,315	-	482	
Buildings	243,071	-	243,071	-	4,612	
Improvements	59,973	-	59,973	-	6,052	
Office equipment, furniture and fittings	35,337	28,324	7,013	-	1,951	
Library materials	6,130	3,781	2,349	-	819	
Motor vehicles and plant	32,344	22,062	10,282	-	4,854	
Total operational assets	**567,170**	**54,167**	**513,003**	**-**	**18,770**	
COUNCIL INFRASTRUCTURAL ASSETS						
Waste management	36,650	776	35,874	-	1,581	
Wastewater						
- treatment plants and facilities	54,017	2,558	51,459	-	3,186	
- other assets	226,808	8,502	218,306	-	6,158	51
Water						
-treatment plants and facilities	85,333	1,880	83,453	(21,229)	3,357	
- other assets	190,660	7,125	183,535	-	9,543	33
Stormwater	254,459	4,481	249,978	-	5,338	5,084
Roading network	562,374	10,302	552,072	(4,299)	29,462	2,299
Land under roads	362,639	-	362,639	1,917	-	2,258
Total infrastructural assets	**1,772,940**	**35,624**	**1,737,316**	**(23,611)**	**58,625**	**10,483**
COUNCIL RESTRICTED ASSETS						
Land	33,587	-	33,587	21,229	-	
Total restricted assets	33,587	-	33,587	21,229	-	
Total PNCC property, plant and equipment	**2,373,697**	**89,791**	**2,283,906**	**(2,382)**	**77,395**	**10,483**
COUNCIL CONTROLLED ORGANISATIONS PROPERTY, PLANT AND EQUIPMENT-						
Land	30,938	-	30,938	-	-	
Buildings	14,562	1,375	13,187	-	6,068	
Improvements	530	170	360	-	16	
Infrastructural assets	45,508	5,504	40,004	-	3,371	
Plant and equipment	9,076	6,508	2,568	(14)	480	
Office equipment, furniture and fittings	2,043	1,446	597	14	629	
Collection assets	21,544	-	21,544	-	81	124
Motor vehicles	1,573	174	1,399	-	-	
Total CCO property, plant and equipment	**125,774**	**15,177**	**110,597**	**-**	**10,645**	**124**
Total Group property, plant and equipment	**2,499,471**	**104,968**	**2,394,503**	**(2,382)**	**88,040**	**10,60**

* 2025: During the year, $2,382k of Roading Network design costs that were sitting in assets under construction were written off. In addition to this, $21.2M

Note: Pages 196-197 (Property, plant and equipment) table should be read as one continuous table across both pages.

Current year disposals $000	Reversal of accumulated depreciation on disposal $000	Current year depreciation $000	Revaluation surplus $000	Reversal of accumulated depreciation on revaluation or reclassification $000	Cost/ revaluation 30-Jun-25 $000	Accumulated depreciation & impairment charges 30-Jun-25 $000	Carrying amount 30-Jun-25 $000
-	-	-	-	-	190,797	-	190,797
-	-	11,245	-	-	247,683	11,245	236,438
-	-	3,585	-	-	66,025	3,585	62,440
-	-	1,260	-	-	37,288	29,584	7,704
505	505	628	-	-	6,444	3,904	2,540
1,984	1,908	2,495	-	-	35,214	22,649	12,565
2,489	**2,413**	**19,213**	**-**	**-**	**583,451**	**70,967**	**512,484**
-	-	850	-	-	38,231	1,626	36,605
-	-	1,287	(3,687)	3,845	53,516	-	53,516
-	-	4,395	39,383	12,897	272,860	-	272,860
-	-	1,088	3,412	2,968	70,873	-	70,873
-	-	3,805	17,807	10,930	218,341	-	218,341
-	-	2,321	101,047	6,802	365,928	-	365,928
-	-	11,142	-	-	589,836	21,444	568,392
-	-	-	-	-	366,814	-	366,814
-	**-**	**24,888**	**157,962**	**37,442**	**1,976,399**	**23,070**	**1,953,329**
-	-	-	-	-	54,816	-	54,816
-	-	-	-	-	54,816	-	54,816
2,489	**2,413**	**44,101**	**157,962**	**37,442**	**2,614,666**	**94,037**	**2,520,629**
-	-	-	2,442	-	33,380	-	33,380
5,204	5,204	4,926	-	-	15,426	1,097	14,329
-	-	26	-	-	546	196	350
3	3	1,461	(4,747)	4,523	44,129	2,439	41,690
506	497	677	-	-	9,036	6,688	2,348
204	197	297	-	-	2,482	1,546	936
-	-	-	(334)	-	21,415	-	21,415
-	-	109	-	-	1,573	283	1,290
5,917	**5,901**	**7,496**	**(2,639)**	**4,523**	**127,987**	**12,249**	**115,738**
8,406	**8,314**	**51,597**	**155,323**	**41,965**	**2,742,653**	**106,286**	**2,636,367**

was reclassified from Water treatment plants and facilities to Council Restricted Assets-Land, and 1.9m from Roading network to Land under roads.

2024	Cost/ revaluation 1-Jul-23 $000	Accumulated depreciation & impairment charges 1-Jul-23 $000	Carrying amount 1-Jul-23 $000	Reclassification / Adjustments * $000	Current year additions constructed by Council $000	Current year vested asset additions
COUNCIL OPERATIONAL ASSETS						
Land	227,439	-	227,439	(1,231)	2,302	-
Buildings	221,393	19,364	202,029	2,193	17,249	-
Improvements	75,863	8,989	66,874	(1,033)	3,102	-
Office equipment, furniture and fittings	33,332	27,212	6,120	(182)	2,187	-
Library materials	5,912	3,834	2,078	-	840	-
Motor vehicles and plant	31,302	20,915	10,387	200	2,247	-
Total operational assets	**595,241**	**80,314**	**514,927**	**(53)**	**27,927**	**-**
COUNCIL INFRASTRUCTURAL ASSETS						
Waste management	35,268	-	35,268	-	1,382	-
Wastewater						
- treatment plants and facilities	49,529	1,279	48,250	182	4,306	-
- other assets	221,770	4,198	217,572	27	4,327	684
Water						
-treatment plants and facilities	85,715	904	84,811	(2,175)	1,793	-
- other assets	178,484	3,524	174,960	2,965	8,979	232
Stormwater	247,393	2,222	245,171	(573)	5,789	1,850
Roading network	523,820	-	523,820	(155)	33,370	3,422
Land under roads	360,264	-	360,264	(207)	2,154	2,345
Total infrastructural assets	**1,702,243**	**12,127**	**1,690,116**	**64**	**62,100**	**8,533**
COUNCIL RESTRICTED ASSETS						
Land	42,536	-	42,536	-	821	-
Total restricted assets	42,536	-	42,536	-	821	-
Total PNCC property, plant and equipment	**2,340,020**	**92,441**	**2,247,579**	**11**	**90,848**	**8,533**
COUNCIL CONTROLLED ORGANISATIONS PROPERTY, PLANT AND EQUIPMENT						
Land	32,855	-	32,855	-	-	-
Buildings	12,455	1,075	11,380	-	2,107	-
Improvements	491	84	407	-	39	-
Infrastructural assets	48,352	5,320	43,032	-	1,130	-
Plant and equipment	8,506	6,115	2,391	-	600	-
Office equipment, furniture and fittings	1,821	1,311	510	-	276	-
Collection assets	17,080	-	17,080	-	141	40
Motor vehicles	1,550	80	1,470	-	23	-
Total CCO property, plant and equipment	**123,110**	**13,985**	**109,125**	**-**	**4,316**	**40**
Group elimination**	-	-	-	-	-	(4,563)
Total Group property, plant and equipment	**2,463,130**	**106,426**	**2,356,704**	**11**	**95,164**	**4,010**

* A number of assets were reclassified as part of migrating the opening balances to Authority Altitude, the Councils new Financial Managament Information System (FMIS), and overall an adjustment of $11k was made.

Note: Pages 196-197 (Property, plant and equipment) table should be read as one continuous table across both pages.

Current year disposals $000	Reversal of accumulated depreciation on disposal $000	Current year depreciation $000	Revaluation surplus $000	Reversal of accumulated depreciation on revaluation or reclassification $000	Cost/ revaluation 30-Jun-24 $000	Accumulated depreciation & impairment charges 30-Jun-24 $000	Carrying amount 30-Jun-24 $000
-	-	-	(38,195)	-	190,315	-	190,315
-	-	10,052	2,236	29,416	243,071	-	243,071
-	-	5,378	(17,959)	14,367	59,973	-	59,973
-	-	1,112	-	-	35,337	28,324	7,013
622	622	569	-	-	6,130	3,781	2,349
1,405	1,286	2,433	-	-	32,344	22,062	10,282
2,027	**1,908**	**19,544**	**(53,918)**	**43,783**	**567,170**	**54,167**	**513,003**
-	-	776	-	-	36,650	776	35,874
			-	-			
-	-	1,279	-	-	54,017	2,558	51,459
-	-	4,304	-	-	226,808	8,502	218,306
			-	-			
-	-	976	-	-	85,333	1,880	83,453
-	-	3,601	-	-	190,660	7,125	183,535
-	-	2,259	-	-	254,459	4,481	249,978
-	-	10,302	-	-	562,374	10,302	550,155
-	-	-	-	-	362,639	-	364,556
-	**-**	**23,497**	**-**	**-**	**1,772,940**	**35,624**	**1,737,316**
-	-	-	(9,770)	-	33,587	-	33,587
-	-	-	(9,770)	-	33,587	-	33,587
2,027	**1,908**	**43,041**	**(63,688)**	**43,783**	**2,373,697**	**89,791**	**2,283,906**
1,917	-	-	-	-	30,938	-	30,938
-	-	300	-	-	14,562	1,375	13,187
-	-	86	-	-	530	170	360
3,974	1,328	1,512	-	-	45,508	5,504	40,004
30	26	419	-	-	9,076	6,508	2,568
54	51	186	-	-	2,043	1,446	597
19	-	-	4,302	-	21,544	-	21,544
-	-	94	-	-	1,573	174	1,399
5,994	**1,405**	**2,597**	**4,302**	**-**	**125,774**	**15,177**	**110,597**
(4,563)	-	-	-	-	-	-	-
3,458	**3,313**	**45,638**	**(59,386)**	**43,783**	**2,499,471**	**104,968**	**2,394,503**

** The Group elimination relates to the vesting of Airport Drive from Palmerston North Airport Limited to Council

Assets under construction
Included in property, plant and equipment are the following assets under construction or not capitalised at year-end:

	Council		Group	
	Actual 2025 $000	Actual 2024 $000	Actual 2025 $000	Actual 2024 $000
OPERATIONAL ASSETS				
Land	-	-	-	-
Buildings	5,383	20,735	5,383	20,735
Improvements	8,530	5,806	8,530	5,806
Office equipment, furniture and fittings	1,080	2,106	1,221	2,179
Library	-	-	-	-
Motor vehicles and plant	2,487	1,877	2,487	1,877
	17,480	30,524	17,621	30,597
INFRASTRUCTURAL ASSETS				
Waste management	1,003	978	1,003	978
Wastewater	20,215	18,078	20,215	18,078
Water	14,424	14,691	14,424	14,691
Stormwater	6,536	15,086	6,536	15,086
Roading network	36,434	47,537	36,434	47,537
Infrastructure - CCO's	-	-	7,707	-
	78,612	96,370	86,319	96,370
Total assets under construction	**96,092**	**126,894**	**103,940**	**126,967**

Capital Commitments
Capital expenditure contracted for at balance date but not yet incurred comprises the following:

	Council		Group	
	Actual 2025 $000	Actual 2024 $000	Actual 2025 $000	Actual 2024 $000
Buildings	685	1,399	685	1,399
Improvements	266	753	266	753
Motor vehicles and plant	-	76	-	76
Office equipment, furniture and fittings	66	-	66	-
Roading network	19,706	36,347	19,706	36,347
Waste management	1,319	360	1,319	360
Stormwater	1,044	572	1,044	572
Wastewater treatment plants and facilities	285	1,135	285	1,135
Wastewater other assets	269	747	269	747
Water treatment plants and facilities	556	220	556	220
Water other assets	617	517	617	517
CCO capital commitments	-	-	24	24
Total capital commitments	**24,813**	**42,126**	**24,837**	**42,150**

Revaluation of assets
Property, plant and equipment have been valued in accordance with the accounting policy set out in the Statement of Accounting Policy, under the 'asset revaluation' section (note 1).

Assets are valued to 'fair value' under the highest and best use scenario. Fair value is the amount for which an item could be exchanged or settled between knowledgeable willing parties in an arm's length transaction.

Where the fair value of the asset can be determined by reference to the price in an active market for the same asset or similiar asset, the fair value of the asset is determined using this information. Where direct evidence of value is not available from an active market, fair value is determined from market-based evidence by appraisal, undertaken by a professionally qualified valuer. If there is no market-based evidence of fair value because of the specialised nature of the asset and the asset is rarely sold, fair value will be determined using the optimised depreciated replacement cost approach.

Operational land, buildings, sportsfields and recreational and community facilities
Fair value of land and buildings was determined from market-based evidence by an independent valuer. Where buildings and site improvements have been identified as being earthquake prone, then the valuation has been reduced by the estimated earthquake strengthening costs. The most recent valuation was performed by Bianca Dougherty (MPINZ, NZIV) of Morgans Property Advisors, last valued effective 30 June 2024.

For site improvements valuation at fair value is determined by optimised depreciated replacement cost basis.The most recent valuation was performed by Bianca Dougherty (MPINZ, NZIV) of Morgans Property Advisors, last valued effective 30 June 2024.

Restricted land and buildings
Fair value was determined from market-based evidence by an independent valuer. The most recent valuation was performed by Bianca Dougherty (MPINZ, NZIV) of Morgans Property Advisors, effective 30 June 2024.

Infrastructural Asset Classes: roading and waste management
Roading and waste management assets were last valued effective 30 June 2023.

The fair value of roading and waste management assets, excluding land, was determined on an optimised depreciated replacement cost basis, assuming continuation of current asset capability and processing requirements.

The valuation of roading was undertaken by Pauline True and reviewed by Kerryn Whitehead from Stantec New Zealand, all of whom have relevant qualifications and experience for carrying out this work.

The valuation of waste management was undertaken by Elmer Ipapo and Paula Haman, and reviewed by Graham Munnik from AECOM New Zealand Limited, all of whom have relevant qualifications and experience for carrying out this work.

Roading and waste management land (excluding land under roads) was valued in 2023 on the basis of 'open market value'. The open market value was in turn discounted to provide the specific rates for undeveloped land. While some infrastructure land (particularly off-street parking land) has independent certificates of title and therefore can be disposed of, the reality is that infrastructure land is required to be retained by PNCC for community use. The fair value was determined by Andrew Walshaw (ANZIV, SPINZ) of Morgans Property Advisors.

Additions and acquisitions to roading and waste management assets since valuation date are valued at cost.

Infrastructural Asset Classes: water reticulation, wastewater reticulation and stormwater networks (3 waters assets)
3 waters assets were last valued effective 30 June 2025.

The fair value of 3 waters assets, excluding land, was determined on an optimised depreciated replacement cost basis, assuming continuation of current asset capability and processing requirements. The valuation was undertaken by Tamzin Aldrin (BE (Hons), James Lear (BSc, PGDipSci, AMA) and Tony Urquhart (BE (Civil), PGDipBus, CMEngNZ, MInstD, BBCPrac) from Pattle Delamore Partners Limited, all of whom have relevant qualifications and experience for carrying out this work.

3 waters assets land was valued at 30 June 2025 on the basis of either discounted cashflow or open market value.
Discounted cashflow provides the net present value of the income stream that the land has the potential to generate. Open market value is derived from sales evidenced for 17 urban localities in Palmerston North, Ashhurst and Aokautere and one rate for rural area. The open market value was in turn discounted to provide the specific rates for undeveloped land.

While some infrastructure land has independent certificates of title and therefore can be disposed of, the reality is that infrastructure land is required to be retained by PNCC for community use. The fair value was determined by Bianca Dougherty (MPINZ, NZIV, BBS (VPM)) and Andrew Walshaw (SPINZ, ANZIV), both registered valuers from Morgans Property Advisors.

Land under roads (road reserves), infrastructure land and off-street parking land
Valuation of infrastructure land is generally considered 'non tradable' due to the perpetual nature of community use. It was valued at 30 June 2023 based on the undeveloped land value of the adjoining land with a discount applied to recognise the non-tradable nature of the asset. This asset class is re-valued as part of the infrastructural assets revaluation. The fair value was determined by Andrew Walshaw (ANZIV, SPINZ) of Morgans Property Advisors.

Land for off-street carparks, that have independent 'certficates of title' and can be disposed of, have been individually valued by registered valuer on an open market value basis, which is the price for which the property might reasonably be expected to be sold at the operative date between a willing buyer and willing seller in an arms length transaction. The fair value was determined by Andrew Walshaw (ANZIV, SPINZ) of Morgans Property Advisors at 30 June 2023.

Land under roads was valued based on the fair value of adjoining undeveloped land determined by Chris Leahy (Registered Valuer FNZIV, FNZPI) of CL Property Solutions Ltd, effective 30 June 2005. On transition to NZ IFRS PNCC has elected to use the fair value of land under roads as at 30 June 2005 as deemed cost. Land under roads is no longer revalued.

Replacement cost
The most recent estimate of the replacement cost of infrastructural assets detailed above as at 30 June 2025 is:

	Council **$000**
Wastewater	
- treatment plants and facilities	69,041
- other assets	535,109
Water	
- treatment plants and facilities	77,023
- other assets	362,863
Stormwater	504,926
Roading network	857,946

Palmerston North Airport
Land and buildings owned by Palmerston North Airport Ltd are recorded at fair value. Land fair value has been determined using the market value in alternative use highest and best use methodology with buildings using an optimised depreciated replacement cost basis An independent registered valuer, Morgans Property Advisors, last re-valued the assets as at 30 June 2025.

Airside infrastructure assets owned by Palmerston North Airport Ltd have been valued at fair value. Fair value was last determined by independent valuers AECOM New Zealand Ltd on an optimised depreciated replacement cost basis as at 30 June 2025.

Library collections
Library books were valued as at 30 June 1993, at their deemed cost. The NZ Pacific collection is valued at cost. All other books are valued at cost less accumulated depreciation. Additions since valuation date are stated at cost.

Heritage and art collection
The art collection assets are re-valued every three years and the heritage collection assets every four years.

The entire art collection (owned and custodial) was valued as at 30 June 2023 by Art + Object Auckland, on the basis of fair value.

The entire heritage collection (owned and custodial) was valued as at 30 June 2025 by AON, on the basis of a fair value by reference to price in an active market.

Assets pledged as security
The net carrying amount of plant and equipment held under finance leases is $nil (2024 $nil). Except for assets subject to the housing improvement suspensory loan of $480k (2024 $480k) secured by mortgage against the relevant housing units, PNCC does not have any assets pledged as security for liabilties.

A registered first debenture and mortgage is secured over assets and property owned by Palmerston North Airport Ltd. The borrowings are from the Bank of New Zealand and at 30 June 2025 land, buildings and other property assets with a carrying value of $90M has been pledged as security.

Significant acquisitions and replacement of assets
In accordance with the provisions of clause 24 of Schedule 10 of the Local Government Act 2002, the What the Council Does section contains more information on the significant acquisitions and renewals of assets on an activity basis.

NOTE 18
Intangible assets

	Council Computer Software $000	Council Athletic Track $000	Council Carpark Leases $000	Council Total $000	Group Total $000
2025					
BALANCE AT 1 JULY 2024					
Cost	4,401	675	1,016	6,092	6,327
Accumulated amortisation and impairment	(3,626)	(675)	(325)	(4,626)	(4,803)
Opening carrying amount	**775**	**-**	**691**	**1,466**	**1,537**
YEAR ENDED 30 JUNE 2025					
Additions	129	-	-	129	189
Amortisation charge	(88)	-	(20)	(108)	(150)
Reclassification - Cost	(359)	-	-	(359)	(359)
Reclassification - accumulated depreciation	-	-	-	-	-
Disposals cost	-	-	-	-	(117)
Disposal accumulated amortisation	-	-	-	-	104
Closing carrying amount	**457**	**-**	**671**	**1,128**	**1,191**
BALANCE AT 30 JUNE 2025					
Cost	4,171	675	1,016	5,862	6,040
Accumulated amortisation and impairment	(3,714)	(675)	(345)	(4,734)	(4,849)
Closing carrying amount	**457**	**-**	**671**	**1,128**	**1,191**
2024					
BALANCE AT 1 JULY 2023					
Cost	3,946	675	1,016	5,637	5,854
Accumulated amortisation and impairment	(3,549)	(675)	(304)	(4,528)	(4,682)
Opening carrying amount	**397**	**-**	**712**	**1,109**	**1,172**
YEAR ENDED 30 JUNE 2024					
Net additions	457	-	-	457	487
Amortisation charge	(79)	-	(21)	(100)	(135)
	(2)	-	-	(2)	(2)
	2	-	-	2	2
Disposals cost	-	-	-	-	(12)
Disposal accumulated amortisation	-	-	-	-	12
Closing carrying amount	**779**	**-**	**691**	**1,466**	**1,524**
BALANCE AT 30 JUNE 2024					
Cost	4,401	675	1,016	6,092	6,327
Accumulated amortisation and impairment	(3,626)	(675)	(325)	(4,626)	(4,803)
Closing carrying amount	**775**	**-**	**691**	**1,466**	**1,524**

Computer software includes software and systems under development of $164k (2024 $456k).
The carpark leases are for the lease of carparks for a period of 999 years with amortisation over the life of the carpark.
No intangible assets are pledged as security for liabilities (2024 $nil).
There are no restrictions over the title of intangible assets except for the athletic track.
The athletic track is on third party land with the cost reflecting PNCC construction cost. PNCC has a long term access agreement for residents.

ITEM 8 - ATTACHMENT 1

NOTE 19

Activity depreciation and amortisation

Included in activity expenditure in section 2 are the following amounts of depreciation and amortisation:

	Council	
	Actual 2025 $000	Actual 2024 $000
A creative and exciting city	10,235	10,895
A sustainable and resilient city	917	830
A connected and safe community	3,172	4,171
An innovative and growing city	2,145	613
Supporting the organisation	3,527	3,847
Transport	11,306	10,364
Stormwater	2,321	2,259
Wastewater	5,690	5,583
Water	4,896	4,579
Total Activity Depreciation and Amortisation	**44,209**	**43,141**

NOTE 20

Forestry assets

	Council		Group	
	Actual 2025 $000	Actual 2024 $000	Actual 2025 $000	Actual 2024 $000
Balance at 1 July	2,072	1,855	2,072	1,855
Increases due to purchases, replanting	-	-	-	-
Gains/(losses) arising from changes in fair value less estimated point of sale costs	115	217	115	217
Decreases due to harvest	-	-	-	-
Balance at 30 June	**2,187**	**2,072**	**2,187**	**2,072**

PNCC owns two forests held for harvest: Turitea and Gordon Kear. The forest assets referred to in this note are limited to the biological asset, being the forest crop (and do not include forest land or site improvements).

Turitea Forest is a pinus radiata plantation located within the water catchment reserve. During the 2019 period most of the older trees were harvested. The remaining planation comprising 27 hectares is at varying stages of maturity ranging from 30 to 50 years. The land that has been harvested is being restored back into native vegetation.

Gordon Kear Forest is a second rotation pinus radiata plantation located in the upper Kahuterawa Valley, comprising 372.6 hectares aged from 9 to 30 years.

Forestry assets (biological assets) were valued as at 30 June 2025 by an independent registered forestry consultant Alan Bell (Registered Forestry Consultant - NZ Institute of Forestry). A pre-tax discount rate of 8.0% (2024 8.0%) has been used in discounting the present value of expected cash flows to determine fair value of the forestry crops. Valuation has been on a going concern basis and only includes the value of the current crop, based on current average costs and three year historical rolling average sales prices. The forest crops are valued on an annual basis.

There are no capital commitments in relation to forestry assets.

Financial risk management strategies
PNCC is exposed to financial risks arising from changes in timber prices. PNCC is a long-term forestry investor and does not expect timber prices to decline significantly in the foreseeable future, therefore, has not taken any measures to manage the risks of a decline in timber prices. PNCC reviews its outlook for timber prices regularly in considering the need for active financial risk management.

NOTE 21

Investment property

	Council		Group	
	Actual 2025 $000	Actual 2024 $000	Actual 2025 $000	Actual 2024 $000
Balance at 1 July	4,535	4,825	19,864	20,225
Additions and acquisitions	-	-	-	-
Transfer to/(from) property, plant and equipment	-	-	-	-
Reclassification from assets held for sale	-	-	-	-
Reclassification to inventory	-	-	-	-
Disposals	-	-	-	-
Fair value gains/(losses) on valuation (note 6)	(170)	(290)	338	(361)
Balance at 30 June	**4,365**	**4,535**	**20,202**	**19,864**

PNCC's investment properties are valued annually at fair value effective 30 June. All investment properties were valued based on open market evidence to determine fair value. The valuation was performed by Andrew Walshaw (ANZIV, SPINZ) of Morgans Property Advisors.

There are no contractual obligations in relation to investment properties at balance date not recognised in the financial statements for either capital expenditure or operating expenditure.

Whilst PNCC does not have any contractual commitment for capital expenditure, there is an intention (as detailed in the Property Asset Management Plan) to maintain and renew all investment property.

Palmerston North Airport Ltd has investment properties. These are valued annually at fair value effective 30 June, performed by Morgans Property Advisors.

NOTE 22

Trade and other payables

	Council		Group	
	Actual 2025 $000	Actual 2024 $000	Actual 2025 $000	Actual 2024 $000
Trade payables	7,667	5,077	9,537	6,250
Deposits and bonds	2,417	3,457	2,417	3,469
Accruals and capital creditors	11,410	16,559	11,497	16,700
Amounts due to related parties	-	-	-	-
Fees and grants in advance	2,708	2,211	2,956	2,642
Rates in advance	2,468	2,419	2,543	2,419
Retentions	891	1,278	891	1,278
Tax payable (includes GST payables)	-	-	319	62
Other payables	920	980	1,348	1,670
Total trade and other payables	28,481	31,981	31,508	34,490
Total payables comprises:				
Payables from exchange transactions	22,385	26,371	24,973	28,578
Payables from non-exchange transactions	6,096	5,610	6,535	5,912

Trade and other payables are non-interest bearing and are normally settled on 30 day terms, therefore the carrying value of trade and other payables approximates their fair value.

Retentions are amounts deducted from commercial construction contracts. The Construction Contracts Act 2002 requires that for contracts entered into or renewed on or after 31 March 2017 those retentions be held “on trust” in the form of cash or other liquid assets for the benefit of those contractors. At 30 June 2025, retentions held totalled $891k were required to be held on trust (2024 $1,278k). PNCC has designated that a $1,500k short term bank deposit is held on trust for those contractors (2024 $1,250k). The amount held “on trust” is reviewed regularly to ensure it is sufficient to cover obligations.

NOTE 23

Provisions

	Council		Group	
	Actual 2025 $000	Actual 2024 $000	Actual 2025 $000	Actual 2024 $000
CURRENT				
Landfill aftercare provision	91	91	91	91
Building weather tightness claims	710	227	710	227
Building claims	46	46	46	46
Restructuring provision	-	433	-	433
Total current provisions	**847**	**797**	**847**	**797**
NON-CURRENT				
Landfill aftercare provision	251	322	251	322
Total non-current provisions	**251**	**322**	**251**	**322**

COUNCIL AND GROUP	Landfill aftercare $000	Building weather tightness claims $000	Building Act claims $000	Restructuring provision $000
Balance at 30 June 2023	494	591	46	-
Additional provisions made during the year	-	-	-	433
Amounts used during the year	(81)	(364)	-	-
Balance at 30 June 2024	**413**	**227**	**46**	**433**
Additional provisions made during the year	-	542	-	
Amounts used during the year	(71)	(59)	-	(433)
Balance at 30 June 2025	**342**	**710**	**46**	**-**

Landfill aftercare provision
PNCC, as owner and operator of the Awapuni landfill since 1952, has a legal obligation under resource consent to provide ongoing maintenance and monitoring of its landfill post-closure. The landfill closed at the end of January 2007. Post-closure activities include leachate, water, gas monitoring and remedial measures such as ongoing site maintenance, drainage systems and wastewater treatment, final clay capping, soil covering and vegetation.

Estimates of future monitoring costs and remedial works have been made by council engineers. These engineering estimates are the basis upon which PNCC has established this financial provision. The provision includes all expected future costs and obligations associated with landfill post-closure.

The provision has been estimated taking into account and based upon known technology, existing knowledge and current legal requirements for the remaining closure and ongoing maintenance and monitoring costs. The amount of the provision is the present value of future cash flows expected to be incurred, using a discount rate of 4.4%. PNCC engineers and accountants review the amount of the landfill provision at least once a year. The long term nature of the landfill liability means that there are inherent uncertainties in estimating costs that will be incurred.

Cash outflows for post-closure remedial works were completed in 2015, with consent monitoring costs expected to continue for up to 4 years (until 2029).

Landfill post-closure remedial works are capitalised to the landfill asset where they give rise to future economic benefits. Components of the capitalised landfill asset are then depreciated over their useful lives.

The landfill provision of $342k (2024 $413k) is for consent monitoring costs.

No reimbursement from other sources outside of PNCC is expected.

Building weather tightness claims
PNCC has unresolved weather tightness claims. Refer to note 29 for further details. PNCC is unable to assess it's exposure to these claims with the cost of any successful claims against PNCC expected to be substantially covered by provisions made.

PNCC also has exposure to possible calls relating to professional indemnity insurance cover, mainly relating to weather tightness claims. Refer to note 29 for further details. Due to recent Supreme Court and High Court rulings on a number of claims brought by other Councils against Riskpool there is now a high level of uncertainty about the potential scale and timing of future calls.

PNCC has a provision of $710k (2024 $227k) to cover unresolved and future weather tightness claims and future insurance pool calls.

Building Act claims
PNCC has further unresolved Building Act claims. Refer to note 29 for further details. PNCC is unable to assess it's exposure to these claims with the cost of any successful claims against PNCC expected to be substantially covered under PNCC's insurance policies.

PNCC has made a provision of $46,000 (2024 $46,000) to cover unresolved and future building claims, although the potential liability and timing of any payment is uncertain.

NOTE 24

Employee benefit liabilities

	Council		Group	
	2025 **$000**	2024 **$000**	2025 **$000**	2024 **$000**
Accrued pay (includes time in lieu and deductions payable)	1,538	1,144	1,891	1,489
Annual leave	5,197	5,485	5,723	6,013
Long service leave	1,216	774	1,240	799
Retirement gratuities	1,298	1,178	1,298	1,178
Sick leave	87	204	87	204
Total employee benefit liabilities	**9,336**	**8,785**	**10,239**	**9,683**
COMPRISING:				
Current	8,132	7,721	9,035	8,617
Non-current	1,204	1,064	1,204	1,066
Total employee benefit liabilities	**9,336**	**8,785**	**10,239**	**9,683**

Entitlements for long service leave and retirement gratuities that are payable beyond 12 months have been calculated on an actuarial basis. The amount of the provision is the present value of future cash flows expected to be incurred, using a discount rate of 4.4% (2024 5.0%) being for maturities that approximate the estimated future cash outflows. The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred.

NOTE 25

Borrowings

	Council		Group	
	Actual 2025 $000	Actual 2024 $000	Actual 2025 $000	Actual 2024 $000
CURRENT				
Secured loans	22,000	25,000	23,300	27,700
Total current borrowings	**22,000**	**25,000**	**23,300**	**27,700**
NON-CURRENT				
Secured loans	283,266	250,005	283,266	250,005
Total non-current borrowings	**283,266**	**250,005**	**283,266**	**250,005**
Total borrowings	**305,266**	**275,005**	**306,566**	**277,705**

Secured Loans
PNCC has a total bank overdraft facility of $0.5m (2024 $0.5m) with interest being charged at the bank's prime lending rate.
PNCC has bank multi-option credit lines totalling $55 million with $1.85m drawn at 30 June 2025 (2024 $43m, $4.8m drawn). When drawn interest is currently incurred at the OCR rate plus 1.05% (2024 1.15%), payable in arrears.
Interest on PNCC's floating rate debenture stock is payable quarterly in arrears.
PNCC has debt raised with the New Zealand Local Government Funding Agency. At 30 June 2025, $303.4m is outstanding with maturities from 2026 to 2031. $256m of this is drawn with interest rates are reset quarterly at the bank bill rate plus a margin varying from 0.4% to 0.8% with interest payable in arrears. The balance is drawn at fixed interest rates from 1.1% to 5.5%.
Effective interest rates, including line fees, are 4.3% (2024 4.6%). PNCC manages interest rate risk by use of interest rate swaps.
PNCC manages its borrowings in accordance with its funding and financial policies, which includes a Treasury Policy. These policies have been adopted in conjunction with PNCC's Long Term Plan.

Security
All of PNCC's secured loans plus the overdraft are secured under the terms of the Debenture Trust Deed between the PNCC and Covenant Trustee Services Ltd, as Trustee. Security is by a charge over the Council's ability to levy rates in favour of the Trustee. Pursuant to the Debenture Trust Deed PNCC has issued to its bankers security certificates totalling $108m to secure the various bank loan facilities, bank overdraft, guarantees issued on behalf of PNCC and other general banking facilities (excluding commercial paper). Security certificates have also been issued to secure the debt raised with the New Zealand Local Government Funding Agency.
In 2010 and 2011 PNCC received a total of $480,000 as part of a housing improvement scheme operated by Housing New Zealand. This loan has been utilised in improving community housing, is interest free and secured against those housing units. The loan is suspensory providing PNCC continues to own the units for 20 years, as is intended. PNCC has treated this as a grant and included this in revenue for capital expenditure as it intends to own these units indefinitely.
PNAL's bank borrowing is secured by a registered first debenture and mortgage over the assets and property of the Company. The balance outstanding is $1.3m (2024 $2.7m). In addition, PNAL has borrowed an unsecured sum of $12m from PNCC in accordance with a loan facility agreement between the two parties. PNCC has borrowed $12.4m from LGFA with 5 year terms at fixed rates of 4.11%-5.4467% and on-lent $12m to PNAL for 5 years with a margin of 0.4% (2024 $8m).

Fair Value
Fair values of the secured loans are as follows:

	Council		Group	
	Actual 2025 $000	Actual 2024 $000	Actual 2025 $000	Actual 2024 $000
Floating rate bank loans	1,850	4,800	1,850	4,800
Fixed rate bank loans	-	-	1,300	2,700
Floating rate debenture stock	-	-	-	-
New Zealand Local Government Funding Agency	303,416	270,205	303,416	270,205
Total	**305,266**	**275,005**	**306,566**	**277,705**
Current portion	(22,000)	(25,000)	(23,300)	(23,065)
Non-current portion	283,266	250,005	283,266	209,863

The carrying amounts of the short term borrowings approximate their fair values due to interest rates on debt predominantly being reset to the market rate every three months.

NOTE 26

Equity

	Council		Group	
	Actual 2025 $000	Actual 2024 $000	Actual 2025 $000	Actual 2024 $000
RETAINED EARNINGS				
As at 1 July	**1,107,326**	**1,097,509**	**1,144,886**	**1,135,271**
Surplus/(deficit) for the year	6,642	9,817	7,133	8,119
Transfers (to)/from retained earnings	-	-	(56)	1,496
As at 30 June	**1,113,968**	**1,107,326**	**1,151,963**	**1,144,886**
SPECIAL RESERVES AND FUNDS				
As at 1 July	-	-	676	444
Transfers (to)/from retained earnings	-	-	56	232
As at 30 June	**-**	**-**	**732**	**676**
Special reserves and funds consist of:				
- Endowment fund	**-**	**-**	11	11
- Collection development fund	**-**	**-**	35	14
- Historic building maintenance reserve	**-**	**-**	22	22
- Development reserve - exhibitions	**-**	**-**	664	629
Total Special Reserves and Funds	**-**	**-**	**732**	**676**
FAIR VALUE THROUGH OTHER COMPREHENSIVE REVENUE AND EXPENSE				
As at 1 July	379	345	379	345
Revaluation of shares in industry companies	58	34	58	34
As at 30 June	**437**	**379**	**437**	**379**
ASSET REVALUATION RESERVES THROUGH OTHER COMPREHENSIVE REVENUE AND EXPENSE				
As at 1 July	**940,879**	**960,784**	**998,814**	**1,016,145**
Revaluation gains/(losses) of operating property (net of deferred tax)	195,403	(19,905)	197,350	(15,603)
Transfer to retained earnings on disposal of property	-	-	-	(1,728)
As at 30 June	**1,136,282**	**940,879**	**1,196,164**	**998,814**
ASSET REVALUATION RESERVES CONSISTS OF:				
Operational assets				
Land	101,149	101,149	126,947	124,504
Buildings	132,900	132,900	133,767	133,767
Airside infrastructure	-	-	21,802	21,964
Improvements	-	-	-	-
Heritage collection	-	-	1,333	143
Art collection	-	-	10,082	11,606

Infrastructural assets				
Wastewater system	192,513	140,075	192,513	140,075
Water system	140,336	126,448	140,336	126,448
Stormwater system	229,302	121,453	229,301	121,453
Roading network	289,420	289,420	289,420	289,420
Waste management	13,077	13,077	13,077	13,077
Restricted assets				
Land	37,586	16,357	37,586	16,357
Total Revaluation Reserve	**1,136,283**	**940,879**	**1,196,164**	**998,814**
TOTAL EQUITY	**2,250,687**	**2,048,584**	**2,349,296**	**2,144,755**

Special reserves and funds include those held by CCO's. These originate from funds received for a specific purpose or reserves designated to be used for a specific purpose by the CCO.

NOTE 27

Reconciliation of net surplus/(deficit) after tax to net cash flow from operating activities

	Council		Group	
	Actual 2025 $000	Actual 2024 $000	Actual 2025 $000	Actual 2024 $000
Surplus/(Deficit) after Tax	**6,642**	**9,817**	**7,133**	**8,119**
Add/(less) non-cash items:				
Depreciation and amortisation	44,209	43,141	51,747	45,773
Vested assets	(10,483)	(8,534)	(10,607)	(4,013)
Provision movement	(21)	(12)	(21)	(12)
Share of associates deficit	-	-	(59)	(22)
Assets under construction written-off	2,382	-	2,382	-
(Gains)/losses in fair value of biological assets	(115)	(217)	(115)	(217)
(Gains)/losses in fair value of investment property	170	290	(337)	290
(Gains)/losses in fair value of derivative financial instruments	8,127	2,584	8,127	2,584
Add/(less) items classified as investing or financing activities:				
(Gains)/losses on disposal of property, plant and equipment	(190)	(970)	(300)	(511)
Add/(less) movements in working capital items:				
Accounts receivable	(52)	(6,452)	(258)	(6,238)
Goods and Services Tax (net)	(411)	(466)	(547)	(466)
Inventories	888	(109)	888	(103)
Accounts payable (inclusive of employee benefits)	1,503	5,170	1,347	6,044
Provision for taxation	-	-	319	-
Net Cash inflow/(outflow) from operating activities	**52,649**	**44,242**	**59,699**	**51,228**

NOTE 28

Operating leases and other commitments

Operating Leases as Lessee
PNCC leases property, plant and equipment in the normal course of its business. Most of these leases have a non-cancellable remaining term of between 32 and 48 months, except for two Emergency Operations Centre (EOC) leases that have non-cancellable remaining terms of 14 years. The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows

	Council		Group	
	Actual 2025 **$000**	Actual 2024 **$000**	Actual 2025 **$000**	Actual 2024 **$000**
Non-cancellable Operating Leases as Lessee				
Not later than one year	412	413	685	690
Later than one year and not later than five years	1,352	1,385	1,560	1,528
Later than five years	2,390	279	2,408	279
Total non-cancellable operating leases	**4,154**	**2,077**	**4,653**	**2,497**

The total minimum future sublease payments expected to be received under non-cancellable subleases at balance date is $nil (2024 $nil).
Lease amounts payable have been determined on the basis of current annual rent payable and have not been discounted or inflation adjusted.
Leases can be renewed at PNCC's option, with rents set by reference to current market rates for items of equivalent age and condition.
There are no restrictions placed on PNCC by any of the leasing arrangements.

Operating Leases as Lessor
PNCC leases its investment property and some operational assets under operating leases. The majority of these leases have a non-cancellable term of 24 or 36 months. For some leases the lessee has the right for further renewal periods. The future aggregate lease payments to be collected under non-cancellable operating leases are as follows:

	Council		Group	
	Actual 2025 **$000**	Actual 2024 **$000**	Actual 2025 **$000**	Actual 2024 **$000**
Non-cancellable Operating Leases as Lessor				
Not later than one year	1,219	1,069	2,815	2,873
Later than one year and not later than five years	3,500	3,532	8,844	8,769
Later than five years	2,053	1,889	5,180	6,160
Total non-cancellable operating leases	**6,772**	**6,490**	**16,839**	**17,802**

No contingent rents have been recognised in the statement of comprehensive revenue and expense during the period.

Non-cancellable Energy Contracts
PNCC has a contract with Meridian Energy Ltd to supply Non-Half Hour Electricity and with Mercury Energy to supply Time of Use and Time of Use (Distributed Unmetered) Electricity, with the contracts expiring June 2026.
PNCC has a contract with Genesis Energy Ltd to supply gas to all its complexes with the contract expiring on 30 September 2025. Gas is charged on an actual usage basis.

ITEM 8 - ATTACHMENT 1

NOTE 29

Contingencies

Contingent liabilities

	Council		Group	
	2025 $000	2024 $000	2025 $000	2024 $000
Uncalled share capital	100	100	100	100
Housing improvement suspensory loan	480	480	480	480
Total contingent liabilities	**580**	**580**	**580**	**580**

Litigation
As at 30 June 2025, there were no material legal actions being taken against PNCC which may result in a potential liability to PNCC (2024 no actions). Should any claims be received they would be contested with any liabiliity uncertain and would be substantially covered by PNCC's public liability or professional indemnity insurance policies which have an excess payment requirement against all claims.

Building Act Claims
The Building Act 2004 imposes certain obligations and liabilities on local authorities in respect to the issue of building consents and inspection of work done.
PNCC has two claims or potential claims relating to weather tightness issues of homes in the Palmerston North area which name PNCC as well as other parties (2024, 2). These are claims lodged with either the Weathertight Homes Resolution Service (WHRS), the Financial Assistance Programme, awaiting assessment for the programmes or outside these programmes which name PNCC. It is not yet certain whether these claims are valid and whom will be liable for the building defects, therefore, PNCC is unable to assess its exposure to the claims and the timing of any payment is uncertain. There are no other building claims (2024, 1). The costs of any successful weather tightness claims against PNCC are expected to be substantially covered from provisions made with successful building claims against PNCC expected to be substantially covered under PNCC's insurance policies or from provisions made. The estimated maximum potential liability for weather tightness claims to PNCC is $210,000 (2024 $310,000) and other building claims of $nil (2024 $10,000). A provision has been recognised for weather tightness claims and other Building Act claims, refer note 23.
PNCC is also exposed to potential future claims which have not been advised. The amount of these claims and any potential liability are not able to be reliably measured and are therefore not quantifiable.

RiskPool Insurance
PNCC obtained public liability and professional indemnity insurance cover from New Zealand Mutual Liability RiskPool until 30 June 2016. This operated as a mutual fund where each member made an annual contribution to obtain cover, however should claims exceed contributions then calls can be made on the members of that fund year, for the shortfall amount. PNCC is exposed to calls relating to claim years until it ceased to be a member of the pools on 30 June 2016. Although it was originally thought there would be one final call of less than $167k likely to impact PNCC, recent Supreme Court and High Court rulings involving other Council members of Riskpool has introduced a high level of uncertainty about both the level of PNCC's potential financial exposure and its timing. Advice from RiskPool indicates a call will be made during 2025/26 and there is a strong possibility of further calls.

PNCC has a provision of $710k (2024 227k) for weather tightness claims (note 23) that it is expected will be adequate to cover any calls over the next two years. This adequacy of this provision will need to be reviewed as more information becomes available.

Financial Guarantees
The value of guarantees disclosed as contingent liabilities reflects PNCC's assessment of the undiscounted portion of financial guarantees that are not recognised in the statement of financial position. PNCC has been the guarantor of the bank loans for a small number of community organisations with facilities built on PNCC land however at 30 June 2025 there are no balances outstanding.
PBE IPSAS 41 requires financial guarantees to be recognised at their fair value based on the probability PNCC will be required to reimburse a guarantee holder for a loss incurred, discounted to present value. The portion that remains unrecognised, prior to discounting to fair value, is disclosed as a contingent liability. The value of financial guarantees recognised has been assessed as $nil, because PNCC believes that the probability of being called upon to honour any guarantees given is currently unlikely.
PNCC is a participating employer in a Defined Benefit Plan Contributors Scheme ("the scheme"), which is a multi-employer defined benefit scheme. If the other participating employers ceased to participate in the scheme, PNCC could be responsible for the entire deficit of the scheme. Similarly, if a number of employers ceased to participate in the scheme, PNCC could be responsible for an increased share of the deficit.

New Zealand Local Government Funding Agency Limited
PNCC is a shareholder of the New Zealand Local Government Funding Agency Limited (NZLGFA). The NZLGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand and it has a current credit rating from S&P Global of AA+. PNCC is one of several shareholders of the NZLGFA. In that regard it has uncalled capital of $0.1m. When aggregated with the uncalled capital of other shareholders, this is available in the event that an imminent default is identified. Also, together with the other shareholders, PNCC is a guarantor of all of NZLGFA's borrowings. At 30 June 2025 NZLGFA had borrowings totalling $25,530m (2024 $23,030m). Financial reporting standards require PNCC to recognise the guarantee liability at fair value. However, PNCC has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. PNCC considers the risk of NZLGFA defaulting on repayment of interest or capital to be very low on the basis that we are not aware of any local authority debt default events in New Zealand and local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

Housing improvement suspensory loan
In 2010 and 2011 PNCC received a total of $480,000 as part of a housing improvement scheme operated by Housing New Zealand. This loan has been utilised in improving community housing, is interest free and secured against those housing units. The loan is suspensory providing PNCC continues to own the units for 20 years, as is intended. PNCC has treated this as a grant and not a loan and included this in revenue for capital expenditure as it intends to own these units indefinitely. Should any of these units be sold within the 20 year period the related loan would be repayable.

Emission Units
PNCC owns land and forests subject to the New Zealand emissions trading scheme. This has implications should the land be deforested with the Government providing compensation emission units for this restriction. PNCC has received 34,470 compensating emission units relating to qualifying pre-1990 forests which are recorded at a nil value.
Should forest land be deforested, PNCC may be liable for deforestation penalties relating to pre-1990 forest land of approximately 620 hectares. As it is intended to re-plant this land, or allow it to regenerate, in forest species with no current intention of deforestation, no liability is provided.

Unquantified contingent liabilities
There are various claims that PNCC are currently contesting which have not been quantified due to the nature of the issues, the uncertainty of the outcome and/or the extent to which PNCC have a responsibility to the claimant. The possibility of any outflow in settlement in these cases is assessed as remote.
The New Zealand Environmental Protection Agency commenced a review during 2018 into the use of PFOS foam in firefighting applications, including at airports. Investigations at Palmerston North Airport have since confirmed that this foam was used for firefighting training exercises at the airport up until the late 1980s. All PFOS foam was successfully removed from the fire appliances and storage containers onsite during the 2019 financial year. Further testing, consenting and investigation totalling $0.16m was completed by PNAL during the 2025 financial year (2024: $0.21m). Future outflows associated with monitoring and treating PFOS are expected to be incurred by PNAL in future accounting periods. However, the timing and value of outflows are not able to be reliably estimated at 30 June 2025.

Contingent assets
PNCC enables sports clubs to construct facilities (eg club rooms) on reserve land. These clubs control the use of these facilities and PNCC will only gain control of the asset if the club vacates the facility. Until this event occurs these assets are not recognised as assets in the Statement of Financial Position.
PNCC had provided a loan to the Manfeild Park Trust to assist with the construction of a multi-purpose indoor/outdoor stadium at Manfeild Park. Repayment of the loan has been suspended and will be required only if certain conditions are incurred, primarily relating to winding up of the Trust or sale by the Trust of it's assets. As this is not expected to occur in normal ongoing operations of the Trust the loan asset is not recognised in the Statement of Financial Position.

NOTE 30

Related party transactions

In this section PNCC disclose the related party transactions between the parent PNCC, its four Council Controlled Organisations (CCO's), its equity accounted CCO, and those transactions involving Councillor's and key management personnel. All related party transactions are disclosed below, and all of the transactions disclosures are treated as normal supplier or client/recipient relationship on terms and condition no more or less favourable than those that it is reasonable to expect PNCC would have adopted in dealing with the party at arm's length in the same circumstances. Other than the grants provided to CCO's below and a loan to Palmerston North Airport Limited (see notes 14 and 25 for further information), PNCC does not provide any other financing to those CCO's.
PNCC is the ultimate parent of the group and controls four entities, being Globe Theatre Trust Board, Palmerston North Airport Limited, The Regent Theatre Trust, and Te Manawa Museums Trust. PNCC also has influence over its 50% owned associate Central Economic Development Agency Ltd.Key management personnel of PNCC include the Mayor, Councillors, Chief Executive and the six staff who make up the executive leadership team.

Related party transactions with subsidiaries and CCO's	Actual 2025 **$000**	Actual 2024 **$000**
Globe Theatre Trust Board		
Grants provided by PNCC	178	175
Services provided by PNCC	-	1
Services provided to PNCC	6	7
Palmerston North Airport Limited		
Dividends paid to PNCC	195	-
Loans payable to PNCC	12,000	8,000
Interest expense to PNCC	474	380
Capital revenue provided to PNCC	-	483
Services provided by PNCC	90	41
Services provided to PNCC	8	10
Rates paid to PNCC	483	431
Accounts receivable by PNCC	264	184
Tax loss offset paid to PNCC	114	110
Asset vested to PNCC	-	4,563
The Regent Theatre Trust		
Grants provided by PNCC	270	262
Services provided by PNCC	-	3
Services provided to PNCC	6	9
Accounts receivable by PNCC	-	2
Te Manawa Museums Trust		
Grants provided by PNCC	3,834	3,758
Services provided by PNCC	290	271
Services provided to PNCC	-	-
Rates paid to PNCC	5	-
Accounts receivable by PNCC	32	37
Central Economic Development Agency Ltd		
Service funding provided by PNCC	2,054	1,917
Services provided by PNCC	31	23
Services provided to PNCC	120	
Accounts receivable by PNCC	32	6

In addition to the above transactions PNCC also owns the premises used Globe Theatre, Regent Theatre and Te Manawa Museum. While some are used pursuant to leases, the premises are effectively provided as an additional grant. PNCC also provide human resources advisory services to Te Manawa effectively as an additional grant.

No doubtful debt provision has been required for any advances made.

Transactions with Councillors and Key Management

There are close family members of some key management personnel employed by PNCC. The terms and conditions of these arrangements are no more favourable than PNCC would have adopted if there were no relationship to key management personnel.

In addition to any transactions within a normal supplier or client/recipient relationship there are some Councillors who are trustees or officers of organisations who receive grants from PNCC in addition to those detailed above for CCO's. These grants were approved by Council on the same basis as other grant recipients after considering all requests for grants. Amounts paid by Council to organisations in which Councillors or a close family member have an interest were:

		Actual 2025 **$000**	Actual 2024 **$000**
Councillor	**Organisation**		
Councillor Fitzgerald	Rangitane o Manawatu Settlement Trust	14	6
Councillor Hapeta	Fast Forward Group Ltd (Aberdeen on Broadway)	-	1
Councillor Meehan	Boatshed Catering	4	3
Councillor Dennison	Homes for People Trust	1	9

NOTE 31

Events after the balance sheet date

Outside of the water services reform (see note 37), PNCC are not aware of any events subsequent to balance date which would materially affect the amounts included in these financial statements or disclosures made.

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NOTE 32

Financial instrument categories

The accounting policies for financial instruments have been applied to the category items below:

	Council		Group	
FINANCIAL ASSETS	Actual 2025 **$000**	Actual 2024 **$000**	Actual 2025 **$000**	Actual 2024 **$000**
Cash and cash equivalents	2,462	1,677	3,303	3,820
Trade and other receivables	25,494	25,031	26,617	26,345
Other financial assets	12,000	14,000	1,202	7,331
Borrower notes - New Zealand Local Government Funding Agency	9,485	6,714	9,485	6,714
Sub-total	**49,441**	**47,422**	**40,607**	**44,210**
Fair value through surplus or deficit - held for trading				
Derivative financial instruments assets	2,833	9,069	2,833	9,069
Total fair value through surplus or deficit	**2,833**	**9,069**	**2,833**	**9,069**
Fair value through other comprehensive revenue and expense				
Unlisted shares - Civic Financial Services Ltd	391	383	391	383
Unlisted shares - New Zealand Local Government Funding Agency	536	486	536	486
Total fair value through other comprehensive revenue and expense	927	869	927	869
Total Financial Assets	**53,201**	**57,360**	**44,367**	**54,148**
FINANCIAL LIABILITIES				
Financial liabilities at amortised cost				
Trade and other payables	28,481	31,981	31,508	34,490
Borrowings	305,266	275,005	306,566	277,705
Total financial liabilities at amortised cost	**333,747**	**306,986**	**338,074**	**312,195**
Fair value through surplus or deficit - held for trading				
Derivative financial instruments liabilities	1,889	-	1,889	-
Total Financial Liabilities	**335,636**	**306,986**	**339,963**	**312,195**

NOTE 33

Fair value hierarchy disclosures

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

- quoted market price (level 1) for financial instruments with quoted prices for identical instruments in active markets.
- valuation technique using observable inputs (level 2) for financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- valuation techniques with significant non-observable inputs (level 3) for financial instruments valued using models where one or more significant inputs are not observable.

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value in the statement of financial position:

		Valuation technique		
Council and Group 2025	Total **$000**	Quoted market price **$000**	Observable inputs **$000**	Significant non-observable inputs **$000**
Financial assets				
Unlisted shares	927	-	-	927
Derivative financial instruments	2,833	-	2,833	-
Financial liabilities				
Derivative financial instruments	1,889	-	1,889	-
Council and Group 2024				
Financial assets				
Unlisted shares	869	-	-	869
Derivative financial instruments	9,069	-	9,069	-
Financial liabilities				
Derivative financial instruments	-	-	-	-

There were no transfers between the different levels of the fair value hierarchy.

Valuation techniques with significant non-observable inputs (level 3)

The table below provides a reconciliation from the opening balance to the closing balance for the level 3 fair value measurements:

	Council		Group	
	Actual 2025 $000	Actual 2024 $000	Actual 2025 $000	Actual 2024 $000
Balance at 1 July	886	886	886	886
Additional new shares purchased	-	-	-	-
Gains and losses recognised in other comprehensive revenue and expense	-	-	-	-
Balance at 30 June	**886**	**886**	**886**	**886**

Changing a valuation assumption to a reasonable possible alternative assumption would not significantly change the fair value.

NOTE 34

Financial instrument risks

PNCC has adopted a Treasury Policy which prescribes the framework within which the financial assets and liabilities will be managed. The policy has a particular focus on risks associated with financial instruments. It does not allow any transactions which are speculative in nature to be entered into.

PwC New Zealand is engaged as advisors in relation to PNCC's term borrowings.

PNCC has financial assets and liabilities as outlined in note 11 (cash and cash equivalents), note 12 (trade and other receivables), note 14 (other financial assets), note 16 (derivative financial instruments), note 22 (trade and other payables) and note 25 (borrowings).

The level of borrowing is determined by the Council through the Long Term Plan as modified each year by the Annual Plan. All external debt must be authorised by resolution of the Council. The Treasury Policy contains not only guidelines aimed at minimising the impact of various types of risk but also sets what are assessed as being prudent maximum borrowing limits.

Market risks

Price risk
Price risk is the risk that the fair value of a financial instrument will fluctuate as a result of changes in market prices. PNCC is exposed to equity securities price risk on its share investments intended to be held long term. This price risk arises due to market movements in listed securities or unlisted shares.

Currency risk
Currency risk is the risk that the fair value of a financial instrument will fluctuate due to changes in foreign exchange rates. PNCC has no exposure to currency risk.

Fair value interest rate risks
Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowing issued at fixed rates expose PNCC to fair value interest rate risk. PNCC's Treasury Policy prescribes that interest rate risk is managed and mitigated by ensuring that forecast gross debt will be within a series of prescribed fixed/floating interest rate risk control limits. Fixed to floating interest rate swaps are entered into to hedge the fair value interest rate risk arising where PNCC has borrowed at fixed rates in excess of prescribed levels. In addition investments at fixed interest rates expose PNCC to fair value interest rate risk.

Cash flow interest rate risks
Cash flow interest rate risk is the risk that cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose PNCC to cash flow interest rate risk. PNCC manages its cash flow interest rate risk on borrowings by using interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings at floating rates into fixed rates that are generally lower than those available if PNCC borrowed at fixed rates directly. Under interest rate swaps,

PNCC agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

Credit risk
Credit risk is the risk that a third party will default on its obligation to PNCC, causing PNCC to incur a loss. Financial instruments will potentially subject PNCC to credit risk.

Credit risk is minimised as a result of several key controls including maintaining maximum limits for each broad class of counterparty and individual counterparties, limiting investments to organisations with a S&P Global's investment grade rating or equivalent, and controlling the level and spread of trade and other receivables outstanding. As a result there are no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the Statement of Financial Position and the face value of off-balance sheet guarantees to community groups (refer Note 29).

PNCC has no collateral or other credit enhancements for financial instruments that give rise to credit risk.

PNCC is exposed to credit risk as a guarantor of all of the NZLGFA's borrowings. Refer note 29 for details.

PNCC's maximum credit exposure for each class of financial instrument is as follows:

	Council		Group	
	2025 **$000**	2024 **$000**	2025 **$000**	2024 **$000**
Cash and cash equivalents and bank deposits	2,462	7,677	4,505	11,151
Trade and other receivables	25,494	25,031	26,617	26,345
Derivative financial instruments	2,833	9,069	2,833	9,069
Loan to Palmerston North Airport Limited	12,000	8,000	-	-
Borrower notes - New Zealand Local Government Funding Agency	9,485	6,714	9,485	6,714

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to S&P Global's credit ratings (if available) or to historical information about counterparty default rates:

	Council		Group	
	2025 **$000**	2024 **$000**	2025 **$000**	2024 **$000**
COUNTERPARTIES WITH CREDIT RATINGS				
Cash and cash equivalents				
AA-	2,462	7,677	4,472	11,151
Borrower notes - New Zealand Local Government Funding Agency				
AA+	9,485	6,714	9,485	6,714
COUNTERPARTIES WITHOUT CREDIT RATINGS				
Loans to related parties				
Existing counterparty with no defaults in the past	12,000	8,000	-	-

Trade and other receivables mainly arise from PNCC's statutory functions, therefore there are no procedures in place to monitor or report the credit quality of debtors and other receivables with reference to internal or external credit ratings. PNCC has no significant concentrations of credit risk in relation to receivables as it has a large number of credit customers, mainly ratepayers, and PNCC has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers. Palmerston North Airport Limited is exposed to credit risk as there is a limited base of customers for the services provided by the Company. Although considered fully recoverable 95% of receivables at 30 June 2025 are from 15 customers.

Liquidity risk

Liquidity risk is the risk that PNCC will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. PNCC aims to maintain flexibility in funding by keeping committed credit lines available.

PNCC manages its borrowings in accordance with its funding and financial policies, which includes a Liability Management Policy. These policies have been adopted as part of PNCC's Treasury Policy.

The table below analyses PNCC's financial liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate on the instrument at the balance date. The amounts disclosed are the contractual undiscounted cash flows and include interest payments.

	Carrying amount $000	Contractual cash flows $000	Less than 1 year $000	1-2 years $000	3-5 years $000	More than 5 years $000
Council 2025						
Trade and other payables	28,481	28,481	28,481	-	-	-
Secured loans	1,850	1,850	1,850	-	-	-
New Zealand Local Government Funding Agency	303,416	346,991	34,312	55,998	231,367	25,314
Total	**333,747**	**377,322**	**64,643**	**55,998**	**231,367**	**25,314**
Group 2025						
Trade and other payables	31,508	31,508	31,508	-	-	-
Secured loans	3,150	3,176	3,176	-	-	-
New Zealand Local Government Funding Agency	303,416	346,991	34,312	55,998	231,367	25,314
Total	**338,074**	**381,675**	**68,996**	**55,998**	**231,367**	**25,314**
Council 2024						
Trade and other payables	31,981	31,981	31,981	-	-	-
Secured loans	4,800	8,100	8,100	-	-	-
New Zealand Local Government Funding Agency	270,205	328,853	40,242	35,932	188,933	63,746
Total	**306,986**	**368,934**	**80,323**	**35,932**	**188,933**	**63,746**
Group 2024						
Trade and other payables	34,490	34,490	34,490	-	-	-
Secured loans	7,500	11,070	8,235	2,835	-	-
New Zealand Local Government Funding Agency	270,205	328,853	40,242	35,932	188,933	63,746
Total	**312,195**	**374,413**	**82,967**	**38,767**	**188,933**	**63,746**

PNCC is exposed to liquidity risk as a guarantor of all of the NZLGFA's borrowings. This guarantee becomes callable in the event of the NZLGFA failing to pay its borrowings when they fall due. Refer note 29 for details.

The table below analyses PNCC's derivative financial instrument liabilities to be settled on a net basis in relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

The table below analyses PNCC's financial assets into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows and include interest revenue.

	Carrying amount $000	Contractual cash flows $000	Less than 1 year $000	1-2 years $000	3-5 years $000	More than 5 years $000
Council 2025						
Cash and cash equivalents and bank deposits	2,462	2,462	2,462	-	-	-
Trade and other receivables	25,494	25,494	25,494	-	-	-
Derivative financial instruments	2,833	1,148	91	(3)	831	229
Loan to Palmerston North Airport Limited	12,000	14,189	585	604	8,898	4,102
Borrower notes - New Zealand Local Government Funding Agency	9,485	10,668	539	1,168	6,417	2,544
Total	**52,274**	**53,961**	**29,171**	**1,769**	**16,146**	**6,875**
Group 2025						
Cash and cash equivalents and bank deposits	4,505	4,505	4,505	-	-	-
Trade and other receivables	26,617	26,617	26,617	-	-	-
Derivative financial instruments	2,833	1,148	91	(3)	831	229
Loan to Palmerston North Airport Limited	-	-	-	-	-	-
Borrower notes - New Zealand Local Government Funding Agency	9,485	10,668	539	1,168	6,417	2,544
Total	**43,440**	**42,938**	**31,752**	**1,165**	**7,248**	**2,773**
Council 2024						
Cash and cash equivalents and bank deposits	7,677	7,677	7,677	-	-	-
Trade and other receivables	25,031	25,031	25,031	-	-	-
Derivative financial instruments	9,069	10,289	3,346	2,508	3,857	578
Borrower notes - New Zealand Local Government Funding Agency	6,714	8,006	533	500	4,824	2,149
Total	**56,491**	**60,494**	**36,988**	**3,409**	**17,370**	**2,727**
Group 2024						
Cash and cash equivalents and bank deposits	11,151	11,151	11,151	-	-	-
Trade and other receivables	26,345	26,345	26,345	-	-	-
Derivative financial instruments	9,069	10,289	3,346	2,508	3,857	578
Borrower notes - New Zealand Local Government Funding Agency	6,714	8,006	533	500	4,824	2,149
Total	**53,279**	**55,791**	**41,375**	**3,008**	**8,681**	**2,727**

Sensitivity analysis

The tables below illustrate the potential effect on surplus or deficit and equity (excluding retained earnings) for reasonably possible market movements, with all other variables held constant, based on PNCC's financial instrument exposures at balance date. For interest rate movement the potential effect assumes a full year movement.

Council	2025				2024			
	$000	$000	$000	$000	$000	$000	$000	$000
	-100bp		+100bp		-100bp		+100bp	
	Profit	Equity	Profit	Equity	Profit	Equity	Profit	Equity
INTEREST RATE RISK								
Financial assets								
Cash and cash equivalents	(25)	-	25	-	(77)	-	77	-
Derivatives - held for trading	(8,485)	-	8,050	-	(7,036)	-	6,667	-
Financial liabilities								
Secured loans	(3,053)	-	3,053	-	(2,750)	-	2,750	-
Debentures	50	-	(50)	-	50	-	(50)	-
Total sensitivity to interest rate risk	**(11,513)**	**-**	**11,078**	**-**	**(9,813)**	**-**	**9,444**	**-**
	-10%		+10%		-10%		+10%	
	Profit	Equity	Profit	Equity	Profit	Equity	Profit	Equity
EQUITY PRICE RISK								
Financial assets								
Unlisted shares	(93)	-	93	-	(87)	-	87	-
Total sensitivity to equity price risk	**(93)**	**-**	**93**	**-**	**(87)**	**-**	**87**	**-**

Group	2025				2024			
	$000	$000	$000	$000	$000	$000	$000	$000
		-100bp		+100bp		-100bp		+100bp
	Profit	Equity	Profit	Equity	Profit	Equity	Profit	Equity
INTEREST RATE RISK								
Financial assets								
Cash and cash equivalents	(45)	-	45	-	(112)	-	112	-
Derivatives - held for trading	(8,485)	-	8,050	-	(7,036)	-	6,667	-
Financial liabilities								
Secured loans	(3,066)	-	3,066	-	(2,777)	-	2,777	-
Debentures	50	-	(50)	-	50	-	(50)	-
Total sensitivity to interest rate risk	**(11,546)**	**-**	**11,111**	**-**	**(9,875)**	**-**	**9,506**	**-**
	-10%		+10%		-10%		+10%	
	Profit	Equity	Profit	Equity	Profit	Equity	Profit	Equity
EQUITY PRICE RISK								
Financial assets								
Unlisted shares	(73)	-	73	-	(73)	-	73	-
Total sensitivity to equity price risk	**(73)**	**-**	**73**	**-**	**(73)**	**-**	**73**	**-**

Explanation of interest rate risk sensitivity
The interest rate sensitivity is based on a reasonable possible movement in interest rates, with all other variables held constant, measured as a basis points (bps) movement. For example, a decrease of 100bps is equivalent to a decrease in interest rates of 1.0%.

The sensitivity for derivatives (interest rate swaps) has been calculated using a derivative valuation model based on a parallel shift in interest rates of -100bps/+100bps.

Explanation of other price risk sensitivity
The sensitivity for unlisted shares has been calculated based on a -10%/+10% movement of the fair value for the unlisted shares.

There have been no changes from the previous period in the methods and assumptions used for any of the sensitivity analysis.

NOTE 35

Capital management

PNCC's capital is its equity (or ratepayers' funds), which comprise retained earnings and reserves. Equity is represented by net assets.

The Local Government Act 2002 (the Act) requires PNCC to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers' funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by PNCC. Intergenerational equity requires today's ratepayers to meet the costs of utilising PNCC's assets and not expecting them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, PNCC has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires PNCC to make adequate and effective provision in its Long Term Plan and in its Annual Plan (where applicable) to meet the expenditure needs identified in those plans. The Act also sets out the factors that PNCC is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in PNCC's Long Term Plan.

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NOTE 36

Explanations of major variances against budget

Explanations for major variances to from PNCC's budget figures for in Year 1 of the Long-Term Plan 2024-34

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

Rates revenue	Higher than budget due to more rateable properties and rates penalties than estimated.
Finance revenue	Higher than budget due to interest earned on term deposits and loans to Palmerston North Airport Limited.
Other revenue	Higher than budget due to receipt of revenue relating to sale of land development and higher windfarm generation revenue.
Operating subsidies and grants	Higher than budget due to waste minimisation levies utilised on related activities.
Capital subsidies and grants	Lower than budget due to reduction in NZTA Waka Kotahi subsidies.
Vested assets	Higher than budget due to significant development associated assets being vested during 2025.
Employee and elected representatives benefit expenses	Higher than budget due to more waged staff and overtime being used to maintain levels of service, as well as lower capitalised remuneration and lower turnover of staff than assumed in the budget.
Depreciation and amortisation	Lower than budget due to changes in estimated life of assets from operational property valuation in 2024.
Finance costs	Higher than budget due to financial instrument valuations moving to liabilities from assets.
Other expenses	Lower than budget due to work related to digital transformation operating programme being behind schedule. Work programme to continue into 2026.
Other losses	Higher than budget due to write-off of capital WIP design for transport projects that are no longer proceeding due to changes in Government direction.
Increase in operating property valuations	Higher than budget due to 3 waters valuation being significantly higher than estimated.

STATEMENT OF FINANCIAL POSITION

Cash and cash equivalents	Higher due to increased short term deposits and bank balance at year-end.
Trade and other receivables	Higher due to receivables, prepayments and accruals at year-end, most due for receipt and recognition early in FY20265.
Current Inventories	Higher than budget due to Tamakuku Terrace sections likely to be sold within 12 months.
Non-current Inventories	Lower than budget due intended sales of Tamakuku Terrace sections mostly being within next 12 months.
Non-current other financial assets	Higher due to loan with Palmerston North Airport Limited.
Investments in CCOs and industry companies	Higher due to increase in the rate for LGFA Borrower Notes with associated long term debt.
Non-current assets derivative financial instruments	Higher due to interest rate swaps being re-financed at higher rates than previous historical low interest rates.
Property, plant and equipment	Higher due to 2025 3 waters valuation being more than budget.
Investment property	Lower due to budget for other financial assets incorrectly being included in this line in the LTP budget.
Trade and other payables	Higher than budget due to higher capital expenditure accruals than anticipated at year-end.
Employee entitlements (current and non-current)	Higher than budget due to higher valuation of leave than anticipated.
Borrowings (current and non-current)	Lower than budget due to lower capital expenditure in the financial year.
Equity	Higher due to revaluation of 3 waters being higher than budget.

Statement of Cash Flows
Refer above for explanation of major variances that affect the cash flow variances.

NOTE 37

Local Water Done Well

The Government enacted the Local Government (Water Services Preliminary Arrangements) Act 2024 on 2 September 2024. This legislation requires Council to deliver a Water Services Delivery Plan (WSDP) to the Secretary for Local Government by 3 September 2025. This plan must include the anticipated or proposed model or arrangements and implementation plan for delivering water services to the district. PNCC has been working with neighbouring Councils throughout the year to determine an appropriate model for water services delivery. Public consultation took place in February & March 2025 with the preferred option of a four council Joint Water Services Council Controlled Organisation (WS-CCO) model with Palmerston North, Kapiti Coast District, Horowhenua and Manawatu District Council's proposed. Following consultation, both Manawatu and Kapiti Coast District Councils have made decisions to exclude themselves from this proposed model.

On 4 June 2025, Council resolved to create Joint WS-CCO for the future water services delivery model. Additional recommendations were passed to agree to partner with Horowhenua and Rangitkei District Councils for this Joint WS-CCO, with Ruapehu and Whanganui District Councils also able to join, should their respective Council's resolve to do so. On 9 July 2025, Ruapehu District Council resolved to partner with Whanganui District Council for their future Water Services Delivery model. On 15 July 2025, Whanganui District Council resolved to partner with Ruapehu District Council for their future Water Services Delivery model. These two resolutions confirmed that the Joint WS-CCO model for Palmerston North included partnering with both Horowhenua and Rangitikei District Council's. The Water Service Delivery Plan has subsequently been prepared on the basis of the three council Joint WS-CCO.

On 6 August 2025, Council resolved that primary stormwater assets and responsibility would also transfer to the WS-CCO. On 13 August 2025, Council adopted the Water Services Delivery Plan and Implementation plan detailing that the WS-CCO would created from 1 July 2026, with operations for water service delivery occurring from 1 July 2027. On 21 August 2025, the Chief Executives of Palmerston North City, Horowhenua & Rangitikei District Council's certified and signed the Joint Water Services Delivery Plan and submitted it to the Department of Internal Affairs, on behalf of the Secretary for Local Government.

The Water Services Delivery Plan must still be approved by the Secretary. It is not currently known what date this will occur. Until the Secretary for Local Government approves the Water Services Delivery Plan and Implementation plan the decision to form the Joint WS-CCO with Rangitikei and Horowhenua District Councils remains uncertain.

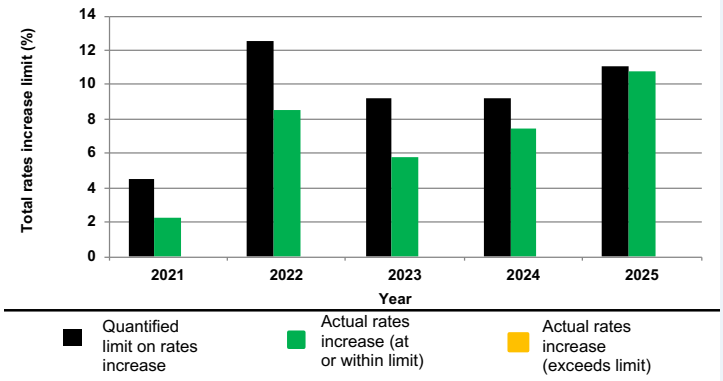
The financial impact of this decision remains uncertain as arrangements are still to be finalised. On 1 July 2027 it is anticipated that asset transfer will occur, which will impact Council's Statement of Financial Position, particularly in relation to the Infrastructure Assets. The impact to Council's debt transfer at this point is unknown, but it is likely to have a net debt implication for Council. The values associated with the Financial Position impacts are unknown at this point.

ANNUAL REPORT DISCLOSURE STATEMENT

for year ending 30 June 2025

What is the purpose of this statement?
The purpose of this statement is to disclose the council's financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.
The council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

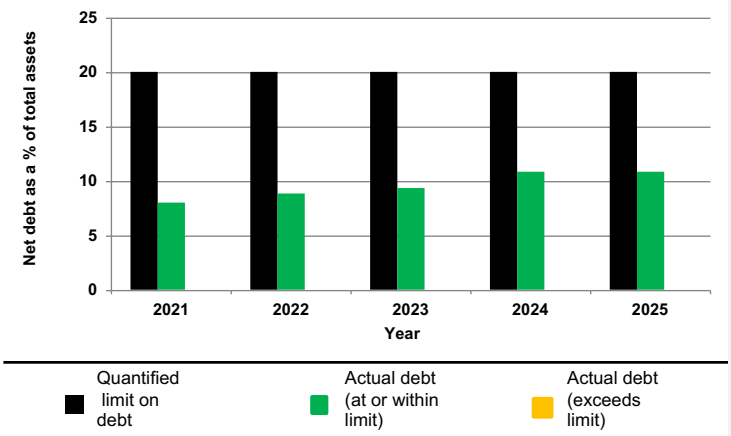
Rates affordability benchmark
The council meets the rates affordability benchmark if its actual rates increases equal or are less than each quantified limit on rates increases.



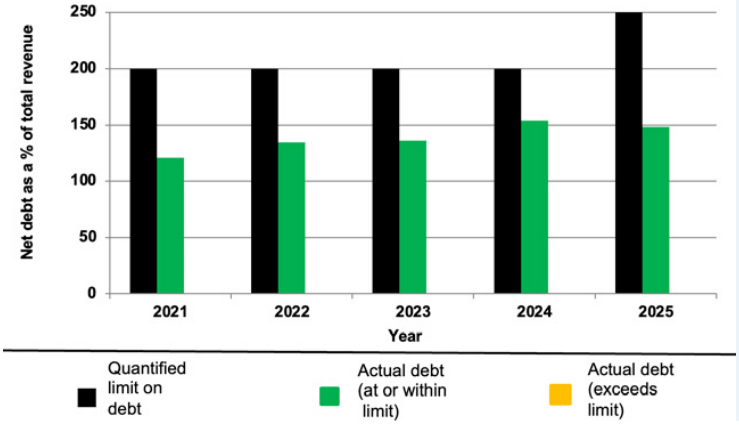
Rates increases affordability
The following graph compares the council's actual rates increases with a quantified limit on rates increases included in the financial strategy included in the council's long-term plan. The quantified limit is that total rates will increase by no more than the Local Government Cost Index (LGCI):

- plus the growth in the rating base
- plus 2% (to fund the cost of higher standards and new services)
- plus increase in funding for asset renewal.

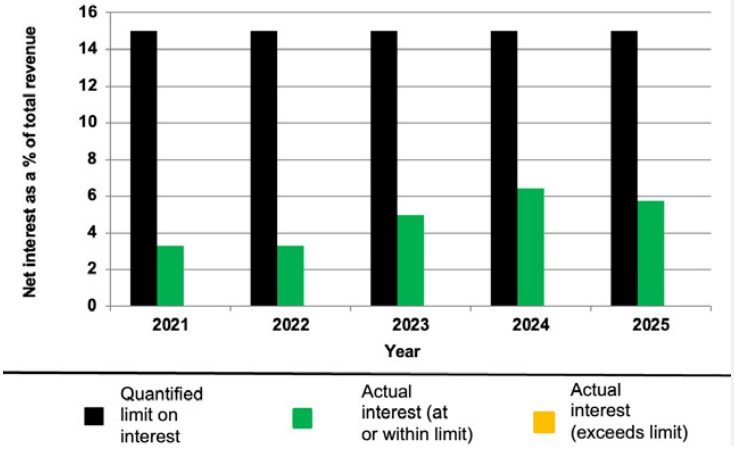
ITEM 8 - ATTACHMENT 1



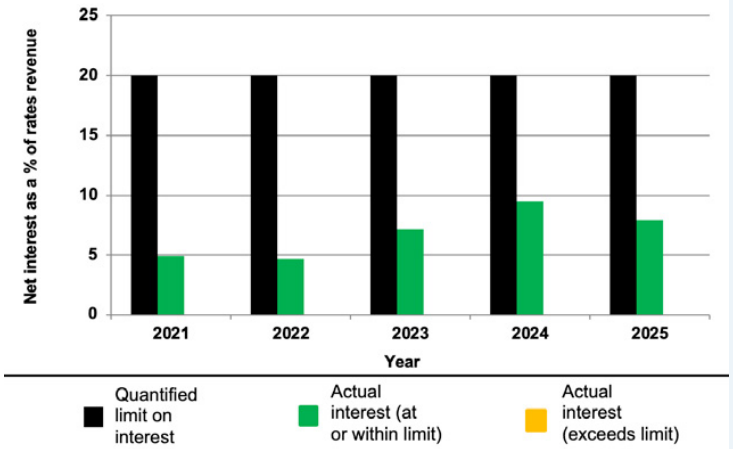
Debt affordability benchmarks
The council meets the debt affordability benchmarks if its actual borrowing is within each quantified limit on borrowing.
The following five graphs compare the council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's long-term plan.
The quantified limit for this graph is that net external debt as a percentage of total assets will not exceed 20%.



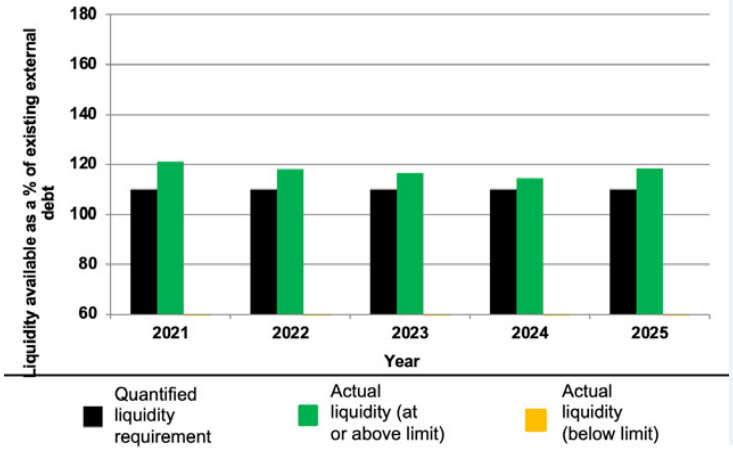
The quantified limit for this graph is that net external debt as a percentage of total revenue will not exceed 250%.



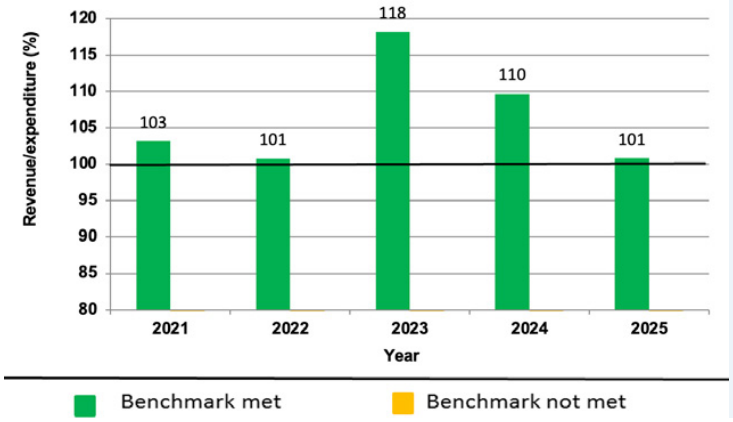
The quantified limit for this graph is that net interest as a percentage of total revenue will not exceed 15%.



The quantified limit for this graph is that net interest as a percentage of annual rates income will not exceed 20%

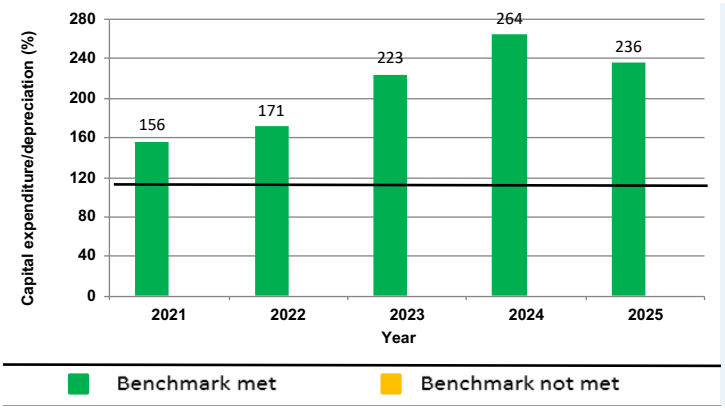


The quantified limit for this graph is that liquidity available will exceed 110% of existing external debt. Liquidity available is defined as the sum of existing external term debt, unused committed bank/loan facilities and liquid investments.

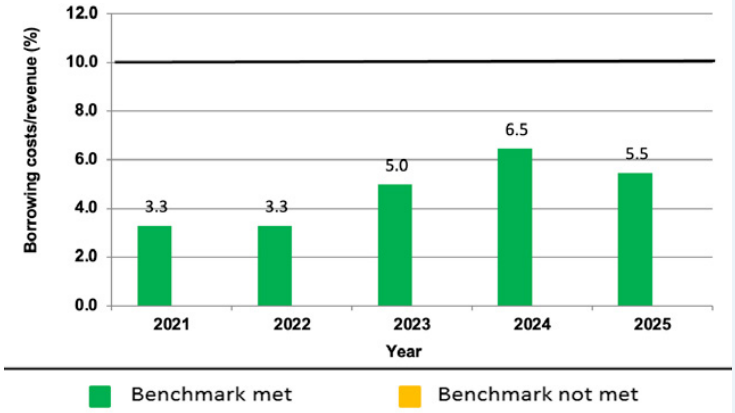


Balanced budget benchmark
The following graph displays the council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).
The council meets this benchmark if its revenue equals or is greater than its operating expenses.

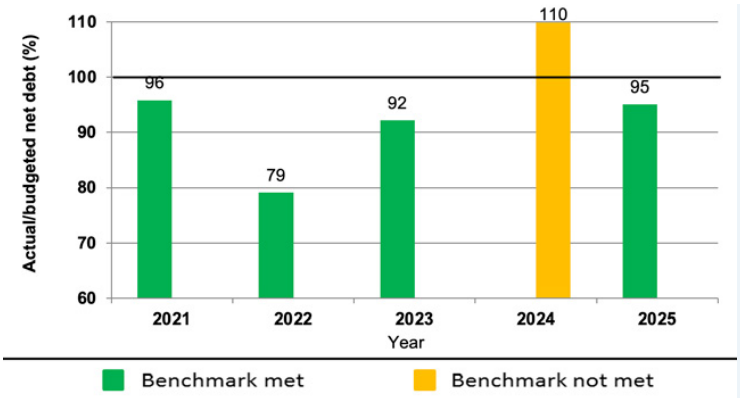
ITEM 8 - ATTACHMENT 1



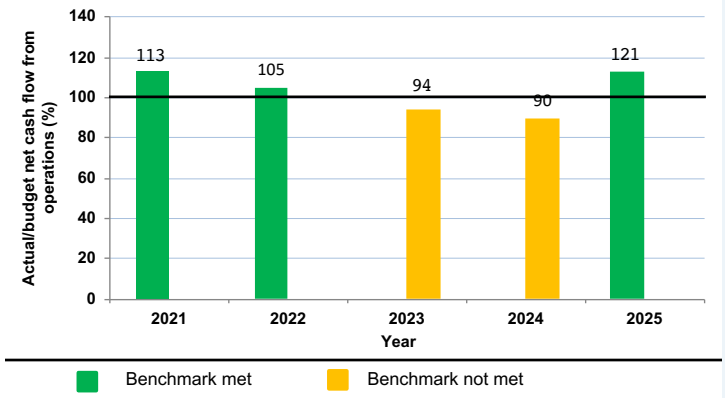
Essential services benchmark
The following graph displays the council's capital expenditure on network services as a proportion of depreciation on network services.
The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



Debt servicing benchmark
The following graph displays the council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).
Because Statistics New Zealand projects the council's population will grow as fast as the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.



Debt control benchmark*
The following graph displays the council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).
The council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.
This graph displays the council's actual net cash flow from operations as a proportion of its planned net cash flow from operations.
The council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



Operations control benchmark *
This graph displays the council's actual net cash flow from operations as a proportion of its planned net cash flow from operations. The council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.

Additional information or comment

Debt control benchmark
The debt control benchmark was not achieved in 2024 due to higher capital works being completed than anticipated, as well as higher actual receivables.

Operations control benchmark
In 2023 and 2024, the benchmark was not achieved due to Council approved increases in in spending against operating programmes for a new ERP. These programmes were funded from debt.

INSURANCE OF ASSETS

Details of insurance of assets (as required by the Local Government Act 2002) are shown in the following table.

Assets from Statement of Financial Position	**Carrying value as at 30 June 2025 $000**
Property, plant and equipment	2,520,629
Forestry assets	2,187
Investment property	4,365
	2,527,181
Less:	
Land component of operational assets	190,797
Land component of infrastructural assets	66,094
Land under roads	366,814
Land - restricted assets	54,816
	678,521
Net non-financial assets (excluding land)	1,848,660

Insurance arrangements	**Insured value as at 30 June 2025 $000**	
Material damage cover for buildings, plant, contents	929,208	Subject to various deductibles including: $10k for most claims except for earthquake or volcanic eruption where deductible is 5% of site sum insured or 10% for pre 1935 or earthquake prone buildings. Subject to maximum loss limit per claim and in the aggregate pa of $100m for fire and aggregate limit of $300m for natural disaster.
Motor vehicle insurance cover (including leased vehicles)	12,565	Insured for market value - carrying value assumed for this purpose.
Forestry/timber cover	2,187	Additional benefit of $0.5m for replanting.

Risk sharing arrangements		
Cover for infrastructure assets as a member of LAPP	542,600	Sum equates 40% of the ORV value of scheduled assets however maximum cover is $120m (ie 40% of $300m) for two events of up to $300m for each event. A claim threshold of $1.5m with a deductible of $0.6m applied.
Central Government assistance		It is anticipated (though cannot be guaranteed) that under the terms contained in the Guide to the Civil Defence Emergency Management Plan central government may fund 60% of the qualifying cost of reinstating essential infrastructure with a deductible of $2.19m.
Council arrangements for covering deductibles and/or uninsured assets		As at 30 June 2025 the Council had undrawn committed credit lines with banks and the LGFA totalling $53.2m. These are not specifically tagged as part of the risk management strategy but the Council could utilise a significant portion of these credit lines if required as a short term funding measure.
	1,486,560	
Sum not specifically insured	362,100	Note the 60% portion of the the ORV of infrastructure assets which may be funded by central government equates $814m.

The Council has no insurances relating to financial or intangible assets.

PALMERSTON NORTH CITY COUNCIL
FUNDING IMPACT STATEMENT FOR YEAR ENDED 30 JUNE 2025 FOR:

Whole of Council

	Long Term Plan 2024 $000	Annual Plan Budget 2024 $000	Actual 2024 $000	Long Term Plan 2025 $000	Actual 2025 $000
(SURPLUS) / DEFICIT OF OPERATING FUNDING					
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	94,222	91,450	91,883	86,346	86,979
Targeted rates	33,394	32,794	32,831	50,506	51,221
Subsidies and grants for operating purposes	5,115	7,880	6,140	6,370	7,063
Fees and charges	7,887	8,021	7,148	7,773	8,444
Interest and dividends from investments	17	150	1,977	356	2,438
Local authorities fuel tax, fines, infringement fees, and other receipts	24,674	25,133	26,320	30,925	33,518
Total Sources of operating funding	**165,309**	**165,428**	**166,299**	**182,276**	**189,663**
Applications of operating funding					
Payments to staff and suppliers	121,303	126,835	134,490	142,450	138,165
Finance costs	8,333	9,899	11,837	14,520	13,129
Other operating funding applications	-	-	-	-	-
Total Applications of operating funding	**129,636**	**136,734**	**146,327**	**156,970**	**151,294**
Total SURPLUS / (DEFICIT) OF OPERATING FUNDING	**35,673**	**28,694**	**19,972**	**25,306**	**38,369**
(SURPLUS) / DEFICIT OF CAPITAL FUNDING					
Sources of capital funding					
Subsidies and grants for capital expenditure	21,353	17,725	14,540	16,094	9,692
Development and financial contributions	3,248	3,249	2,436	1,961	2,567
increase (decrease) in debt	57,379	36,196	41,109	53,296	30,261
Gross proceeds from sale of assets	7,826	7,479	2,268	-	388
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total Sources of capital funding	**89,806**	**64,649**	**60,353**	**71,351**	**42,908**
Applications of Capital Funding					
Capital Expenditure:-					
- to meet additional demand	7,907	13,017	10,834	14,973	6,710
- to improve the level of service	87,449	52,186	48,561	47,401	27,451
- to replace existing assets	30,123	28,140	31,869	32,983	34,425
increase/(decrease) in reserves	-	-	-	-	-
Increase (decrease) of investments	-	-	(10,939)	1,300	12,690
Total applications of capital funding	**125,479**	**93,343**	**80,325**	**96,657**	**81,276**
Total SURPLUS / (DEFICIT) OF CAPITAL FUNDING	**(35,673)**	**(28,694)**	**(19,972)**	**(25,306)**	**(38,369)**
Total Funding (Surplus) /Deficit	**-**	**-**	**-**	**-**	**-**

PALMERSTON NORTH CITY COUNCIL
FUNDING IMPACT STATEMENT FOR YEAR ENDED 30 JUNE 2025 FOR:

A connected and safe community

	Long Term Plan 2024 $000	Annual Plan Budget 2024 $000	Actual 2024 $000	Long Term Plan 2025 $000	Actual 2025 $000
SURPLUS / (DEFICIT) OF OPERATING FUNDING					
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	20,564	21,984	22,647	22,267	22,430
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	55	1,047	118	-	260
Fees and charges	1,520	1,546	1,485	1,500	1,380
Internal charges and overheads recovered	-	1,366	748	2,175	1,579
Local authorities fuel tax, fines, infringement fees, and other receipts	4,438	1,265	1,379	1,107	1,333
Total Sources of operating funding	**26,577**	**27,208**	**26,377**	**27,049**	**26,982**
Applications of operating funding					
Payments to staff and suppliers	17,797	16,125	14,393	17,727	17,400
Finance costs	750	433	433	746	541
Internal charges and overheads applied	4,775	5,005	4,612	6,276	5,563
Other operating funding applications	-	-	-	-	-
Total Applications of operating funding	**23,322**	**21,563**	**19,438**	**24,749**	**23,504**
Total SURPLUS / (DEFICIT) OF OPERATING FUNDING	**3,255**	**5,645**	**6,939**	**2,300**	**3,478**
Sources of capital funding					
Subsidies and grants for capital expenditure	80	-	-	-	-
Development and financial contributions	-	-	-	-	-
increase (decrease) in debt	732	1,216	2,498	2,064	622
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contibutions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total Sources of capital funding	**812**	**1,216**	**2,498**	**2,064**	**622**
Applications of Capital Funding					
Capital Expenditure:-					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	1,427	4,752	6,680	2,376	1,255
- to replace existing assets	2,640	2,109	2,757	1,988	1,601
Increase (decrease) in reserves	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-
Total applications of capital funding	**4,067**	**6,861**	**9,437**	**4,364**	**2,856**
Total SURPLUS / (DEFICIT) OF CAPITAL FUNDING	**(3,255)**	**(5,645)**	**(6,939)**	**(2,300)**	**(3,478)**
Total Funding Surplus /(Deficit)	**-**	**-**	**-**	**-**	

PALMERSTON NORTH CITY COUNCIL
FUNDING IMPACT STATEMENT FOR YEAR ENDED 30 JUNE 2025 FOR:

A creative and exciting city

	Long Term Plan 2024 $000	Annual Plan Budget 2024 $000	Actual 2024 $000	Long Term Plan 2025 $000	Actual 2025 $000
SURPLUS / (DEFICIT) OF OPERATING FUNDING					
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	28,346	28,224	28,134	30,976	31,202
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	67	68	448	110	386
Fees and charges	-	-	-	-	2
Internal charges and overheads recovered	1,955	1,768	1	2,098	1,866
Local authorities fuel tax, fines, infringement fees, and other receipts	3,310	3,563	4,117	4,166	5,572
Total Sources of operating funding	**33,678**	**33,623**	**32,698**	**37,350**	39,029
Applications of operating funding					
Payments to staff and suppliers	20,996	23,617	23,162	24,996	24,643
Finance costs	1,834	2,479	2,486	2,823	2,047
Internal charges and overheads applied	3,808	4,220	2,017	3,779	3,752
Other operating funding applications	-	-	-	-	-
Total Applications of operating funding	**26,638**	**30,316**	**27,665**	**31,598**	30,443
Total SURPLUS / (DEFICIT) OF OPERATING FUNDING	**7,040**	**3,307**	**5,033**	**5,752**	8,586
Sources of capital funding					
Subsidies and grants for capital expenditure	3,259	351	3	419	246
Development and financial contributions	355	355	201	285	215
increase (decrease) in debt	14,365	7,351	6,787	606	1,879
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total Sources of capital funding	**17,979**	**8,057**	**6,985**	**1,310**	1,418
Applications of Capital Funding					
Capital Expenditure:-					
- to meet additional demand	957	-	1,563	273	280
- to improve the level of service	19,013	6,861	5,927	2,693	1,827
- to replace existing assets	5,049	4,503	4,528	4,096	5,060
increase/(decrease) in reserves	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-
Total applications of capital funding	**25,019**	**11,364**	**12,018**	**7,062**	7,167
Total SURPLUS / (DEFICIT) OF CAPITAL FUNDING	**(7,040)**	**(3,307)**	**(5,033)**	**(5,752)**	(8,586)
Total Funding Surplus /(Deficit)	**-**	**-**	**-**	**-**	()

PALMERSTON NORTH CITY COUNCIL
FUNDING IMPACT STATEMENT FOR YEAR ENDED 30 JUNE 2025 FOR:

Supporting the Organisation

	Long Term Plan 2024 $000	Annual Plan Budget 2024 $000	Actual 2024 $000	Long Term Plan 2025 $000	Actual 2025 $000
SURPLUS / (DEFICIT) OF OPERATING FUNDING					
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	11,649	11,096	8,803	11,757	11,843
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	102	143	210
Fees and charges	220	215	49	150	-
Internal charges and overheads recovered	35,256	18,847	33,825	36,620	35,071
Local authorities fuel tax, fines, infringement fees, and other receipts	4,988	4,667	5,959	4,671	6,081
Total Sources of operating funding	**52,113**	**34,825**	**48,738**	**53,341**	**53,205**
Applications of operating funding					
Payments to staff and suppliers	38,751	41,247	45,384	44,052	43,550
Finance costs	697	289	1,629	1,098	2,822
Internal charges and overheads applied	10,124	8,012	14,232	8,160	7,247
Other operating funding applications	-	-	-	-	-
Total Applications of operating funding	**49,572**	**33,524**	**61,245**	**53,310**	**53,619**
Total SURPLUS / (DEFICIT) OF OPERATING FUNDING	**2,541**	**1,301**	**12,507**	**31**	**414**
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	115
Development and financial contributions	-	-	-	-	-
increase (decrease) in debt	3,180	1,504	6,008	6,167	4,688
Gross proceeds from sale of assets	-	-	255	-	388
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total Sources of capital funding	**3,180**	**1,504**	**6,263**	**6,167**	**5,190**
Applications of Capital Funding					
Capital Expenditure:-					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	1,411	408	482	1,265	947
- to replace existing assets	4,310	2,397	4,213	3,633	3,830
increase/(decrease) in reserves	-	-	-	-	-
Increase (decrease) of investments	-	-	10,939	1,300	-
Total applications of capital funding	**5,721**	**2,805**	**6,244**	**6,198**	**4,776**
Total SURPLUS / (DEFICIT) OF CAPITAL FUNDING	**(2,541)**	**(1,301)**	**12,507**	**(31)**	**414**
Total Funding Surplus /(Deficit)	**-**	**-**	**-**	**-**	

PALMERSTON NORTH CITY COUNCIL
FUNDING IMPACT STATEMENT FOR YEAR ENDED 30 JUNE 2025 FOR:

A sustainable and resilient city

	Long Term Plan 2024 $000	Annual Plan Budget 2024 $000	Actual 2024 $000	Long Term Plan 2025 $000	Actual 2025 $000
SURPLUS / (DEFICIT) OF OPERATING FUNDING					
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	2,023	1,258	1,347	3,535	3,560
Targeted rates	6,102	7,240	7,294	5,599	5,697
Subsidies and grants for operating purposes	361	1,037	1,041	1,190	1,139
Internal charges and overheads recovered	-	-	-	128	182
Local authorities fuel tax, fines, infringement fees, and other receipts	3,058	2,953	3,202	3,875	3,952
Total Sources of operating funding	**11,544**	**12,488**	**12,884**	**14,327**	**14,530**
Applications of operating funding					
Payments to staff and suppliers	9,001	8,365	8,520	9,961	9,478
Finance costs	452	506	506	571	414
Internal charges and overheads applied	690	3,664	3,939	2,901	4,372
Other operating funding applications	-	-	-	-	-
Total Applications of operating funding	**10,143**	**12,535**	**12,965**	**13,433**	**14,263**
Total SURPLUS / (DEFICIT) OF OPERATING FUNDING	**1,401**	**47**	**81**	**894**	**266**
Sources of capital funding					
Subsidies and grants for capital expenditure	281	412	282	-	14
Development and financial contributions	-	-	-	-	-
increase (decrease) in debt	1,963	3,479	2,091	3,866	2,147
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total Sources of capital funding	**2,244**	**3,891**	**2,373**	**3,866**	**2,133**
Applications of Capital Funding					
Capital Expenditure:-					
- to meet additional demand	-	-	626	-	-
- to improve the level of service	3,185	3,011	1,159	4,000	1,728
- to replace existing assets	460	833	507	760	672
increase/(decrease) in reserves	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-
Total applications of capital funding	**3,645**	**3,844**	**2,292**	**4,760**	**2,399**
Total SURPLUS / (DEFICIT) OF CAPITAL FUNDING	**(1,401)**	**47**	**81**	**(894)**	**(266)**
Total Funding Surplus /(Deficit)	**-**	**-**	**-**	**-**	

PALMERSTON NORTH CITY COUNCIL
FUNDING IMPACT STATEMENT FOR YEAR ENDED 30 JUNE 2025 FOR:

An innovative and growing city

	Long Term Plan 2024 $000	Annual Plan Budget 2024 $000	Actual 2024 $000	Long Term Plan 2025 $000	Actual 2025 $000
SURPLUS / (DEFICIT) OF OPERATING FUNDING					
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	8,721	9,547	9,176	6,036	6,082
Targeted rates	-	250	250	8,096	8,170
Subsidies and grants for operating purposes	-	1,050	277	-	8
Fees and charges	5,948	6,017	5,353	5,926	6,715
Internal charges and overheads recovered	32	193	937	1,860	955
Local authorities fuel tax, fines, infringement fees, and other receipts	1,586	5,099	5,540	8,505	10,202
Total Sources of operating funding	**16,287**	**22,156**	**21,533**	**30,423**	**32,116**
Applications of operating funding					
Payments to staff and suppliers	11,915	14,970	13,629	24,978	17,101
Finance costs	21	978	1,508	2,429	2,334
Internal charges and overheads applied	3,659	6,147	4,790	6,727	7,019
Other operating funding applications	-	-	-	-	-
Total Applications of operating funding	**15,595**	**22,095**	**19,927**	**34,134**	**26,455**
Total SURPLUS / (DEFICIT) OF OPERATING FUNDING	**692**	**61**	**1,606**	**3,711**	**5,661**
Sources of capital funding					
Subsidies and grants for capital expenditure	-	955	595	23	1
Development and financial contributions	-	-	-	-	-
Gross proceeds from sale of assets	7,340	7,000	2,013	-	-
increase (decrease) in debt	6,937	2,815	1,420	5,442	7,652
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total Sources of capital funding	**403**	**5,140**	**1,188**	**5,465**	**7,653**
Applications of Capital Funding					
Capital Expenditure:-					
- to meet additional demand	-	-	595	-	-
- to improve the level of service	77	3,375	1,650	531	1,034
- to replace existing assets	1,018	1,826	549	1,223	1,658
increase/(decrease) in reserves	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	12,691
Total applications of capital funding	**1,095**	**5,201**	**2,794**	**1,754**	**13,315**
Total SURPLUS / (DEFICIT) OF CAPITAL FUNDING	**(692)**	**(61)**	**(1,606)**	**3,711**	**(5,661)**
Total Funding Surplus /(Deficit)	**-**	**-**	**-**	**-**	**()**

PALMERSTON NORTH CITY COUNCIL
FUNDING IMPACT STATEMENT FOR YEAR ENDED 30 JUNE 2025 FOR:

Stormwater

	Long Term Plan 2024 $000	Annual Plan Budget 2024 $000	Actual 2024 $000	Long Term Plan 2025 $000	Actual 2025 $000
SURPLUS / (DEFICIT) OF OPERATING FUNDING					
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	4,825	3,871	3,404	5,029	5,065
Targeted rates	-	-	-	-	-
Fees and charges	-	-	22	-	24
Internal charges and overheads recovered	-	-	-	1,246	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	7	44	-	26
Total Sources of operating funding	**4,825**	**3,878**	**3,470**	**6,275**	**5,063**
Applications of operating funding					
Payments to staff and suppliers	2,788	1,420	966	1,722	1,548
Finance costs	549	443	446	832	603
Internal charges and overheads applied	45	1,211	106	2,990	1,423
Other operating funding applications	-	-	-	-	-
Total Applications of operating funding	**3,382**	**3,074**	**1,518**	**5,544**	**3,574**
Total SURPLUS / (DEFICIT) OF OPERATING FUNDING	**1,443**	**804**	**1,952**	**731**	**1,489**
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	1,052	16
Development and financial contributions	166	166	118	495	102
increase (decrease) in debt	4,282	5,024	6,538	7,128	3,731
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total Sources of capital funding	**4,448**	**5,190**	**6,656**	**8,675**	**3,848**
Applications of Capital Funding					
Capital Expenditure:-					
- to meet additional demand	1,728	3,289	3,554	4,244	1,401
- to improve the level of service	3,027	2,475	4,782	4,812	3,570
- to replace existing assets	1,136	230	272	350	366
increase/(decrease) in reserves	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-
Total applications of capital funding	**5,891**	**5,994**	**8,608**	**9,406**	**5,337**
Total SURPLUS / (DEFICIT) OF CAPITAL FUNDING	**(1,443)**	**(804)**	**(1,952)**	**(731)**	**(1,489)**
Total Funding Surplus /(Deficit)	**-**	**-**	**-**	**-**	**()**

PALMERSTON NORTH CITY COUNCIL
FUNDING IMPACT STATEMENT FOR YEAR ENDED 30 JUNE 2025 FOR:

Transport

	Long Term Plan 2024 $000	Annual Plan Budget 2024 $000	Actual 2024 $000	Long Term Plan 2025 $000	Actual 2025 $000
SURPLUS / (DEFICIT) OF OPERATING FUNDING					
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	18,094	15,470	18,372	6,746	6,796
Targeted rates	-	-	-	8,419	8,497
Subsidies and grants for operating purposes	4,632	4,678	3,921	4,927	4,308
Fees and charges	143	187	205	197	288
Internal charges and overheads recovered	-	12,581	12,907	5,098	4,338
Local authorities fuel tax, fines, infringement fees, and other receipts	6,002	6,380	7,144	7,340	7,787
Total Sources of operating funding	**28,871**	**39,296**	**42,549**	**32,727**	**32,012**
Applications of operating funding					
Payments to staff and suppliers	16,609	18,113	19,371	14,885	18,127
Finance costs	2,076	2,514	2,536	3,108	2,254
Internal charges and overheads applied	4,018	12,668	15,247	7,162	7,143
Other operating funding applications	-	-	-	-	-
Total Applications of operating funding	**22,703**	**33,295**	**37,154**	**25,155**	**27,525**
Total SURPLUS / (DEFICIT) OF OPERATING FUNDING	**6,168**	**6,001**	**5,395**	**7,572**	**4,487**
Sources of capital funding					
Subsidies and grants for capital expenditure	17,733	16,007	13,607	11,822	6,408
Development and financial contributions	1,021	1,022	1,183	414	1,092
increase (decrease) in debt	12,495	10,530	11,574	12,237	11,105
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total Sources of capital funding	**31,249**	**27,559**	**26,364**	**24,473**	**18,605**
Applications of Capital Funding					
Capital Expenditure:-					
- to meet additional demand	2,708	7,239	2,217	6,333	3,899
- to improve the level of service	28,521	19,843	20,259	14,542	6,259
- to replace existing assets	6,188	6,478	9,283	11,170	12,934
increase/(decrease) in reserves	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-
Total applications of capital funding	**37,417**	**33,560**	**31,759**	**32,045**	**23,092**
Total SURPLUS / (DEFICIT) OF CAPITAL FUNDING	**(6,168)**	**(6,001)**	**(5,395)**	**(7,572)**	**(4,487)**
Total Funding Surplus /(Deficit)	**-**	**-**	**-**	**-**	**()**

PALMERSTON NORTH CITY COUNCIL
FUNDING IMPACT STATEMENT FOR YEAR ENDED 30 JUNE 2025 FOR:

Wastewater

	Long Term Plan 2024 $000	Annual Plan Budget 2024 $000	Actual 2024 $000	Long Term Plan 2025 $000	Actual 2025 $000
SURPLUS / (DEFICIT) OF OPERATING FUNDING					
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	-	-	-	-	
Targeted rates	13,334	11,159	11,188	13,798	13,880
Subsidies and grants for operating purposes	-	-	233	-	768
Fees and charges	6	6	16	-	17
Internal charges and overheads recovered	-	-	-	1,443	889
Local authorities fuel tax, fines, infringement fees, and other receipts	1,269	1,297	911	1,573	1,051
Total Sources of operating funding	**14,609**	**12,462**	**12,348**	**16,814**	**16,605**
Applications of operating funding					
Payments to staff and suppliers	7,921	5,402	5,760	5,740	5,565
Finance costs	865	855	882	1,239	899
Internal charges and overheads applied	50	1,015	1,273	4,243	3,387
Other operating funding applications	-	-	-	-	-
Total Applications of operating funding	**8,836**	**7,272**	**7,915**	**11,222**	**9,852**
Total SURPLUS / (DEFICIT) OF OPERATING FUNDING	**5,773**	**5,190**	**4,433**	**5,592**	**6,754**
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	59	772	1,106
Development and financial contributions	1,283	1,283	533	373	720
increase (decrease) in debt	19,601	4,874	3,667	7,324	1,272
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total Sources of capital funding	**20,884**	**6,157**	**4,259**	**8,469**	**3,098**
Applications of Capital Funding					
Capital Expenditure:-					
- to meet additional demand	1,239	759	620	104	116
- to improve the level of service	21,353	6,204	3,881	9,204	5,757
- to replace existing assets	4,065	4,384	4,191	4,753	3,978
increase/(decrease) in reserves	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-
Total applications of capital funding	**26,657**	**11,347**	**8,692**	**14,061**	**9,851**
Total SURPLUS / (DEFICIT) OF CAPITAL FUNDING	**(5,773)**	**(5,190)**	**(4,433)**	**(5,592)**	**(6,754)**
Total Funding Surplus /(Deficit)	**-**	**-**	**-**	**-**	**()**

PALMERSTON NORTH CITY COUNCIL
FUNDING IMPACT STATEMENT FOR YEAR ENDED 30 JUNE 2025 FOR:

Water

	Long Term Plan 2024 $000	Annual Plan Budget 2024 $000	Actual 2024 $000	Long Term Plan 2025 $000	Actual 2025 $000
SURPLUS / (DEFICIT) OF OPERATING FUNDING					
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	-	-	-	-	
Targeted rates	13,958	14,145	14,099	14,594	14,977
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	50	50	18	-	20
Internal charges and overheads recovered	255	258	697	1,714	2,694
Local authorities fuel tax, fines, infringement fees, and other receipts	40	52	1	44	4
Total Sources of operating funding	**14,303**	**14,505**	**14,815**	**16,352**	**17,695**
Applications of operating funding					
Payments to staff and suppliers	4,954	7,139	8,003	6,697	7,201
Finance costs	1,089	1,402	1,411	1,674	1,214
Internal charges and overheads applied	900	468	1,800	1,837	1,218
Other operating funding applications	-	-	-	-	-
Total Applications of operating funding	**6,943**	**8,073**	**7,614**	**10,208**	**9,633**
Total SURPLUS / (DEFICIT) OF OPERATING FUNDING	**7,360**	**6,432**	**7,201**	**6,144**	**8,062**
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	2,006	1,813
Gross proceeds from sale of assets	486	479	-	-	-
Development and financial contributions	423	423	401	394	439
increase (decrease) in debt	7,698	5,033	3,367	8,463	2,168
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total Sources of capital funding	**8,607**	**5,935**	**3,768**	**10,863**	**4,420**
Applications of Capital Funding					
Capital Expenditure:-					
- to meet additional demand	1,275	1,730	1,659	4,019	1,013
- to improve the level of service	9,435	5,257	3,741	7,978	7,142
- to replace existing assets	5,257	5,380	5,569	5,010	4,326
increase/(decrease) in reserves	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-
Total applications of capital funding	**15,967**	**12,367**	**10,969**	**17,007**	**12,482**
Total SURPLUS / (DEFICIT) OF CAPITAL FUNDING	**(7,360)**	**(6,432)**	**(7,201)**	**(6,144)**	**(8,062)**
Total Funding Surplus /(Deficit)	**-**	**-**	**-**	**-**	**()**

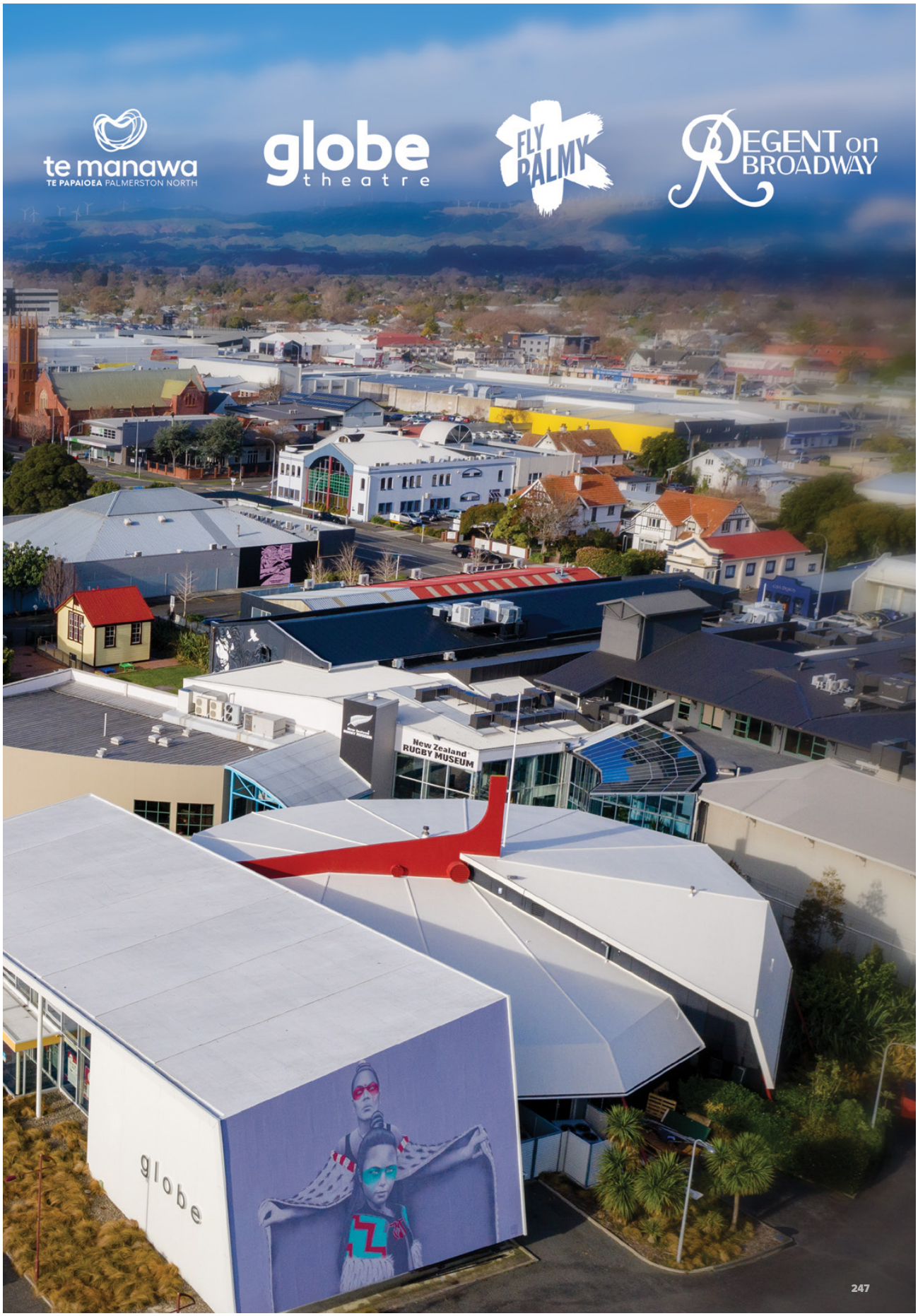
WĀHANGA TUAWHĀ
SECTION FOUR

NGĀ TŌPŪTANGA A TE KAUNIHERA
COUNCIL CONTROLLED ORGANISATIONS

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te manawa
TE PAPAIOEA PALMERSTON NORTH
globe theatre
FLY PALMY
REGENT on BROADWAY
New Zealand RUGBY MUSEUM
globe

ITEM 8 - ATTACHMENT 1

Management and Employees

Some of our services and facilities are delivered through Council Controlled Organisations, also known as CCOs. These are independent organisations that manage certain facilities or deliver services and projects on behalf of the community.

A CCO is an organisation where the council (or multiple councils) owns or controls at least half of the voting rights, or can appoint at least half of the board members or trustees.

These organisations bring valuable business and community expertise that may not always sit within council. They also have the ability to access funding from outside sources, which helps reduce the cost to ratepayers.

CCOs and Council Controlled Trading Organisations (CCTOs) are managed by independent boards and operate at arm's length from the council. Each year, we work with them to agree on the services they will deliver. This is set out in a document called a Statement of Intent. Where needed, we also provide funding so they can carry out their plans.

Our CCOs

The organisations reporting to us as CCOs are:

- Central Economic Development Agency Ltd (CEDA)
- Globe Theatre Trust
- Te Manawa Museums Trust
- The Regent Theatre Trust

With the exception of CEDA, these CCOs support the city by offering a wide range of entertainment and recreational options, helping preserve and promote local heritage, and contributing to science, education and research.

By supporting a vibrant and creative city, these organisations help make Palmerston North a more attractive place to live and visit. This also strengthens our cultural life and supports economic development. CEDA focuses more directly on building a strong local economy by supporting businesses and creating jobs.

Our CCTO

Palmerston North Airport Ltd (PNAL) is our Council Controlled Trading Organisation. PNAL helps grow the region by improving travel connections, encouraging investment and supporting the wider economy.

Exempted organisations

Some smaller CCOs are exempt from the full planning and reporting requirements of the Local Government Act. These are:

- Palmerston North Performing Arts Trust
- Manawatū-Wanganui Regional Disaster Relief Fund Trust

We can grant these exemptions to keep things simple and manageable for smaller-scale organisations.

Central Economic Development Agency Ltd (CEDA)



The Regent Theatre Trust



Globe Theatre Trust



Te Manawa Museums Trust



Palmerston North Airport (PNAL)



ITEM 8 - ATTACHMENT 1

Central Economic Development Agency

The Central Economic Development Agency is jointly owned by Palmerston North City Council and Manawatū District Council. Established in 2016, the agency's purpose is to drive and support the creation of economic wealth for the Manawatū region and beyond. Its role is to help the region grow in a way that is ambitious, future focused and adaptable to fast-changing economic conditions. The economic development agency focuses on attracting talent and business, supporting investment, and lifting the region's profile to create lasting value.

A shared vision for a strong and connected region

The agency's work is guided by three long-term goals. The vision is for Manawatū to be known for its exceptional lifestyle and competitive advantages, to lead globally as an agrihub, and to grow its role as a central New Zealand distribution and logistics hub.

Each year, the economic development agency delivers a programme of projects and initiatives aimed at these outcomes. These are aligned with the priorities set by its shareholders through the Statement of Expectations. The priorities are to attract, retain and develop talent, grow business and investment, and lift the region's national and international profile.

The agency works closely with councils, government, mana whenua, industry and community partners to deliver its work.

Highlights from the year

This year saw the launch of a standalone website for Te Utanganui, the Central New Zealand Distribution Hub. This new platform supports investment attraction and strengthens the project's national visibility.

The economic development agency completed the regional Land Diversification initiative, a first of its kind in Aotearoa. This project includes a digital cropping map and tools to help farmers and landowners explore new income streams through more resilient land use.

The agency supported 651 business engagements across the year, helping with business retention, growth and development. It also ran the successful Wait, What? campaign encouraging locals to promote the region. This resulted in 9.3 million media impressions, over 4,000 competition entries, and more than 300 businesses engaged.

To support talent attraction, the economic development agency showcased Manawatū at the Tahatū NZ Careers Expo in Wellington, alongside Massey and IPU, promoting career and lifestyle opportunities in the region.

Growing momentum behind Te Utanganui

Te Utanganui is a major long-term project focused on developing Manawatū as Aotearoa's leading logistics and distribution hub. This year saw the launch of a refreshed strategy and vision, as well as a dedicated website. The agency helped raise the project's profile through ministerial meetings, national conference presentations and increased media interest. These efforts are helping position Te Utanganui as a transformational infrastructure project for the region.

Strengthening our visitor economy

The Manawatū Destination Management Plan, launched in 2022, continues to guide the region's approach to visitor attraction. This year, the agency worked to grow the capability of tourism businesses, helping them connect with international markets. As a result, the economic development agency attended New Zealand's largest tourism trade event, TRENZ, for the first time, meeting with over 60 national and international buyers.

To showcase the region's visitor offerings, the agency also delivered the second annual Manawatū Gardens Festival, with 20 local gardens taking part — an increase of nine from the previous year.



Supporting resilience and innovation in food and farming

The Manawatū Regional Food Strategy, now well into its implementation, continues to support the agrifood sector. A key success has been the Land Diversification initiative, which was showcased nationally at E Tipu: The New Zealand Future Food and Fibre Summit. This was followed by a LEAN workshop for regional farmers exploring smarter, more sustainable farming methods. The initiative supports a range of landowners including dairy, sheep and beef, horticulture and arable farmers.



How Did We Perform

Business: Support the development and growth of business and sectors of strength in the region including inward investment

PERFORMANCE MEASURE	TARGET	RESULT	COMMENT
Identification and development of Investment opportunities with regional partners to support attraction of investment to the region, leveraging key regional projects	Deliver 15 inward investment activities or identified opportunities	Target met	23 inward investment activities completed, or opportunities identified. Te Utanganui Commercial Optionality Report; conference presentations (4) (Te Utanganui Advocacy) at: New Zealand Rail Conference, Building Nations Infrastructure and Banking Conference, Future Roading Conference, and Australian Data Centres and Water Conference; Te Utanganui overseas delegation to Moorebank Intermodal Hub in Sydney; Regional Infrastructure Bid submitted; and a Te Utanganui Project Planning Workshop completed. Te Utanganui Strategy Refresh and new website launched; Te Utanganui Economic Impact report drafted, Supported investment decision in North East Industrial Zone land purchase; Inward Investment opportunities identified in; Sustainable processing (Biochar), Energy Estate (Green energy and hyperdata centres); Regional Investment Prospectus published; Defence sector investment opportunity; Defence service provider; and Rail infrastructure bid support; Hotel Attraction activities in Feilding, and Palmerston North (3), due diligence on opportunities completed (2). (New measure)
Development of priority sectors through targeted business development, retention initiatives, and innovation partnerships	Deliver 9 sector development initiatives to support the regions sectors of strength	Target met	2024-25 target increased to deliver 9 sector development initiatives with 16 completed in the 2024-25 Financial Year. Visitor sector support completed over the year: • Support of the Launched the Gardens Festival 2024, promoting local events and gardens visitation in the region, with 20 gardens taking part in the in the festival, up from 9 in the previous year. • Operator workshops held (2) with an Operator Trade Ready workshop held in July, and a Digital Marketing Workshop in June. • Developed key regional tourism business's ability to engage with the international travel market, leading to CEDA's first attendance at TRENZ, the national travel-trade show, where we met over 60 travel buyers. • Established the Visitor sector collective with its members being key tourism businesses to support driving better operator standards in the sector. • Coastal Arts trail support through establishment of a founding partners programme, with Taranaki and Whanganui regions. • Commissioned an updated Accommodation Occupancy Report providing valuable insights into visitor accommodation trends. Progressed outcomes in the Manawatu Regional Food Strategy; • Launch of the Crop Suitability Map and Feasibility study • Development of a suite of draft grower guides to be published next year. • A "Telling Our Story – Cluster Activation" initiative was designed to elevate the region's agrifood identity through strategic storytelling and Support the development and growth of business and sectors of strength in the region including inward investment Performance Measures Central Economic Development Agency (CEDA) For the year ended 30 June 2025 CEDA's performance measure framework identifies quantifiable measures of our programmes and activities aligned to our key strategic outcomes. These form the basis of our accountability and will be reported on six-monthly. In our reporting, additional commentary will be used to inform on the delivery and effectiveness of the full range of CEDA's activity. Performance Measures Group Financial Statements Central Economic Development Agency (CEDA) Page 31 of 35 targeted activations. Key components included the second E Tipu Conference, Farmers Market capability program and 'The Year of Agrifood' campaign, which showcased the region's leadership in food innovation and production. • A LEAN on Farm workshop was delivered in June to help drive productivity on local farms. • The Affco Talent Optimisation initiative identified workforce needs in the meat processing sector and delivered tailored solutions through direct engagement with industry. Primary and manufacturing sector support continued through: • CEDA became a member of the AGMARDT Agricultural and Marketing Research and Development Trust primary exchange program, partnering with Northland Inc, Venture Taranaki, Venture Timaru, and Great South to create regional collaboration in the food and fibre sector. This included a market visit to Taranaki in March. • Delivery of phase two of the Sustainable is Attainable project, which aims to help create practical solutions for food processing waste and by-products through collaboration with businesses, universities, and research and development organisations. • 2 workshops held as part of a programme of Capability and Efficiency development: Energy Efficiency and Conservation Authority - Regional Energy Transition Accelerator II supporting large food/primary processers and a LEAN Workshop for the Manufacturing sector. Tech Week 2025 was successfully delivered in partnership with ManawaTech, showcasing the region's innovation ecosystem. The programme included a coordinated marketing campaign, a dedicated online hub on ManawatuNZ.co.nz, and a series of events highlighting local technology. (2023-24: Target - 6 sector initiatives - Target met; 8 sector development initiatives completed)

PERFORMANCE MEASURE	TARGET	RESULT	COMMENT
Development of priority sectors through targeted business development, retention initiatives, and innovation partnerships	400 engagements with businesses to support growth and talent retention	Target met	651 business engagements completed; Consisting of 129 Innovation support, 295 Regional Business Partner business support, and 227 business retention and expansion engagements. This included delivery of the Regional Business Partner Programme with 349 businesses actively engaged, a Net Promoter Score of +75, and $200,751 in Capability Funds issued. (2023-24 year; Target met; 621 business engagements completed)
	Partner with key stakeholders to deliver 6 start-up and innovation activities or initiatives	Target met	6 initiatives or activities completed. Partnered with Sprout Agritech to deliver the Spring24 Cohort, a structured accelerator program that supports selected agri-tech start-ups through mentorship, investment readiness, and business development over a defined period. The Germinate program, in collaboration with leading universities and research institutes, was also delivered with 2 programs completed. Partnered with The Factory to support the Innovation ecosystem in the region delivering; The Pre-Incubation Program which supported 202 entrepreneurs, 97 start-ups entered pre-incubation, and the Incubation Program which saw 15 start-ups incubated, $545,000 in funding raised, and 14 investments completed totalling $730,000. The Factory's annual events program saw 9 events delivered and included a successful Innovation showcase held in May. Delivered the Callaghan Innovation program with 11 Māori businesses, and 24 Frontier Ventures supported, and $1,063,639 in Grants deployed to businesses in the region. (2023-24 year; Target met; 6 initiatives or activities completed)

People: Develop the talent pipeline to grow a skilled workforce, and better utilise the existing labour market.

PERFORMANCE MEASURE	TARGET	RESULT	COMMENT
Support the development of the regions attraction and retention of talent and skills through an integrated sector approach	Deliver 4 initiatives that support talent attraction and retention, industry, or youth into employment	Target met	10 initiatives completed to support talent development and retention. Summer of Tech Manawatū programme concluded in December with 239 applicants across 4 roles in the region and 9 organisations participating on the platform. Completed stages 1 and 2 of the newly launched Tech Sector Graduate Program partnering with industry. Young Enterprise Scheme partnership signed with the regional finals completed in October, promoting youth entrepreneurship. Attendance at the UCOL careers expo was completed as part of an attraction programme which included the Careers Expos (Manawatū and Wellington) to support pathways to employment and attraction of talent to the region. Further development and promotion of the Employer & Workplace Hub through CEDA communications and targeted engagements. Enhancement of the region's digital presence through updated web content and design of the 'Live' section on ManawatuNZ.co.nz, and new sector stories (2) to showcase the region's strengths. Food Technology Scholarship Fund launched in partnership with FoodHQ in May. Established the AgriFutures Regional Partnership and supported the delivery of the "Clash of the Colleges" event. Accelerate Academy - Hauora Wānanga o ngā Rangatahi o Manawatū delivered in partnership with the Ministry of Education New Zealand, Health New Zealand | Te Whatu Ora, and UCOL, designed to provide rangatahi with a unique opportunity to explore diverse pathways into STEM careers. (New measure)

Place: Profile Manawatu locally, nationally, and globally

PERFORMANCE MEASURE	TARGET	RESULT	COMMENT
Lead and develop the stories of Manawatū, strengthening our narrative and unified positioning, incorporating the cultural heritage of iwi	20 content pieces or media features profiling the region as a place to live, work, visit and invest.	Target met	78 content pieces or media features completed profiling the region. Content pieces (29) were themed across our broad areas of work, from business case studies and success stories, day in the life interviews with influential locals, and inspiring content of things to see and do. Media features and profiles (49) ranged from targeted stories showcasing our region's strength in agrifood, to seasonal and event-based guides on what to see and do. Publications included Stuff.co.nz, The Post, Your Ex Magazine, TVNZ, MoreFM, DestinationNZ Magazine, NZ Infrastructure Review, Business Central, NZ Herald and more, and telling the stories of our people, places and businesses. (New measure)
Deliver online initiatives to support the attraction of inward investment, talent and business to the region	2 campaigns or targeted digital initiatives to support CEDA's objectives	Target met	5 campaigns or targeted digital initiatives completed. These were a targeted digital campaign to support key major events attendance; the second half of He Ara Kotahi, Hei Ara Kōrero campaign; part two of the 'What are you Hungry For' winter campaign; our 'New Year, New You' talent digital campaign; and our largest campaign 'Wait, What?' local advocacy campaign. (New measure)
Grow engagement on regional website for increased awareness of and information on the region	190,000 'sessions' per year on ManawatuNZ.co.nz	Target met	2024-25 target increased to 190k sessions per year with 306,746 sessions on ManawatuNZ.co.nz achieved over the year. (2023-24 year; Target - 180k web sessions & 3% social media growth. Target met; 283,847 web sessions & 3.39% social media increase in engagement)

Partnerships: Develop strategic partner relationships, leveraging opportunities

PERFORMANCE MEASURE	TARGET	RESULT	COMMENT
Grow and foster relationships with Māori, iwi and hapu in the region	Deliver 3 initiatives to support iwi engagement including support of iwi led projects	Target met	4 initiatives in support of iwi or mana whenua completed. Rangitāne o Manawatū settlement trust Memorandum of Understanding signed to support working in partnership, including support to refresh of the Māori tourism strategy and assistance of the for iwi-by-iwi Arohaina tō ngākau kaupapa roadshow for uri o Rangitāne around diabetes prevention. Rangitāne tourism working group engagement with parties to support integration from CEDA into the Rangitāne o Manawatū Settlement Trust group. Māori business support - 2 networking hui held to support understanding of Māori business in the region and facilitate connections and support opportunities. 'Our Story' ManawatuNZ.co.nz updating and enhancement to the Ā Mātou Kōrero; This is our place profile. (2023-24 year; Target met; 3 initiatives supported)
Build on relationships with shareholders, central government agencies, and regional stakeholders	12 Partnership and funding agreements in place.	Target met	2024-25 target increased to 12 Partnership and funding agreements in place with 24 partnership agreements entered into or in place during the year: Palmerston North City Council and Manawatu District Council, Rangitāne o Manawatū, The Factory, Sprout Agritech, Ngāti Hineaute - He Ara Kotahi, Hei Ara Kōrero project, Te Utanganui funding agreement, CentrePort and Napier Port - Te Utanganui partners, Ministry of Business, Innovation and Employment – Regional Business Partner Programme (RBP), Whanganui District Council and Te Manu Atatu (RBP contracts), Business Mentors NZ, FoodHQ – The NZ Future Food and Fibre Summit 2025, Coastal Arts Trail (Whanganui District Council and Venture Taranaki), Young Enterprise Scheme, UCOL, NZ Careers Expo, Manawatū Business Chamber, Rangitāne o Manawatū Settlement Trust, Te Manawa Coastal Arts Trail, FoodHQ Scholarships agreement, ManawaTech Graduate Programme, Central New Zealand Regional Tourism Boost Fund, and North Island Regional Tourism Organisations Collective. (2023-24 year; Target - 10 partnership and funding agreements in place. Target met; 15 partnership agreements entered into or in place)

Partnerships: Develop strategic partner relationships, leveraging opportunities

PERFORMANCE MEASURE	TARGET	RESULT	COMMENT
Economic impact information regularly communicated to stakeholders and business	Distillation and communication of 4 economic updates, providing businesses with context and trends.	Target met	4 economic updates completed. Four quarterly economic snapshots were published and distributed, including commentary form businesses and sectors to help communicate how our region's economy is performing in a local, regional and national context. In addition to these, 3 Retail Reports were published, and two Economic Update Panel Events were delivered in partnership with the Manawatū Business Chamber. (New measure)


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globe theatre

Globe Theatre Trust

The Globe Theatre is home to two community performance spaces, managed by the Globe Theatre Trust Board on behalf of Palmerston North City Council. Globe 1 seats up to 194 people, while Globe 2 can accommodate 105.

At the heart of the Globe Theatre Trust Board's work is a commitment to making the theatre a place where creativity thrives and everyone feels welcome. The Trust plays a key role in growing the number of arts events and performances that support the city's vision of being a lively, creative place to live and visit. Local performers are a big part of this story, and the Trust actively supports them to bring their diverse talents to the stage.

Alongside that, there's a clear focus on keeping the theatre's facilities modern and flexible. It's important that the space works just as well for a large-scale show as it does for a community workshop. The Trust also works with the council to make sure future improvements are both practical and sustainable, with an eye on reducing environmental impact where possible.



ITEM 8 - ATTACHMENT 1

GLOBE THEATRE TRUST

Making the theatre easy to access and great to use

The Trust's work is all about making the Globe a place that's buzzing with activity and open to everyone. That means growing the number of events and encouraging more people to take part, whether they are performing, working behind the scenes or coming along to enjoy a show. The booking process is straightforward, and both staff and volunteers are on hand to offer support. Touring performers from around Aotearoa and overseas are also welcomed, adding variety and new experiences for local audiences.

Community groups remain central to the Globe's identity. The Trust puts a lot of effort into making sure the theatre is accessible and welcoming for groups that reflect the full diversity of Palmerston North. Ongoing care and maintenance of the theatre's equipment and spaces means every event, big or small, is delivered to a professional standard.

A strong year of performances and partnerships

This year, the Globe Theatre continued to build on strong foundations. The Trust maintained a successful partnership with ten key community groups that have Memorandums of Understanding in place. These groups alone were responsible for 54% of theatre usage and 40% of performances. When including all community groups that hired the venue, those figures rose to 87% usage and 75% of all performances, which aligns well with the Trust's goals.

Tainapu, a reo Māori stand-up comedy show, brought te reo Māori into an everyday setting and was one of the standout performances this year. The Globe also hosted 64 touring artists from Aotearoa and around the world, with performers coming from Ireland, the United States, the United Kingdom, India and Australia. Acts like Susan O'Neill, Ed Byrne, Daniel Champagne, Spankie Jackzon and Che Fu were among those featured on the Globe's stage.

The theatre continued to play an important role as a hub for local festivals. Events included the Manawatū International Jazz and Blues Festival, New Zealand Blues, Roots and Groove Festival, Palmy Comedy Fest, Burleskiwi Festival, Palmy Drag Fest and the Alliance Française Francophone Film Festival. In January, the theatre also hosted the Tararua Allbreeds Dog Training Club scent competition.

Several events stood out for their success. Graeme James played to a crowd of 186 people as part of his Luminous Times New Zealand tour. Ed Byrne performed to 193 audience members, and Manawatū Youth Theatre's production of Frozen Jr was especially popular, with 2,770 people attending over its run.

Investing in a better, more sustainable future

There are a few exciting projects underway that are focused on making the theatre even more valuable to our community.

The Trust is exploring the idea of installing solar panels at the theatre. With electricity prices continuing to rise, this would help lower long-term costs and improve the sustainability of the venue.

External funding has allowed the Trust to purchase conference tables and chairs, making the theatre a more flexible and affordable space for local groups to hold meetings, workshops and presentations. Additional funding also supported upgrades to the theatre's sound and lighting equipment.

On the environmental front, the Trust continues to provide most of its refreshments in glass bottles. This small change is helping to reduce waste and make recycling easier.

The Globe Theatre continues to be appreciated by those who use it. One performer said,
"The Globe Theatre is a beautiful theatre, and its staff are exemplary. Nothing is too much to ask and they always receive my requests with openness, understanding and the willingness to help in any way they can."

Touring acts also spoke highly of the venue, with one group saying,
"We loved the Globe Theatre. Having a venue like this genuinely made the difference for adding Palmerston North to our NZ tour. The fact that it was affordable, and therefore a low risk was a big part of that too."

And simply put, "We will 100% be back for another show. Couldn't have asked for a better experience. Many thanks to all."

How Did We Perform

Strategic Priority 1: Ensure that there are more arts and activities at the Globe that contribute to the Council's aspirations for Palmerston North to be a creative and exciting city.

MEASURE	TARGET	RESULT	COMMENT
Number of usages	592	727	Target met (2023-24 Target 526; Target met with 715 usages)
Number of performances	302	303	Target met (2023-24 Target 228; Target met with 343 performances)
Hours of use by hirers	3,317	3,677	Target met (2023-24 Target 2,163; Target met with 3,936 hours of use by hires)
Number of participants	4,153	3,672	Target not met – The Theatre has no control over the number of participants involved in productions. It is worth noting that participants are only recorded from performances. The Theatre also records the number of participants involved in rehearsals and events that are not open to an audience. That figure for the year was 5,863. There is an argument that both figures should be combined to give a true reflection of how many "participants" were involved. That figure would be 9,535. (2023-24 Target 1,963; Target met with 4,591 participants)
Number of audience members	23,700	24,554	Target met (2023-24 Target 16,123; Target met with 27,126 audience members)
Number of national/international visiting productions performing at the theatre	39	64	Target met (2023-24 Target 23; Target met with 41 visiting productions)
Number of collaborated performances (box office splits)	32	25	Target not met – Performers selecting theatre hire option rather than box office split which shows confidence in their ability to sell tickets. (2023-24 Target 20; Target met with 24 collaborated performances)

Strategic Priority 2: Support the local performing arts community to showcase their diverse talents at the Globe and working to ensure our users represent the diversity of the Palmerston North community.

MEASURE	TARGET	RESULT	COMMENT
% of total theatre usage attributed to MOU group	50%	54%	Target met (2023-24 Target 30%; Target met with 56%)
% of total theatre usage attributed to Community group	36%	33%	Target not met – This performance measure has been removed from future SOI's due to the fact that the majority of MOU groups are also community groups. If we add MOU & Community Groups usage together, there was 87% community usage at the theatre for the year. (2023-24 Target 40%; Target not met with 33%)
Support for Rangitānenuiarawa, whānau, hapu & iwi to create and deliver arts experiences	Discuss and develop one arts experience with Rangitāne representatives	Target met	Hosted Tainapu, a Te Reo comedy show on 7 July 2024.

Strategic Priority 3: Maintain and develop facilities that enable our communities to produce and enjoy the very best performing arts that can be offered, ensuring that the Globe remains a cutting edge, visible and resilient cultural institution/facility.

MEASURE	TARGET	RESULT	COMMENT
Carry out capital development programme	Upgrade Globe foyer	Target not met	Was not successful in applying for external funding. (2023-24 Target: Upgrade pully system in Globe 1: Target not met, project on hold)
Contribution to environmental sustainability	Investigate Environmental Sustainability report	Target not met	Trust Board decided that investigating the installation of solar panels (SOI 2025/2026) was a more worthwhile project. (2023-24 Target: All stage lighting to be converted to LED; Target not met, approx. 95% LED/project on hold)
Support and encourage Rangitāne to incorporate art at the theatre	Discuss with Rangitāne an opportunity to incorporate art at the theatre	Target not met	With the lack of success in securing external funding for the foyer upgrade, this performance measure was put on hold.



REGENT on BROADWAY

The Regent Theatre Trust

The Regent on Broadway has been a landmark in Palmerston North since it first opened as a movie theatre in 1930. Now one of the Council's key arts and cultural facilities, it was fully refurbished in 1998 and today includes a 1,361-seat civic auditorium. It serves as a regional hub for the performing arts and is managed on behalf of the Council by The Regent Theatre Trust.

The Trust's focus is on making the Regent a vibrant and unique venue that hosts everything from international acts to community events, graduations and live performances. It works to attract a wide range of shows while also preserving the heritage and character of this much-loved space.



ITEM 8 - ATTACHMENT 1

Supporting local culture while maintaining a heritage treasure

The Regent Theatre Trust provides strategic direction to help grow audiences and bring new events to the venue. It also plays an important role in maintaining and preserving the building's infrastructure, including its heritage features, to ensure it remains a cornerstone of the city's cultural landscape.

The Regent aims to be New Zealand's most vibrant provincial theatre. By offering a dynamic and accessible venue, it supports both community engagement and the wider economy. Visitors are drawn not just to the shows, but to the sense of occasion and atmosphere that the Regent provides.

A strong year for attendance and live performance

This year saw another busy and successful programme at the Regent. A grant of $100,000 was received from the Central Energy Trust to support the second phase of the theatre's transition from incandescent to LED stage lighting. This important upgrade helps reduce energy use and improve technical capacity.

Attendance for the year reached 101,081, an increase of 1,598 from the previous year. The theatre hosted 198 auditorium hires, which is 19 more than last year. A trading surplus was also reported, reflecting solid financial performance.

The venue welcomed two major productions from local company Act Three — Kinky Boots and School of Rock — alongside 32 additional touring shows from around Aotearoa and overseas. Major names included Crowded House and Dion Pride, adding to the theatre's strong national reputation.

Standout performances included Crowded House, which drew 1,288 people, and The Pink Floyd Experience, which attracted 1,224 fans with its immersive stage show. The local Drag Festival was another highlight, bringing in 1,335 attendees and reinforcing the Regent's role as a space for diverse and inclusive performance.

The Regent continues to be a key venue for community events as well. Massey University's graduation ceremonies brought in a combined attendance of 9,380 people. The PACANZ awards and Pasifika Fusion festival both reached full capacity, showing the strong community demand for cultural and celebratory events in the city.

Improving safety and planning for future upgrades

A key project this year focused on improving safety in the Dress Circle. While the rail in this area has been in place for 95 years, growing concerns have been raised about risks for children and adults leaning over the ledge. In partnership with the council, the theatre is working to remove Row A from the Circle and install a new safety barrier to create a designated "Safe Zone." This work is already underway and is expected to be finished by July 2025.

Looking ahead, a theatre consultant has been engaged to help shape the Regent's long-term future. This includes exploring three key areas for improvement:

- Upgrading the Regency Room to become a more upmarket space for meetings or pre-show events
- Improving the foyer bar and refreshment area by replacing its current temporary setup with a more permanent and attractive design
- Looking at the possibility of relocating the Green Room to a space closer to the stage to improve access and functionality for performers

These projects reflect the Trust's ongoing commitment to maintaining the Regent as a first-class venue that serves both artists and audiences.

How Did We Perform

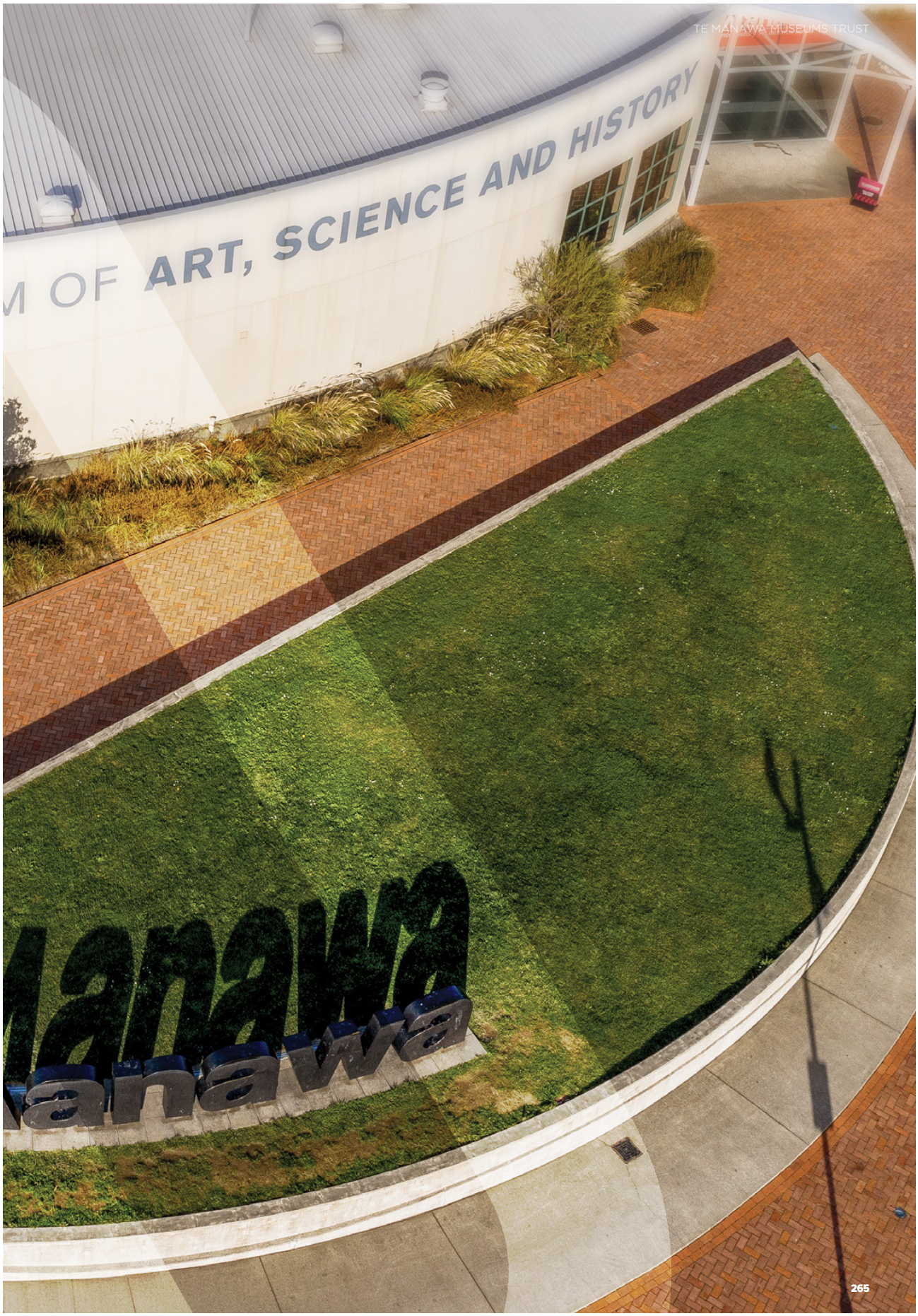
MEASURE	TARGET	RESULT	COMMENT
Total number of main auditorium hires annually (days the auditorium is used), to be not less than.	190	198	Target met (2023-24 Target 180; Target met, 187 main auditorium hires)
Total number of main auditorium national/international venue hires (actual live performances), to be not less than – incudes all touring shows from both Overseas and NZ Artists.	33	33	Target met (2023-24 Target 30; Target met with 31 hires)
Total number of events overall that are held over all spaces in the theatre. This includes Main Auditorium/Rehearsal Room/Regency Room.	370	423	Target met – total number of events is 426, 56 above target. (2023-24 Target 350; Target met with 423 events overall)
Further develop tours offered by the Regent, for schools, and community (to be not less than one).	10	11	Target met (2023-24 Target 8; Target not met, 7 tours offered)
Total number of variety type shows such as tribute concerts and professional performers from the commercial sector, (includes Royal New Zealand Ballet, NZSO, National & International events) not less than.	18	26	Target met – total number of variety shows held is 26, 8 more than target and 2 less than the 28 shows held last year. (2023-24 Target 16; Target met, 28 variety type shows held)
Total number of tertiary graduation ceremonies held, not less than e.g. Massey University, UCOL, etc	15	13	Target not met – 13 graduation ceremonies held, 2 less than target of 15. (2023-24 Target 14; Target not met, 13 ceremonies held)
Total number of school concerts held, not less than	12	7	Target not met – 7 school concerts held, 5 under target and 1 less than last year. (2023-24 Target 12; Target not met, 8 school concerts held)
Total number of school prize-giving held, not less than	11	9	Target not met (2023-24 Target 10; Target met, 10 prize-givings held)
Total number of ethically diverse concerts and productions, both community and professionally produced, including support for both inclusive and diverse community events. This includes Kapa Haka Competitions, World on Stage, Cultural events, not less than	9	10	Target met – 1 above target with 10 ethically diverse concerts and productions held this year. (2023-24 Target 8; Target met, 8 events held)
To improve our environmental footprint following out Greenhouse Gas Emissions Inventory Report, lighting throughout the theatre will be incrementally replaced to LED Luminaries.	50%	In progress	Second phase of the Theatre's transition from incandescent to LED stage lighting in progress. (2023-24 Target 35%; Target met with 35% replaced to LEDs)
Total attendances including Ticketed and non-ticketed events held, not less than. *Due to Covid 19 and its variants the number of International/ Commercial touring performances has greatly been reduced - however the Theatre is receiving some enquiries and pencil bookings - but is very dependent upon the development of Omicron. Particular attention will be given to attracting new promoters/touring productions and new ideas*	89,000	101,081	Target met – 12,081 above target and increase from last year's attendances totalling 99,483. (2023-24 Target 87k; Target met, 99,483 attendances)
Total audience attendance split to all events Community 70% / Commercial 30%	70%/30%	70/30 (70.1/29.9)	Target met (2023-24 Target 70/30%; Target met 72/28%)
Number of seats sold per PNCC companion card.	30	87	Target met – 57 above target and increase from last year's 73 result. (2023-24 Target 15; Target met, 73 seats sold)



Te Manawa Museums Trust

Te Manawa is one of Palmerston North's major cultural facilities, combining a museum, art gallery and science centre in one place. It offers experiences that encourage people of all ages to explore, learn and connect with each other and the world around them.

The museum's work is shaped by three goals: creating engaging and innovative experiences, supporting learning and development, and operating as a collaborative and forward-looking organisation. It continues to grow as a place where art, science and heritage meet in meaningful and accessible ways.



TE MANAWA MUSEUMS TRUST

ITEM 8 - ATTACHMENT 1

A place for people, learning and ideas

The museum is operated by Te Manawa Museums Trust, a charitable trust overseen by a board. Te Manawa also values its connection with Rangitāne o Manawatū, who continue to support and guide its work.

Together the trust, board and iwi help ensure Te Manawa delivers on its mission to inspire, educate and excite the community.

The collection held by Te Manawa includes more than 350,000 items, making it the largest of any regional museum in Aotearoa. It holds regionally and nationally significant collections, including Taonga Māori, New Zealand contemporary art and social history.

The museum presents international touring exhibitions as well as original exhibitions created by its team. These are supported by learning programmes, community events and other public activities that celebrate the region and spark curiosity.

A busy and productive year for Te Manawa

This year, Te Manawa partnered with the National Portrait Gallery to develop and host an exhibition celebrating the art and activism of Robyn Kahukiwa. The exhibition is now touring other venues across the country.

More than 35,000 people visited the Sunlight – Ihi Kōmaru exhibition, a science-based experience designed and built by Te Manawa's team. The Manawatū Journeys Gallery also had its first update, with the opening of Call Me Maybe in October. This display looks at the way communication has evolved, using a collection of phones to tell the story.

More than 30,000 people took part in learning programmes, events and activities across the year, including students from over 200 schools. The museum also hosted leaders from across the museum sector for two days of collaboration focused on sustainable funding and future development.

With support from the New Zealand Rugby Museum and the Bush family, Te Manawa began cataloguing the nationally significant Peter Bush photography archive.

A new science centre on the way

Planning is underway for a new science centre for Palmerston North and the wider region. This three-year project is being developed with input from iwi and science stakeholders. It will replace the current Te Awa gallery with a refreshed, interactive space and include a dedicated classroom to strengthen the museum's education offering.

More of the collection now online

Te Manawa added nearly 4,000 new items to its online catalogue this year, including more than 2,000 photographs from the Peter Bush archive. That brings the number of publicly viewable items in the collection to over 11,000, making the museum's taonga more accessible to everyone.

How Did We Perform

MEASURE	TARGET	RESULT	COMMENT
Physical Visitors	131,000	146,900	112% (2023-24 Target 130k; Target met 137,172)
Online Engagement	97,200	253,537	261% (2023-24 Target 90k; Target not met, 74,335 or 83%)
External Revenue Target	$668,200	$695,839	104% (2023-24 Target $510,250; Target met, $639,461 or 125%)
Visitor Satisfaction	95%	99%	104% (2023-24 Target 95%; Target met, 98%)

Strategic Objective 1: Innovative experiences that engage visitors

MEASURE	RESULT	COMMENT
Continue to grow partnership with mana whenua to support Rangitanenuiarawa.	Target met	Discussions held with Rangitāne around the refresh of the Te Rangi Whenua gallery. New lighting installed in the gallery, new cases for objects and cloak displays added. Te Manawa meets regularly with Te Whiri Kōkō iwi leadership group at PNCC. Engaging with Rangitāne o Manawatū Settlement Trust/Cultural Trust, upholding the Te Rangimārie Marae document principles of an enduring relationship. (2023-24 Target met)
Work with Rangitane to weave Te Ao Maori into the Science Centre development.	Target met	Rangitāne o Manawatū has been fully engaged with from the implementation of the Science Centre project. It will be co-designed with iwi and representatives will be engaged across governance and delivery aspects of the project to ensure Mātauranga Māori runs alongside the fundamental science narratives. (New measure)
Continue to engage with, and enable participation by the city's less-represented communities (NOA programme, MIAB, Tamariki exhibition space)	Target met	27 sessions of NOA and 23 Museum In A Box (MIAB) activities have been delivered. (2023-24 Target met)
Engage with representatives for the sensory diverse as part of Science Centre development.	Target met	Have continued conversations with representatives from neurodiverse community following engagement with a multi-sensory experience centre in Christchurch. (New measure)
Support PNCC Cultural Events – Waitangi Day, Diwali, Chinese New Year.	Target met	Te Manawa was the venue for the Multicultural Council and PNCC City Welcome on 6 September. Te Manawa event staff attended Waitangi Day with a presence to engage visitors with Museum activities. Te Manawa helps promote, and attends/ has presence at City Cultural events, shares these through its social channels and provides promotion for PNCC events on its digital screens throughout the Museum and Art Gallery. (New measure)
Engage visitors with on-site activities and public programmes based around cultural celebrations such as Matariki and Local History Week/Heritage Month.	Target met	Cosmodome holiday programmes offered during Puanga/Matariki with a focus on astrology. Participation in Local History Week/ Heritage Month with events on site including collections tours and Mina McKenzie Memorial Lecture. (New measure)
Implement Stage 1 of Putaiao Science Centre (education room). Funding dependant.	Target met	Stage 1 has commenced with special drawings and initial funding applications completed. (New measure)
Continue to develop partnership and collaboration opportunities.	Target met	Partnered with New Zealand Portrait Gallery Te Pūkenga Whakaata to co-curate and exhibit Robyn Kahukiwa: Tohunga Mahi Toi. Work with UCOL students on designs for children's activity materials and videography for Tourism New Zealand. Established the Fair Art prize with the Eileen Fair Estate. Worked with The Suter Art Gallery and Makers 101 to develop He Momo Nā te whānau: The Second Aotearoa Jewellery Triennial which is touring to Waikato after being exhibited at Te Manawa. Partnered with Otago Museum to host the display Solar Tsunamis for free. Partnered with Waikato Museum to share freighting costs for the 2026 tourer Air Playground, coming from Victoria Museum in Melbourne. (2023-24 Target met)
Develop and implement at least two public programmes related to our collection.	Target met	Some highlights include: Tours for Local Heritage Month, International Museums Day, and Mid-Winter treat (Santa's Cave). The Active Eye Floor Talk + Q&A. Local Sport Stories, Manawatū Skating Club event. (New measure)
Continue to promote and add 1,000 items to Collections Online.	Target met	3919 items added since 1 July 2024 - a total of 11,129 collection objects now viewable online. (includes 2054 items from Peter Bush Archive). (New measure)
Develop and deliver balanced, exciting and frequently changing programme of local, national and international exhibitions.	Target met	We opened 18 exhibitions, of particular note are: Sunlight:Ihi Komaru (revamp of interactive exhibition developed in house) Call Me Maybe, the display of local telecommunications history Tohunga Mahi Toi by Robyn Kahukiwa (national art show feat collection and art society collection works) Manawatu Now: Local Artists Current Practice (feat local artists) Te Puna O Te Atua (feat local artists) Mina Mackenzie: Keeping the Taonga Warm (feat collection objects) Feminine Abstract (National art show feat collection and art society works) Reframing the Active Eye (Art Society Collection) Solar Tsunamis – Touring exhibition from Otago Museum (2023-24 Target met)

ITEM 8 - ATTACHMENT 1

Strategic Objective 2: Enhanced learning and development

MEASURE	RESULT	COMMENT
Implement at least one secondary school level learning programme based on consultation with local schools.	Target met	Water Quality programme developed for Freyberg High School Year 11 geography and science classes. (New measure)
Provide free education programmes to schools within the Palmerston North and Manawatu District Council boundaries.	Target met	Te Manawa has provided 84 free education programmes to school groups (3,270 students) within the Palmerston North and Manawatū District Council boundaries. (2023-24 Target met, 59 free education programmes provided)
Seek eternal revenue to assist in cost of education programmes.	Target met	Sponsorship of the Cosmodome by Yorb (for naming rights). UCOL Grant. ELC contract has been extended through to 31 December 2026. Te Manawa Museum exceeded its ELC 2024 target with 4107 students participating (funding reporting based on calendar year). (2023-24 Target not met)
4,000 students will participate in ELC Learning programmes.	Target met	4,286 students have participated in ELC learning programmes from 1 July 2024 – 30 June 2025 with another 2,481 students participating in self-led programmes. (2023-24 Target met; 4,063 students participated)
Develop robust and engaging public programmes based around exhibitions and galleries.	Target met	Some highlights include: "Science Alive" event • Art Gallery Seasonal Celebration August 2024 • Sports/Club Day: Manawatū Skating Club • "Ada Lovelace – Woman in STEM" panel discussion • "Santa Paws" event • Robyn Kahukiwa : Tohunga Mahi Toi and associated talks and tours, including Baby Bites for caregivers with babies ina McKenzie display opening • Manawatū Now "Last Light Date Night" event • Local Heritage Month family activity centered on telephones • Sunlight VR headset family programmes • Solar Tsunamis – "Parawhenua Kōmaru Starlab" Screenings • Curator and/or artist discussions for every art exhibition • Weaving demonstrations by Te Whatu Raranga ō Highbury Weavers • "Mid-Winter Treat" Santas Cave. (New measure)
Deliver at least 20 staffed public programmes.	Target met	30 staffed holiday programme activities delivered. 57 public programmes were delivered by staff and in collaboration with the community (see some examples above) Two teacher PD sessions related to exhibitions – Robyn Kahukiwa and Sunlight. (2023-24 Target met; 46 staffed programmes delivered)
Develop at least one collaborative opportunity with another non-school educational programme provider.	Target met	Partnership with Horizons Regional Council for a teacher PD day around sustainability, highlighting various groups that offered opportunities to schools. (2023-24 Target met)

Strategic Objective 3: A collaborative and future-focused organisation

MEASURE	RESULT	COMMENT
Demonstrate continued commitment to the principals Te Tiriti O Waitangi.	Target met	Peter Te Rangi and Terry Hapi serve as Rangitāne representatives on the Te Manawa Trust Board. Commitment to Rangitāne o Manawatū Settlement Trust/Cultural Trust to being an active partner in the Science Centre development from start to finish. (2023-24 Target met)
Implement kaupapa Maori strategy developed in 2023/24	Target met	Regular waiata sessions for staff, increasing cultural practice at openings and events. Staff development with participation in Rākau course by Then Histories of Pamutana at Te Rangimarie Marae. Matariki staff event held for the first time to foster fellowship, knowledge and understanding. CEO regularly attends hui with members of Te Whirikōkō iwi leadership group via PNCC and has begun hui with RoMST/CT. (2023-24 Target met)
Continue collaborations with whanau, hapu & iwi to bring Toi Maori exhibitions to Te Manawa.	Target met	Tohunga Mahi Toi by Robyn Kahukiwa Te Puna O Te Atua Matatau 2024 Mina McKenzie: Keeping the taonga warm. (2023-24 Target met)

MEASURE	RESULT	COMMENT
Work with PNCC to reflect the diversity of Palmerston North in the membership of the Board.	Target met	Continues as per usual agreement. (New measure)
Research and identify a community and / or prominent community members and plan an oral history project.	Target met	Researched oral history projects for Mina McKenzie: Keeping the taonga warm and also the Tōtaranui historic homestead. Planned schedule of podcast topics, secured equipment and identified future talent to develop and deliver a programme of content in 2026. (New measure)
Collaborate with founding societies on one new initiative with each to grow support for Te Manawa and generate donations.	Target met	Science Centre development with Science Centre Inc. Look.See.Think.Feel tours with Art Society (engaging their membership) Local history week/heritage month activities including Mina McKenzie Memorial Lecture with Museum Society. (2023-24 Target 2 initiatives; Target met)
Continue to strengthen relationship with NZRM through the Peter Bush archive project and related activities.	Target met	Ongoing documentation of the Peter Bush collection, which went live online in June 2025. Continue to provide access to the collection in partnership with the Rugby Museum. Collaborated with NZRM, Property Brokers, Sport Manawatū and the Manawatū Business Chamber on the Peter Bush Fundraising Auction in August. (2023-24 Target met)
Implement the Te Manawa Revenue Strategy with a focus on philanthropic and sponsorship contributions against strategic targets, such as the Science Centre development.	Target met	Potential sponsors have been identified, and grants applied for. Senior Managers met with Sponsorship Advisor Jenni Giblin director of Funding HQ to formulate a targeted plan to seek funds for the Science Centre Development. Funding campaign and funding implementation document has been completed for the Science Centre development. Funding applications have been submitted to Grass Roots, Lions Foundation, CNZ Helping Hands, Te Paerangi National Services, CET and Science Centre Trust. (2023-24 Target met)
Adopt the Tourism NZ 'Tiaki' promise – a commitment to care and respect for our natural world.	Target met	Have identified several areas where commitments to environmental sustainability are prioritised as listed on the Te Manawa website. (New measure)
Foster sustainable behaviours.	Target met	The 'Tiaki' promise encourages both staff and visitors to think and act sustainably. Te Manawa has diverted more 225.22kg or 9.0m3 of paper from landfill through the paper-towel recycling programme. Coffee grounds and food waste is composted for use in the Biodiversity Garden. Recycling bins are provided for both visitors and staff. (2023-24 Target met)
Reduce paper use by 50% and implement processes and systems to become paper-light.	Target met	Have transitioned finance and payroll systems to cloud-based digital systems. Internal documents and forms now digital, with greater emphasis on staff intranet to communicate information and provide easy access to important documents that are no longer printed. (New measure)
Prioritise the re-use of materials and furniture in exhibition development.	Target met	Old exhibition cases have been repurposed to allow for ongoing rotation of collection-based displays in Manawatū journeys, including Local Sports Stories and Mina Mackenzie. Plinths and vitrines being re-used for temporary art exhibitions. (New measure)
Reduce carbon emissions from Te Manawa activities by 10%.	Target met	Reduced printing (paper use), electric vehicle, emphasis on recycling and reusing materials, and LED lighting is contributing to reductions. The reduction in printing has contributed to a decrease in carbon emissions by 29% (note, the periods measured exclude July, August and September as there was no comparative data prior to Oct 2023). (New measure)
Work with PNCC and external funders towards a new, purpose-built, energy efficient and sustainable Te Manawa complex.	Target met	Discussions continue, Te Manawa participates as part of the steering group for the Civic & Cultural Precinct. (2023-24 Target met)
Ongoing collaboration with tertiary partners through at least one exhibition or event annually.	Target met	Toioho ki Āpiti, Matatau exhibition with Massey University (November), Nova Arte: Bachelor of Creative Media Expo, UCOL student showcase. (2023-24 Target met)
Research and develop a report that shows the requirements needed for the Art Gallery to host high-quality contemporary exhibitions and provide museum standard level of care for collections and loaned items.	Target met	Report submitted to PNCC. (New measure)

PALMERSTON NORTH AIRPORT Ltd





Palmerston North Airport Ltd (PNAL)

Objectives

Palmerston North Airport Ltd is a limited liability company and is 100% owned by the Council.

The principal activities of the company are:

- To provide airport facilities and services to airlines and airport users (both commercial and non-commercial) through the ownership and operation of Palmerston North Airport.
- The development of non-aeronautical revenue streams including Ruapehu Aeropark and other commercial property.

What the Board does

The Board protects and grows shareholder value and provides a return to the Council in the form of growth in company value and where appropriate annual dividends.

The Airport is an asset of regional and national importance and provides a key transport gateway that contributes to the economic development of the city and surrounding regions. A population base of close to a million live within two hours' drive of the airport.

The Airport contributes to the economic growth of the city and region by providing transportation services such as scheduled passenger services and airfreight operations that link businesses to domestic and international suppliers and markets, and by bringing visitors to the region. It also enhances a positive image of the city as a good place to do business.

What happened in the year

This past year has been a busy one. The Terminal Development Project reached some big milestones: the design of the new terminal was completed, the temporary terminal opened, and demolition began on the western end of the old building. Careful planning meant flights and services carried on without disruption, and travellers gave positive feedback about the temporary facilities. Work now shifts to building the new terminal, which will open in two stages in 2026 and 2027.

There was also progress in freight and logistics. A major national operator signed a lease to build a new warehouse at Ruapehu Aeropark. The development will be more than 5,500 square metres, with warehousing, a breezeway, and office space. Construction is expected to begin in late 2025, with the building complete by early 2027. This will be a cornerstone for Ruapehu Aeropark and an important part of Te Utanganui – Central New Zealand Distribution Hub, adding much-needed capacity to move goods efficiently across the country.

Another highlight was the signing of a partnership agreement between the Airport, Air New Zealand, and the Central Economic Development Agency. The agreement is focused on growing passenger and cargo services, advancing sustainable aircraft operations, and supporting pilot training here in Palmerston North. It's a practical step towards strengthening Manawatū's place in New Zealand's aviation and freight network.

How Did We Perform

Compliance

MEASURE	TARGET	RESULT	COMMENT
CAA Part 139 Compliance	Recertification achieved	Target met	The 5 yearly CAA Audit of PNAL's compliance with Civil Aviation Rule Part 139 was completed in June 2024 with recertification achieved on 27 June 2024. Compliance has been maintained throughout the 2025 Financial Year.
IT infrastructure resilience	Upgrade / installation of key IT infrastructure	In progress	At year-end, a Disaster Recovery Server had been installed within the airport campus and was undergoing commissioning, due to go live in the 2026 Financial Year. (New measure)
Ongoing SMS development	Complete annual SMS Audit	In progress	PNAL's last SMS Audit occurred in March 2024 with the next audit scheduled to occur early in the 2026 Financial Year. (2023-24 Target met)
Airside pavement upgrades	Critical airside pavement upgrades completed	Target met	Key airside infrastructure upgrades were completed around the General Aviation fuel pumps, Aircraft Stand 6, Rescue Fire Station airside roads and other airside roads. Total spend on airside infrastructure in the 2025 Financial Year totalled $1.56M. (New measure)
Compliance software management	OneReg enhancements	Target met	OneReg, PNAL's safety management reporting system, has seen a number of enhancements across the financial year. These include the inclusion of external stakeholders within the platform, a new contractor sign in/out and inductions kiosk and enhanced wildlife reporting. (New measure)
Obstacle Limitation Surface (OLS) Management	Stakeholder engagement and compliance with OLS	Target met	OLS compliance and stakeholder management has continued, with additional mapping and tree height management on PNAL and surrounding neighbours' land. In addition, during the 2025 Financial Year PNAL has engaged the services of a three-dimensional geospatial aeronautical tool, Blackmaps, to assist in ongoing OLS mapping and compliance. (New measure)
PFAS Management	Global consent obtained. Ongoing PFAS management and compliance with global consent.	In progress	At year-end, PNAL's submission for a global consent had been submitted to Horizons Regional Council, following engagement with Rangitane. PNAL is currently awaiting acceptance of its global consent application, due to occur in the 2026 Financial Year. (2023-24 Target met)
Noise Management	Refresh Noise Management Plan	In progress	At year-end, PNAL had completed its update to the Noise Management Plan and was in discussion with PNCC about planned improvements to further mitigate ground noise. No noise complaints were received during the 2025 Financial Year. (2023-24 Target met)

Customer

MEASURE	TARGET	RESULT	COMMENT
Carpark Upgrades – Products & Systems	Licence Plate Recognition implemented in all carparks.	Target met	Licence Plate Recognition went live in the general, long stay and rental carparks early in the 2025 Financial Year, providing a seamless 'windows up' experience for customers arriving and departing from the carparks. (2023-24 Target met)
	Covered walkway – Long stay to General carpark.	Target not met	In order to preserve available debt capacity, PNAL has elected to defer the construction of additional covered walkways within the carpark until the 2027 Financial Year. (2023-24 Target met)
Terminal Development Plan	Detailed design completed	Target met	At year-end, PNAL had concluded detailed design and commenced demolition of the existing terminal. (2023-24 Target met)
Customer Loyalty	Communication strategy implementation commenced.	Target met	The TDP communication strategy has been implemented with a wide range of communications going out across media channels to keep stakeholders informed and have plans in place for significant milestones to be shared with the local community. Little & Loud have been engaged as PNAL's Communications and PR partner to assist in designing and implementing the strategy. (2023-24 Target met)
	TDP customer service operations plan implemented.	Target met	The TDP customer service operations plan is in effect, with conflict de-escalation training provided to the team, refreshed customer related Standard Operating Procedures (SOP's) in place and improved customer feedback loops. (New measure)
	Net Promoter Score (NPS) as close as reasonably practical to tourism industry benchmark of 45.	Target not met (NPS score of 42)	The Net Promotor score of 42 for the full year is based off 7,471 responses, a 18% decrease in the number of responses compared to prior year with a NPS score of 45. The target of 45 is a stretch target, well above the benchmark average NPS scores for the New Zealand aviation industry of 33%. Going forward, reflecting the temporary nature of the temporary terminal, and its reduced customer amenity, PNAL anticipates a challenging NPS result during the disruption caused by the terminal reconstruction.

Community

MEASURE	TARGET	RESULT	COMMENT
Sustainability	Airport Carbon Accreditation Level 4 maintained	Target met	The ACA program is the only institutionally endorsed, global carbon management certification programme for airports. It independently assesses and recognises the efforts of airports to manage and reduce their carbon emissions. PNAL last received recertification in September 2024, with a further renewal due in the 2026 Financial Year. (2023-24 Target met)
	Additional Scope 1 & 2 carbon reduction initiatives implemented	Target met	PNAL has achieved additional Scope 1 and 2 carbon reductions, based on the most recent ACA audited period to 30 June 2024. This is the result of a cumulation of initiatives over the past several years, including procurement of Renewable Energy Certificates, transitioning to EV's/PHEV's, the decomissioning of the terminal gas boiler and the replacement of terminal and carpark lighting with LEDs. Going forward, PNAL is now reaching the bottom of potential further Scope 1 and 2 emissions that are economically viable. (2023-24 Target met)
	Tenant stakeholder engagement plan established (Scope 3 emissions focus)	Target met	PNAL has developed a tenant stakeholder engagement plan, which has been reviewed and audited by the Airport Carbon Accredition programme. This focusses PNAL's attention in future years towards reductions in Scope 3 (third party) emissions. (New measure)
Sponsorship Strategy	Strategy refreshed and implemented.	Target met	PNAL's sponsorship strategy was refreshed in late 2025 and was subsequently endorsed by PNAL's Board for implementation, which is now underway. This refresh included updating our strategic sponsorship categories to better align with our vision and target demographic, updates to our sponsorship tier levels and improved reporting and measurement criteria. (New measure)

Culture

MEASURE	TARGET	RESULT	COMMENT
Continual improvement of safety culture	Zero lost time injuries	Target met	There were zero lost time injuries in the 2025 Financial Year. (2023-24 Target met)
	Improved aerodrome safety culture scores	In progress	PNAL's last safety culture survey occurred in March 2023, with a score of 90% (an improvement from the prior survey of 87%). A further survey is scheduled during the upcoming SMS audit, due to occur early in the 2026 Financial Year. (2023-24 Target met)
	SMS Maturity level assessed as "Effective" (currently "Operating")	In progress	PNAL's last SMS Audit occurred in March 2024, with the results identifying the SMS is "present, suitable, operating and effective" on 12 of 13 elements. The 13th element, relating to measuring performance, was identified as "present". The next SMS audit is scheduled for early in the 2026 Financial Year. (2023-24 Target met)
Whanau Kotahi / One Team Wellness Plan	Wellness Plan updated annually and implemented	Target met	PNAL's wellness plan continues to deliver strong benefits to staff and enhance engagement. (New measure)
	Team engagement scores in line with or exceeding industry benchmarks	Target met	PNAL conducted its latest annual engagement survey in November 2024 with an overall engagement score of 84%, an improvement of 6% on prior year. This was achieved on the back of a 100% completion rate (2024 Financial Year: 83%), meaning the result provides a comprehensive and accurate assessment of PNAL's team engagement. (2023-24 Target met)
Payroll/ HRIS system	Implementation of a new HRIS / payroll system	Target met	PNAL completed implementation of a new payroll and HRIS sytem, Employment Hero, in Q4 of FY25, providing employees with a comprehensive solution for leave management, policy management and performance reviews. (New measure)

Commercial

MEASURE	TARGET	RESULT	COMMENT
Net Debt	$34.5M	Target met $13.3M	Capital spend was below budget primarily due to the start dates for the construction of the new terminal building, and the Zone D warehouse, being later than originally budgeted. These projects are both now progressing at pace but resulted in debt requirements in the 2025 Financial Year being reduced, with the spend now occurring in the 2026 Financial Year. (2023-24 Target $29.3M; Target not met, $10.7M)
Total Debt to Total Debt + Equity Ratio	29%	Target met 14%	As above, the reduced debt level resulted in a reduced Debt to Debt + Equity ratio. (2023-24 Target 33%; Target not met, 13%)
Ratio of net surplus before interest/ tax/depreciation/ revaluations to total assets	5%	Target met 7%	The net surplus before interest/tax/ depreciation/revaluations exceeded expectations largely due to tight cost control and a greater proportion of temporary terminal costs being capitalised than expensed. (2023-24 Target 4%; Target not met, 7%)
Ratio of net surplus after tax to consolidated shareholders funds inclusive of revaluation reserve.	-2%	Target met 0%	The SOI anticipated a loss for the 2025 Financial Year, largely due to one-off and/or non-cash adjustments relating to the terminal development project (e.g. temporary terminal costs and/ or accelerated depreciation). The actual results for the 2025 Financial Year saw a greater proportion of costs being capitalised and/or reduced accelerated depreciation. These reduced expenses contributed to the positive surplus after tax for the 2025 Financial Year relative to the SOI. (New measure)
Maintain a ratio of consolidated shareholders funds to Total Assets of at least 40%	64%	Target met 77%	Due to delay in construction of the new terminal and Zone D warehouse, the increase in total assets and increase in debt were less than budgeted. As a result, consolidated shareholder funds as a proportion of total assets was higher than budgeted. (2023-24 Target 67%; Target met, 78%)
Interest coverage ratio of EBITDA to interest of at least 2.5 as per BNZ loan covenants.	5.6	Target met 13.2	Interest expenditure was lower than budgeted resulting from the deferral of a number of budgeted capital projects. EBITDA also exceeded budget for the reasons outlined above (2023-24 Target 5.3; Target met, 14.4)
Maintain a tangible net worth (total tangible assets after revaluations less total liabilities) above $80m	$83.6M	Target met $84.5M	Primarily due to revaluation gains on land, and the higher than budgeted profit outlined above, net assets have increased above budgeted amounts. (2023-24 Target $87.7M; Target met, $82.1M)
Net debt/EBITDA less than 4.5 (long term target)	5.2	Target met 1.7	Net debt was less than anticipated due to capital expenditure being lower than budgeted as outlined above. EBITDA also exceeded budget for the reasons outlined above. Achievement of this target in future years is likely to be impacted in the short term by the planned terminal redevelopment and capital projects within Ruapehu Aeropark. (2023-24 Target 5.0; Target met, 1.3)
Funds from Operations (FFO)/Net Debt greater than 11% (long term target)	17.8%	Target met 52.9%	Funds from Operations exceeded budget and Net Debt was below budget for the reasons outlined above. (2023-24 Target 13.5%; Target met, 57%)
Ruapehu Aeropark – strategic partnership(s)	Strategic investment option identified and implemented	In progress	At year-end, PNAL was in the processing of completing a debt raise to bring total available debt facilities up to $95M, enabling PNAL to accelerate development within Ruapehu Aeropark. This debt raise is anticipated to be completed early in the 2026 Financial Year. In addition, PNAL continues to evaluate options to divest non-strategic land and engage with potential Joint Venture partners for Ruapehu Aeropark development. (New measure)
Ruapehu Aeropark – commercial developments	Zone D warehouses – 50% preleased	Target met	PNAL has successfully executed an Agreement to Lease with a tenant for Stage 1 of the Zone D warehouse precinct. The final design stages for the warehouse are now underway, with construction due to commence in the 2026 Financial Year. (New measure)
Passenger movements	559,400	Within 10% of target 531,129	Total passenger movements were 5% below SOI and 3% below prior year, reflecting the wider suppression in demand across the New Zealand aviation industry currently being experienced. Challenges across the industry included the economic recession, higher fares, costs of living, challenges with Air New Zealand capacity and a challenging operating environment for smaller regional carriers. (2023-24 Target 581,100; Target not met, 547,721)

WĀHANGA TUARIMA
SECTION FIVE

KŌRERO ĀPITIHANGA
ADDITIONAL INFORMATION

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How to find us

Postal Address
Private Bag 11034
Manawatū Mail Centre
Palmerston North 4442

Customer Service Centre
32 Te Marae o Hine The Square, Palmerston North

Open Hours:
Monday, Tuesday, Thursday and Friday, 8.30am - 4.30pm
Wednesday, 9am - 4.30pm
Closed Public holidays and weekends'

Contact details for all enquiries, service requests, or to contact anyone who works for the Palmerston North City Council are:
pncc.govt.nz | info@pncc.govt.nz | 06 356 8199

The Council operates a 24-hour, seven day a week, 365 days a year phone Contact Centre. This is supported by the Customer Service Centre on Te Marae o Hine The Square. There is a translation service for any who need it.

The Council's other main source of contact is through the City Library, which also has copies of Council plans and agendas.

City Libraries
Central Library
4 Te Marae o Hine The Square, PO Box 1948,
Palmerston North
citylibrary.pncc.govt.nz | 06 351 4100
webmanager@library.pncc.govt.nz

Ashhurst Library
Cnr Cambridge Street and Bamfield Street, Ashhurst
06 326 8646

Awapuni Library
Cnr College Street and Pitama Road, Palmerston North
06 356 7634

Roslyn Community Library
8 Kipling Street, Palmerston North
06 357 9287

Te Pātikitiki (Highbury) Community Library
157 Highbury Avenue, Palmerston North
06 357 2108

Youth Space
Cnr Coleman Mall and George Street, Palmerston North
06 351 4126

Mobile Library
Has regular stops throughout the City.

Council Meetings

The Council encourages public participation in its activities. Meetings of the Council and its Committees are open to the public and are normally held in the Council Chamber. For information about meeting agendas and dates, contact the Customer Service Centre, look in the public notices section of newspapers, or look at our website.

pncc.govt.nz

Auditors
Audit New Zealand

31 Amesbury Street, Palmerston North
(on behalf of the Auditor General)

Bankers
Westpac Banking Corporation

ITEM 8 - ATTACHMENT 1

Glossary

Long-Term Plan or LTP

A Long-Term Plan is a 10 year plan prepared by Council every three years. It describes Council's planned contributions to its vision and goals, shows why they are necessary, how much they are expected to cost, and how success will be judged.

Activity

The goods or services that the Council provides to the community. The Council has 16 Activities, e.g. Housing, Water, Economic Development, Recreation and Play.

Annual Budget (previously Annual Plan)

This is a budget document that shows how the Council will fund any year of the Long-Term Plan. Produced in years two and three of the Long-Term Plan, it provides consistency and direction to Council activities.

Asset Management Plans (AMPs)

These ensure that the Council's major infrastructural assets are maintained to ensure high environmental standards and meet the future needs of the city at the lowest possible cost over the long term. Council has AMPs for roading and parking, stormwater, rubbish and recycling, wastewater, water, property, and recreation and community facilities.

Capital New

Expenditure which will increase the value of or create new Council assets (land, infrastructure, plant and equipment). A household analogy would be expenditure to build a new bedroom.

Capital Renewal

Keeping existing infrastructure and facilities up to standard.

Capital Revenue

Some capital new and capital renewal expenditure is partly funded by amounts received from government or other parties for transport subsidies, grants and development contributions.

Community Outcomes

Short or long-term outcomes that a local authority aims at to promote the social, economic, environmental, and cultural well-being of its district or region. They are the Council's Vision, Goals and Strategies.

Council Controlled Organisation (CCO)

An organisation in which Council (or councils) owns or controls at least 50% of the voting rights, or has the right to appoint at least 50% of the directors or trustees. CCOs are mostly set up to independently manage Council facilities or deliver specific services on behalf of residents.

Council Controlled Trading Organisation (CCTO)

As for CCO but trading with the main purpose or intention to make a profit.

Depreciation

Spreading the costs of assets over their useful life.

Development Contributions

Development Contributions provide Council with a way of obtaining contributions to fund infrastructure requirements due to growth. A Development Contributions Policy is required as a component of the Funding and Financial Policies in the Long-Term Plan under section 102(2)(d) of the Local Government Act 2002.

Financial Year

The Council's financial year runs from 1 July to 30 June. The 2025 Financial Year therefore covers the period 1 July 2024 to 30 June 2025.

Group of Activities

Groups of Activities show how the Council will work towards community outcomes. The Council has 9 Groups of Activities. Activities that provide similar services have been grouped together. Changes to the Local Government Act mean that infrastructural Activities are also Groups of Activities.

Level of Service

A measurable description of what the Council does (or is planning to do) for residents.

Maintenance Costs

Expenditure in relation to repairs and maintenance of Council's assets.

Operating Expenditure

Expenditure that is necessary for the normal activities of Council. Using a household analogy, this would be paying for electricity or food.

Performance Measures

Performance measures show how people can judge the success of the Council. The measures in the current Long-Term Plan are part of the Council's performance framework. The Council has other more technical performance measures in documents such as Asset Management Plans.

Programmes

Programmes are the detailed financial actions that include capital and non-capital works within any financial year to achieve Council's outcomes.

Treasury Policy

This sets out when and how Council will invest, and for what purposes, and when and how Council will borrow, and for what purposes.

Uniform Annual General Charge (UAGC)

A component of the general rate that is levied as a uniform amount on every property.

Acronyms / Abbreviations Used

M – Million

B – Billion

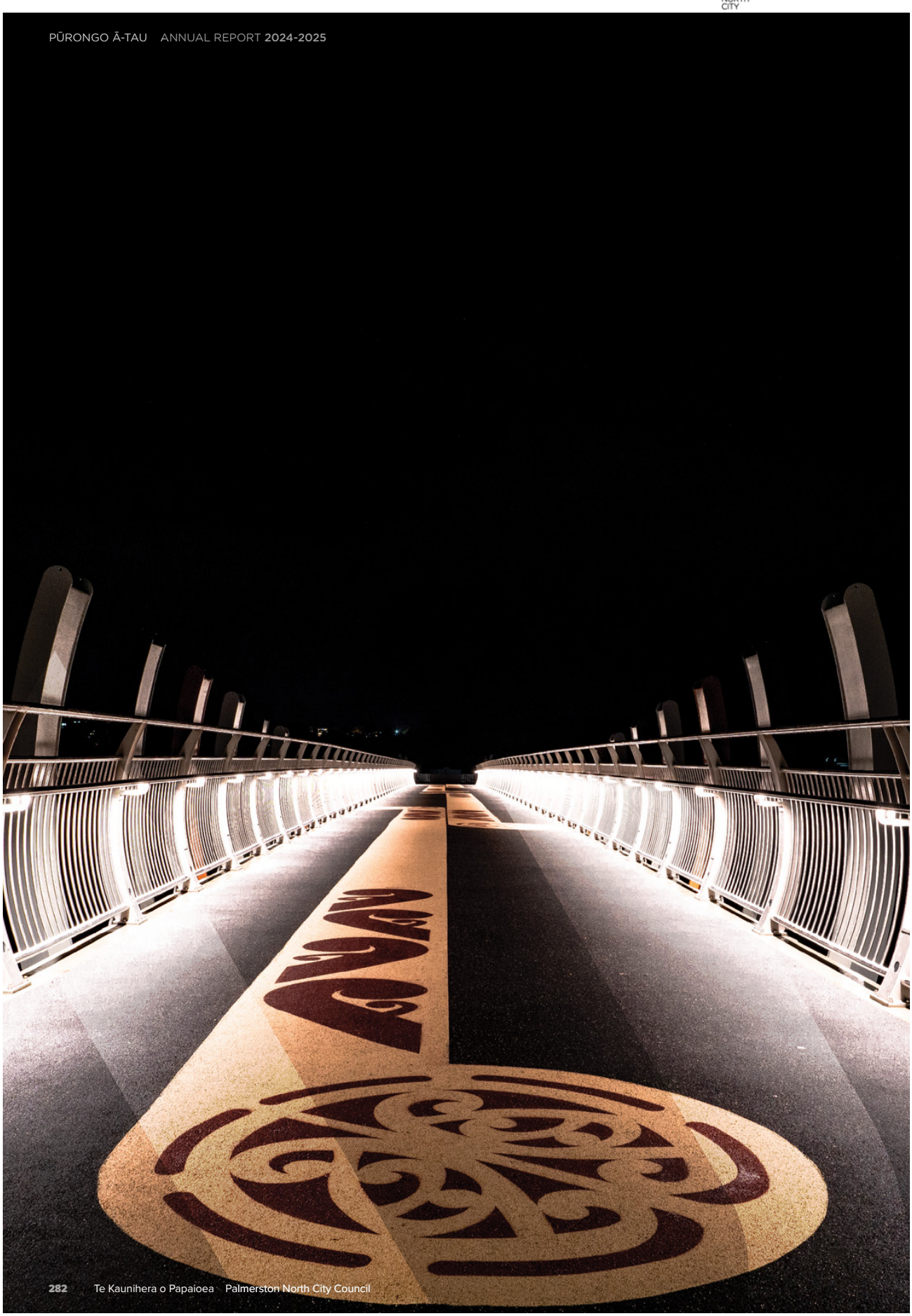
K - Thousand

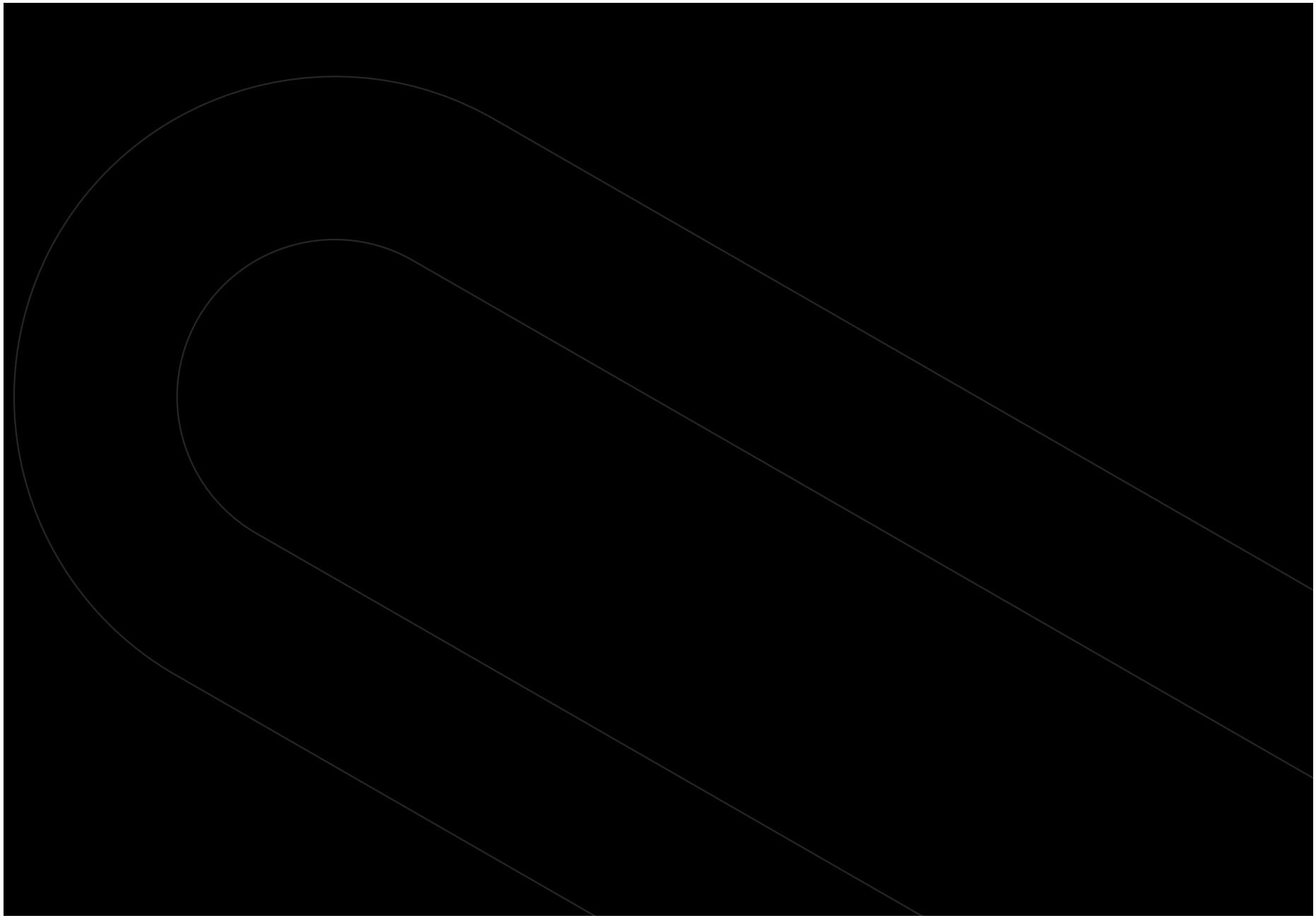
ha – Hectare

LTP – Long-Term Plan

DIA – Department of Internal Affairs







ITEM 8 - ATTACHMENT 1

PALMY
PAPAIOEA
PALMERSTON
NORTH
CITY



Te Kaunihera o Papaioea Palmerston North City Council
pncc.govt.nz / info@pncc.govt.nz / 06 356 8199 / Te Marae o Hine – 32 The Square, Palmerston North



Te Kaunihera o Papaioea
Palmerston North City Council

PŪRONGO Ā-TAU ANNUAL REPORT 2024/25

SUMMARY





He Mihi

Kei te rere ngā mihi maioha ki te iwi kāinga ki a Rangitāne o Manawatū i runga i te āhua o te mahitahi me te Kaunihera o Papaioea, te whai i ngā mātāpono o te Kawenata ki waenganui i a tāua.

Nō reira he tika te whakatairanga ake i ngā moemoeā o te Iwi me te Kaunihera tae atu ki ngā hapori whānui o tēnei Taonenui.

Kia kaha tātou ki te hāpai ake ngā ōhākī o ngā tipuna me ngā moemoeā o ngā tamariki mokopuna kei te haere mai.

Tini whetū ki te Rangi, Ko Rangitāne nui ki te whenua.

Mauri tū mauri ora ki a tātou katoa.

The Palmerston North City Council respectfully recognises the local iwi Rangitāne and their customary relationship to this area and appreciates the ongoing support of the iwi in the development of this City and all of those people who have made it their home. Council remains committed to fostering and strengthening our relationship with Rangitāne.

YEAR IN REVIEW

It's been a big year for Palmerston North, and despite the challenges many in our community are facing, we've continued to make steady progress.

With rising costs affecting everyone, we've focused on getting the balance right – delivering essential services and upgrades while being mindful of spending. These pressures have shaped our decisions over the past few years, and they'll keep guiding us as we plan ahead.

We've made major improvements to our roads and water systems – rebuilding Railway Road, replacing the Amberley Avenue Bridge, and upgrading key water pipes across the city. We've also made it safer and easier to get around by upgrading 80 bus shelters and installing new pedestrian lights on Pioneer Highway.

We've also upgraded community spaces – from a fun new playground at Chippendale Reserve to a new outdoor gym near He Ara Kotahi, plus freshened-up parks, toilets, and changing rooms across the city.

We've supported future housing with rezoning consultations and continued work at Tamakuku Terrace, where new sections are on the way. And we've backed our local groups with extra funding through the Creative Communities Scheme and Strategic Priority Grants – helping them bring more life, colour, and connection to Palmy.

We even added polystyrene recycling to the Ferguson Street centre, collecting 3.5 tonnes to be reused in new products. That's a lot considering how light polystyrene is.

This year we also asked our community for feedback on options for managing drinking water, wastewater, and stormwater services in the future as part of the Government's Local Water Done Well programme. Following that feedback, we've committed to working with neighbouring councils to set up a new, council-owned water organisation – one that keeps decision-making local while ensuring safe, sustainable, and affordable services for the future.

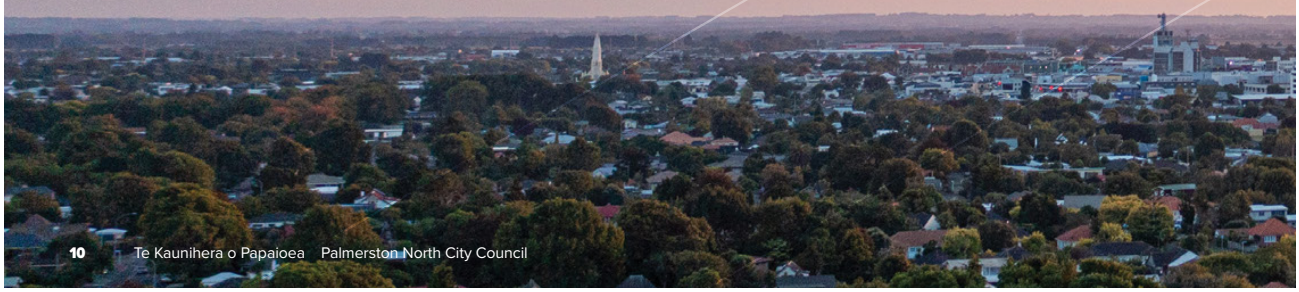
There's still plenty to do, but we're proud of what we've achieved together.
To everyone who's played a part – thank you.
Your input, support, and mahi help us live up to our city's vision:
He iti rā, he iti pounamu – Small city benefits, Big city ambition.



Grant Smith JP
Mayor
8 October 2025



Waid Crockett
Chief Executive
8 October 2025



PALMY IN NUMBERS

Growing
Our population increased by

1.7%

over the year to June 2024 (*StatsNZ)

Diverse
Our residents represent over

120

different ethnic groups (*StatsNZ)

Youthful
Our median age is

35.7

With child(ren)

41.5%

Born overseas

22.0%

Lower proportion of our residents born overseas than nationally but higher than the Manawatū Whanganui Region of 16.0%

Living in most deprived quintile

20.9%

Less than the Manawatū-Whanganui Region with 28.4% of the population living in the most deprived quintile

Children (average per female)

1.6

Less than for the Manawatū-Whanganui region at 1.9. Equal to NZ

Aged over 65 years

15.7%

We have a lower proportion of older people in our city

Māori ethnicity

20.7%

Higher proportion of our residents are Māori relative to the national proportion

Palmerston North continues to attract new residents:

19.4%

almost one in five people were living elsewhere in New Zealand five years ago



Key Achievements

- Approved Aokautere Plan Change G for 1,000 new homes; subdivision consents underway
- Roxburgh Crescent Plan Change E for 105 homes, with a decision due by August 2025
- Resource consent granted to Safari Group to develop former Post Office site into a city centre hotel
- Started Tamakuku Stage 2 to provide more sections for housing
- Built Whakarongo stormwater detention pond to reduce flood risk for 500 future homes
- Fixed 2,559 potholes across the city
- Completed Amberley Ave bridge work, and carried out major maintenance on Mihaere Rd and repairs to Kahuterawa Rd
- Renewed water pipes across a number of streets including Ruahine St, Fitzherbert Ave, Milson Line, Raymond St and Te Matai Rd
- Installed 200 kW solar at the Recycling Centre to fully power sorting with zero carbon energy
- Started replacing petrol-powered parks equipment with electric alternatives
- Rolled out polystyrene recycling and free tyre drop-off through Tyrewise



- Upgraded Papaioea Park Bore #1 and started work to fix Ashhurst's water discolouration
- The number of fires on Ada Street dropped from 42 to just 2 following coordinated response with other service providers
- Under-5s swim access rose 24% to 855 children
- Central Energy Trust Arena hosted 3,010 bookings with over 440,000 attendees
- Planted 14,949 eco-sourced native plants in parks and reserves
- Delivered three Build Palmy forums and hosted our first for the hospitality sector
- Started new hospitality forum and targeted newsletter
- 60 people housed through homelessness outreach programmes
- Launched our first Civic Participation Report
- Library visits hit 529,670, with strong growth in digital use
- Large number of accessibility improvements underway in public spaces
- Progressed the Caccia Birch masterplan and key heritage projects
- Wildbase returned to 7-day operations and expanded its education programme



What our Council does

We know Palmerston North is a great place to be and we want people to enjoy living, working, visiting and doing business here. To ensure that's the case, we have a vision that sets the direction for all work we do.

Our vision for the city is: He iti rā, he iti pounamu. Small city benefits, big city ambition

At the heart of our vision is ensuring every resident is able to enjoy the benefits of living in a small city, with all the advantages of a big city. That means we're known for having a great quality of life while at the same time offering the lifestyle, education and business opportunities available in much larger cities.

To ensure this is achievable, we break it down to 4 goals:

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

Ngā hua | Outcomes:

- A city that fosters pride, and supports the aspirations of people and communities.
- A business environment that encourages investment and delivers career opportunities in a range of sectors.
- Enough land and infrastructure to enable housing development and business growth.
- The efficient movement of goods and services alongside safe and affordable transport options for people.
- A globally connected city that fosters opportunities for local people, businesses and organisations.
- An economy that embraces innovation and new ideas and uses resources sustainably.
- A resilient, low carbon economy.

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

Ngā hua | Outcomes:

- A vibrant city that connects people and where creativity is built into our cityscape.
- An arts community and cultural facilities that are well supported and invested in.
- Our unique heritage preserved and promoted.
- Opportunities to celebrate our many cultures.
- Access to exciting well-managed events and activities throughout the city and our neighbourhoods.
- Places across the city and its neighbourhoods for communities to participate in play and recreation.

Mana urungi, kiriarautanga hihiri
Governance and Active Citizenship

This area is not included in our 4 goals; however, it is reported on in our levels of service:

- Base our decisions on sound information and advice.
- Oversee Council operations and communicate outcomes and decisions to our communities.
- Provide leadership and advocacy for Palmerston North.
- Provide clear and accessible information and opportunities or community input into Council decisions.

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

Ngā hua | Outcomes:

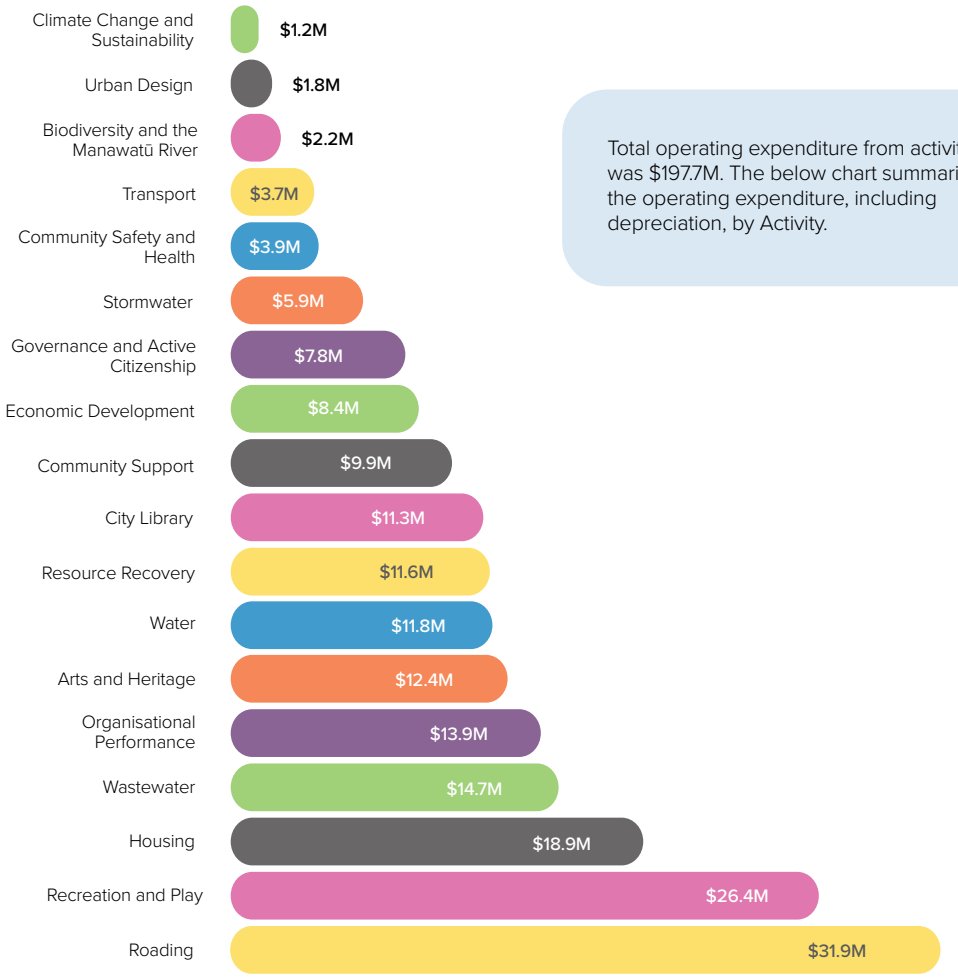
- Access to services and facilities that are inclusive and appropriate for their needs.
- Community social services groups and facilities that are well supported and invested in.
- The support they want to live healthy lives.
- Access to healthy and affordable housing.
- Opportunities to contribute to Council decision-making.
- Community social service groups and facilities that are well supported and invested in.

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

Ngā hua | Outcomes:

- A sustainable, low emissions city.
- Natural environment-focused community groups and facilities that are well supported and invested in.
- A resilient city and communities, that are prepared for the impacts of climate change.
- A circular economy with more resource recovery and less waste.
- A healthy, thriving ecosystem, including native biodiversity and food security.
- The Manawatū River and waterways restored to a healthy, respected and connected state.
- Sustainable urban planning with a low-carbon built environment.
- A safe, affordable, sustainable and resilient water supply.
- Effective, low-carbon, wastewater collection and treatment.
- Appropriate infrastructure and development to avoid and minimize the effects of flood events.
- Access to relevant information and education to support more sustainable choices.
- Natural environment-focused community groups and facilities that are well supported and invested in.

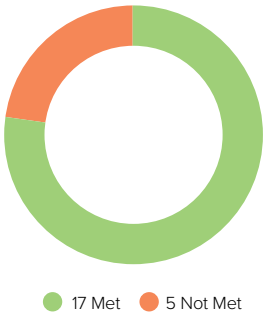
Operating Expenditure by Activity



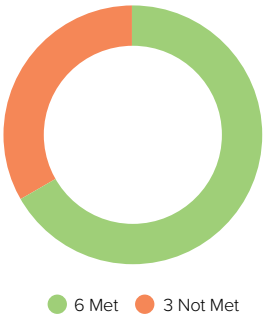
Total operating expenditure from activities was $197.7M. The below chart summarises the operating expenditure, including depreciation, by Activity.

Summary of non-financial performance measures

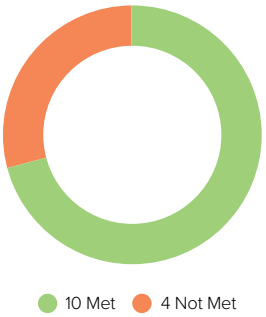
Goal 1: An innovative and Growing City



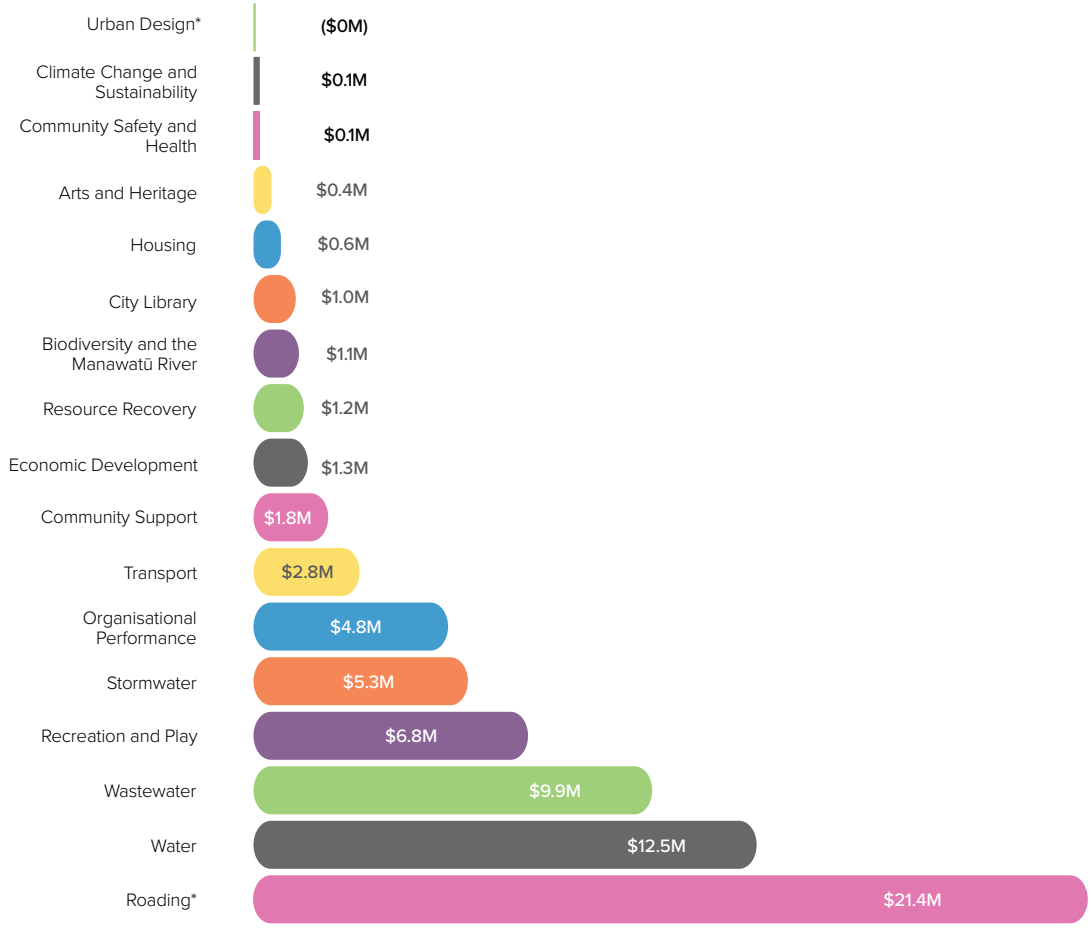
Goal 2: A Creative and Exciting City



Goal 3: A Connected and Safe Community



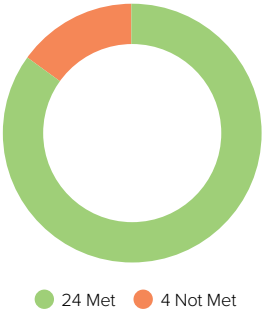
Capital Expenditure by Activity



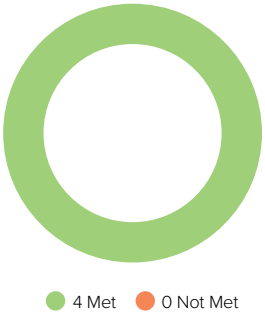
The above activity graph excludes write-offs of prior year capital expenditure that occurred in the 2025 Financial Year.

Summary of non-financial performance measures

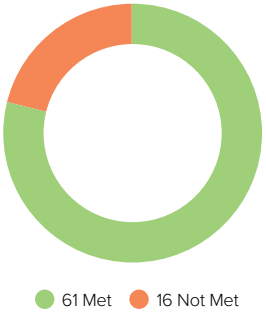
Goal 4: A Sustainable and Resilient City



Supporting the Organisation



Total Performance Measures



WHĀINGA 1: HE TĀONE AUAHA, HE TĀONE TIPUTIPU

GOAL 1: AN INNOVATIVE AND GROWING CITY

This goal includes

Housing
Urban Design
Economic Development
Transport



We want everyone in our city to have healthy, affordable housing, and we support development that meets community needs. Our role is to make sure there is enough land and infrastructure for residential growth, while managing environmental effects and protecting productive land. We aim for well-planned housing that supports good social outcomes, encourages development within the existing urban footprint, and offers a wider range of housing types. We also continue to provide social housing and support community housing initiatives.



Residential growth: planning for the future

As at March 2025, there is an estimated surplus of land in existing Residential and Rural Zones to meet 3-year demand in those locations. There is, however, a shortage in greenfield areas due to access restrictions to adjacent State Highways and the timing of supporting infrastructure. An updated Housing and Business Development Capacity Assessment in 2026 will give a more detailed picture of demand and supply across locations and housing types over the next 30 years.



Zoning and urban footprint

Proposed Plan Change E (Roxburgh Crescent Residential Area) has been consulted on and heard, with a decision expected later in 2025. It could enable about 105 new homes.

Proposed Plan Change I (Increasing Housing Supply and Choice) has been consulted on, with hearings in September 2025. It could allow up to 1,512 homes over 30 years.

Plan Change G (Aokautere), approved in May 2024, zones land for 1,000 homes. An appeal has been lodged, with an Environment Court. Because it has early legal effect, subdivision consents in Aokautere are being processed.

We've revisited rezoning in the Kākātangiata Urban Growth Area. Subject to Council approval, a plan change to rezone the land to Future Urban Zone for 2,500 homes is expected to be publicly notified in May 2026.

Under development

We granted 360 resource consents this year (down 8% on last year), reflecting uncertainty in the development industry, especially for small-scale residential. Significant land-use consents were processed for Te Rere Hau Windfarm, Railway Road, and the North East Industrial areas. Large subdivision consents progressed in Aokautere, Kikiwhenua, and Whakarongo. Kāinga Ora completed and tenanted medium- to large-scale multi-unit developments on Linton Street, Margaret Street, and North Street. To stay connected with industry, we continued the Build Palmy initiative with three forums and a monthly newsletter.

Key projects underway

Demolition has begun on the former Post Office to make way for the Tryp by Wyndham hotel. It will bring 86 boutique rooms, a spa, gym, conference facilities, and retail, while retaining the building's architectural character.

We also approved building consent to demolish the current airport terminal, making way for a $43M redevelopment to improve seismic resilience, expand passenger and luggage screening, and increase capacity.

Building consent activity

We received 891 building consent applications (down 8% on last year) and granted 887, supporting residential and commercial development across the city.

Social housing: supporting our community's housing needs

Demand for social housing remains higher than available supply, and occupancy stayed consistently high. We continue to work closely with other providers to coordinate how we understand and respond to demand and availability.

How we support local community-led housing initiatives

We provided funding to for-purpose organisations, including:

- Strategic Priority Grants: Camellia House, Housing Advice Centre, Manawatū Tenants' Union, MASH Trust, Manawatū Community Housing Trust, Ora Konnect, Legacy Housing.
- Community-Led Initiatives: Manawatū Tenants' Union.
- Community Development Small Grants: MASH Trust, Manawatū Tenants' Union, Manawatū Community Housing Trust.

We also started the Housing Insecurity programme, a three-year pilot with three workstreams. It's supported by a working group with Niuvaka Trust, Homes for People, MASH Trust, Manawatū Tenants' Union, Ministry of Social Development, Kāinga Ora, Te Tihi o Ruahine Whānau Ora Alliance, Housing Advice Centre, and Council. The workstreams reinforce each other and focus on people experiencing chronic homelessness. Achievements to date include:

- Community housing partnership: scoped a partnership programme; surveyed stakeholders to understand barriers to housing development; continued to build our relationship with Kāinga Ora to support accessible, safe, and connected housing in Palmerston North.
- Outreach: through MASH Trust, a specialist has worked directly with people without shelter since March 2025. To date, 60 people have been housed.
- Flexi-fund: a quick-response fund with the Manawatū Tenants' Union to help people enter or sustain tenancies (e.g., paying for ID needed for a tenancy).
- Housing First: with Te Tihi, we are developing a Housing First model tailored to Palmerston North, with year 1 focused on the operating model and implementation plan, and years 2–3 on implementation.

Urban Design

We want Palmerston North to have great places for everyone.
How we design our buildings, public spaces, transport systems and other infrastructure affects the wellbeing of our community. We aim for a city that is connected, coordinated and easy to get around, with spaces that are inclusive, adaptable and interesting. This means working closely with communities and taking opportunities to connect with nature and support the environment.

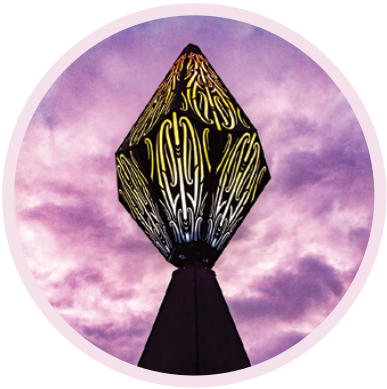
Urban design brings together different parts of planning to make sure what we build is safe, welcoming and connected. Our urban designer provides advice to planners, developers and designers, including at pre-application meetings for projects ranging from multi-unit housing to commercial, industrial and greenfield developments.





Supporting quality development

Through the Delivering Change fund, we support projects across the city. This year the fund contributed to the redevelopment of the former Post Office, design workshops for the Kia Toa RFC clubrooms, a central city health facility, and a medium-density housing development. While overall consent numbers dropped, multi-unit housing consents remained popular, and 14 lot design approvals were processed at Tamakuku Terrace. Work on the Vegetation Greenprint has slowed as resources have been redirected to support the city growth programme.



Inclusive and accessible public spaces

Community input shapes key projects. The Pasifika community is involved in designing the new Pasifika Community Hub at Bill Brown Park. The Arena Steering Group has reconvened to guide early planning for Arena 5, and multicultural communities are helping design a new facility in the main Council building to reflect and support the city's diverse cultures.

Our urban design, placemaking and play teams champion safe, accessible and inclusive public spaces. We use our website and social media to showcase how Palmy's spaces reflect the diversity of our people. Accessibility is a priority, and our park and community centre pages include information such as nearby parking and fenced playgrounds. We also work with the Disability Reference Group to encourage wider community behaviour change.

A detailed assessment of Council-owned buildings identified 1,800 accessibility improvements. Over the next one to five years we will make upgrades across parking and pathways, colour contrast, signage and braille, doors and public spaces, and fixtures and fittings. These improvements will often be combined with other planned work such as seismic strengthening, and we continue to work closely with the Disability Reference Group to make sure their priorities are met.



Economic Development

We want Palmerston North to have an innovative, resilient, low-carbon economy where communities prosper. The city's economic wellbeing relies on opportunities to improve living standards and reduce disadvantage. Profitable businesses, knowledge and skills, work, health, environmental amenity, and housing all contribute to overall wellbeing. We partner with agencies and organisations to create the conditions needed to support economic activity now and into the future.



Supporting business growth

As at March 2025, there is sufficient land in business and industrial zones to meet three-year demand. We will update this through vacancy surveys and demand forecasts in the 2026 Housing and Business Development Capacity Assessment, to confirm whether land types match sector needs. Industry feedback highlights limited large-format industrial land and a lack of quality buildings for small and medium businesses, as well as growing pressure on suburban business zones. A future review of business and industrial zones will respond to this.
Planning and infrastructure work continues for new areas. Draft Plan Change N, covering Areas A and B of the North East Industrial Zone could unlock about 33 hectares for logistics and distribution. A private plan change for Bunnythorpe Business Park is also underway, potentially adding 20 hectares of industrial land over the medium term.

Supporting business events and regional growth

The Palmy Conference + Function Centre continues to bring economic benefits for the city.
This year the venue hosted:

- 287 events
- 190 seminars and meetings
- 80 social events
- 7 exhibitions
- 8 conferences
- 2 weddings

Support from Council's Major Events Fund has meant these events could be hosted in our city, helping create social and economic benefits to our community.

- Ford Ranger New Zealand Rural Games
- National Young Performer Awards
- Armageddon Expo
- Palmy Drag Fest
- Kiwibots – VEX National Championships
- Central Districts Field Days
- Manawatū Arts Trail
- Davis Cup – New Zealand vs Luxembourg
- Daybreaker Rally

Strategic investments

Palmerston North Airport Limited remains a vital hub for passengers and freight. Its location near the city and commercial areas makes it easy to access. The Airport is actively promoting Ruapehu Aeropark as a new warehousing location and continues to provide reliable links to Christchurch and Auckland.

We completed our 2024–25 silviculture and infrastructure programme on time and on budget for Gordon Kear forest.

Promoting Palmerston North

Seasonal campaigns encouraged domestic travel, promoting Palmerston North as a welcoming city. At New Zealand's largest business events tradeshow, the Manawatū Convention Bureau (members of councils marketing team) generated 31 leads for conferences. The Palmy Proud magazine shared local stories to build community pride and shift perceptions.

The iSite welcomed over 102,747 visitors, supporting city and regional exploration. Retail sales grew 50% with a refreshed range of local products. Visitor resources were updated, while transport reservations fell in line with national trends. Locals were encouraged to rediscover the city through staycations, trips, and events. Collaboration with CEDA helped cross-promote experiences, and a new dump station in Ashhurst supports campervans visiting.

Global connections

Sister city partnerships with Guiyang and Mihara created new educational opportunities, including the first local student scholarship at Hiroshima Global Academy and the inaugural Global Youth Summer Camp with Guiyang. The city hosted over 50 senior diplomats and ten visiting delegations from Europe, the US, China, India, and Southeast Asia to showcase Palmerston North's innovation and entrepreneurship. New connections are being explored with cities in France, China, Japan, Germany, and Vietnam to promote the city for tourism, investment, and international study.

Local businesses received support exploring export opportunities in Germany, India, Japan, Thailand, the US, Australia, and China. AgriTech and Food Innovation links are growing with Campinas in Brazil and Nancy in France.

Palmerston North continues to support joint initiatives with FoodHQ and the East China Agricultural Sciences and Technology Centre in Kunshan, and Massey University's work with Yantai city in China. Environmental and climate change insights were shared with students in Chengdu, helping build global understanding of local challenges and actions.

Transport

We want a transport system that links people and opportunities while managing growth, congestion, road safety, and maintenance. Our approach prioritises safety, access, value for money, and reducing environmental impacts.



Responding to funding shortfalls

The Governments latest Waka Kotahi funding left a $74 million shortfall, providing only 43% of expected co-funding. Road maintenance and pothole prevention were largely funded, including some support for the Amberley Avenue bridge, but new projects like the Transit Hub, shared pathways, and upgrades to Kelvin Grove and Stoney Creek Roads did not recieve funding. A $12 million bid for walking and cycling infrastructure received $2.7 million. In response, Council retained funding for footpaths, drainage, and intersection upgrades and reallocated debt to the Regional freight Ring Road business case.

Key projects completed included the Amberley Avenue bridge replacement, Mihaere Drive bridge upgrades, repairs to the weather-damaged Kahuterawa Road, and numerous road reseals across the city.

Integrated transport and parking

Work continues under the Palmerston North Integrated Transport Initiative. The City Centre business case is nearly complete and will support future upgrades to the central bus hub. Procurement is complete for the Regional Freight Ring Road business case, with the study starting next year to confirm the preferred route and provide clarity to communities and landowners. Parking planning is now focused on specific areas, starting with the hospital zone, in line with Health NZ changes.

Road maintenance

Fulton Hogan completed its fourth year as our road maintenance contractor, resealing over 44 kilometres of roads, repairing potholes, and carrying out routine tasks such as street sweeping, sump cleaning, vegetation management, and asset inspections. Five kilometres of vested roads were added through new subdivisions. Ageing roads and heavy traffic remain a challenge, with rehabilitation planning ongoing.

Supporting active transport

We continue to improve footpaths, bus stops, shelters, and other infrastructure to make walking, cycling, and public transport safe and accessible. Key active transport projects were prioritised despite funding cuts. Walking and cycling are promoted through social media, the Bike Palmy hub, and our walkways guide, encouraging people to explore the city on foot or by bike.

WHĀINGA 2: HE TĀONE WHAKAIHIIHI, TAPATAPAHI ANA

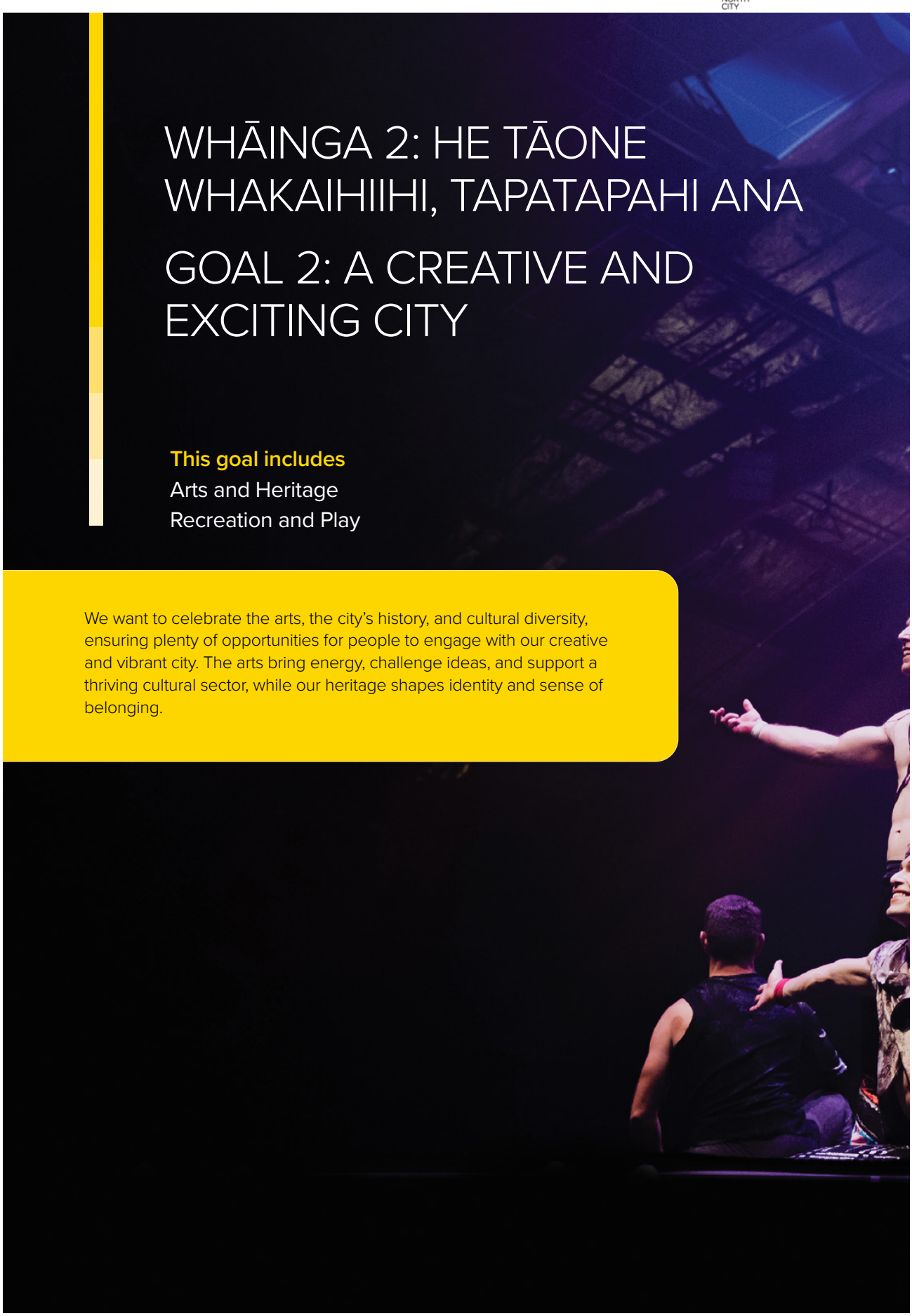
GOAL 2: A CREATIVE AND EXCITING CITY

This goal includes

Arts and Heritage

Recreation and Play

We want to celebrate the arts, the city's history, and cultural diversity, ensuring plenty of opportunities for people to engage with our creative and vibrant city. The arts bring energy, challenge ideas, and support a thriving cultural sector, while our heritage shapes identity and sense of belonging.





ITEM 8 - ATTACHMENT 2



We continue to support community-led arts initiatives across music, visual arts, weaving, and live performance. This year, six large-scale events were funded through the Arts Events Fund, 42 projects through the Creative Communities Scheme, and many smaller initiatives through the Community-Led Initiatives Fund. Māori art and storytelling have been highlighted through projects like the Tui Tui gallery at Square Edge and a Puanga exhibition showcasing Rangitāne o Manawatū. Public art and heritage objects are maintained and celebrated, including the Kotahitanga statue replacement, repairs to the Giants Among Us artwork, and plans for a new sculpture in the city centre.

Cultural Facilities and Community Participation

Our cultural facilities – The Regent, The Globe, and Te Manawa – have had strong years, with increased patronage and community use. Around 70% of theatre time at The Regent and The Globe is taken up by community users. Te Manawa increased external revenue and is seeking sponsorship for a new science centre. It also supports the Heritage Reference Group, offers free education sessions, and provides holiday and afterschool programmes.

Heritage, events and art

Heritage work remains a priority. The Natural and Cultural Heritage Fund and Earthquake Prone Heritage Buildings Programme supported projects including Musica Viva Manawatū research, maintenance of the Turners & Growers building, and repair of Andersons and Bryant Cottages. Structural assessments were completed for the former Post Office and Grand Hotel. Heritage was central to engagement on the draft Bunnythorpe Community Plan. City-wide projects like the Green Corridors Programme and He Ara Kotahi were featured in the Wellbeing Economy Alliance Aotearoa guide. Reserve management plans were reviewed, and Rangitāne heritage values continue to be celebrated, including the Te Pa Tuna sculpture at Ruahine Reserve and planning for Te Motu o Poutoa. At the Hui-a-Iwi Rangitāne Expo, maps of key iwi sites were provided.

Caccia Birch House has been integrated into the Council's Venues and Events division, with improved staffing, resources, and event expertise. The Awhina Room floor has been repaired, and use of the venue is returning to previous levels.
A draft masterplan developed with the Caccia Birch Trust sets the direction for heritage care, visitor experience, and community use. This year the venue hosted 298 events, including 185 seminars or meetings, 90 social events, 7 exhibitions, 15 conferences, and 1 wedding.



Major community events delivered by Council and partners included Explore Esplanade Day, New Year's in The Square, and A Very Palmy Christmas and Parade, all returning in the next year. We supported ANZAC Day services across the city, Bunnythorpe, and Ashhurst, and now hold both a dawn service and civic commemoration on Armistice Day.

Cultural events included Waitangi Day, the Puanga Twilight Festival (with Rangitāne o Manawatū), Diwali and the Festival of Colours (with community representatives and the Ministry for Ethnic Communities), Lunar New Year and Moon Festival (with East Asian communities), and the Festival of Cultures (with the Manawatū Multicultural Council and other groups). Over 20 community-led events were supported through grant programmes. A new community events trailer will be available from summer 2025/26 to help local groups host their own events.

We also supported Summer Shakespeare's 2025 season of The Tempest, which attracted a record 2,300 attendees across seven shows.

Recreation and Play

We want Palmerston North to be one of New Zealand's most active communities. We work collaboratively to provide accessible, inclusive places for everyone, while promoting biodiversity and a healthy ecosystem.

Parks, pools and sporting facilities

Our annual parks and reserves programme focused on safety, access, and amenity improvements. Key renewals included resurfacing paths and carparks, re-liming walkways, replacing steps, and preparing for the Esplanade shade house renewal in 2025/26. We improved facilities with 10 new seats, 12 tables, 4 rubbish bins, 13 new signs, basketball and netball hoops, playground upgrades, and safety enhancements on steep walkways. Coordination with Police significantly reduced motorbike offending along Mangaone Stream.

To meet future demand, we built a new walkway between Turitea Valley footbridge and the Valley Views extension, added exercise equipment at Edwards Pit Park, made minor improvements to the Ashhurst Campground, and planted 29 fruit trees across city parks. Reserves were classified, draft management plans developed with consultation ongoing. Community-facing forms and information on our website were expanded, and we highlight mobility features like scooters, car parks, and safe shared pathways to ensure everyone feels welcome.

Pool use continues to grow, with a 24% increase in under-5 participation in supervised swimming programmes. Accessibility and facilities were upgraded, including changing room renovations at the Lido and Freyberg Pools, LED lighting installations, and a new UV system at Splashhurst.



Central Energy Trust Arena hosted 2,754 bookings with over 440,000 attendees, with 97% of bookings for community sport and non-sport activities.

Major events included:

- Armageddon Expo
- Food HQ E-Tipu Conference
- NZ Gymnastics Championships
- Davis Cup Tennis
- Day Breaker Rally
- Red Cross Book Sale
- Palmy Brick Show
- Te Matoe o te Reo Conference
- Devilskin Concert
- NZ Secondary Schools Basketball & Volleyball Nationals
- Manawatū Home & Lifestyle Expo
- Property Brokers Company Day
- NZ Junior Badminton Nationals
- North Island Table Tennis Championships
- Bunnings NPC Rugby
- Farrah Palmer Cup
- National 1st XV Rugby Finals
- Ultimate Frisbee Nationals
- NZ Careers Expo
- Speedway Regular Season
- ENZED Superstock Teams Champs
- Women's Lifestyle Expo
- Jets Basketball Season
- Pulse Netball

Planning has begun on Arena 5, a new versatile multi-use facility.

Drainage was also improved at Ongley Park, and at Monrad and Skoglund we resurfaced carparks and planted 126 new shade trees.

Play

Our play programme continued to promote inclusive and accessible play:

- **Spontaneous play:** Tākaro Play boxes provide free sports and games equipment across the city.
- **Accessible play:** Co-designed communication boards in playground areas more inclusive, trialling in four locations in 2025.
- **Traditional and cultural play:** Heritage Games & Ngā Taonga Tākaro celebrated Māori games and historic play during Local History Week and Heritage Month.
- **Global play:** Play Palmy Festival showcased international play activities to more than 2,000 attendees.
- **Neighbourhood play:** Pop-up play events with Sport Manawatū and Kāinga Ora supported connections in new communities.

ITEM 8 - ATTACHMENT 2

WHĀINGA 3: HE HAPORI TŪHONONOHONO, HE HAPORI HAUMARU

GOAL 3: A CONNECTED AND SAFE COMMUNITY

This goal includes

Community Support
City Library
Community Safety and Health



We want Palmerston North to be a city where diversity is celebrated and for-purpose organisations are strong and resilient, with stable governance, funding, volunteers, and time to build relationships.

ITEM 8 - ATTACHMENT 2

Our work promotes wellbeing through fair access to funding and support, underpinned by a community-led development approach. Nine community centres provide places for people to meet and participate in activities, while Caccia Birch and Hancock Community House offer central spaces for gatherings and services.



Community Support

Supporting organisations and local initiatives

This year, we supported a wide range of organisations and initiatives:

- **Funding:** 52 organisations received Community Development Small Grants; 42 received Strategic Priority Grants; 33 events and projects supported via the Community-led Initiatives Fund; Youth Council supported “Play for Change.”
- **Facilities and training:** 104 organisations had subsidised use of Council-owned spaces; 16 training events were delivered on governance, communications, Te Tiriti o Waitangi, volunteer management, inclusion, funding, and first aid.
- **Community initiatives:** Bunnythorpe received dedicated grant funding for a market day with 30+ stallholders. Pasifika communities ran 14 language weeks, a monthly night market, and a community garden. Governance support was provided for organisations to meet the new Incorporated Societies Act requirements.
- **Regional collaboration:** Annual Funding Expo connected community groups with funders; the Social Wellbeing Forum brought together 140 participants to address housing, cost of living, youth, and mental health issues.

Community wellbeing programmes

Our Welcoming Communities programme delivered a variety of events, including Welcoming Week, Plant and Play at Frederick Krull Reserve, the Multicultural Passport to Play relaunch, and an open mic poetry event. Palmerston North achieved Advanced Welcoming Communities accreditation. Membership in Age Friendly Aotearoa New Zealand and WHO networks led to a co-designed Age Friendly Action Plan.

- **Inclusion:** 14 venues participated in the Companion Card scheme, enabling 297 visits.
- **Youth initiatives:** Youth Wellbeing Forum engaged 80 participants from 46 organisations; “Kick for the Seagulls” saw 8 of 10 students complete NCEA literacy and numeracy, with a second group of 9 underway.
- **Community gardens:** New gardens approved at Bill Brown Park and near Bunnythorpe Community Centre; guidance made available online.
- **Environmental initiatives:** Funding increased for Environment Network Manawatū to support food resilience projects.
- **Leadership development:** Youth Council and Tuia programme awarded 11 scholarships and offered leadership opportunities.
- **GIS resource:** Online map of local housing and social services now available for public and service providers.

Community Centres and hubs

We manage Hancock Community House, Square Edge, nine community centres, and Youth Space. Booking processes are being reviewed to improve customer experience. Youth Space had over 68,000 visits, with Youth Week attracting 2,745 attendees.

- **New hubs:** Multicultural Hub due late 2025; Pasifika Community Hub construction starts 2025/26; feasibility studies underway for Roslyn and Awapuni hubs.

Public facilities and cemeteries

- **Public toilets:** Accessibility surveys completed; upgrades include Ashhurst Guildford Street unisex toilets and Kelvin Grove Cemetery toilets, with further improvements planned.
- **Cemeteries:** Full capital programme completed with minimal disruption. At Kelvin Grove Cemetery, nine niche walls, four burial beams, and a new pergola were added, and a land exchange secured secondary emergency access. Ashhurst Domain has been identified as a potential site for natural burials as part of the reserves draft management plan.

City Library

Palmerston North City Library provides opportunities for connection, learning, and access to knowledge through the Central Library, four community libraries (Ashhurst, Awapuni, Te Pātikitiki Highbury, Roslyn), the Mobile Library, Blueprint makerspace, and Youth Space. The library's kaupapa, Te Ara Whānui o Te Ao, inspires people to explore the pathways of the world. Collections and programmes focus on communities with the greatest needs, supporting literacy in all its forms while minimising barriers to access.

Libraries in action

This year, our seven library locations welcomed 529,670 visits (up 4.8% from last year). Usage of digital resources increased significantly: Beamafilm and Kanopy streaming rose 52.5% to 29,896 views, Press Reader saw 53,983 titles read, and Ancestry was used 24,780 times (up 30.2%). Wi-Fi sessions, active members, holds placed, and other metrics also increased.

Lifelong learning programmes

We delivered 2,725 activities and programmes, attracting 63,634 attendees.
Highlights included:

- Book launches, writers' series, poetry readings, book clubs, film festivals, and sustainability workshops
- Local History Week and Heritage Month: 94 activities, 3,026 attendees, 7 displays across 17 partner groups
- Military Heritage Commemoration and Defence Heritage programmes
- Language weeks, exhibitions, displays, talks, panels, and flag-raising ceremonies
- Volunteer-led book chats in multiple languages for Summer Reading, iRead, and First Voice programmes

Children's reading and literacy

1,776 children participated in reading programmes:

- Summer Reading Programme: 564 participants (ages 4–10)
- Te Reo Māori reading programme: 76 participants, 100% completion
- Book chats in other languages for 34 children: Bahasa Indonesia, Chinese, Farsi, French, Portuguese, Samoan, and Spanish
- iRead (ages 11–13): 122 participants
- Book Buds Winter Warmers: 1,014 participants

Outreach and home services

Outreach programmes connected under-served communities to library services:

- Adult literacy initiatives with Literacy Aotearoa
- UCOL Community Connect Day to promote resources
- Recycle-A-Device (RAD) sessions for 13–19-year-olds
- Shared reading groups at hospitals, care homes, hospice, and neurodiverse-friendly LEGO group
- Activities during Dying Matters Week
- Home Service supported 114 people with long-term deliveries

Community Stories

Ian Matheson City Archive preserves Council and Community collections, reflecting local and national heritage.
Key additions included:

- Pasifika Fusion Concert recordings (2007–2019, 2023)
- Palmerston North Business and Professional Women's records (1987–2001)
- Plans of Ernest Adams Factory, Municipal Opera House foundation stone
- Japan Society Manawatū records (1968–2002)
- Margaret Taylor archives

Council Archive collections processed this year: 200 SLA files, 41 Committee Report books, 323 legal files, 294 correspondence files, 44 City Manager files, 78 Property Office files

Manawatū Heritage

Manawatū Heritage now hosts 46,200 items online, with new searchable plans.
This year's additions included:

- Images of Te Roopu o te Matakite (1975), pouwhenua installation (1990), Caccia Birch House restoration (1987)
- Historical maps, films, and documentaries (Madge films, Evans Traffic Flow, Untold Stories)
- Books, school logbooks, Centrepoint Theatre programmes, Manawatū Journal of History editions, Back Issues articles
- Documents and ephemera, including Jimmy Carter's visit



Community Safety and Health

We aim to be a healthy city where our community is safe and feels safe. Community wellbeing encompasses all aspects of health, including the Māori model Te Whare Tapa Whā. Council services support community safety and health alongside Government services that help people live longer, healthier lives. We focus on responding to community needs, increasing readiness for emergencies, and promoting everyday safety and health through coordinated, well-managed city services.

Civil Defence Emergency Management: Building Readiness and Community Resilience

Following the 2023 North Island severe weather events, we identified gaps in staff familiarity with emergency management, training, and responsibilities. A training and capability strategy has been developed and the first phase completed. The incident management team runs regular exercises in the Emergency Operations Centre, ensuring familiarity with plans and processes. Engagement with reference groups ensures accessible messaging. We support volunteer rescue team NZRT4 and continue to strengthen relationships with emergency services and stakeholders. Over the past year, we delivered campaigns on emergency preparedness, flood risks, and stormwater, and launched an online hub with checklists and resources for earthquakes, floods, tsunamis, wildfires, droughts, pandemics, and volcanic activity. We also delivered 27 presentations and events, reaching over 2,700 people, providing tailored information and building stronger community connections.



Environmental Health: Keeping Our City Safe and Compliant

Animal Management

Changes to the Dog Control Policy require new preferred owners to have emergency plans for their pets. Education continues through bite prevention training, wellness expos, and conferences. Our website and social media provide information, promote dog registration and preferred owner status, and offer events such as the free annual microchip day. A preferred dog owner booklet is distributed via vets and pet shops, and clear signage and online maps guide dog owners on leash requirements and off-leash areas.

Business food safety, gambling regulations, and alcohol licensing

Our contractors under Food and Health Standards 2006 actively manage food enquiries, registrations, verifications, alcohol licensing, bylaw investigations, health complaints, and inspections of all licensed premises. We enforce the Class 4 Gambling Venue Policy using a sinking lid approach with no new gaming machine consents granted except for relocations of existing licenses. The TAB Venue Policy directs where TAB venues can operate, ensuring compliance and responsible placement.

Building safety

Over 7,000 building inspections were completed this year. The Build Palmy initiative strengthens collaboration with builders and developers through quarterly meetings and monthly email updates. Minor non-compliances from the April 2024 IANZ assessment were addressed, and accreditation retained in November 2024. Earthquake-prone notices were reissued to meet new legislative four-year deadlines.

Community Safety: partnerships, prevention, and public spaces

Partnerships with Police support engagement in high-risk situations. The CCTV network has been expanded in key locations, helping deter crime and assist investigations.



WHĀINGA 4: HE TĀONE TOITŪ, HE TĀONE MANAWAROA

GOAL 4: A SUSTAINABLE AND RESILIENT CITY

This goal includes

Climate Change and Sustainability
Biodiversity and the Manawatū River
Resource Recovery
Water
Stormwater
Wastewater

We want to reduce emissions and the impact of climate change on the Council and the city.



ITEM 8 - ATTACHMENT 2

Climate change and sustainability

We lead in sustainability by including climate and resource use in decision making, sharing our impact, and supporting residents, businesses, and city partners to meet their greenhouse gas reduction goals.

We invest through the Low Carbon Fund to reduce emissions and save money. Emissions inventories guide long-term decisions in high-emissions areas. The Green Building Fund launching in 2025/26 will support community-led sustainability projects. We share information through the Build Palmy forum and resource consent meetings and connect with regional partners via the Climate Action Joint Committee.

We are also developing a stormwater strategy to help council plan for increased needs. A community education campaign has also raisesed awareness, explains the stormwater system, and gives practical preparation tips.
A new online hub provides emergency preparedness information for floods, droughts, earthquakes, and wildfires, including checklists, advice, and links for individuals, whānau, and community groups.

Making Sustainability Part of Everyday Operations

This year we upgraded pool heating, lighting, and water filtration and expanded electric parks equipment. We have supported other councils in building emissions inventories and partnered with Rangitāne o Manawatū on local sustainability projects.
We continue to support volunteers and groups like Environment Network Manawatū and Green Corridors, sharing opportunities such as planting days and repair cafés.



Biodiversity and the Manawatū River

We want a healthy Manawatū River, greater biodiversity, and thriving native ecosystems. The river is of historical, cultural, spiritual, and traditional significance to Rangitāne and our city. The Manawatū River Leaders Accord reflects our commitment to improving the mauri of the river system.

Enhancing access, Culture, and Connection Along the River

Significant progress has been made on the Civic Marae and Cultural Centre at Te Motu o Poutoa – Anzac Park, including forming a project steering group, completing developed design and resource consent, and confirming governance as a Council-controlled organisation with equal governance alongside Rangitāne o Manawatū. Grants of $500,000 each were secured from Central Energy Trust and Eastern and Central Community Trust.

Severe summer weather caused flooding and fallen trees, requiring emergency works along the river. Despite this, bike jump tracks, paths, driveways, signs, and barrier rails were renewed. Gym platforms near He Ara Kotahi Bridge remain popular and now require additional servicing.

We continued plant pest management and supported community planting in Ahimate Reserve. The Mokomoko Pou was installed on the Massey side of He Ara Kotahi, completing a joint project with CEDA and Rangitāne. The Hei Ara Kōrero digital platform allows river users to explore Rangitāne o Manawatū's cultural and environmental mātauranga via QR codes.

Nature Conservation and Restoration

We continued plant and animal pest control across parks and reserves, with focus in Arapuke Forest Park, Manawatū River Park, and Aokautere gullies. The Draft Ashhurst Domain Reserve Management Plan proposes restoring the lower terrace from grassland to native vegetation, complementing ongoing efforts to remove invasive weeds and reinstate native plants in Ashhurst Domain and Aokautere gullies.

Conservation Education and Environmental Partnerships

Central Energy Trust Wildbase Recovery returned to full seven-day operations, welcoming growing visitation while delivering engaging conservation education programmes for schools and the public. Curriculum-linked programmes, school visits, and special interest groups, including English language learners, were supported. Permanent animal care responsibilities, including resident species and captive breed-for-release programmes, are now fully in-house, covering the Victoria Esplanade Aviaries and maintaining the partnership with Massey University. Engagement remains strong with local schools and community groups.

Resource Recovery

We want to minimise all waste and its impact on the environment.

We continue to expand the range of items residents can recycle locally. This year that has included polystyrene and tyre recycling.



Over the year we collected 3,052.06 tonnes of kerbside recycling. We also divert 7,861.74 tonnes of organic material from landfill through composting. A compost bagging machine is improving efficiency, and a shredder/chipper is expected by December 2025.

Illegal dumping continues to be an ongoing concern in the city too. Over the past year we also consulted on proposed changes to our waste bylaw and began a section 17a review into rubbish and recycling services. This work is ongoing.

As well as kerbside services, we continue to have a range of other drop off points.
These include:

- Ferguson Street Recycling Centre: Accepts recycling overflow as well as e-waste, batteries, motor oil, polystyrene, and car seats, and more. Some services are free; others have a fixed or weight-based charge. Bagged compost is also sold at this location.
- Awapuni Resource Recovery Park: Accepts green waste, tyres, and sells compost.
- Ashhurst Transfer Station: Provides general waste disposal and green waste drop-off.

Reducing waste and supporting local solutions

We fund Environment Network Manawatū, including the popular Repair Café. ENM also delivers community talks, workshops, and WasteEd seminars with Kate, reaching hundreds of residents.

Separately, we deliver tours of the Awapuni Resource Recovery Park and recycling truck visits to education centres. We promote waste minimisation through our website, social media, printed materials, and the online Waste Hub, which provides information, resources such as magnets and bin stickers, and allows booking for tours. We also provide funding to community initiatives through our Resource Recovery Fund.



WATER

The Government's Local Water Done Well programme has introduced major regulatory and financial reforms, changing how councils deliver and fund water services. The reforms aim to ensure services are affordable, meet standards, and are properly invested in, often requiring councils to collaborate. Early in 2025, we sought community feedback on three options, with residents and businesses keen to see more affordable water services in the future, and open to collaborating with others.

In June 2025, we confirmed plans to form a council-controlled organisation (CCO) with Horowhenua and Rangitīkei District Councils to manage water services, including day-to-day operations and infrastructure.



Drinking water

This year, we treated and distributed just under 11 billion litres of drinking water from Turitea Dam and city bores. Compliance with Drinking Water Quality Assurance Rules remains high, with low water loss at 9.3%. Some bore sites don't meet the required contact time; these have been disclosed to Taumata Arowai, and funding is in place to bring all sites into full compliance.

Papaioea Park Bore #1 is back in production, and Roberts Line Bore #1 is being upgraded with improved chlorine disinfection. Work continues on Takaro, Keith Street, and Roberts Line bores to achieve compliance, potentially including reservoirs or UV treatment. Preparatory work is underway for Turitea Dam valves, raw water main replacement, seismic strengthening of the Turitea plant, and security upgrades at key water sites.

Discoloured water in some suburbs, from iron and manganese reacting with disinfectant, is being addressed through targeted pipe renewals, network flushing, and a specialised filter truck. Our Ashhurst filtration plant construction will be completed by year-end to reduce iron and manganese in the village. Filtration and UV upgrades are also being scoped at Bunnythorpe.

Two new bore sources at Milson Line and Stoney Creek Road are progressing, with a potential Longburn site also under investigation.

Minor water restrictions were required in Longburn over summer after demand exceeded the consented allowance. Leaks were repaired, remote-read meters are being trialled, and discussions with Horizons Regional Council are underway to increase the annual allowance.

Stormwater

August 2024 was the wettest month on record, highlighting flooding risks. Stormwater is one of Palmerston North's biggest challenges and will grow with climate change and development. A long-term Stormwater Strategy, being developed with Rangitāne o Manawatū, will integrate cultural values, community needs, and urban planning for a more resilient approach. We continue to work with Rangitāne o Manawatū and Horizons Regional Council on contamination issues, compliance, and flood hazard mapping.

Key infrastructure upgrades

- Whakarongo detention pond (2.2ha) provides capacity for around 500 new houses.
- Awatea Stream and Schnell Reserve are being upgraded with resident collaboration.
- City-wide pipe renewals and upgrades—including Ruahine Street, Fitzherbert Avenue, Milson Line, Raymond Street, and Te Mātai Road—improve capacity and service.
- Temporary flume improvements at Gas Works Drain are in place while designing a permanent replacement.
- A new pump station at Wikiriwhi Street will manage large storms and reduce flooding.

Wastewater

Just under 11 billion litres of wastewater were collected and treated within consent limits. Pipe renewals on Lyndhurst Street, Victoria Avenue, and Botanical Road have improved capacity, and treatment plant upgrades , including new main lift and clarifier pumps, strengthened digesters, and an overhauled biogas generator, enhance resilience and on-site energy generation.

During the year College Street pump station received a backup generator, updated controls, and an extra pump. Other stations are under review for priority upgrades, supported by catchment analysis. At the same time, updated hydraulic models and additional rain gauges are providing more accurate analysis of how the wastewater network responds to rain events, helping to reduce overflow risk and support better planning for future growth

Work on our Nature Calls project is ongoing. Following LTP feedback about the $640M proposal for future treatment and discharge, the budget is capped at $480M. New options are being considered and will be assessed alongside new wastewater standards. Final options are expected late 2025, with public consultation in early 2026 and a decision mid-2026. More information at www.naturecalls.nz.



Governance and Active Citizenship

Conversations with the public help us make better choices, and we continue to create meaningful opportunities for people to have their say, offering a broad range of engagement options to hear diverse voices.

This year we held 30 committee meetings and 17 Council meetings, including an earlier adoption of the Annual Budget on 4 June 2025, giving us a strong start to the new financial year. Quarterly and annual reports were regularly reviewed, and Council-Controlled Organisation reports were monitored.

Reference Groups including Seniors, Pasifika, Disability, and the Youth Council continued contributing to decisions, meeting regularly and reporting to Council. Their input influenced accessibility improvements, the new Pasifika Hub design, and our membership in the WHO Age-Friendly Cities network.

We also made submissions on a wide range of government processes, prepared by subject matter experts and presented by Elected Members where appropriate. Topics included national wastewater standards, RMA and Fast Track Bill, Treaty Principles Bill, electoral reform, speed limits, Granny Flats, earthquake-prone buildings legislation, toll proposals, overseas building product certification, remote inspections, the Draft Manawatū Growth Strategy, resource management amendments, CentrePort LTP changes, waste legislation, and the Local Government Water Services Bill.

Alongside submissions, we advocated locally and regionally, collaborating with NZTA and Horizons on regional transport planning including the Manawatū Freight Ring Road and supporting investment in the Central New Zealand Distribution Hub with CEDA.

Creating opportunities for people to participate and be informed

Four petitions were received this year, including calls for an on-leash dog area at Linklater Park and flooding mitigation at Julia Wallace Retirement Village. The Annual Budget deliberations in May 2025 attracted strong public interest, filling the Council Chamber and breakout areas. All Council and committee meetings were streamed live and remain available on demand. Submissions could also be made via Microsoft Teams to improve accessibility. Since February, we have engaged with the community ahead of the September 2025 Council elections, attending local events and encouraging enrolment updates.

We held 17 formal consultation processes alongside informal engagement, seeking to connect with people where they are. We attended the Home Show, university open days, and Central District Field Days, and trialled a pool party event for the local water done well consultation. Other initiatives included open days at the Awapuni Resource Recovery site and a collaborative playground project with Milson School students for a local playground. Engagement with schools continued across a wide range of topics, and relationships with suburbs, villages, and communities were maintained to increase awareness of Council services. This year we published our first Civic Participation Report, compiling all the ways we engage with our community, and introducing new indicators to track annually.

The closure of the Manawatū Guardian reduced local media outlets. We continued to do around 15 local radio interviews a month, and send out 15 media releases on average per month. Each month we also handle between 20 and 50 media queries. Social media remains a key channel for communication and two-way interaction, with content reaching millions and more than 60,000 direct messages received. Our Facebook page remains the most engaged of any council in the country. Our website had just under one million visits, with popular pages including recycling days, cemetery searches, and rates information.

Financial Statements Palmerston North City Council
Summary Statement of Comprehensive Revenue and Expense

for the year ended 30 June 2025

	Council			Group	
	Actual 2025 **$000**	Budget 2025 **$000**	Actual 2024 **$000**	Actual 2025 **$000**	Actual 2024 **$000**
Rates revenue	138,200	136,852	124,714	137,687	124,283
Finance revenue	2,438	356	1,977	1,846	1,695
Other operating revenue	49,139	45,069	42,346	68,108	59,146
Capital revenue	22,742	20,054	25,464	22,966	20,441
Total revenue	**212,519**	**202,331**	**194,501**	**230,607**	**205,565**
Depreciation and amortisation	44,209	49,417	43,141	51,747	45,773
Finance costs	21,256	14,520	14,422	21,359	14,565
Other expenses	140,526	137,204	127,231	150,509	135,622
Total expenses	**205,991**	**201,141**	**184,794**	**223,615**	**195,960**
Net surplus/(deficit)	**6,528**	**1,190**	**9,707**	**6,992**	**9,605**
Increase/(decrease) in operating property valuations	195,461	6,422	(19,871)	197,345	(15,569)
Share of associate's surplus/(deficit)	-	-	-	59	22
Income tax refund / (expense)	114	-	110	82	(1,508)
Movement in deferred tax	-	-	-	-	-
Net surplus/(deficit) after tax	**202,103**	**7,612**	**(10,054)**	**204,478**	**(7,450)**
OTHER COMPREHENSIVE REVENUE AND EXPENSE					
Increase/ (decrease) in operating property valuations	195,403	6,422	(19,905)	197,287	(15,603)
Financial assets at fair value through other comprehensive revenue and expense	58	-	34	58	34
Movement in deferred tax on revaluations	-	-	-	63	-
TOTAL COMPREHENSIVE REVENUE AND EXPENSE	**397,564**	**14,034**	**(29,925)**	**401,886**	**(23,019)**

Explanation of the major variances to budget are:

Finance revenue: Higher than budget due to interest earned on term deposits and loans to Palmerston North Airport Limited.
Other operating revenue: Higher than budget due to receipt of revenue relating to sale of land development and higher windfarm generation revenue.
Capital revenue: Higher capital revenue was received due to significant development associated assets being vested during 2025.
Depreciation and amortisation: Lower than budget due to changes in estimated life of assets from operational property valuation in 2024.
Finance costs: Higher than budget due to financial instrument valuations moving to liabilities from assets.
Other expenses: Higher than budget due to write-off of capital WIP design for transport projects that are no longer proceeding due to changes in Government direction.
Increase in operating property valuations: Higher than budget due to 3 waters valuation being significantly higher than estimated.

Summary Statement of Financial Position

as at 30 June 2025

	Council			Group	
	Actual 2025 **$000**	Budget 2025 **$000**	Actual 2024 **$000**	Actual 2025 **$000**	Actual 2024 **$000**
Current Assets	30,402	13,446	40,216	33,471	44,971
Non-current Assets	2,566,355	2,423,207	2,325,258	2,675,645	2,432,771
Total Assets	**2,596,757**	**2,436,653**	**2,365,474**	**2,709,116**	**2,477,742**
Current Liabilities	60,240	28,143	65,499	65,470	71,604
Non-current Liabilities	285,830	317,170	251,391	294,350	261,383
Equity Attributable to PNCC	2,250,687	2,091,340	2,048,584	2,349,296	2,144,755
Total Liabilities and Equity	**2,596,757**	**2,436,653**	**2,365,474**	**2,709,116**	**2,477,742**

Explanation of the major variances are:
Current assets: Higher due to Tamakuku Terrace sections expected to be sold within 12 months, and receivables owing at year-end due for receipt early in FY2026. Non-current assets: Higher than budget due to higher revaluation of assets than budgeted for.
Equity: Higher than budget due to higher revaluation reserves than budgeted for.

Summary Statement of Changes in Equity

for the year ended 30 June 2025

	Council			Group	
	Actual 2025 **$000**	Budget 2025 **$000**	Actual 2024 **$000**	Actual 2025 **$000**	Actual 2024 **$000**
Equity at beginning of the year	**2,048,584**	**2,083,728**	**2,058,638**	**2,144,755**	**2,152,205**
Total comprehensive revenue and expense for the year	202,103	7,612	(10,054)	204,541	(7,450)
Equity at the end of the year	**2,250,687**	**2,091,340**	**2,048,584**	**2,349,296**	**2,144,755**
Comprising:					
Retained earnings	1,113,968	1,155,118	1,107,326	1,151,963	1,144,886
Special funds	-	-	-	732	676
Revaluation reserves	1,136,719	936,222	941,258	1,196,601	999,193
Equity at the end of the year	**2,250,687**	**2,091,340**	**2,048,584**	**2,349,296**	**2,144,755**

Summary Statement of Cash Flows

for the year ended 30 June 2025

	Council			Group	
	Actual 2025 **$000**	Budget 2025 **$000**	Actual 2024 **$000**	Actual 2025 **$000**	Actual 2024 **$000**
Net cash from operating activities	52,649	43,361	44,242	59,699	51,228
Net cash from investing activities	(82,125)	(96,657)	(98,999)	(89,077)	(101,715)
Net cash from financing activities	30,261	53,296	54,777	28,861	51,712
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	**785**	**-**	**20**	**(517)**	**1,225**
Cash, cash equivalents and bank overdrafts at the beginning of the year	1,677	1,315	1,657	3,820	2,595
Cash, cash equivalents and bank overdrafts at the end of the year	**2,462**	**1,315**	**1,677**	**3,303**	**3,820**

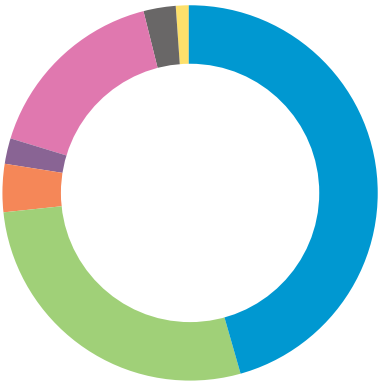
Events after the Balance Sheet Date
PNCC are not aware of any events subsequent to balance date which would materially affect the amounts included in these financial statements or disclosures made.

Operating Revenue and Expenditure

Operating Revenue

Many of the services provided and appreciated by the community are primarily funded by rates. Council also aims to charge the users of services directly where appropriate. Sources of operating revenue are summarised below in the chart.

Sources of Revenue



$86M General rates

$52M Targeted rates

$8M Regulatory user charges and fees

$4M NZTA operating subsidies

$31M Other services and income

$5M Rental income

$2M Interest and dividend income

General rates are Council's primary revenue source accounting for 46%. This is followed by targeted rates for water, wastewater, rubbish and recycling, business improvement district, and metered water to recover specific service delivery costs, as well as a new targeted rate based on capital values.

When compared to budget:

- Overall operating revenues were $7.4M higher than budget.
- Rates received, including penalties, were $1.3M more than budget.
- Finance revenue was $2.1M higher than budget.
- Operating revenue generated from activities was $3.3M more than budget.
- Operating subsidies and grants were $0.7M higher than budget.
- Other gains were $0.3M higher than budget.

Other non-operating capital revenues relating to capital expenditure from government transport subsidies, DIA waters, grants, development contributions, and vested assets, were also received.

The Council Revenue and Financing Policy in the 2024-34 LTP includes information on how services are set to recover their operating expenses. This can be recovered through rates, fees/charges, and other sources. A table summarising the actual performance compared to the targets is included in Section Two of this report.

Operating Expenditure

Council services and facilities need to achieve a range of objectives to meet the Council's vision of He iti rā, he iti pounamu, small city benefits, big city ambition. The following chart shows the operating expenditure (excluding depreciation and other losses) required to help achieve that vision.

Types of Expenses Incurred



$22M Other expenditure on operating activities

$60M Employee benefit expenses

$1M Elected representatives benefit expenses

$14M Professional services

$29M Contractors

$13M Interest expenses

$11M Grants and funding to external organisations

When compared to budget:

- Employee benefit expenses (e.g kiwisaver) were $2.1M more than budget mainly due to higher wages and overtime needed to maintain service levels.
- Finance costs, excluding financial instruments, were $1.4M less than budget. This was due to lower debt and lower interest rates in the year.
- Overall operating expenses, excluding depreciation and financial instruments, were $1.4M less than budget.

Capital Expenditure

Capital expenditure is required for the well-planned growth of the city and sustainable management of existing infrastructure.

This year, Council completed works totalling $68.6M compared with $91.0M in the previous year. There were some projects unable to be started due to significant funding changes through NZTA Waka Kotahi, and growth programme timeframes were reassessed to future years to better align with development.

$million	Actual 2024/25	Budget 2024/25	Actual 2023/24
Renewal capital	34.4	33.0	31.7
New capital	27.5	47.4	48.5
Growth	6.7	15.0	10.8
Total	**68.6**	**95.4**	**91.0**

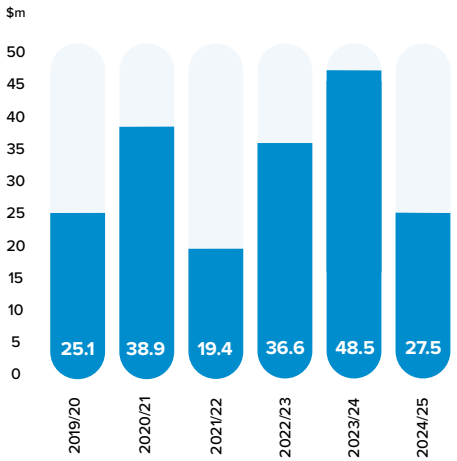
The following charts show how much capital has been spent in recent years for both new and renewal expenditure.

New capital expenditure decreased by 40% compared to the previous year and increased by 9% compared to 5 years ago.

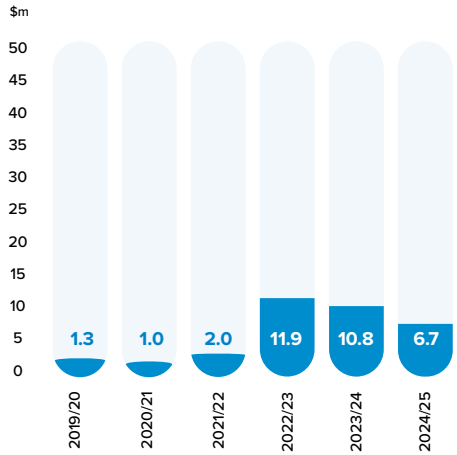
Growth capital expenditure decreased by 51% compared to the previous year and increased by 404% compared to 5 years ago.

Renewal capital expenditure increased by 9% compared to the previous year and by 29% compared to 5 years ago.

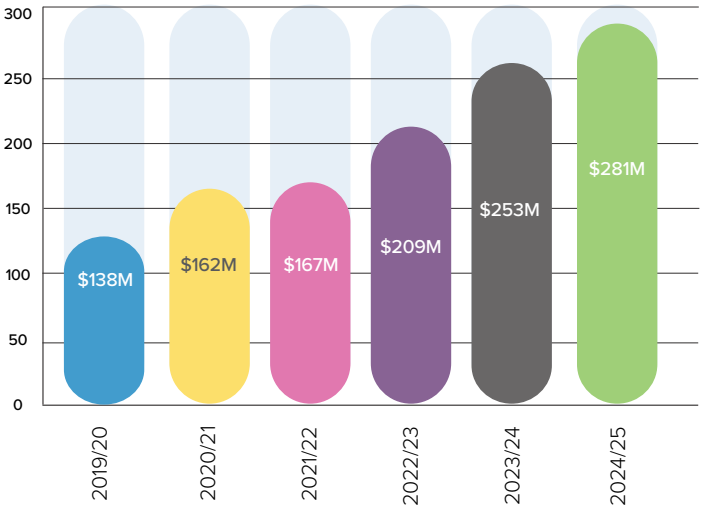
New Capital Expenditure



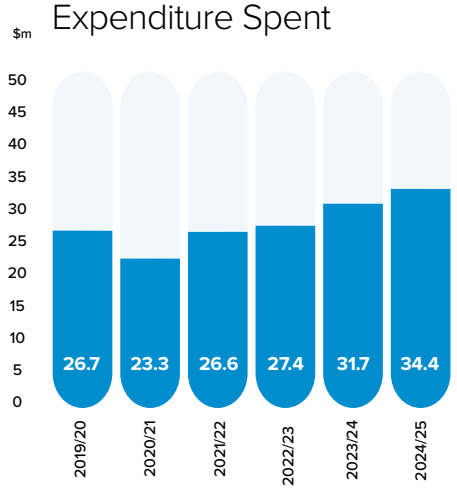
Growth Capital Expenditure



Net Debt by Year



Renewal Capital Expenditure Spent



About this Summary

This Summary Annual Report has been extracted from the full Annual Report and is designed to give an overview for the year to 30 June 2025 of the Council's operations as a legal entity and also those for its "group", including its subsidiary and Council controlled organisations. The Annual Report contains detailed information about our finances and service performance and was adopted by Council and approved for issue on 8 October 2025.

This summary report has been prepared in accordance with PBE FRS 43: Summary Financial Statements. It cannot be expected to provide as complete understanding as provided by the full financial report of the financial and service performance, financial position and cash flow of the Council.

The full financial statements for the year ended 30 June 2025 have been prepared in accordance with NZ GAAP. They comply with NZ PBE IPSAS Tier 1, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

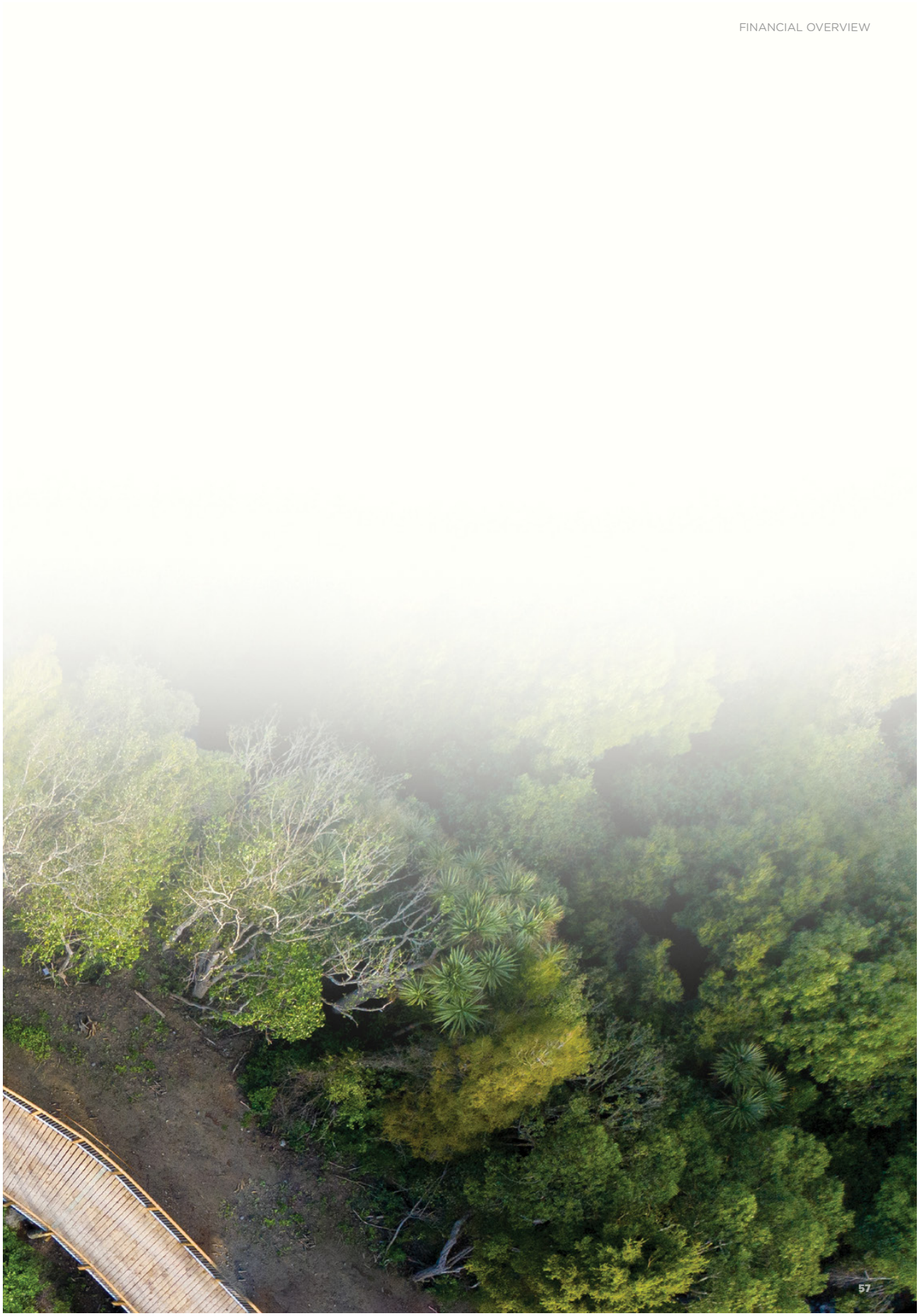
The functional and presentation currency of Palmerston North City Council is New Zealand dollars with all values rounded to the nearest thousand dollars. The Council of Palmerston North City confirms that all other statutory requirements relating to the Annual Report have been complied with.

Audit New Zealand has audited the full financial statements and issued an unmodified opinion on the audited information.

This Summary has been examined by Audit New Zealand for consistency with the full Annual Report.

The full Annual Report can be obtained from our website pncc.govt.nz





ITEM 8 - ATTACHMENT 2

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