



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 Rangī, 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)

Youthful

Our median age is

35.7 


Diverse

Our residents represent over

120 

different ethnic groups (*StatsNZ)

With child(ren)

41.5% 

Born overseas

22.0% 

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

Living in most deprived quintile

20.9%


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

Children (average per female)

1.6 

Less than for the Manawātū-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 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



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 whakaihihi, 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, kirirautanga 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 for 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.

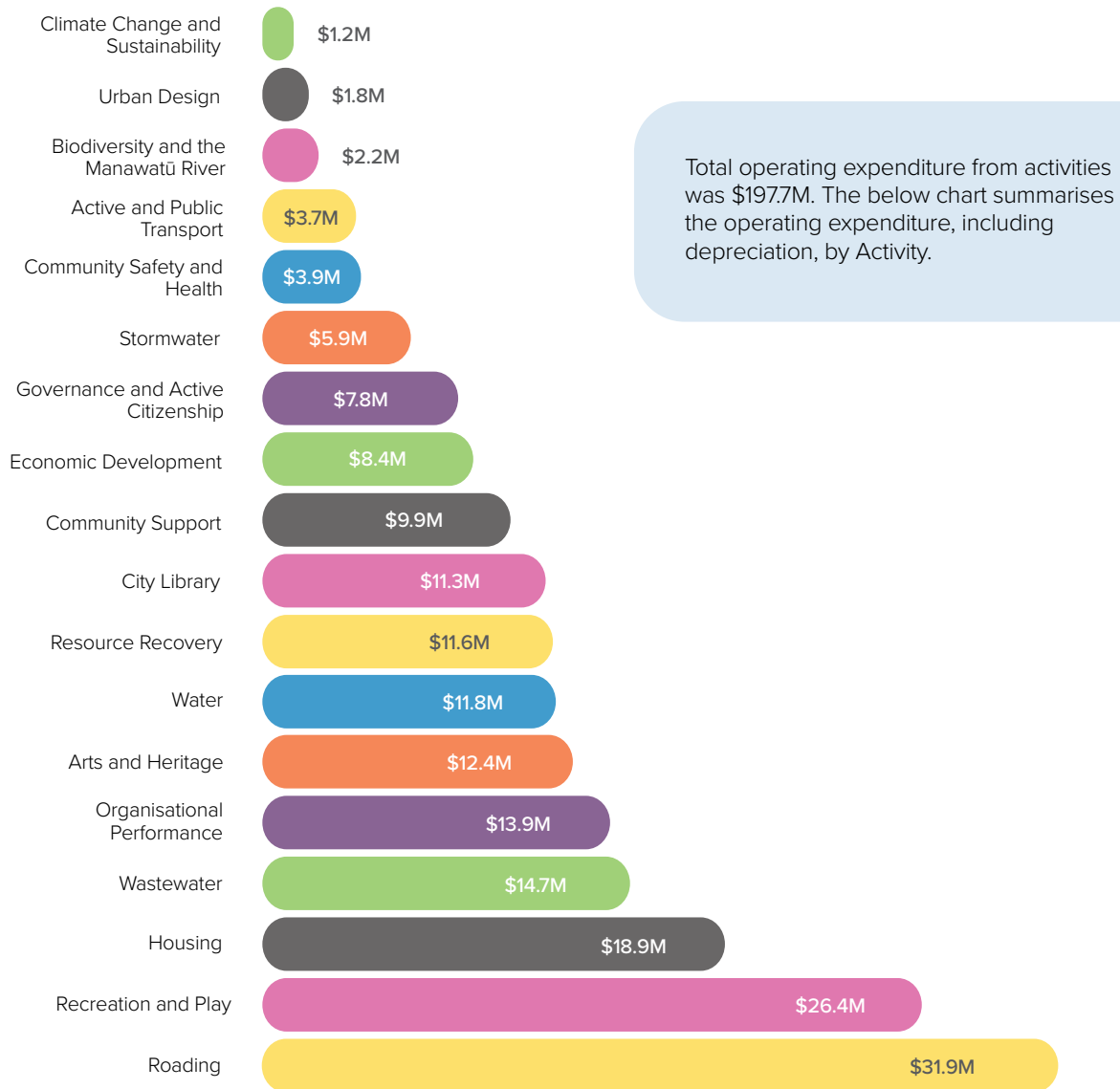
Whāinga 4: He tāone toitū, he tāone manawaroa

Goal 4: A sustainable and resilient city

Ngā hua | Outcomes:

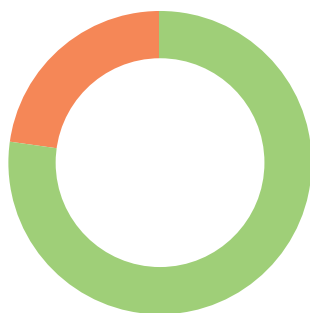
- A sustainable, low emissions city.
- Natural environment-focused community groups and facilities that are well supported and invested in.
- A resilient city and communities, that are prepared for the impacts of climate change.
- A circular economy with more resource recovery and less waste.
- A healthy, thriving ecosystem, including native biodiversity and food security.
- The 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.

Operating Expenditure by Activity



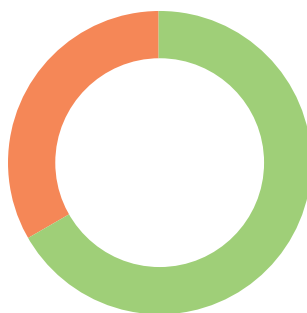
Summary of non-financial performance measures

Goal 1: An innovative and Growing City



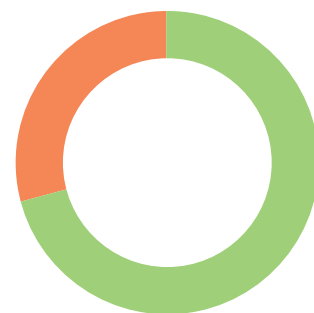
17 Met 5 Not Met

Goal 2: A Creative and Exciting City



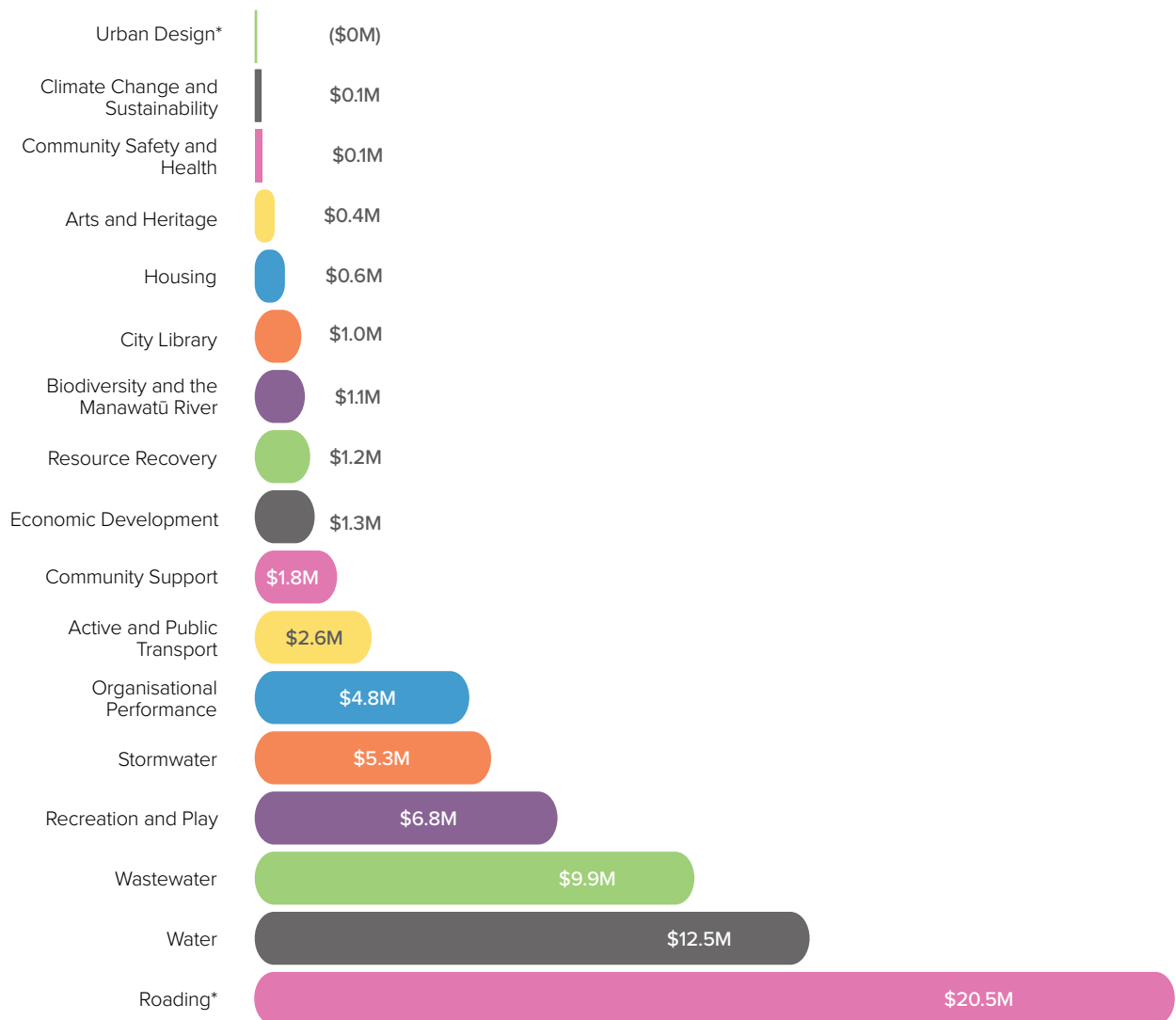
6 Met 3 Not Met

Goal 3: A Connected and Safe Community



10 Met 4 Not Met

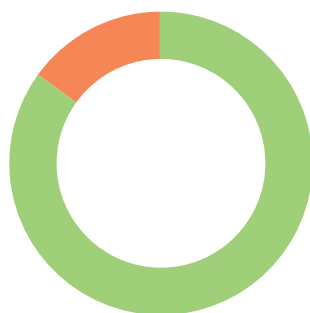
Capital Expenditure by Activity



The above activity graph excludes write-offs of prior year capital expenditure that occurred in the 2025 Financial Year.

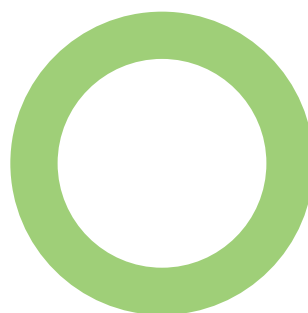
Summary of non-financial performance measures

Goal 4: A Sustainable and Resilient City



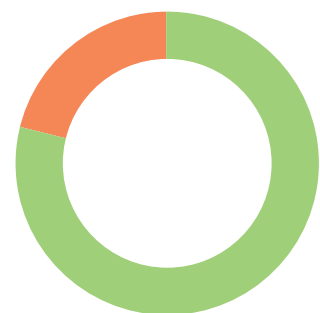
24 Met 4 Not Met

Supporting the Organisation



4 Met 0 Not Met

Total Performance Measures



61 Met 16 Not Met

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 | ➤ 7 exhibitions |
| ➤ 190 seminars and meetings | ➤ 8 conferences |
| ➤ 80 social events | ➤ 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 | ➤ Central Districts Field Days |
| ➤ National Young Performer Awards | ➤ Manawatū Arts Trail |
| ➤ Armageddon Expo | ➤ Davis Cup – New Zealand vs Luxembourg |
| ➤ Palmy Drag Fest | ➤ Daybreaker Rally |
| ➤ Kiwibots – VEX National Championships | |

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 Government's 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 receive 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.



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.





WHĀINGA 3: HE HAPORI TŪHONOHONO, 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.



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 Manawātū 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, Centrepont 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.



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 raised 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 Manawātū on local sustainability projects.

We continue to support volunteers and groups like Environment Network Manawātū 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.

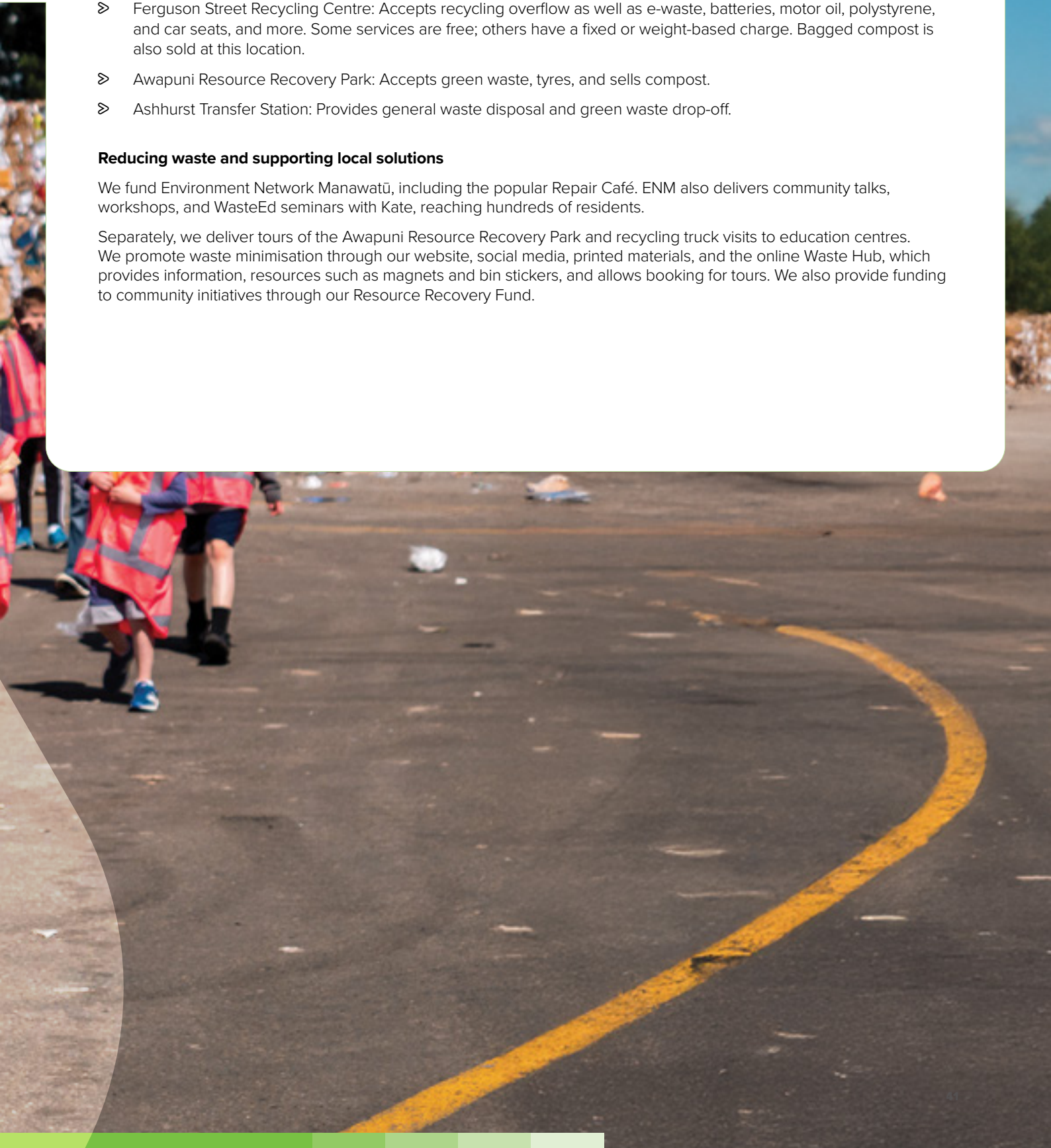
As well as kerbside services, we continue to have a range of other drop off points. These include:

- 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 Manawātū, 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 Rangitikei District Councils to manage water services, including day-to-day operations and infrastructure.

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.



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 Manawātū, will integrate cultural values, community needs, and urban planning for a more resilient approach. We continue to work with Rangitāne o Manawātū and Horizons Regional Council on contamination issues, compliance, and flood hazard mapping. There were no abatement or infringement notices, enforcement orders, or convictions issued during the reporting period.

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, enhancing resilience and on-site energy generation. These improvements supported full compliance. There were no abatement or infringement notices, enforcement orders, or convictions issued during the reporting period.

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 Manawātū 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 Manawātū 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 trialed 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 Manawātū 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
Share of associate's surplus/(deficit)	-	-	-	59	22
Income tax refund / (expense)	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	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	202,103	7,612	(10,054)	204,541	(7,450)

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

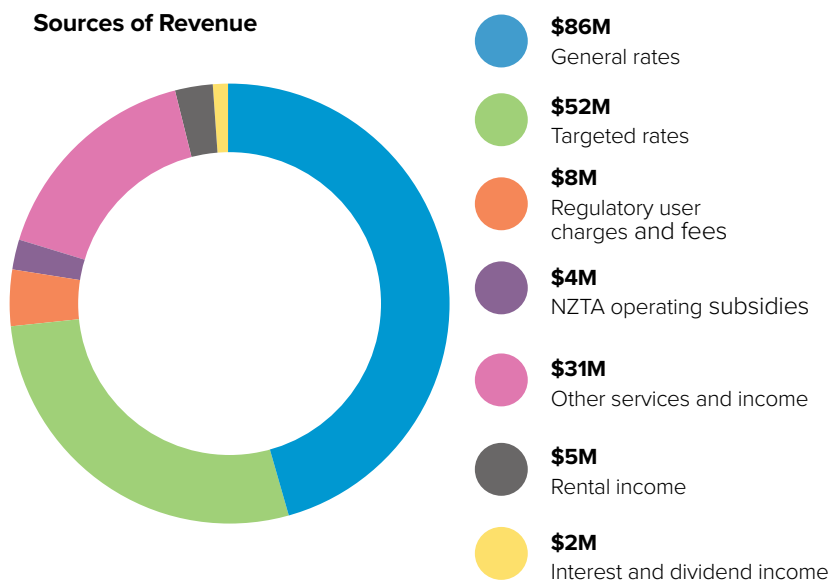
PNCC are not aware of any events subsequent to balance date which would materially affect the amounts included in these financial statements or disclosures made.

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



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.

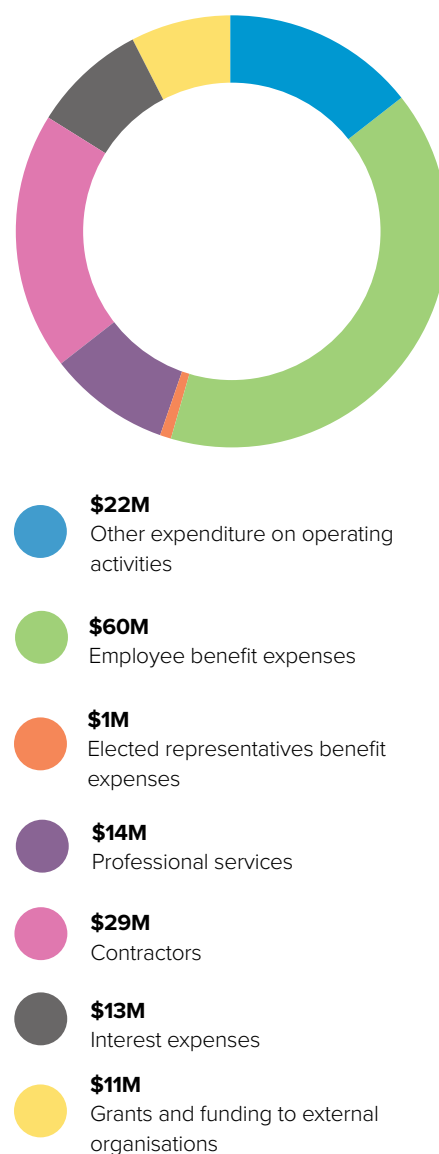
Other non-operating capital revenues relating to capital expenditure from government transport subsidies, DIA waters, grants, development contributions, and vested assets, were also received.

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



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

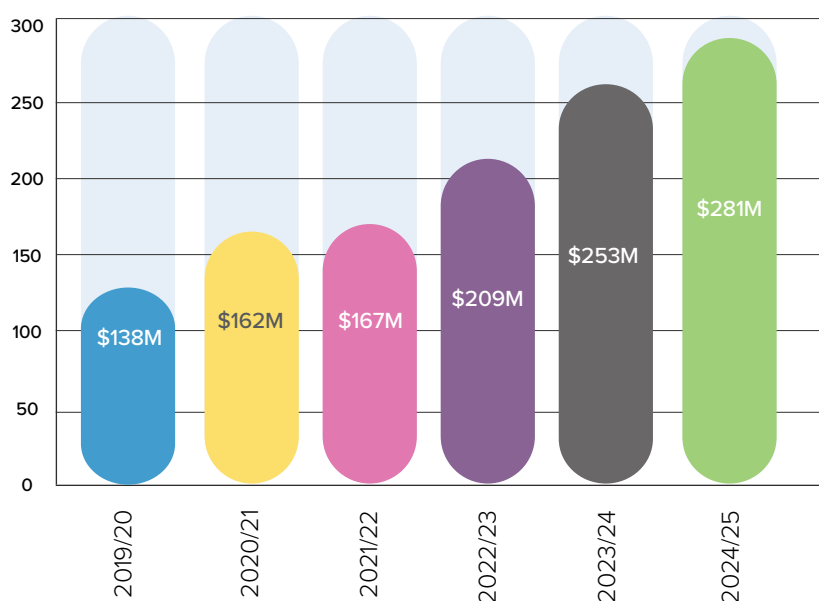
The following charts show how much capital has been spent in recent years for both new and renewal expenditure.

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

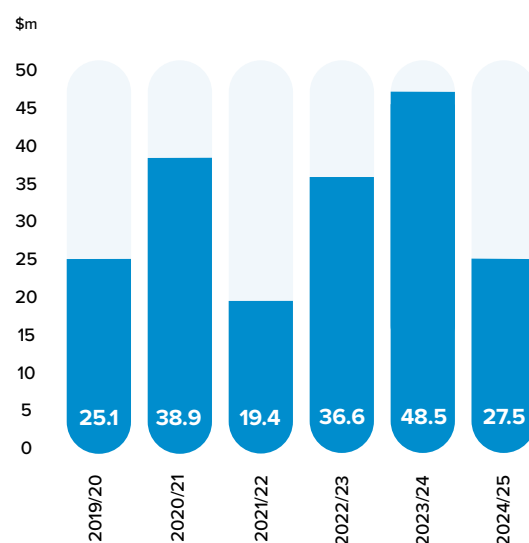
Growth capital expenditure decreased by 51% compared to the previous year and increased by 404% compared to 5 years ago.

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

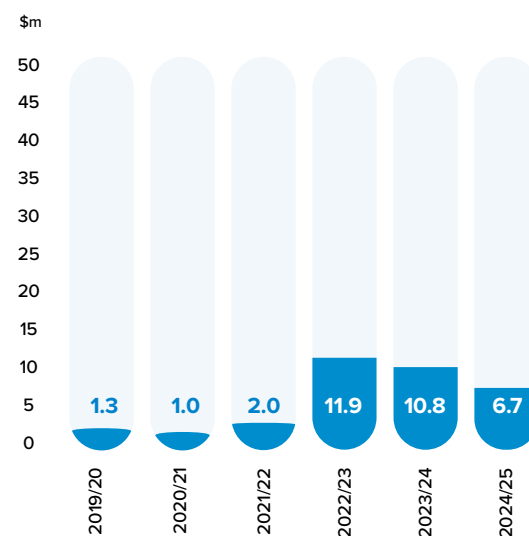
Net Debt by Year



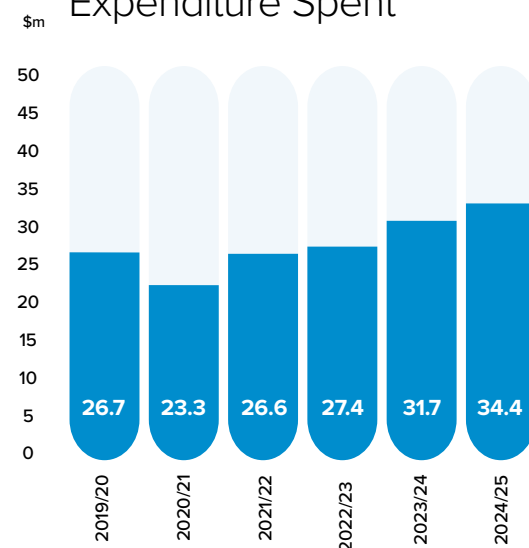
New Capital Expenditure



Growth Capital Expenditure



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



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 2025

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 2025.

The summary of the annual report comprises the following information on pages 46 to 51:

- the summary statement of financial position as at 30 June 2025;
- 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 2025;
- 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") is on page 10.

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.

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 an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2025 in our auditor's report dated 8 October 2025.

Emphasis of matter – Future of water delivery

Our auditor's report on the full annual report includes an emphasis of matter paragraph drawing attention to Note 37 on page 228 of the financial statements in the full annual report, which outlines that in response to the Government's Local Water Done Well reforms, the Council has decided to establish a multi-owned water organisation with Horowhenua and Rangitikei District Councils to deliver water, wastewater and stormwater services from 1 July 2027.

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

Information about this matter is also disclosed on page 42 of the summary of the annual report.

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 112 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 reporting on the summary and full annual reports, we have performed a limited assurance engagement related to the City Council's debenture trust deed. This engagement is compatible with independence requirements.

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



Debbie Perera,

Audit New Zealand

On behalf of the Auditor-General

Palmerston North, New Zealand

5 November 2025



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