



**Te Kaunihera o Papaioea**  
Palmerston North City Council

**PŪRONGO Ā-TAU  
WHAKARĀPOPOTO  
ANNUAL REPORT SUMMARY  
2023/24**



Matawhānui Papaioea  
Palmerston North Vision

**He iti rā,  
he iti pounamu**

**Small city benefits,  
big city ambitions**

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

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

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

**Whāinga 4:** He tāone tautaiiao  
**Goal 4:** An eco city

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

# He Mihi

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

No reira he tika te whakatairanga ake i ngā moemoea o te Iwi me te Kaunihera tae atu ki ngā hāpori whānui o tēnei Taonenui.

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

**Tini whetu ki te Rangi, Ko Rangitāne nui ki te whenua.**

**Mauri tū mauri ora ki a tatou 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

# Kia ora,

As the global economic downturn and cost of living situation continues to be felt deeply for our community, the need to strike the right balance continues to be our top priority in all we do. These pressures have been key to decision making over the past few years, and our recent Long Term Plan consultation shows that will continue to be the case for the coming years.

The past year we've been looking at every project we do to assess the impacts on the cultural, social, economic and environmental wellbeing of our community. While there have been many challenges, we continue to make good headway in ensuring our city lives up to our vision of He iti rā, he iti pounamu -

Small city benefits,  
Big city ambition'.

Over the past year we've invested 19 million dollars into renewing our water and transport infrastructure – this is 59% more for transport and 7% more in water compared to 2022/2023 FY.



**Grant Smith JP**  
Mayor  
30 October 2024

We've also spent tens of millions more on new assets and our maintenance programme too. Our community told us these were important areas to invest in and it's great to be able to share that we've done just that. In the coming years we've also increased our renewal budgets significantly in these important infrastructure areas.

We also celebrated the completion of some major projects. The social housing and new tenants lounge at Papaioea Place is now complete. Construction on our Animal Shelter is finished and will be operating in the coming weeks. Our seismic strengthening work has also hit big milestones, with both the work on the Fresh Water Treatment Plant and the Crematorium complete. We've also completed work on the new Cloverlea Park playground, made some upgrades to the Chippendale Park playground and opened the new Ruahine Reserve and Albert St entrance along the river pathway.

One of the big highlights of the past year has been the rebuilding of Conferences and Events sectors in our city. Council facilities and our CCO partners are finally seeing events back and exceeding their pre-covid levels, and our community is reaping the benefits socially and economically. The benefits of these events throughout employment, retail spend, overnight stays and hospitality cannot be understated – they help bring tens of millions of dollars to our city each year and are key to ensuring we live up to our visions and goals.

We've been working closely with NZ Transport Agency on our Palmerston North Integrated Transport Initiative (PNITI) programme. Over the past year we received significant funding for roading, cycleway, pedestrian, and public transport work, however future funding for these activities is not as fluid. We work on our future programmes such as the freight regional ring road. This road is a pivotal part of Te Utanganui Central NZ Distribution Hub and over the coming year, our preparatory work on the ring road will be a key project. We know our community are keen to see this progress, and it's great we're going to be able to get some more thorough planning underway.

Our community partners and funding recipients continue to do us proud, serving our community through a variety of ways to help make sure Palmerston North continues to be a great place to live- with people at the heart of everything we do.

We're also continuing to make big strides in the sustainability space. From new initiatives like tetrapak and polystyrene recycling to trialling a food waste collection and moving to a hybrid fleet for some council vehicles. This work will only continue to strengthen year on year.

Our recent Long Term Plan consultation saw more than 1400 submissions and thousands more people having their say through engagement events. It's been great to see our community engaging with council more and helping to shape our city's future. Like other cities in the country, we have some obstacles ahead of us to work through. But an engaged and passionate community will help ensure we make the right decisions for our city as we move forward.

This annual report demonstrates how hard our elected members, staff, partners and funding recipients work to make Palmerston North a city we can all be proud of. Our commitment to you, is we will keep doing all we can to make you proud of our City over the coming years.

Ngā mihi nui,



**Waid Crockett**  
Chief Executive  
30 October 2024

# We have 5 goals for our city

Our vision for Palmerston North is to embrace the benefits of small city living while still offering our residents and region the lifestyle, education and business opportunities of much larger metropolitan cities.

**Council’s vision is ‘Small city benefits, big city ambition’.**

To achieve this Palmerston North people and its businesses require Council to provide appropriate levels of services and facilities.

Our Long Term Plan and Annual Budgets (Plans) provide more detail on these services and how our performance can be measured. We also develop a vision and goals in consultation with the community which help shape community outcomes. Many of the community outcomes also require collaboration and involvement from other organisations in the community to achieve them.

Council’s goals as set in the 10-Year Plan for 2021/31 were:



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

A city that is clever about the way it uses its natural advantages to encourage and support innovation, entrepreneurship and new industries, and positions itself to take advantage of the change to fuel sustainable growth, prosperity and wellbeing.

- City Growth
- Economic Development
- Active and Public Transport
- Strategic Transport (Roading)

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

A city that draws inspiration from the diversity within its culture and creates a vibrant urban environment that attracts creative and clever people and nurtures creative talent.

- Active Communities
- Arts and Heritage
- City Shaping

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

A city that includes, supports, connects and uses the talents and advantages of the whole community in the pursuit of prosperity and wellbeing. A city that has an international reputation as a safe city in which to live, study, work and play. A city that embraces its Iwi heritage and partnership, and where people connect with the city’s past, celebrating its history and heritage.

- Connected Communities
- Safe Communities

**Whāinga 4: He tāone tautāiao**  
**Goal 4: An eco city**

A future-focused city that plans for and cares about the future, enhancing its natural and built environment. Our city will realise the benefits to society from creating clean energy, lowering carbon emissions, and reducing our ecological footprint.

- Climate Change
- Environmental Sustainability
- Manawatū River
- Resource Recovery
- Stormwater Activity
- Wastewater Activity
- Water Supply Activity

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

A Council and organisation that works as one team with its communities and is a catalyst and enabler for change in the city.

- Good Governance and Active Citizenship
- Organisational Performance
- Strategic Investment



# Whāinga 1: He tāone auaha, he tāone tiputipu

## Goal 1: An innovative growing city

### This goal includes

- City Growth (Includes Housing and Future Development and Urban Design)
- Economic Development (Includes Economic Development and International Relations)
- Active and Public Transport
- Strategic Transport (Roading)

Palmerston North is a growing city, and we need to plan for this growth. We aim to encourage and support innovation, entrepreneurship and new industries, while making changes that fuel sustainable growth, prosperity and wellbeing.

### Key Achievements



We've worked closely with the developers of **the Former Post Office on The Square to get resource consent**. Development is expected to commence in early 2025.



**Events at the Conference and Function Centre contributed \$3.993m** in direct economic benefit to the city over the past financial year.



Over the past 12 months, **3,921m<sup>2</sup> of footpaths** have been repaired or upgraded, and we've repaired **2,559 potholes**. We have also **upgraded bus shelters** and **installed a protected cycleway** on a small section of Featherston St.

### City Growth

#### Building Services

The number of building consent applications dropped by 18% over the previous year (910 received in 2023/24 down from 1,109 received in 2022/23). There has been a national decline in building consents by approximately 23%, particularly in residential construction. Although this has been slightly less in Palmerston North, the region's growth in major construction projects has stabilised due to local economic drivers. There looks to be a large projected workload in the commercial and industrial area, particularly in Defence Force projects at Linton Camp and Ohakea Base.

We've also now completed consultation with, and notification to owners of earthquake-prone buildings (EPB) has been completed, with all identified EPB's having now been issued notices and entered into the national register.

93% (833 of 897) of building consents were processed within the statutory time frames. This did not meet our target of 95%. This year has been influenced by the continued downturn in consumer confidence in the economy, and the target was ultimately not achievable due mostly to temporary resource constraints.

#### Business

Our strategy to prioritise pedestrian-based retail in the city centre and destination vehicle-orientated retail in the outer business areas (fronting key city entrance roads) is working well. Retail growth in the city has been solid over the last 12 months with the city's role as a regional shopping hub strengthening.

The Future Development Strategy (FDS), which sets out how the city will grow over the next 30 years to meet our business and industrial land needs, was adopted in June 2024 following thorough consultation. The Strategy reinforces the city's existing land-use strategies that provide for business and industrial development.

Following the completion of the Kivirail Regional Freight Hub designation and investigations by NZTA (NZ Transport Agency), CEDA and Council continue to work collaboratively to advance Te Utanganui (Central New Zealand Distribution Hub). Early work has commenced on the Stage 1 rezoning of industrial land identified in the Masterplan. We're also currently in the process of working with two developments that will provide an additional 70,000m<sup>2</sup> of warehousing space for the city.

### Housing

A series of District Plan changes are underway to deliver on our City Growth Plan. Significant District Plan work was progressed throughout the year that focused on additional land for housing at:

- Kākātangiata
- Aokautere
- Roxburgh Crescent
- Medium Density Residential Zone

Intensification planning at Roxburgh Crescent is advanced and expected to be notified by the end of 2024. Master planning for Kākātangiata is at an advanced stage and is informing the development of a proposed plan change, which is expected to be notified in 2025. Ashhurst growth planning has been placed on hold due to flooding assessments showing extensive natural hazard risk.

#### Planning Services

This was a year marked by general uncertainty in the development industry. With a change in Government, the previously expected direction of new legislation to replace the dated Resource Management Act 1991 did not eventuate. Instead, a period of 'wait and see' prevails.

473 consents were received and we issued 381 consents during the 2023/24 year. While the consents lodged number was up on 2022/23 (432), the consents granted was significantly lower than 2022/23 (495). A similar processing speed of 51% for 2023/24 was achieved compared to 2022/23 which was 53%. This did not meet our target of 95%. While efforts were made during the year to improve this performance the loss of key staff members and the complexity of consents in general meant that gains were unable to be made in this area.

We continued to provide planning advice to members of the public. We received on average 122 queries per month during 2023/24 (compared to 146 for 2022/23) with the lower rate attributable to a downturn in market conditions. In addition, 49 pre-application or feasibility meetings were held during the year, assisting with improving the quality of applications being lodged.

Three Build Palmy Forums were held in July and November 2023, and April 2024, with all focused on the local development industry. A one-off development sector session for the Long-Term Plan was also held during the consultation period.

## Urban Design

We continue to advocate, promote and share the value and benefit of good urban design outcomes with both the private development community and council staff delivering key capital projects. The 'Delivering Change' fund has been used to co-create and shape good urban design outcomes across a variety of key city developments, especially in delivering more medium-density housing and other community-led projects. The Creative City Conversations programme provides opportunities for those seeking a deeper understanding of good 'city making' to build greater civic discussion and understanding amongst citizens, interest groups, professionals, organisations, and city leaders.

## Economic Development

### Business and Employment

CEDA's work across the key pillars of economic development has been active in continuing to support the region in identifying opportunities for success. CEDA has been working with partners on positioning our region as the Central New Zealand Distribution Hub through the development and implementation of Te Utanganui. It's also working on implementing the Manawatū Food Strategy, which will be key in progressing our region to become a leading agrifood, science, and innovation hub.

### Economic Events

The Palmy Conference + Function Centre hosts a range of events that bring significant economic benefits to the city. The Conference and Function Centre contributed \$3.993m in direct economic benefit to the city over the past financial year. Business activity has been strong however there has been a reduction in spend associated with these events, especially on the catering side of the business. With significantly tougher economic times, reducing costs associated with events has been top of mind for event organisers, and this is likely to continue while inflation and interest rates remain high.

This year the venue hosted

- 298 events
- 185 Seminars/Meetings
- 90 Social Events
- 7 Exhibitions
- 15 Conferences
- 1 Wedding

## City Marketing and Business Events

We have showed a different side to Palmerston North through various campaigns. Our largest visitor campaign saw more than 5,000 people visit [palmynz.co.nz](http://palmynz.co.nz) over the campaign period and over 6,500 people engaging with our digital advertising.

Digital campaigns include a focus on showing the beautiful side to our city and all the different things you can do once you are here. Palmy Proud continues to be an important avenue for telling the stories of our city to visitors, with a further two editions published this year.

This year we have updated the Business Events Strategy. Much of this work was looking at our sectors of strength and understanding how we can leverage our city in the bidding process. In alignment with this strategy, we again featured at the Business Industry Aotearoa Tradeshow: MEETINGS 2023. This is important for the region as it allows us to meet directly with conference professionals who are ready to bring their business to the region.

This year we made 39 bids for events. This resulted in:

- 15 bids successful
- 4 bids unsuccessful
- 18 bids In progress
- 2 bids submitted and waiting to hear back

### International Relations and Education

Key achievements include securing significant funding for cross-cultural and educational initiatives, such as a US\$15,000 Public Diplomacy Grant from the Embassy of the United States of America and \$30,000 from Education New Zealand for regional projects.

Notable programmes include virtual tours to attract international students to Palmerston North and the Waseda Group Study Tour Programme. We also fostered educational exchanges through the new Memorandum of Understanding with Hiroshima Global Academy and Mihara City, providing opportunities for local students to build up their global competence and academic capability.

Palmerston North maintains a strong presence at numerous diplomatic events in Wellington, and we celebrated milestone anniversaries with Mihara and Kunshan. These efforts collectively have elevated the city's standing within the national and global network of cities.

## Active and Public Transport

### Footpaths

We've invested in maintaining and upgrading footpaths around Palmerston North. Over the past twelve months, 3,921m<sup>2</sup> of footpaths have been repaired or upgraded. Additionally:

- Eight new raised pedestrian crossings have been completed, with a further six to be completed soon.
- Construction is underway extending the Pioneer shared pathway east of Botanical Road.
- Improvements to the Highbury shopping precinct have been completed.
- 39km of dedicated cycleway sweeping has been carried out.

### Active Transport

We continue to plan, facilitate, and deliver active transport improvements across the city.

New Zealand Transport Agency's programme 'Transport Choices' provided 100% funding to build the infrastructure necessary to support the new bus service delivered by Horizons Regional Council. We have constructed 82 new bus stops on new routes, installed 29 new bus shelters and decommissioned 196 bus stops that were not in the right location or they were along routes no longer in use.

The Streets for People funding from NZTA has provided 90% funding to deliver cycleway, street safety, and bus-stop improvements to a 750-metre section of Featherston between Aroha St and North St. Separately, NZTA has made changes to the signals and other elements of the State Highway 3 (Rangitikei Street) / Featherston Street intersection, which complements the work we've carried out on Featherston Street.

### Public Transport

As detailed above, our key project this year has involved upgrading bus stops around the city.

The business case for the Transit Hub (Main Street bus terminal between Square East and Princess Street) is a part of the wider Palmerston North Integrated Transport Initiative city centre business case, which is expected to be delivered in the 2024/25 Financial Year; and will inform the infrastructure programme for the Transit Hub later in the next Long-Term Plan.

## Strategic Transport

### Strategic Transport

We've continued to work with Horizons Regional Council, NZTA, and Manawatu District Council to deliver the Palmerston North Integrated Transport Initiative (PNITI). Work also continues on the citywide strategic parking framework that will help guide decision-making on controlled parking.

### Maintenance and Renewal

Fulton Hogan is now in their third year as our road maintenance contractor.

This year Fulton Hogan has:

- Resealed more than 20 km of roads.
- Repaired 2,559 potholes.
- Undertaken vegetation management, street sweeping, sump cleaning, resealing of roads and asset inspection.

5.32% of the network was resurfaced. This met our target of more than 3.5% to be resurfaced.

Smooth travel exposure (the average quality of ride) was also met with 84% calculated compared to a target of 80%.

### Network Improvements

In line with the government's 'Road to Zero' vision, we have collaborated with NZTA to identify safety priorities across the city. This programme is complemented by our minor road safety programme of work targeting minor safety interventions.

Additionally, 21 streets within our district have had work done to improve lighting coverage. Major construction was completed, and improvements were made on projects including:

- Custom Street, Ashurst
- Settlers Line
- Railway Road

An ongoing issue we're working on is street racing, especially in our industrial areas. We've already added some physical deterrents like speed humps to make these areas less appealing for these types of motorists. A recent bylaw change also means it will be easier for Police to intervene.

### Regional Freight

We have completed the development of the Te Utanganui (Central New Zealand Distribution Hub) Masterplan which aligns developments at Palmerston North Airport, the North East Industrial Zone, and KiwiRail Freight Hub.



## Whāinga 2: He tāone whakaihihi, tapatapahi ana

### Goal 2: A creative and exciting city

#### This goal includes

- Active Communities
- Arts and Heritage
- City Shaping

Our goal is for Palmerston North to be a creative and exciting place to live. We aim to support the arts to flourish and our cultural institutions to thrive. We want to offer a great lifestyle in a city that reflects the diversity of our communities and provides opportunities for everyone to be active.

#### Key Achievements



Central Energy Trust Arena hosted **3,010 individual bookings** in 2023/2024 with more than 440,000 in attendance.



Palmy BID has delivered a consistent format of **scooter art tours** in partnership with Flamingo Scooters. **These tours draw an average of 40 people per tour.**



Partnership with New Zealand Military Vehicle Club and local businesses assisted to **refurbish the decommissioned howitzer at Memorial Park.**

### Active Communities

#### Play and Active Recreation

We continue to receive positive feedback about our parks through the annual Park Check Survey. Vandalism within our parks and public spaces has escalated this year, with our public toilets being a target. We continue to receive complaints about motorbikes in parks. It has been challenging to balance accessibility for active transport and park users, while also maintaining safety and security in our parks.

#### Water Recreation

Overall, the number of visitors to the three Council pools is at a similar level to last year. The closure of the indoor pools for relining impacted Lido entry numbers in May.

As an operational response to the findings of the Aquatic Facilities and Water Recreation Needs Analysis Report, we limited public access to swimming lanes at the Lido from 18th March. The John Boldt indoor 25-metre pool is closed to the public between the hours of 3 pm – 6 pm Monday to Friday to make more space available for swimming clubs. Public swimming lanes are still available at the Freyberg Pool during these hours.

#### Sport

It has been another difficult year for sports field maintenance. A dry spring followed by an extended dry period and a warm autumn delayed our renewal programme and made keeping on top of grass growth challenging. Despite this, there was no noticeable disruption to sports tournaments and games.

- New artificial cricket wickets installed at Celaeno Park
- A basketball court installed on the Railway Land adjacent to the Skate Park
- Netball/Tennis courts at Vautier Park resurfaced.
- An adjustable basketball hoop installed at Chippendale Reserve

#### Central Energy Trust Arena

Central Energy Trust Arena has had another busy year of activity with a diverse range of events. The calendar of activity included large-scale exhibitions, national sporting tournaments and competitions, International sports fixtures, concerts, and commercial events. This was on top of the regular community sports and non-sport activity which make up 95% of the utilisation of the facilities.

Central Energy Trust Arena hosted many major events during the year which brought significant economic benefits to the City. There were 3,010 individual bookings in 2023/24, with more than 440,000 in attendance.

### Partnerships and Support

This year was the second year of the three-year funding agreement and partnership plan between the Council and Sport Manawatū. Outcomes in the new agreement align closely with Council's strategic direction, particularly with the Active Communities Plan. Sport Manawatū administers two contestable funds on Council's behalf: The Sports Event Partnership and Active Communities Funds.

### Arts and Heritage Activity

#### Arts

Creative New Zealand provided two grants to support initiatives towards the achievement of their Pasifika Arts Strategy, including \$25,000 for a Pacific Artist Residency. The annual Creative Communities Scheme, which is partly funded by Creative New Zealand, was allocated over two funding rounds, with \$121,238 allocated, and just over \$10,000 unspent and to be carried forward to 24/25.

The Art Event Fund, which offers community groups support to host art events that have regional or national significance and that bring economic benefits to the city, was fully allocated in the first half of the year.

#### Cultural CCOs

- The Regent Theatre

The Regent had a successful year with 99,483 people attending the theatre throughout the year. A high percentage of the targets were met this year including a soaring 423 total number of events held (target: 350).

- The Globe Theatre

The Globe also saw a successful year with 715 usages (target: 526) and 27,126 attendees (target 16,123). Most targets were met with exceeding results including a record 41 international/national performances.

- Te Manawa

Te Manawa's visitor target was also met at 137,172 (target 130,000), with an additional 74,335 in online engagement (target 90,000). There was also a 98% audience satisfaction rating.

#### Heritage

Since Caccia Birch House came under Council management the shift in focus has been towards enhancing community access to this historical landmark. With an emphasis on community public events, the house has increased its position as a unique location for community gatherings and celebrations.

**City Shaping**

**City Making**

The Former Chief Post Office has now obtained resource consent for hotel development with support provided via our urban design support fund to support a multi-disciplinary approach to resolve heritage and design outcomes unique to this site. Redevelopment of this high-profile strategic site signifies confidence for other investors and when completed will contribute to increased vibrancy with more people visiting and staying longer in our city centre.

**City Centre**

Development of key City Centre spaces, including streetscape upgrades, has been paused while we investigate how best to align funding opportunities for the central city from the NZ Transport Agency Waka Kotahi, and changes to our new Long Term Plan. An Indicative Business Case is now underway to better understand the strategic fit, benefits, scale of impact, and importance of a reconfigured central city on the goals and timings of our PNITI programme.

A new, fully electric public transport system launched in March with all bus routes still utilising the urban transit hub in the City Centre.

Palmy BID has delivered a consistent format of scooter art tours in partnership with Flamingo Scooters. Palmy BID has continued to lead Missoula Day and have trialed a new regular event to celebrate Music Month.

**Placemaking**

Interest in street art continues with little need for Council encouragement. The city has built a successful reputation in the lower North Island as an easy place to undertake murals and is used regularly by artists passing through between commissions to contribute new pieces. The local business community continues to engage local artists for commission work to enhance their contribution to the street. There is a good degree of interest from city centre businesses in investing in parklets, although none have been established this year due to site-specific considerations.

Neighborhood-level placemaking outcomes have been able to be successfully met through play, art, transport, and heritage projects.



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

**Key Achievements**

 **Funding of 43 community groups** providing services to the community under the Strategic Priority Grant and Sector Lead Partnership funding.

 **New Animal Shelter** has been completed.

 **We completed the final stage of our Papaioea Place Social Housing Redevelopment project.** The 3rd and final stage saw the construction of an additional 7 units and a tenant lounge constructed in the center of the development.

**This goal includes**

- Connected Communities
- Safe Communities

Our goal is for Palmerston North to be a place where everyone feels connected and included. We aim to be a safe city, where people have access to appropriate social support and opportunities to connect with others. We know we will achieve better outcomes by working together with our communities to achieve these goals.

## Connected Communities

### Community Centres

Awapuni Community Centre had considerable refurbishment with support from the centre committee and the wider Awapuni community who provided space for regular user groups to relocate for the 3-month closedown period. Regular meetings were held with the Management Committee of each Community Centre throughout the year. Two cross-centre committee hui were facilitated by Council to encourage the sharing of ideas and best practices.

A Community Library and Community Hubs Feasibility Study was completed to investigate the feasibility, needs, and opportunities of community and library facilities. These included possible need for a community library hub at Awapuni, a potential redevelopment and expansion of the Te Patikitiki Library site, an expansion and redevelopment of the Pasifika Centre for the Pasifika community, and space for a Multicultural Centre for the multicultural community. Recommendations from the feasibility study were presented to council, consulted on, and incorporated into the new Long-Term Plan.

### Cemetery

The seismic strengthening of the crematorium building was completed along with a refurbishment of the chapel area in June 2024. Work has commenced in the staff facilities building and public toilets within the cemetery to refurbish the areas and improve accessibility. These projects will be completed in August 2024.

Increased demand for graves in a non-decorated area of the Kelvin Grove Cemetery has necessitated the laying of two further beams in burial Section W of Kelvin Grove Cemetery, where the decoration of graves is not permitted.

### City Library

Ongoing resourcing issues continued to affect overall service delivery resulting in our libraries not returning to full pre-Covid opening hours. However, all eight City Library sites continued to be valued by the community.

This year physical visitor numbers increased by 12% across all 8 City Library locations. Annual visits per capita sits at 6.13 compared to 5.47 last year. The collection continues to work hard with the average use per item being 4.41 (compared to a national average of 2.79). "Virtual" visits included Enterprise (online catalogue) with 871,641 page views; the City Library website with 397,632 page views; Manawatū Heritage with 312,107 page views and the Tour App hosted 270 sessions.

The digital library continued to expand, and the breadth of digital content allowed people to stream 24,012 films through Beamafilm and Kanopy; read 6,734 titles through Press Reader and use Ancestry 20,802 times.

### Community Libraries

Ashhurst, Awapuni and Te Pātikitiki libraries continued to work alongside a wide range of community groups to meet kai demands in their communities. This included Environmental Network Manawatū, RECAP, Let's Grow Highbury, Awapuni Community Gardens, Community Harvest, Massey University, Just Zilch, Manawatū Food Action Network, Growing Gardens and Communities, Te Whare Koha, Pātaka Kai 4412, Whakapai Hauora Maara Kai, SuperGrans, Plant to Plate, and many residents willing to pass on kai from their vegetable gardens.

Following on from Awapuni Library (which celebrated 35 years last year), the Ashhurst Library celebrated 30 years in its current location in December 2023.

### Community Development

We continued to build capacity and capability in the for-purpose sector and the wider community. Governance support and funding advice have been provided to a range of community groups. The Community-Led Initiatives Fund saw 28 successful applicants funded in the last financial year and to date 89% of the fund is allocated. Contracts for the 43 successful Strategic Priority Grants (including the 7 Sector Lead Partnership) 2022-25 recipients entered the second year of their contracts. A new Ora Konnect Squad has been developed to focus on Housing, which aligns with the work we are undertaking with the Housing Insecurity Response Plan. A range of welcoming events and cultural celebrations were co-facilitated, in partnership with the Welcoming Communities Advisory Group and the wider community and Council's Events team.

### Housing

Throughout the year, occupancy levels across our social housing portfolio remained consistently high, with demand exceeding availability.

The tenant lounge in the centre of the Papaioea Place housing redevelopment was completed in last 2023 which was the final element of the project. The complex now has 85 new units and a new tenant lounge.

### Healthy Communities

The Smokefree Reference Group, including members from partner organisations including Te Whatu Ora and the Cancer Society, continues to promote the implementation of the Auahi Kore Smoke-free and Vapefree Policy. Rangitāne o Manawatū has opportunities for involvement in the development and review of council policies and initiatives to promote community health and wellbeing through discussions at the regular Rangitāne engagement hui.

### Events and Festivals

This year we continued collaborative planning and delivery of cultural events and initiatives in the City. These included:

- Puanga Twilight Festival and Waitangi Day in collaboration with Rangitāne.
- Diwali and Holi (Festival of Colours) with Indian Communities, Manawatū Multicultural Council (MMC), and Ministry of Ethnic Communities.
- Lunar New Year and Moon Festival with East Asian Communities, MMC, and Ministry of Ethnic Communities.
- Festival of Cultures with MMC, and several other community-based cultural groups and organisations.

## Safe Communities

### Animal Management and Environmental Health

#### Animal Management:

We remain committed to ensuring public safety, promoting responsible dog ownership, and mitigating potential risks associated with animals, particularly dogs. During the year, 148 dog attacks were reported, 114 infringement notices were issued, and we impounded 360 animals (358 dogs).

We also hosted a free microchipping event in Linklater reserve to increase the number of microchipped dogs.

#### Environmental Health:

We awarded Food and Health Standards (2006) Ltd as the Supplier of the Environmental Health Contract. During the year we processed 443 applications, plans, enquiries and complaints.

#### Civil Defence Emergency Management

Council provides a 24/7 emergency management duty officer to monitor and respond to community risks and hazards. The Civil Defence Emergency Management team organise and chair our local Emergency Management Committee and Local Welfare Coordinating Groups and sit on other committees working with our partners for continuous risk assessment and best practice.

We continue to strengthen our relationships with community partners and Government agencies and continue to build our capacity to respond to an emergency for our community.

#### Safety Advisory Board

A focus of the board this year has been improving identified safety concerns on Ada and Rolleston Streets. The primary goal of the Ada Street initiative is to address and resolve the ongoing issues with fires being deliberately lit to reduce first responder callouts, mitigate risks associated with fires, improve community/public safety, and foster a more connected street environment.

The Board has advocated to Council (along with submissions from the youth sector) to support youth development projects, resulting in Youth Forum with community partners and a report by Officers to Council recommending funding for a youth forum, a youth development fund, and the development of a Youth Development Reference Group.



## Whāinga 4: He tāone tautaiiao

### Goal 4: An eco city

#### This goal includes

- Climate Change
- Environmental Sustainability
- Manawatū River
- Resource Recovery
- Stormwater
- Wastewater
- Water

We provide rubbish and recycling services for Palmerston North City. We also play a part in regenerating biodiversity by re-establishing bush and controlling introduced predators, working in partnership with iwi and community groups such as Green Corridors. We are working to lower our organisational emissions each year and will continue to work with the community to also gain traction on lowering Palmerston North's city wide emissions.

#### Key Achievements

-  **14,949 eco-sourced native plants** planted.
-  **Ruahine Reserve** was opened.
-  Developed a **new Waste Management and Minimisation Plan**.
-  We have started work on a **Strategic Stormwater Management Framework**.
-  **A new mechanical and electrical maintenance contract** is helping improve the quality of asset condition information for pump stations.
-  Several **groundwater bore sites are undergoing improvements** to meet revised compliance standards.

#### Climate Change

2023 was the hottest year on record reaching 1.48°C above pre-industrial times. New Zealand's greenhouse gas emissions decreased by 4% from 2021 to 2022, although it's not enough to put us on a trajectory to reach net zero by 2050.

#### Organisational Emissions

We continue to develop and deliver organisational and citywide inventories to track our greenhouse gas emissions and compare them against our Net Zero Feasibility scenarios.

#### Environmental Sustainability

##### Sustainable Practices

We continue to promote sustainable practices within the city with activities, events and campaigns promoted through media, social media, and the Council's website.

##### Eco Design Homes

Due to a combination of improvements to the Building Code, the significant impact healthy home legislation has had on rental properties and thousands of households already having been served well by our advisor in the past.

We continue to advocate for eco-design in other council plans and in consenting pre-applications.

##### Support to Environmental Groups

We contributed \$217,568 in the last financial year to the environmental sector via the Strategic Priority Grants programme (with \$172,590 of that allocation to fund Environment Network Manawatu (ENM as Sector Lead).

A Pasifika Community Garden was supported through the process to be developed this year with the first using the Community Garden Guide developed with Manawatū Food Action Network.

##### Biodiversity

We continued our investment in pest and weed management in parks and reserves including throughout the Kahuterawa Outdoor Recreation Park. This included regular predator trapping, weed control, and the monitoring and reporting of trapped species.

Our ongoing investment in pest management in the Turitea Reserve is vindicated through native bird species monitoring.

We continue to contribute to Horizons-led biodiversity enhancements in the Te Apiti/Manawatū Gorge.

##### Green Corridors

We managed the planting of 14,949 eco-sourced native plants throughout the Green Corridors network of gullies and streams. This aligns with Council's strategic direction to extend the Green Corridors programme.

Volunteer planting and maintenance resumed in 2023 in a limited capacity, largely focused on Aokautere and Turitea, where regular community working bees were carried out.

Significant maintenance was carried out, including the removal of vast amounts of invasive weeds, problematic exotic species, and fly-tipping from neighbouring reserves.

#### Manawatū River

The Manawatū River Framework provides the overall strategy for increasing the vibrancy, appreciation, and overall visitation of the river and its surroundings. The Long-Term Plan 2021-31 included funding for a series of projects to implement the Manawatū River Framework. The focus of activity in 2023/24 was the concept design and indicative costing stages of the Te Motu o Poutoa project and the balance of the capital work programme carried over from 2022/23.

#### Resource Recovery

A big achievement this year has been the development of the updated Waste Management and Minimisation Plan (WMMP) 2024. The Plan sets targets to reduce the amount of waste being sent to landfill and outlines what actions we will take to manage and minimise waste in the city.

We have planned to roll out a green waste collection service in the 28/29 financial year, allowing us enough time to investigate suitable processing options for the quantity of material we expect, build the recommended infrastructure, and procure the collection vehicles and containers.

The Waste Minimisation Act (WMA) reform is still proceeding, but no time frames have been set. The intention of the government is to repeal the Litter Act and roll its updated functions into the WMA. This reform is expected to provide greater enforcement powers and allow higher penalties to tackle illegal dumping.

#### Stormwater Activity

##### Stormwater Activity Management

We've worked with property owners and developers to support their development and mitigate the negative effects of additional stormwater runoff and reduce potential flooding risks. This is expected to become more relevant to the impacts of climate change.

Several projects were delivered this year to reduce stormwater issues in specific locations. A significant portion of the improvement budgets this year was dedicated to design projects, to enable future works.

We were 100% compliant with resource consents for discharge from Councils stormwater system.

### Network Performance

We have an ongoing investment in CCTV inspection of critical and aged parts of the pipe network. The data is used to plan and prioritise renewal works for out-years. The CCTV inspections, as well as condition assessments of pump stations, also identified areas of the network in need of renewal.

Several key sections of open drains and channels have been the focus of works under the open channel and drain maintenance programme and the budget was expended in several areas.

### Wastewater Activity

#### Totara Road Wastewater Treatment Plant

Effective and efficient operation of the Totara Road Wastewater Treatment Plant is critical. Several upgrade projects at the Totara Road wastewater treatment plant (WWTP) were initiated, progressed, or completed.

The current and planned upgrades are key to ensure the plant is effective, efficient, and resilient and can manage current and future flows through to 2028 when a new wastewater treatment and disposal system is planned to be in place, pending the conclusion of Nature Calls.

#### Nature Calls Project

Work on the Nature Calls consent application was finalised in 2022 and the consent application was submitted on the 19th of December 2022. The application was accepted as complete in mid-2023 after initially being rejected as incomplete. Following the deliberations on the new Long Term Plan, Council is now taking another look at options to ensure we get an affordable option for our community. We will be providing quarterly updates to Horizons and our wider community. Iwi engagement in the project is continuing with regular meetings between Council and representatives from Rāngitane, Ngati Whakatare, and Te Tumatukahuki.

#### Wastewater Network

A network hydraulic model re-calibration project is underway and involves monitoring to help identify high-risk areas and then we will compile an action plan. A criticality framework is being applied across the network to help prioritise the capital renewal programme over the long term.

A new mechanical and electrical maintenance contract is helping improve the quality of asset condition information for pump stations. This will assist with planning for future renewals and upgrades.

We were 100% compliant with with resource consents for discharge from Councils wastewater system. We also had 10 dry weather incidents for the year, equating to 0.29 per 1,000 connections. This meant that we were compliant with achieving less than 1 per connection.

### Water Supply Activity

#### Quantity and Quality of Supply

Summer water conservation was encouraged over the summer period, and restrictions were not needed. Water conservation measures, including a water loss reduction programme will continue to be implemented across the city.

Bore headworks renewals and upgrades are underway and other minor work is progressing well. This work is being undertaken as part of improvements to ensure compliance with the new Drinking Water Quality Assurance Rules.

Safety of drinking water was not compliant under new compliance rules. We continue to work closely with the new drinking water regulator, Taumata Arowai, to understand the implications of the new rules on Council's various water supplies. This includes source, treatment, and distribution rules. Work is progressing well on finalising all four Drinking Water Safety Plans, including Source Water Risk Management Plans.

We also had 39.3 complaints per 1,000 connections, which meant we met our target of having less than 40 complaints per 1,000 connections.

#### Risk and Resilience

Standby generators at Bunnythorpe, Longburn, and Ashhurst are mobile and ready to be deployed on demand. Critical chemical dosing upgrades have been completed at the treatment plant as part of the seismic upgrade programme. The seismic strengthening project for the Turitea Water Treatment Plant has been completed. Further less critical seismic work is planned for other structures across the next two financial years.

#### Network Investment

The planned renewal programme continued. This work ensures that elements of the 560 km of water mains and our treatment plant assets are replaced at the end of their useful life, reducing the number of interruptions affecting consumers and managing our maintenance costs. Critical customer toby and water meter replacements are underway and will provide 2-3 years of planned work.

The Railway Road bore and treatment plant is now providing water to our community. This new water supply provides fully compliant water to the North-East Industrial and Milson zones.



## Whāinga 5: He Kaunihera ahunui, whakamana i te iwi

### Goal 5: A driven and enabling Council

#### Key Achievements



A new **City Dashboard** has been developed to improve the quality of city data which is available and accessible for our community.



We have the **most engaged social media channels** of any council in NZ.



The After-Hours Call Centre has achieved the landmark that **half of New Zealand councils now rely on us to support their communities.**

#### This goal includes

- Governance and Active Citizenship
- Organisational Performance
- Strategic Investments

Council provides leadership and strategic direction for local government services and development in the city. We will work in partnership with our communities to enable growth and change and ensure community voices are reflected in everything we do.

## Good Governance and Active Citizenship

### Community Engagement

We have undertaken several consultation and engagement processes on issues of significant interest to our communities. These included the Long-Term Plan, Future Development Strategy, Dog Control Policy and Animals and Bees Bylaw, the city's Speed Management Plan, the Waste Management and Minimisation Plan, Bus stops, Ashhurst Reserve Management, local playground upgrades, Vogel St safety improvements and age friendly improvements.

Community organisations continue to make informed contributions to Council decision-making processes and The Seniors Reference Group and Pasifika Reference Group, alongside the Disability Reference Group, contributed to Council decisions and operational discussions.

### Strategies, Plans and Policies

The strategies and plans adopted through the 2021-2031 10-year planning process established a work programme for policy and bylaw review and development. Several policies and bylaw reviews were completed during this year.

### Enduring Partnership with Rangitane

The Palmerston North City Council and Rangitāne o Manawatū have an enduring and strong relationship founded on Te Tiriti o Waitangi that is essential to the long-term future and well-being of the people of Palmerston North.

We continue to build on the foundations of the Partnership Agreement, which was signed in 2019 that ensures Rangitānenuirawa, the values, and perspectives of Rangitāne, have significant weight in decision-making as the council works towards a city that is more responsive to their needs and aspirations.

In this term of council, Rangitāne is represented by Iwi appointees on the Rangitāne o Manawatū Committee. The Terms of Reference for this committee are set out in the Council's Delegations manual.

### Council Meetings and Elections

A total of 20 Council meetings and 31 committee meetings were held between July 2023 to June 2024. A series of extraordinary Council meetings were held to ensure Council deliberations in the drafting of the Long-term Plan were held as formal public meetings for transparency.

The 2023 Survey shows that 48% of respondents are satisfied with the overall performance of the Mayor and Councillors, 37% are neutral and 15% are dissatisfied. Council has identified a loss of public trust in Council as a strategic risk and in the first half of 2024/25, will develop actions to address this.

### Organisational Performance

#### Customer-Centric Service

We work closely with local and national media to share our stories. Over the past year, we received 464 media queries, shared 85 media releases and did 96 radio interviews on local stations. Our following across all channels rose around 7% this year, which shows that the information we're sharing, in the variety of formats we share it, is becoming of interest to new followers. 516,885 people visited our website 1,022,135 times (23.5% increase), viewing more than 2.83 million pages (32% increase)

#### Digital Transformation

Our Digital Transformation Programme addresses significant underinvestment and technical debt by focusing on building strategic, easy-to-configure platforms that enable domain experts to drive transformation through guided self-service.

We have structured the program around three areas to ensure steady progress: These include: focusing on understanding and containing operational risks while building strategic foundations and reducing technical debt, developing data insights and digital workflows through self-service and in-house skill development

#### High Performance Culture

The approval of the People Leader Capability Framework this year represents a significant step towards enhancing our leadership capabilities, fostering a high-performing culture, and improving service delivery.

We aim to create a workplace culture where all employees can flourish. Over the past year, significant progress has been made in establishing a robust foundation to support and enhance well-being, extending offerings to meet the diverse needs of all our employees.

### Workforce Transformation

The insights gained from the Tuia Te Whakaaro survey have informed critical projects in the employee experience space, leading to the development of key organisational action plans aimed at enhancing our workplace environment.

### Strategic Investments

#### After Hours Call Centre

Building Services continued to be delivered to Manawatū District Council with the level of activity remaining static overall, due to the national economic outlook in the construction market confidence. The Building Services arrangement continues to achieve a relatively consistent delivery model within the region and remains unique within New Zealand.

#### Investment Property

Several properties are leased to generate revenue. Our investment property portfolio remained static throughout the year, except for a tenancy on George Street which is part of the Central Library Building which was vacated in 2023.

#### Tamakuku Terrace

We've continued to sell the sections that were created within Stage 1 of the Tamakuku Terrace residential subdivision off James Line. Steady and consistent sales continue to be achieved in the subdivision, with roughly half of the available 79 sections now sold.

#### Investments

We own the commercial pine plantation known as Gordon Kear Forest as part of our investment portfolio. The primary reason for the investment is to generate revenue as an alternative funding source for future city development.

Areas identified as suitable for clear wood (free of knots or blemishes caused by original branches) have undergone further pruning. Thinning operations (removal of trees not selected for the final crop) have also continued. The timing of silvicultural operations depends on tree growth and work is expected to carry on for at least four to five more years.

### Airport Update

There was a significant recovery in the 2023 year with 534,651 passengers and further modest growth to 547,721 in the 2024 year. The high inflation environment with cost of living pressures meant this growth in 2024 was less than budget. Earnings before interest, tax and depreciation for 2024 were well above budget and the previous year. By arrangement with the Council no dividend was paid in relation to the 2023 year, the same as in the previous three years. However, despite the outcome for 2024 directors have indicated their intention to declare a dividend of \$0.195m as projected in the 2024 SOI.

# Financial Summary

## Summary Statement of Comprehensive Revenue and Expense for the year ended 30 June 2024

	Council			Group	
	Actual 2024 \$000	Annual Plan Budget 2024 \$000	Restated* Actual 2023 \$000	Actual 2024 \$000	Restated* Actual 2023 \$000
Rates revenue	124,714	124,246	116,037	124,283	115,676
Finance revenue	1,977	150	1,126	1,695	962
Other operating revenue	42,346	41,035	43,923	59,146	58,194
Capital revenue	25,464	22,973	19,521	20,441	19,561
<b>Total revenue</b>	<b>194,501</b>	<b>188,404</b>	<b>180,607</b>	<b>205,565</b>	<b>194,393</b>
Depreciation and amortisation	43,141	43,043	42,152	45,773	44,766
Finance costs	14,422	9,899	5,021	14,565	5,397
Other expenses	127,231	126,833	122,771	135,622	129,647
<b>Total expenses</b>	<b>184,794</b>	<b>179,775</b>	<b>169,944</b>	<b>195,960</b>	<b>179,810</b>
<b>Net surplus/(deficit)</b>	<b>9,707</b>	<b>8,629</b>	<b>10,663</b>	<b>9,605</b>	<b>14,583</b>
Share of associate's surplus/(deficit)	-	-	-	22	10
Income tax refund / (expense)	110	-	43	(1,508)	(1,019)
<b>Net surplus/(deficit) after tax</b>	<b>9,817</b>	<b>8,629</b>	<b>10,706</b>	<b>8,119</b>	<b>13,574</b>
<b>OTHER COMPREHENSIVE REVENUE AND EXPENSE</b>					
Increase/ (decrease) in operating property valuations	(19,905)	5,403	83,606	(15,603)	81,381
Financial assets at fair value through other comprehensive revenue and expense	34	-	(4)	34	(4)
Movement in deferred tax on revaluations	-	-	-	-	623
<b>TOTAL COMPREHENSIVE REVENUE AND EXPENSE</b>	<b>(10,054)</b>	<b>14,032</b>	<b>94,308</b>	<b>(7,450)</b>	<b>95,574</b>

Explanation of the major variances to budget are:

**Finance revenue:** Higher than budget due to term deposits held.

**Other operating revenue:** Higher than budgeted due to receipt of revenue relating to sale of land development.

**Capital revenue:** Higher capital revenue was received due to higher than budgeted vested assets.

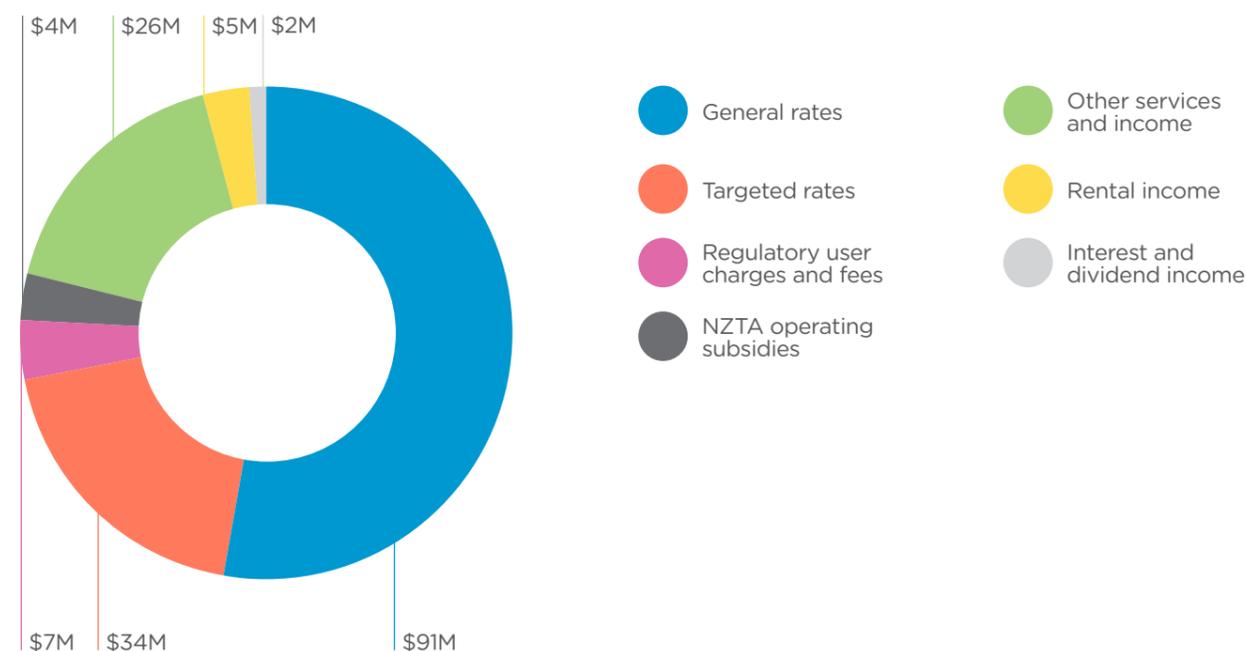
**Finance costs:** Higher than budget due to unbudgeted non-cash valuation on derivative financial instruments.

**Increase in operating property valuations:** Lower than budget due to reduction in land values compared to last valuation.

\*See page 27 – Prior Year Adjustments

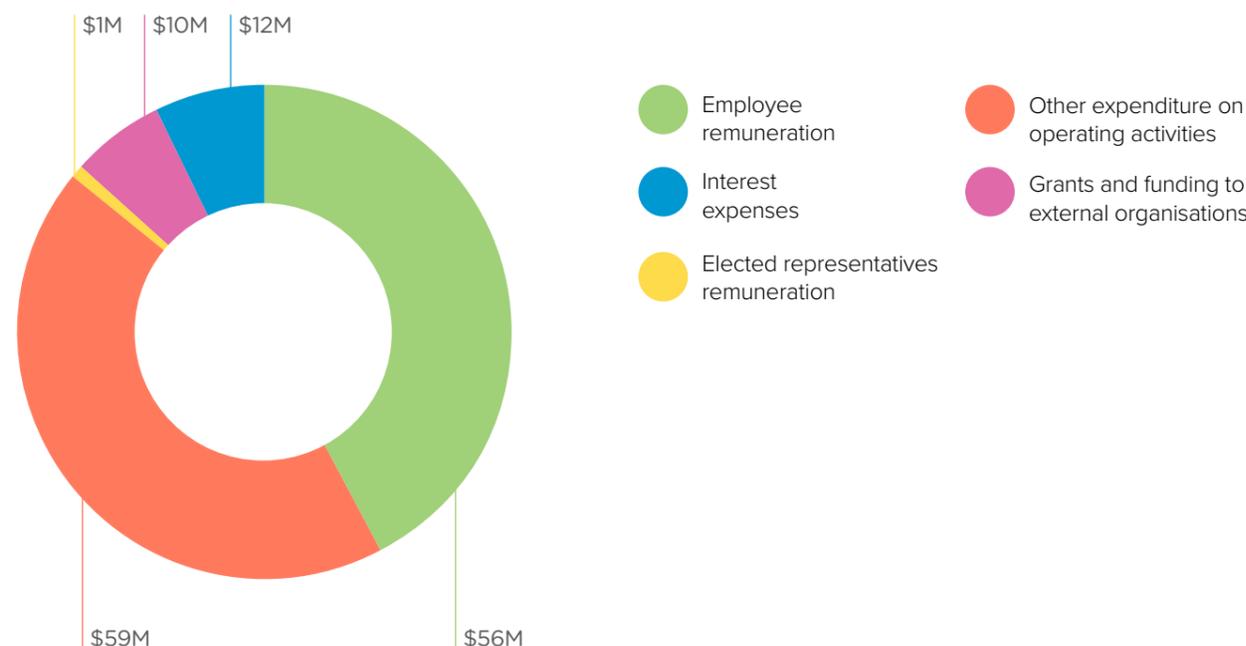
## Operating Revenue

Sources of revenue



## Operating Expenditure

Types of expenses incurred



**Summary Statement of Financial Position**  
As at 30 June 2024

	Council			Group	
	Actual 2024 \$000	Annual Plan Budget 2024 \$000	Actual 2023 \$000	Actual 2024 \$000	Actual 2023 \$000
Current Assets	40,216	18,055	28,440	44,971	31,422
Non-current Assets	2,325,258	2,310,744	2,285,575	2,432,771	2,394,673
<b>Total Assets</b>	<b>2,365,474</b>	<b>2,328,799</b>	<b>2,314,015</b>	<b>2,477,742</b>	<b>2,426,095</b>
Current Liabilities	65,499	27,145	53,754	71,604	59,703
Non-current Liabilities	251,391	258,977	201,623	261,383	213,578
Equity Attributable to PNCC	2,048,584	2,042,677	2,058,638	2,144,755	2,152,205
<b>Total Liabilities and Equity</b>	<b>2,365,474</b>	<b>2,328,799</b>	<b>2,314,015</b>	<b>2,477,742</b>	<b>2,426,095</b>

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 FY2025.

**Non-current assets:** Higher than budget due to loan receivables with the Airport as well as additional borrower notes associated with borrowings.

**Total liabilities:** Higher than budget due to additional debt associated with receivables owing at year-end and loan to Airport.

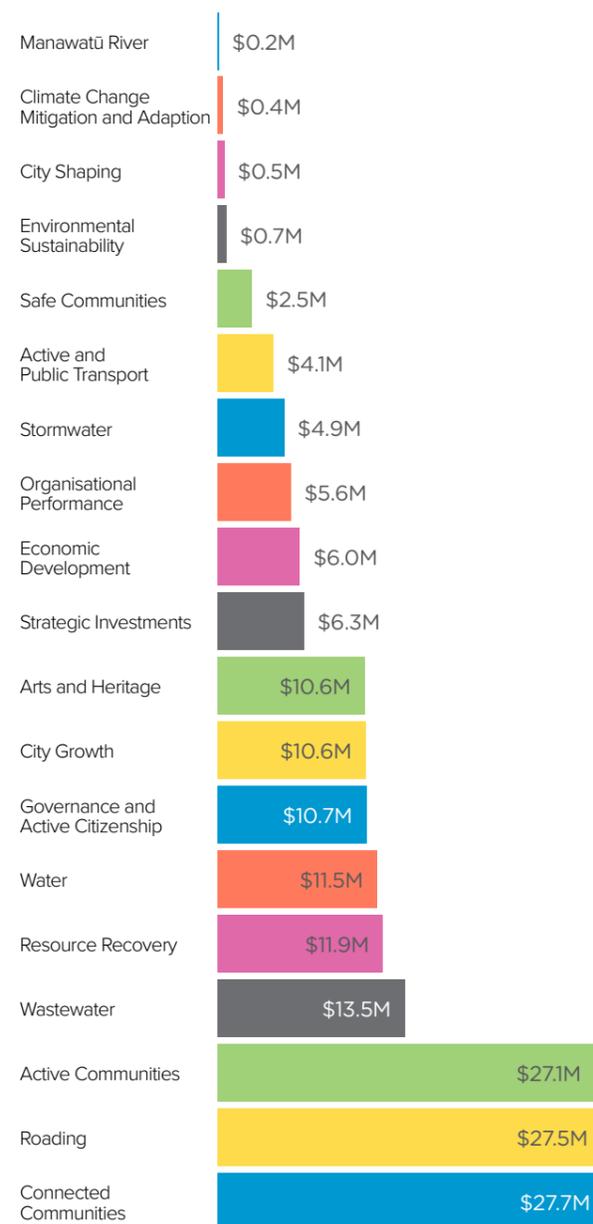
**Equity:** Higher than budget due to higher revaluations than budgeted for.

**Summary Statement of Changes in Equity**  
for the year ended 30 June 2024

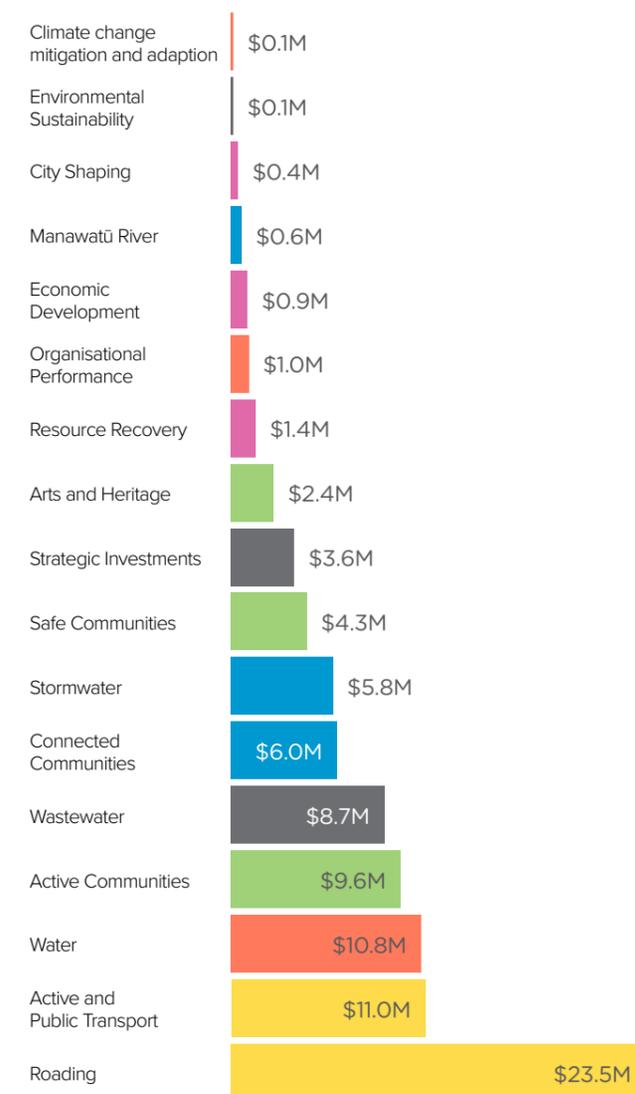
	Council			Group	
	Actual 2024 \$000	Annual Plan Budget 2024 \$000	*Restated Actual 2023 \$000	Actual 2024 \$000	*Restated Actual 2023 \$000
<b>Equity at beginning of the year</b>	2,058,638	2,028,645	1,964,330	2,152,205	2,056,631
Total comprehensive revenue and expense for the year	(10,054)	14,032	94,308	(7,450)	95,574
<b>Equity at the end of the year</b>	<b>2,048,584</b>	<b>2,042,677</b>	<b>2,058,638</b>	<b>2,144,755</b>	<b>2,152,205</b>
<b>Comprising:</b>					
Retained earnings	1,107,326	1,112,876	1,097,509	1,144,886	1,135,271
Special funds	-	-	-	676	444
Revaluation reserves	941,258	929,801	961,129	999,193	1,016,490
<b>Equity at the end of the year</b>	<b>2,048,584</b>	<b>2,042,677</b>	<b>2,058,638</b>	<b>2,144,755</b>	<b>2,152,205</b>

\*See page 27 – Prior Year Adjustments

**Operating expenditure by activity**



**Capital expenditure by activity**



**Prior Years Adjustments**

The Council and Group identified that the correct accounting treatment was not applied in prior years to the accounting of capitalised remuneration. This was discovered during the work on the Long Term Plan 2024-34. Therefore, the Council and Group has adjusted its comparative year financial statements for the year ending 30 June 2023. Employee and elected representatives benefit expenses were reduced by \$4,425,000 and Other expenses were increased by \$4,425,000

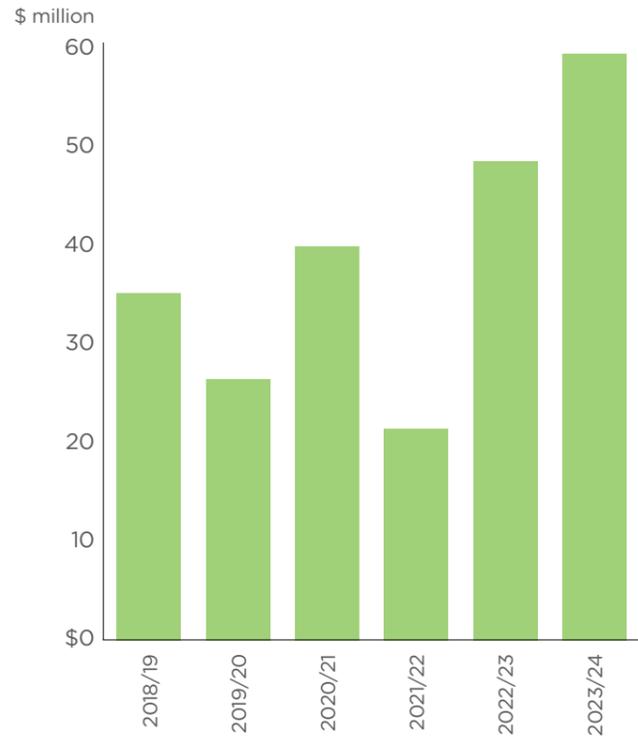
**Events after the balance sheet date**

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.

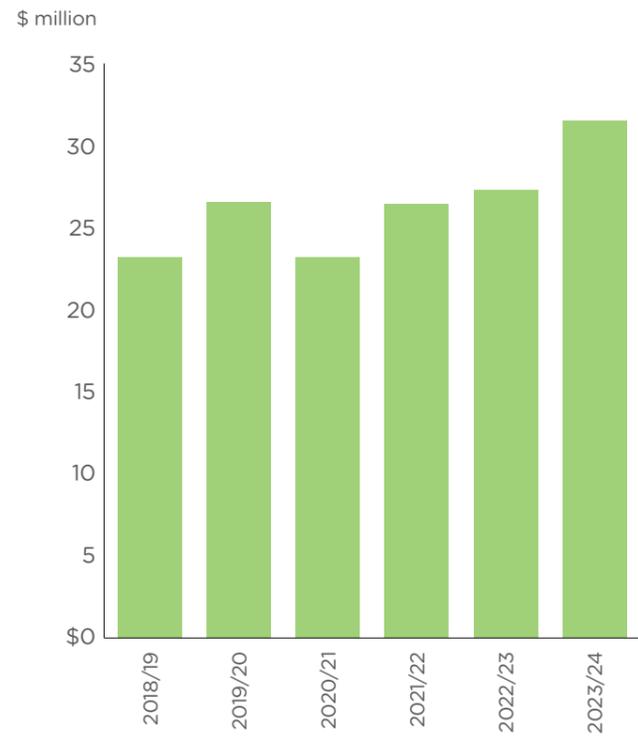
**Water services reform**

The water services legislation (namely the Water Services Entities Act 2022, the Water Services Legislation Act 2023 and the Water Services Economic Efficiency and Consumer Protection Act 2023), was repealed on 17 February 2024. The Government has recently enacted the Local Government (Water Services Preliminary Arrangements) Act 2024. The new legislation requires Council to deliver a Water Services Delivery Plan (WSDP) to the Secretary for Local Government by 3 September 2025. The plan must include the anticipated or proposed model or arrangements and implementation plan for delivering water services. Council will not know what the model or arrangements are likely to be until the WSDP is approved by the Secretary. The new legislation has not had an impact on the 30 June 2024 financial statements or performance information.

**New capital expenditure spent**

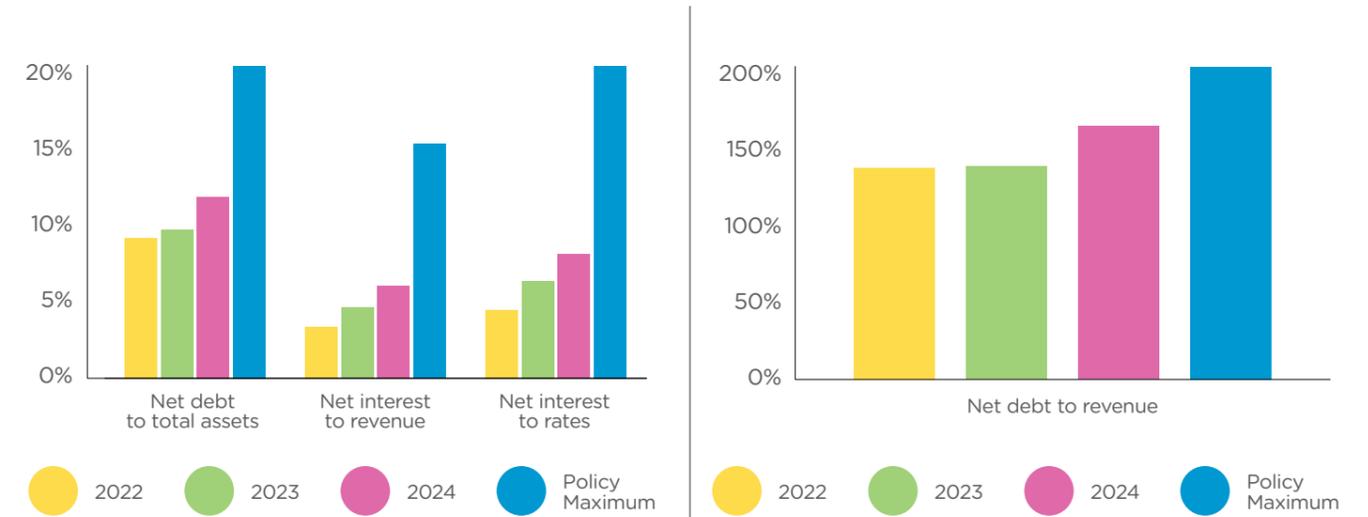


**Renewal capital expenditure spent**



**Borrowing Ratios Against Policy**

**Borrowing ratios at 30 June**



**Summary Statement of Cash Flows**  
for the year ended 30 June 2024

	Council		Group		
	Actual 2024 \$000	Annual Plan Budget 2024 \$000	Actual 2023 \$000	Actual 2024 \$000	Actual 2023 \$000
Net cash from operating activities	44,242	49,672	33,815	51,228	39,482
Net cash from investing activities	(98,999)	(85,865)	(56,458)	(101,715)	(53,543)
Net cash from financing activities	54,777	36,193	22,378	51,712	13,435
<b>Net (decrease)/increase in cash, cash equivalents and bank overdrafts</b>	<b>20</b>	<b>-</b>	<b>(265)</b>	<b>1,225</b>	<b>(626)</b>
Cash, cash equivalents and bank overdrafts at the beginning of the year	1,657	500	1,922	2,595	3,221
<b>Cash, cash equivalents and bank overdrafts at the end of the year</b>	<b>1,677</b>	<b>500</b>	<b>1,657</b>	<b>3,820</b>	<b>2,595</b>



# Activity Financial Summary

The following table details for each activity group the net operating cost of delivering the services (before rates-funding) together with the capital expenditure.

	Activity group net operating cost		Actual 2023 \$000	Activity group capital expenditure		Actual 2023 \$000
	Actual 2024 \$000	Annual Plan Budget 2024 \$000		Actual 2024 \$000	Annual Plan Budget 2024 \$000	
Innovative and Growing City	9,065	9,023	5,289	1,468	1,521	485
Creative and Exciting City	33,921	34,597	31,052	12,413	11,808	11,215
Connected and Safe Community	23,720	23,354	21,229	10,313	9,525	10,031
Eco-City	9,013	8,211	8,096	2,178	3,574	2,200
Transport	20,352	20,331	19,785	34,524	33,560	21,268
Stormwater	4,805	5,377	4,767	5,801	3,494	7,481
Wastewater	12,339	11,597	11,104	8,688	11,347	8,546
Water	11,476	12,375	10,944	10,830	12,367	10,146
Driven and Enabling Council	15,781	13,723	15,693	4,790	3,528	4,507
<b>TOTAL</b>	<b>140,472</b>	<b>138,588</b>	<b>127,959</b>	<b>91,005</b>	<b>90,724</b>	<b>75,879</b>

Explanation of major net operating variances to budget:

**Driven and Enabling Council:** Higher than budgeted net operating costs due to write-off of prior year capital expense for Civic Administration Building, and expenditure associated with Council ERP and Digital Transformation operating programmes carried forward from FY2023.

Explanation of major capital variances to budget:

**Eco-City:** Less than budgeted capital expenditure due to Low Carbon Fund, which is allocated to other programmes to help support investment in greener alternatives.

**Wastewater:** Less than budgeted due to changes in timing of work associated with wastewater treatment plant.

**Water:** Less than budgeted due to reprioritisation of work relating to water supply resilience.

**Driven and Enabling Council:** Higher than budget due to fleet purchases, offset by sale of older fleet.

## 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.

	# of measures	# targets met
<b>Whāinga 1</b> He tāone auaha, he tāone tiputipu <b>Goal 1</b> Innovative + Growing City		
City Growth	5	2
Economic Development	2	2
Active and Public Transport	N/A*	N/A*
Strategic Transport	5	2
<b>Whāinga 2</b> He Tāone whakaihiihi tapatapahi ana <b>Goal 2</b> Creative + Exciting City		
Active Communities	5	4
Arts, Culture and Heritage	5	4
City Shaping	2	1
<b>Whāinga 3</b> He hāpori tūhonohono he hāpori haumarū <b>Goal 3</b> Connected + Safe Community		
Connected Communities	9	8
Safe Communities	3	3
<b>Whāinga 4</b> He Tāone Tautāiao <b>Goal 4</b> Eco-City		
Climate Change	3	3
Environmental Sustainability	2	2
Manawatū River	1	1
Resource Recovery	2**	1
Stormwater	5	5
Wastewater	5	5
Water Supply	9	7
<b>Whāinga 5</b> He kaunihera ahunui whakamana i te iwi <b>Goal 5</b> Driven + Enabling Council		
Good Governance and Active Citizenship	1	0
Organisational Performance	N/A*	N/A*
<b>Total Measures</b>	<b>64</b>	<b>50</b>

\* This area does not have external measures of Levels of Service that are reported on.

\*\* One target not measured.

## 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 2024 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 30 October 2024.

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 2024 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, excluding the statement of service provision. Qualified opinions were issued over the statement of service provision in relation to:

- verifying the number of complaints received about water supply, wastewater and stormwater.
- verifying the percentage of resource consent applications processed within statutory timeframes.
- the prior year comparative performance for roading in relation to smooth travel exposure due to the length of time between surveys of roads being conducted.

**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/AnnualReport](https://pncc.govt.nz/AnnualReport)**



# Independent Auditor's Report



## To the readers of Palmerston North City Council and group's summary of the annual report for the year ended 30 June 2024

The summary of the annual report was derived from the annual report of the Palmerston North City Council and group (the City Council) for the year ended 30 June 2024.

The summary of the annual report comprises the following information on pages 8 to 32:

- the summary statement of financial position as at 30 June 2024;
- the summaries of the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended 30 June 2024;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary of the statement of service provision (included in the section "Summary of non-financial performance measures").

## Opinion

In our opinion:

- the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with PBE FRS-43: Summary Financial Statements.

However, the summary statement of service provision includes a limitation in scope to the equivalent extent as the full audited statement of service provision. This limitation is explained below in The full annual report and our audit report thereon section.

## Summary of the annual report

The summary of the annual report does not contain all the disclosures required by generally accepted accounting practice in New Zealand. Reading the summary of the annual report and the auditor's report thereon, therefore, is not a substitute for reading the full annual report and the auditor's report thereon.

The summary of the annual report does not reflect the effects of events that occurred subsequent to the date of our auditor's report on the full annual report.

## The full annual report and our audit report thereon

We expressed a qualified opinion on the statement of service provision and an unmodified opinion on the other audited information in the full annual report for the year ended 30 June 2024 in our auditor's report dated 30 October 2024. The basis for our qualified opinion on the statement of service provision is explained below.

## The percentage of resource consent applications processed within statutory frameworks

An important part of the City Council's service performance is the percentage of resource consent applications processed in accordance with statutory timeframes. Our audit testing of resource consents identified that the City Council's systems have not accurately recorded resource consent processing times during the 2024 performance year. Due to the extent of the inaccuracies, we are unable to determine whether the City Council's reported result for this measure is materially correct.

As a result, our work was limited and there were no practicable audit procedures we could apply to obtain assurance over the reported result for this performance measure for the year ended 30 June 2024.

## The number of complaints received about water supply, wastewater and stormwater

The City Council is required to report against the performance measures set out in the Non-Financial Performance Measure Rules 2013 (the Rules) made by the Secretary for Local Government. These include mandatory performance measures relating to the number of complaints received in relation to its drinking water supply, wastewater system and performance of the stormwater system (per 1,000 connections).

The Department of Internal Affairs has issued guidance to assist local authorities in applying the Rules, including how to count complaints. Our audit testing found that the City Council has not been counting complaints in accordance with this guidance and the City Council's method of counting was likely to have understated the actual number of complaints received. Furthermore, complete records for all complaints made to the City Council were not available.

As a result, our audit work was limited and there were no practicable audit procedures we could apply to obtain assurance over the reported results for these performance measures. Our opinion was also qualified in this regard in the 2023 performance year.

## The comparative year result for average quality of ride on a sealed local road network, measured by smooth travel exposure.

Our audit opinion for the year ended 30 June 2023 was qualified in respect of the performance measure The average quality of ride on the sealed local road network, measured by smooth travel exposure, because the City Council had not undertaken a road smoothness survey within the last two financial years. As a result, the City Council did not have any up-to-date data to calculate its result for this measure, and the actual quality of ride on the sealed local road network may have differed materially from the result reported.

This issue has been resolved for the year ended 30 June 2024. As the limitation on our work cannot be resolved for the prior year, the City Council's performance information reported for this performance measure for the 30 June 2023 year may not be directly comparable to the 30 June 2024 performance information.

## Emphasis of matter - Inherent uncertainties in the measurement of greenhouse gas emissions

Our auditor's report on the full annual report also includes an emphasis of matter paragraph drawing attention to the inherent uncertainties in the measurement of greenhouse gas emissions. The City Council has chosen to include a measure of its greenhouse gas (GHG) emissions in its performance information. Without further modifying our opinion and considering the public interest in climate change related information, we draw attention to page 108 of the statement of service provision in the full annual report, which outlines the inherent uncertainty in the reported GHG emissions. 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 are still evolving, as are GHG reporting and assurance standards.

## Council's responsibility for the summary of the annual report

The Council is responsible for preparing the summary of the annual report which includes preparing summary statements, in accordance with PBE FRS-43: Summary Financial Statements.

## Auditor's responsibility

Our responsibility is to express an opinion on whether the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the full annual report and whether the summary statements comply with PBE FRS 43: Summary Financial Statements.

Our opinion on the summary of the annual report is based on our procedures, which were carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit and our report on the disclosure requirements we have performed an audit of the City Council's Long-term plan 2024-34 and a limited assurance engagement related to the City Council's debenture trust deed. These engagements are compatible with those independence requirements.

Other than in our capacity as auditor, we have no relationship with, or interests in the City Council or its subsidiaries and controlled entities.

## Debbie Perera

### Audit New Zealand

On behalf of the Auditor-General  
Palmerston North, New Zealand  
27 November 2024



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**Te Kaunihera o Papaioea Palmerston North City Council**

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