

Manawatū District Council Long-term Plan

2024 – 2034

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1.1 What is the Long-term Plan?

This plan explains the key projects that we will work on and the services that we will provide and explains how we will pay for them.

The Long-term Plan is a statutory requirement. All councils must prepare a 10-year plan that, outlines their vision, plans, and activities. Long-term Plans are the basis for long-term planning, community consultation and participation, as well as accountability with communities and a vehicle for integrated decision-making.

Long-term Plans remain in force for about 3 years after which a comprehensive review takes place with input from the community. Basically, that means that after three years, councils are required to adopt a new 10-year plan. Councils must consult with their community on the proposed content of their Long-term Plans or any amendments to their Long-term Plans.

To make sure councils keep their feet on the ground, Long-term Plan drafts are audited. The audits provide both Parliament and the public with independent assurance that the Long-term Plan meets its statutory purpose and is based on reasonable and supportable underlying information and assumptions.

1.2 Council Priorities

Ngā Whāinga Matua

Below you'll see our priorities for the next 10 years. Have a look at how we plan to make the Manawatū District a productive and vibrant place to live, work, visit and invest.

Kei konei ngā matawhānui, ngā whāinga me ngā kaupapa matura hei whakatutuki, haere ake nei.

A place to belong and grow *He kāinga e ora pai ai te katoa*	We provide leisure and sports facilities and support community activities to encourage social and cultural wellbeing for everyone.
A future planned together *He kāinga ka whakamaherea tahitia tōna anamata e te hapori tonu*	We work with all parts of our community to plan for a future everyone can enjoy.
An environment to be proud of *He kāinga ka rauhītia tōna taiao*	We protect and care for Manawatū District's natural and physical resources.
Infrastructure fit for future *He kāinga ka tūwhenua tonu ōna pūnahahanga, haere ake nei te wā*	We ensure the Manawatū District has infrastructure (water, roads, etc.) that meets the needs of the community now and into the future.
A prosperous, resilient economy *He kāinga ka tōnui tōna ōhanga*	We aim to make the Manawatū District a great place to live, to visit and to do business.
Value for money and excellent in local government *He kāinga ka eke tōna kāwanatanga ā-rohe ki ngā taumata o te kairangi*	We take pride in serving our communities. We focus on doing the best for the district.

1.3 Preparing the Long-Term Plan: A Timeline

Date	Step in the process
January 2023	Initiation of LTP
June – July 2023	Early Engagement
September 2023	Confirmation of vision and community aspirations
December 2023	Setting direction on new initiatives
27 March – 27 April 2024	Public Consultation
2, 3 and 6 May 2024	Hearings
23 May 2024	Deliberations
20 June 2024	Adoption

1.4 Key projects

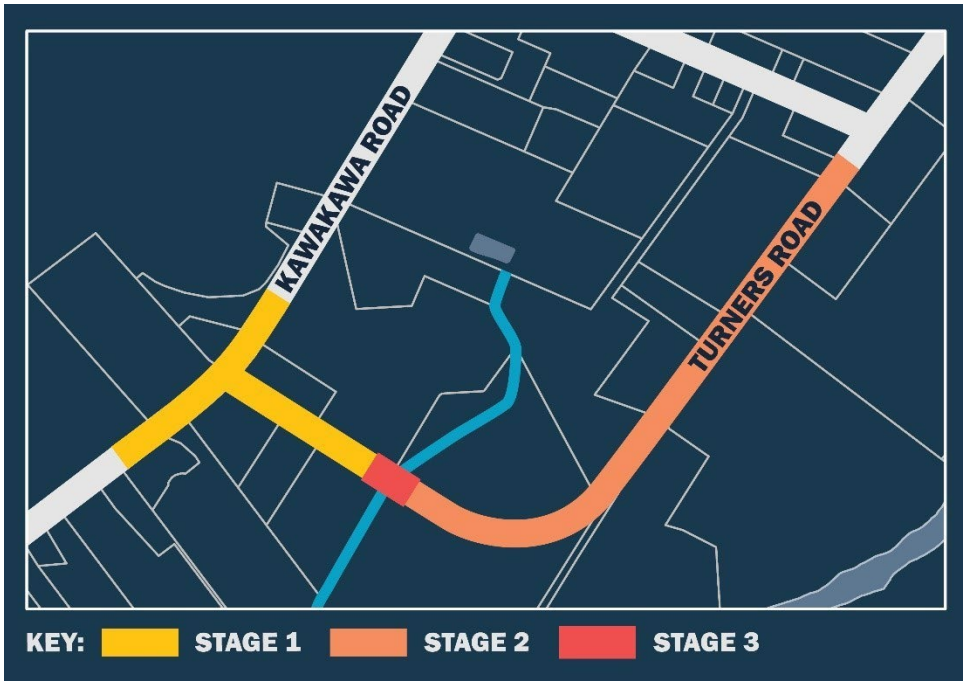
Our Long-term Plan is our plan for the next 10 years, but of course we are already working on lots of projects that continue from our previous plan. This section summarises some of the larger projects that we are delivering.

Turners Road Extension stages 2 and 3

Turners Road will drive economic growth in the district. It will open up 24 hectares of high-quality industrial-zoned land and will also provide a trade waste line to the Manawatū Wastewater Treatment Plant. As Turners Road is developed, we will see new businesses come to Feilding providing jobs and economic benefits to the district.

The project has been staged so that industrial and commercial developments can offset some of the infrastructure costs, ensuring that we stay within our debt caps.

Construction of Stage 1 started in 2023. Work on Stages 2 and 3 will begin in 2025.



The total cost of the project will be ` million. Approximately $4 million will be spent in 2025/2026, and $8.47 million in 2026/2027.

Financial Year	Roading	Stormwater	Water Supply	Wastewater	Total Budgeted Expenditure (Inflated $)
2025/2026	1,260,561	1,937,285	453,205	344,179	3,995,230
2026/2027	4,010,792	2,366,473	751,425	1,345,066	8,473,756

Maewa Infrastructure

Maewa is a large, 187-hectare residential development on the northern edge of Feilding. Eventually, it will see approximately 600 new houses built. We are working with the developer to ensure we deliver infrastructure to support Maewa as it's needed, investing only when needed to reduce the burden on our debt levels.

	Roading	Water Supply	Wastewater	Stormwater	Total Budgeted Expenditure (Inflated $)
Year 1 2024/25	-	537,700	-	-	537,700
Year 2 2025/26	190,419	239,782	348,808	856,053	2,414,071
Year 3 2026/27	1,640,507	322,415	379,980	484,831	2,827,733
Year 4 2027/28	1,123,294	271,016	384,503	561,749	2,340,562

Year 5 2028/29	2,580,131	-	-	-	2,580,131
Year 6 2029/30	-	196,111	393,642	740,040	1,329,793
Year 7 2030/31	2,330,672	205,656	607,735	636,294	3,780,357
Year 8 2031/32	2,377,399	210,589	1,037,214	651,559	4,276,761
Year 9 2032/33	2,786,558	248,834	1,310,891	620,967	4,967,250
Year 10 2033/34	3,029,725	234,523	376,315	3,612,500	7,253,063
Grand Total Years 1 – 10 (Inflated $)					32,307,421

As Council's inflation adjuster assumptions are only valid for years 1 – 10 of the Long-term Plan, Council's 30-year budget beyond year 10 is uninflated.
Uninflated Budgeted Expenditure Beyond year 10:

	Roading	**Water Supply**	**Wastewater**	**Stormwater**	**Total Budgeted Expenditure (Uninflated $)**
Years 11 – 15	6,824,399	631,815	2,917,036	4,652,920	15,026,170
Years 16 – 20	240,099	192,081	192,081	192,081	816,342
Years 20 - 25	12,455,030	9,022,287	4,512,336	2,321,674	28,311,327
				Grand Total	**44,153,839**

Manawatū Wastewater Treatment Plant reconsenting

Our Wastewater Treatment Plant is fundamental to our district – treating wastewater from households and businesses so that our environment is safeguarded.

Our 10-year Resource Consent to manage the treatment plant is expiring and we must apply to Horizons Regional Council for a new one by May 2026.

Over the past 10 years, we have greatly improved the quality of treated wastewater to comply with our consent conditions. We have invested in land and assets to use treated wastewater to irrigate land. We have also worked alongside Ngāti Kauwhata to develop a native wetland, which will improve the quality of water that eventually makes its way into the Ōroua River when the first stage of the wetland is completed in June 2024.

We have money allocated in the first two years of the Long-term Plan to continue discharging treated water into the Ōroua River. Our long-term goal is to remove all discharges to the river (except for during emergency weather events) and we will include a second-stage wetland in our consent application to help achieve this goal.

We also need to reconsent Wastewater Treatment Plants in Kimbolton and Cheltenham.

Key stakeholders during this process are Ngāti Kauwhata, other local iwi groups, neighbours of the Manawatū Wastewater Treatment Plant, environmental interest groups, and the wider Manawatū community. Council direction on wastewater management is guided by the National Policy Statement

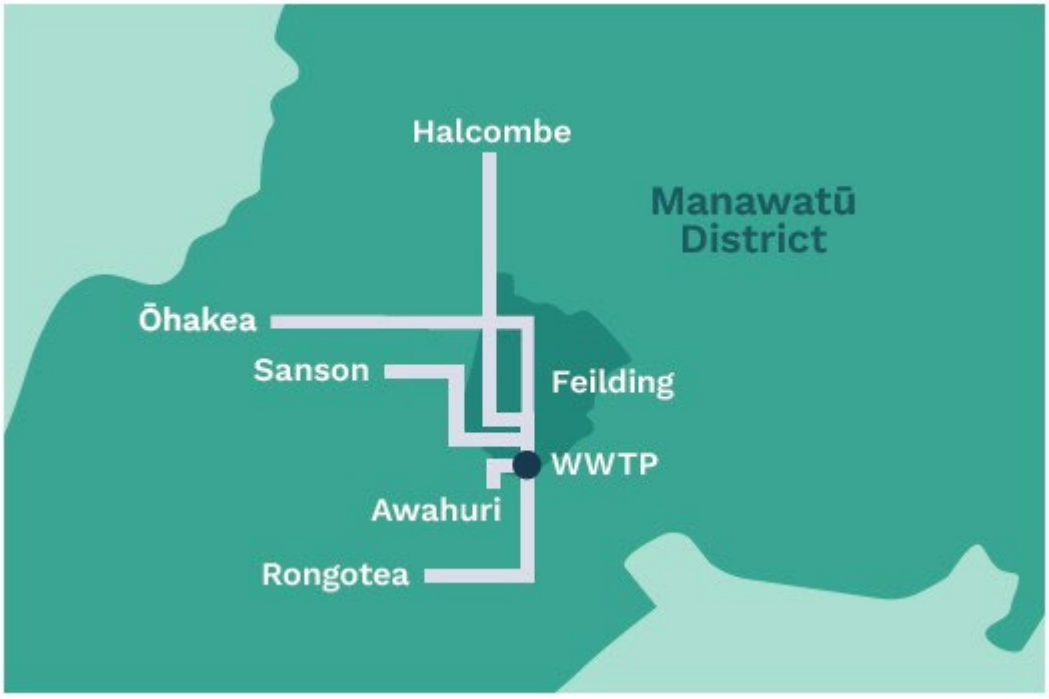
for Freshwater Management, the Horizons Regional Council One Plan, the overarching concept of Te Mana o Te Wai, the Ōroua Declaration which was co-signed by Ngāti Kauwhata and Council in December 2015, as well as critical success factors such as affordability and achievability.

Financial Year	Budgeted Expenditure (Inflated $)		
	Reconsenting	Pivot irrigation	Land purchase for application of treated wastewater
2024/25	2,179,545		
2025/26	1,326,600		
2026/27	1,138,600		
2030/31	0		3,157,500
2031/32	0	969,975	3,233,250
2032/33	0	992,250	
2033/34	0		

Wastewater Centralisation

We want to improve the water quality in the Ōroua River by reducing the amount of treated wastewater that we put into the river. To do this, we need to separate trade waste from domestic wastewater, use more treated wastewater to irrigate land, and construct wetlands where we can discharge wastewater.

The Wastewater Centralisation project will transport wastewater from villages across the district to the Manawatū Wastewater Plant in Feilding through 13.7km of pipes and 3 pump stations. This will enable us to treat that wastewater to a higher quality than could be done in smaller wastewater treatment plants around the district. Construction of the wastewater pipelines and pump stations is due for completion in 2024/2025.



Financial Year	Budgeted Expenditure (Inflated $)
2024/2025	4,569,002
2025/2026	5,394,226
2026/2027	2,109,457
2027/2028	3,209,892
2028/2029	2,500,087
2029/2030	2,288,459
2030/2031	250,501
2031/2032	88,961
2032/2033	91,004
2033/2034	93,102

Villages' stormwater upgrades

As part of the 2018-2028 Long-term Plan, it was recognised that not enough had been invested in stormwater networks in villages across the district. $500,000 a year was put aside to invest in stormwater upgrades, and many projects have been completed.

For this Long-term Plan, we are doubling our investment to $1 million a year to provide stormwater networks that are more resilient to the increasing frequency of storms.

Financial Year	Budgeted Expenditure (Inflated $)
2024/2025	1,075,400
2025/2026	1,105,500
2026/2027	1,138,600
2027/2028	1,717,000
2028/2029	1,203,300
2029/2030	1,233,400
2030/2031	1,263,000
2031/2032	1,293,300
2032/2033	1,323,000
2033/2034	1,353,500

Feilding stormwater upgrades

With increasing frequency of storms, we will be upgrading the stormwater network across Feilding, with $20 million to be invested over the period of the Long-term Plan. Detailed designs and consenting will be done over the first three years of the plan, with construction beginning from year six.

Financial Year	Budgeted Expenditure (Inflated $)
2024/2025	924,541
2025/2026	673,774
2026/2027	693,947

2027/2028	1,046,611
2028/2029	2,899,421
2029/2030	5,068,729
2030/2031	5,153,452
2031/2032	3,466,466
2032/2033	3,413,771
2033/2034	108,720

Feilding Drinking Water Supply Resilience

Feilding has for many years enjoyed a dependable supply of drinking (potable) water, due to considerable historic investment in this infrastructure. In the face of population and economic growth in the town, and with more frequent storm events, we are focusing on improving the resilience of our water supply and ensuring we comply with the Drinking Water Quality Assurance Rules (2022).

A key part of this is reducing our reliance on the Ōroua River as a water source. We have already built and strengthened water reservoirs in Fraser Road. We are opening up new water bores – a bore in Root Street will be completed in 2024/2025, and the Campbell Road and Newbury Line bores will be upgraded alongside a new water treatment plant at Campbell Road to ensure we meet new water regulations (including the chlorination and fluoridation of water). We will also consider the future of the Almadale Water Treatment Plant.

We will also make improvements across the water supply network to improve resilience.

Financial Year	Budgeted Expenditure (Inflated $)
2024/25	2,702,108
2025/26	552,750
2026/27	-
2027/28	7,597,725
2028/29	5,324,603

Stanway-Halcombe Rural Water Scheme Upgrade – Te whakapai I te ratonga wai māori o Stanway-Halcombe

The Stanway-Halcombe Rural Water Scheme was started in 2021. Upgrades are planned in 2024/25 that will ensure protozoa compliance (protozoa are single-cell organisms that can make people sick). Since Cyclone Gabrielle hit the district in February 2023, the water supply has been cloudy (turbid) when the river flows high. This means that we have had to invest more in the water scheme to control the cloudiness of the water.

Financial Year	Budgeted Expenditure (Inflated $)
2024/25	3,288,773

Himatangi Beach Hall Earthquake Strengthening

In 2017 a seismic assessment found that the Himatangi Beach Hall was earthquake prone, and failed to meet the necessary building standards, because of a lack of bracing in the roof. This project will strengthen the hall to allow it to be used safely by the community.

Financial Year	Budgeted Expenditure (Inflated $)
2024/25	73,325

Rapid Deployment Emergency Response Centre

Having our staff in the right place, at the right time in an emergency can be the difference between life and death. We already have an emergency operations trailer and communication devices that use Starlink connections, which means that we can deploy staff out across our district.

To further improve our emergency responsiveness, we will purchase a Rapid Deployment Airshelter and generator. The air shelter is a self-sufficient shelter and can be set in different locations to provide a base for emergency agencies such as the council, NZ Defence Force, St John and Fire and Emergency NZ.

And when it's not being used for emergencies, it can be used for community events.

Financial Year	Budgeted Expenditure (Inflated $)
2024/25	52,980

Feilding Town Centre Refresh

A vibrant, safe, and attractive Feilding Town Centre provides a heart for shopping and events for our district, attracting visitors and locals and supporting thriving businesses.
As part of the last Long-term Plan, we completed a concept plan to refresh the Town Centre, and now it's time to deliver that plan.

Over the next 10 years, carefully thought-out projects that don't cost the earth will be delivered that will beautify and revitalise the Square. More street art, trees, and better street flows will be introduced. A safer and more vibrant town centre will encourage more businesses to open, attract more visitors to shop in Feilding, and that helps economic growth.

Financial Year	Budgeted Expenditure (Inflated $)
2024/2025	526,850
2025/2026	537,400
2026/2027	549,750
2027/2028	562,400
2028/2029	574,750
2029/2030	586,850
2030/2031	598,550
2031/2032	610,550
2032/2033	622,750
2033/2034	634,600

Ōroua River Walkway

We want to encourage people of all abilities to get out and about on our walkways. The Ōroua River Walkway will connect existing pathways to provide a continuous walkway alongside the river.

Financial Year	Amount ($) Inflated
2026/2027	218,400
2028/2029	341,850
2031/2032	603,400

2.1 Our District – A Snapshot

Stretching from the Pacific Coast in the west to the Ruahine Ranges in the east, the mighty Manawatū is named after one of the two great awa (rivers) that run through thuis District- The Rangitikei and the Manawatū. Our name means 'heart standing still' and with the diverse geography of stunning landscapes, hills and ranges, extensive flood plains and the broadest band of dune fields anywhere in the country, it's not hard to see why.

The Manawatū District is uniquely placed in its central location as the gateway to four other regions: Hawkes Bay, Wairarapa, Rangitīkei and Horowhenua. This central location gives the District strategic economic advantages. With easy access to four seaports, seven airports and major Defence Force bases, it is an accessible and centralised cargo, transport, and business hub for the lower North Island and the country.

Established on 1 November 1989, Manawatū District Council incorporates the five former authorities or Oroua, Kiwitea, Pohangina, Manawatū and Feilding. We have a rich cultural past associated with Iwi that have ahi kā (a history of continuous occupation) Ngāti Kauwhata, Ngāti Raukawa, Ngāti Tuwharetoa, Ngati Maniapoto and Rangitāne ki Manawatū, all of which have marae in the Manawatū.

The town of Feilding sits in the centre of the District. Named 16 times as New Zealand's most beautiful town, Feilding is home to the iconic sales yards, the Coach House Museum, Manfeild Park and arguably the best farmer's market in New Zealand. The District has a highly productive farming and agricultural sector, enjoying a rural lifestyle and easy connectivity to the rest of the North Island.

For those living in Manawatū, you will know how good we have it with access to a perfect mix of big city attractions in Palmerston North and lots of smaller towns, villages and rural lifestyle opportunities throughout the District. We are a stone's throw form the sea, the mountain and Wellington is just a couple of hours to the south. We've got some of the best schools in the country, a thriving university and the region is, we think, one of the best places in New Zealand to raise a family.

2.2 Climate Change

In the Manawatu region, the shifting climate is poised to alter weather patterns significantly. This includes a rise in temperatures, more frequent and intense rainfall, and subsequent flooding. The uptick in rainfall events is expected to exacerbate hill-country erosion, leading to greater sedimentation in rivers and streams, thereby heightening the risk of floods. Additionally, rising sea levels are anticipated to contribute to coastal inundation.

A study commissioned by Horizons Regional Council indicates that the region is likely to experience milder winters with fewer frost occurrences. However, hotter summers will pose challenges such as increased heat stress for livestock and heightened risks of drought. The proliferation of new pests or the proliferation of existing ones due to more favorable conditions may become an ongoing concern, potentially accompanied by the emergence of subtropical diseases. Species already facing threats or existing at the edge of their climatic range may struggle to survive.

The elevated flood risk and coastal inundation will impact both infrastructure and inhabitants. Among the nine districts within the Horizons Region, the Manawatū District houses the largest population within the projected flood hazard area, followed by Palmerston North City. Climate change will have broader implications for communities as well. With more frequent droughts expected, rural areas must fortify their water supplies for drinking, household, and firefighting purposes.

Given the district's heavy reliance on agriculture for economic stability, the effects of climate change on this sector are particularly acute. A substantial portion of farmland is already identified as susceptible to flooding, a vulnerability set to expand with climate change. While warmer temperatures may initially benefit livestock by extending growth periods for feed, the increased occurrences of droughts, floods, landslides, and coastal inundation will escalate operational costs for farmers who must plan for advanced water and feed management. The heightened risk of heat stress in dairy cattle could lead to decreased feed consumption and subsequently lower milk production, necessitating farmers to explore adaptation strategies to mitigate these adverse impacts.

Opportunities

A changing climate presents some opportunities for the Manawatū District to adapt and thrive. As a district known for its agriculture, climate change may necessitate changes in agricultural practices to adapt to shifting weather patterns and mitigate its impacts. This could lead to opportunities for innovation in agriculture, such as the development of drought-resistant crops, precision farming techniques, or sustainable land management practices. Further, the potential for attracting agriculture investment to the Manawatu District is high, given that the district has been relatively unaffected by the recent climate events that have negatively impacted other regions.

MDC is committed to engaging with the community to empower residents build resilience in the Manawatu district in the face of environmental challenges.

2.3 Key Challenges

The following key challenges will impact on how Council delivers infrastructure and services in the future. Council will continue to monitor and respond to these factors to ensure we take advantage of new opportunities and remain fit for purpose:

- Affordability
- Providing for growth and a changing population
- Resilience and climate change
- Legislative Reform
- Impacts of national direction on land-use

Affordability

Affordability is a primary concern for a broad spectrum of the Manawatū community due to the pressures of current living costs. Council is also mindful of the lasting impact of COVID-19 on our community, including economic hardship.

The Manawatū District deprivation index has been reducing steadily since 2013. There is still a significant gap between those that have the highest deprivation and those with the lowest. The mean household income for our District is $118,919 (2023), slightly lower than the New Zealand mean household income (which was $125,177 in 2023). With the increase in the proportion of residents aged 65+ we expect a greater proportion of residents on a fixed income. Affordability is a key concern for this age group.

Housing affordability remains an issue, with the Manawatū District statistics on percentage of income spent on a mortgage, percentage of annual income spent on rent, and the number of years taken to save a 20% deposit on a house all sitting close to par with the National average. Declining affordability of housing has led to a significant increase in the number of applicants on the social housing register.

The current cost of living crisis, ageing population, and moderate growth places a cap on the ability of our community to pay for infrastructure assets and services.

Our challenge to keep rates affordable

When Council borrows for new capital investment it must pay both interest on that loan as well as fund for the renewal of that asset (we call this “depreciation”). Previous, current, and future capital spend therefore has a significant impact on the amount of money that Council must rate for.

Council makes use of a range of local government funding tools and manages cost pressures through the use of shared service agreements, consolidated purchasing, and joint procurements. Even with these tools, the reliance on rates as the primary source of funding for local government is considered to be unsustainable in the long-term. Inflation, increasing interest rates and rising delivery costs for infrastructure projects are all contributing to affordability concerns.

Our Response

Council has made a considerable effort to keep forecast rates rises at an affordable level for the Manawatū community by phasing key projects over the life of the long-term plan to smooth peaks in borrowing. This means that Council can’t always deliver on those projects that the community wants, such as the resolution of known stormwater flooding issues in Feilding and the rural villages, as quickly as we would like to. Council has also prioritised the completion of capital works carried forward from previous financial years over starting new projects. Council has been realistic about how much work contractors are able to deliver in any given financial year, making sure not to overcommit the capital works programme and to keep the budget within Council’s rates cap.

We will optimise our investment and apply asset management practices to our planning. We will smooth our costs where possible over time. When non-critical assets are nearing the end of their useful life Council assesses whether there is still demand and a requirement for that asset before committing to renewing that asset.

Future amendments to the District Plan will cater for changes in housing preferences and in recognition of rising housing costs, including by facilitating more mixed-use development in the Feilding Town Centre. Council will also be reviewing rules for medium density (e.g. terraced housing).

Council will work in partnership with the development community to ensure we are enabling of out-of-sequence development where private developers can fairly cover costs, without the need for Council funded growth projects.

Providing for Growth and a Changing Population

A growing population means that total rates are spread across more rating units, reducing the amount that existing ratepayers must pay. Council has a role in ensuring that the infrastructure it provides (water supply, wastewater, stormwater, roading and community facilities) has sufficient capacity, quality and connectivity to enable the District to achieve its growth potential.

Council has a 20-year growth programme of works which are set out in its Development Contributions Policy and schedule. Debt is drawn each year to cover the difference between the amount of money that Council spends each year on new infrastructure to support growth, and the development contributions received from new development. The current level of debt incurred by growth (as of 30 June 2023) is approximately $16.4 million.

Based on the Infometrics high scenario population forecasts (May 2023), the population of the Manawatū District is forecast to increase from 34,898 residents in 2024 to 39,694 in 2034 (13.74% increase in population over 10 years). By 2054, the total population of the Manawatū District is forecast to grow to 48,191, an increase of about 38% (from the 2024 population). The population of the Manawatū District is expected to grow by an average of 1.5% per annum from 2023 to 2030, by 1.06% per annum over the period from 2030 to 2040 and by 1.04% over the period from 2040 to 2054.

Council's Asset Management Plans are based on these population forecasts, ensuring that infrastructure to support growth is installed in the right place and at the right time. Council regularly reviews population growth and development trends through the following processes:

- Monitoring and reporting under the National Policy Statement – Urban Development;
- Annual Estimated Resident Population (ERP) data from Statistics New Zealand; and
- Long-term Plan processes.

Through these processes, actual growth is assessed against projected growth, enabling review of the need for, and timing of, capital expenditure over the life of the Long-term Plan.

Council is also mindful of changes to population demographics. The forecast demographics of the Manawatū District Community is relevant when considering the types of services, projects and activities delivered by Council. Population demographics influence demand for Council facilities, including parks, reserves, and sports facilities. Greater than forecast growth in the young adult to middle age brackets could place pressure on housing availability and the delivery of services to support young families. Greater than forecast shifts towards older demographics could change the mix of services demanded from Council, and the ability to pay for those services.

The demographics of the Manawatū District population is forecast to change over the life of this Long-term Plan in a number of ways including:

- Significant increase in the 80-84 and 85+ age brackets
- Short-term proportionate decline in the working age population (30-34, 50-54, 55-59 and the 60-64 year age groups) to 2034, followed by growth in the greater than average growth in the 40-44 and 45-49 years in later years.
- Growth in the 5 – 9 year age bracket by 60% to 2054.

Assumptions around the distribution of population growth between Feilding, rural and village areas over time is useful to inform Council's growth strategy, the Financial and Infrastructure Strategies and planning for new growth works through Council's Activity and Asset Management Plans. The distribution of population growth is dependent on many factors, including the availability of vacant land, the provision of lead infrastructure to facilitate growth, the attractiveness of certain areas (including the quality of services provided, affordability and lifestyle factors) and external influences, including the restrictions imposed on rural subdivision through the National Policy Statement for Highly Productive Land. The distribution of growth in later years will be strongly influenced by the decisions that Council makes around future growth planning, rezoning and provision of new infrastructure.

The following projects occurring within the Manawatū-Whanganui Region are expected to generate employment and economic benefits for the Manawatū District. These projects are relevant to Council's growth planning, and in prioritising growth-related works, as well as influencing Council's population and household forecasts and assumptions around the distribution of this growth.

- Te Utanganui, including KiwiRail's Regional Freight Hub, Te Ahu a Turanga: Manawatū Tararua Highway, the Palmerston North Integrated Transport Initiative – Regional Freight Ring Road, and the Ōtaki to north of Levin expressway. Collectively, these projects are expected to generate employment and to encourage more distribution companies to the region, further boosting employment and economic growth. These investments are also expected to result in increased freight movements and to alter commuter patterns between Feilding and Palmerston North.
- Royal New Zealand Air Force (RNZAF) Base Ōhakea Expansion – impacts on roading, wastewater reticulation and treatment in partnership with NZTA and the RNZAF and attraction of new families to the District.

Our Response

Major projects and significant changes to levels of service are assessed against affordability through the Annual Plan Process. In addition, subdivision and building consent data is used for annual updates to the schedule of works contained within Council's Development Contributions Policy. We will plan for sustainable growth and manage demand, which aligns with land use. Council will maintain our existing social infrastructure assets to a standard that ensures the longevity of these assets.

Council reviews demographic trends based on census data every five years and estimated resident population data from Statistics NZ every 12 months. Council's overall strategic direction with respect to changes in population demographics is reviewed every three years as part of each 10 Year Plan process. Trends in the distribution of population growth will be assessed and used to direct investment in growth-related works.

Resilience to climate related issues and extreme weather events

The effects of climate change will increase the likelihood of more frequent severe weather events such as storms, floods, and droughts, and may affect infrastructure capacity in areas. Resilience in the face of earthquakes is an ongoing concern, but unlike extreme weather events, the frequency and magnitude of earthquakes is likely to remain relatively constant over time. Resilience to climate related issues mean that Council needs to apply mitigation and adaptation measures to tackle climate change impacts. Exacerbated climate change impacts are causing the road networks to be more susceptible to road closures thereby putting communities at risk of isolation. These events have also impacted the distribution of council funds with money originally allocated to maintenance, rehabilitation or reseals being used for emergency works.

More frequent severe weather events will put pressure on our infrastructure and may require improved capacity and capability to cope with these events and support community recovery following such events.

Our Response

Council is addressing climate related issues from a mitigation and adaptation stance. Council has also established an Emergency Resilience Reserve Fund, which puts aside funding in anticipation of climate change impacts. It is expected that a portion of the fund can be used to mitigate some adverse impacts of climate change.

Council maintains current assets to agreed levels of service and provides for the replacement of critical assets at the end of their useful life. We have included budgets of around $13.6 million per annum (over the 30-year life of the Infrastructure Strategy) for the renewal of our roading and three waters assets.

By completing the renewal programme and providing additional infrastructure we are improving the resilience of our current network, assets, and services. We will improve the resilience of the three-waters networks through new works and renewals by using resilient design materials and pipe- laying techniques.

Council is proposing a significant programme of stormwater upgrades in Feilding to ensure resilience to adverse climate change impacts, for example, higher volume rainfall events. Council has completed comprehensive stormwater modelling for Feilding which modelled for 10- and 100-year events plus climate change assumptions (existing scenario and infill scenario). Similarly, stormwater modelling for Halcombe village is being completed.

Resilience to drought in rural areas is supported through the work Council provides to rural communities in exploring new rural stock water supply schemes.

In terms of adaptation, council is prioritising nature-based solutions to its operations. The Ministry for the Environment has outlined the prioritisation of nature-based solutions as one of the key actions for councils in delivering the Emissions Reduction Plan. Council has invested in a huge wetland planting at the Manawatu Wastewater Treatment Plant. 80,000 native plants were specifically selected for their treatment properties and their ability to breakdown and extract remaining nutrients in the treated wastewater. The Council is taking positive steps to ensure that it is improving the quality of treated wastewater going into the Oroua river per its commitment to the Ōroua River Declaration.

Legislative reform

This Long-term Plan is being developed within a period of significant legislative reform. Reform and policy programmes that have influenced the preparation of this Long-term Plan include:

- Resource Management Reform.
- Building Consent System Review; and
- Review of Waste Legislation.

New legislation has the potential to impact on Council's roles and responsibilities. Changes in central government priorities also impact on the amount of funding that may be made available to local government, and the types of projects that are likely to receive funding (such as through Waka Kotahi subsidies).

Council monitors, reports, and submits on new legislative requirements as they are notified by Government. Council has made assumptions regarding the future direction of legislative reform. This Long-term Plan budget includes consideration of the new responsibilities and resource implications of new legislative requirements.

Three Waters Reform Programme – "Affordable Water"

The Government has now repealed the Three Waters legislation as a first step to implementing its Local Water Done Well Policy and 100-day plan. Later this year two further bills will be introduced; the first introduced and enacted by mid-2024 and the second introduced in December 2024 and enacted by mid-2025.

It is our understanding that the Government intends to keep water services regulatory Taumata Arowai, focused on water quality regulation, as well as the new Water Infrastructure Regulator within the Commerce Commission, which would focus on investment and pricing (Radio New Zealand (RNZ), 2023). Council will need to provide water services delivery plans that outline how we will deliver on outcomes for water quality, infrastructure investment and financial sustainability.

Our Response

As the repeal of the previous Government's Three Waters legislation restored council ownership and control of water services, and responsibility for service delivery, the planned budget includes three waters.

Resource Management Reform

The Government repealed the (Natural and Built Environment and Spatial Planning Act 2023) on 24 December 2023. Government has signalled that it will replace the Resource Management Act 1991 with new resource management laws premised on the enjoyment of property rights. Government has also indicated an intention to simplify the planning system and related statues including the Public Works Act and the Reserves Act and to introduce a permanent fast-track consenting regime.

The Climate Adaptation Act was proposed to introduce the legal framework for managed retreat and other climate response matters. However, as the draft Bill was not notified prior to the 2023 General Election. It is not known what effect the change in Government will have on central government direction around these matters.

Our response

It is not clear yet what the impact of future resource management legislation will be. Council will consider the impact of new resource management legislation as it is drafted.

Building Consent System Review

The Government is undertaking a substantive review of the building consent system as a "better building consent system" is seen as necessary to support transformation of our housing market to unlock productivity growth and make houses more affordable. The aim of the review of the building consent system is *"to modernise the system to provide assurance to building owners and users that building work will be done right the first time, thereby ensuring that buildings are well-made, healthy, durable and safe."*[1]

Our response

Reforms in the Building Sector may result in the transfer of some building consent functions, including specific assurance functions, away from building consent authorities to other system participants. However, it is assumed that the majority of building consent regulatory functions will remain the responsibility of Building Consent Authorities like the Manawatū District Council.

Review of Waste Legislation

New legislation is being drafted that will replace the Waste Minimisation Act 2008 and the Litter Act 1979. These proposed legislative changes will benefit Councils by making it easier and less expensive for Councils to undertake litter enforcement and will make private waste providers more accountable for their waste data.

Our response

As currently drafted, new waste legislation is not anticipated to create a significant change in role for Council in waste management and minimisation. Actions from Council's Waste Management and Minimisation Plan 2023 are already consistent with national direction and the transition towards a low-emission low-waste circular economy. Council will fund new waste initiatives through enhanced waste levy funding where possible, to minimise impact on rates.

Impacts of national direction on infrastructure and land use

There are several new or recent National Policy Statements and National Environmental Standards under the Resource Management Act 1991 that will impact on how Council how Council manages its infrastructure and plans for land use change, including:

- National Policy Statement for Highly Productive Land (NPS-HPL)
- National Policy Statement for Indigenous Biodiversity (NPS-IB)
- National Policy Statement for Urban Development (NPS-UD)
- National Policy Statement for Plantation Forestry, pricing of agricultural emissions and the carbon prices set through the New Zealand Emissions Trading Scheme
- National Policy Statement for Natural Hazard Decision-making

[1] Building Consent System Review: Options Paper Consultation (2023) Building consent system review: options paper consultation (2023) | Ministry of Business, Innovation & Employment (mbie.govt.nz).

The NPS-HPL primary objective is to ensure that highly productive land is protected for use in land-based primary production, both now and for future generations. The effect of the NPS-HPL is to prevent the subdivision and development of Land Use Capability (LUC) Class 1, 2 and 3 land for uses other than land-based primary production, unless an exception applies. The NPS-HPL is expected to affect land use and development patterns, concentrating new residential growth in existing urban areas, adjacent to rural villages, and on rural land that is not classed as highly-productive.

The NPS-UD categorises urban environments as tier 1, 2 or 3, based on population size and is aimed to address housing supply in urban areas. As a tier 3 Council, Council is required to monitor supply and demand for new residential and commercial land and is strongly encouraged to look at urban growth options in the short, medium, and long term. This is a key driver for Council's urban growth strategy.

The National Environmental Standards for Plantation Forestry (NES-PF) aims to ensure that the right forest is planted in the right place and managed in the right way. People with exotic and indigenous forest that meet certain requirements are able to register in the New Zealand Emissions Trading Scheme. Rising prices for emissions units can be a significant incentive to establish new forestry, including exotic carbon forestry. The Manawatū District Plan currently only allows Council to consider the effects of afforestation on the amenity values of significant amenity features and outstanding natural features and landscapes. Future plan changes may enable greater control over the location and management of new forestry.

At present, Council has limited ability to control forestry expansion through the District Plan. Council is also aware that large areas of forestry in the District will reach harvestable age between 2021-2030. Council has already anticipated increased pressure on the rural roading network, with increasing numbers of heavy vehicles to service forestry harvest.

The National Policy Statement for Natural Hazard Decision-making (NPS-NHD) proposes to strengthen local decision-making on new development in areas at risk of natural hazards. When making planning decisions, the draft NPS-NHD requires decision-makers to determine whether the natural hazard risk is high, medium, or low by considering both the likelihood of the natural hazard event occurring, the consequences and the tolerance to a natural hazard event. Decision-makers are required to take a precautionary approach when the risk is uncertain. Development in high-risk areas is to be avoided unless the level of risk is able to be reduced to at least a tolerable level or an exception applies.

Significant changes in land use can impact Council's District Planning and the delivery of infrastructure. For example, if growth occurs in areas where Council currently has no plans for infrastructure investment. Given the process and investment associated with installing lead infrastructure, there are risks with enabling development in multiple areas at one time. Council's infrastructure programme is currently focused on development in Maewa (housing) and Precinct 5 (industrial). Any change in the rate or location of development will have a significant financial impact.

The interplay between new legislation, National Policy Statements under the Resource Management Act 1991 and Horizons One Plan means that land use change in the moderate to long term is inevitable, but there is a high level of uncertainty about where, how, and when that land use change will take place. The level of uncertainty increases over time as new targets are set in legislation and through National Policy Statements and plans.

Council is expecting moderate changes in land use over the next three years and more significant changes to current trends are forecast to occur between years 4 and 10. Forecast changes include:

- diversification of land use from agriculture to forestry and other low emission land uses;
- a reduction in rural subdivision on highly productive land;

- de-intensification or relocation of intensive primary production away from waterways; and
- greater protection of land for indigenous biodiversity purposes.

The Coalition Government has signalled the review, amendment or replacement of several national standards and policy statements, the implementation of which would have had a considerable impact on land use change, including:

- Undertaking an urgent review into the implementation of the National Policy Statement (NPS) on Indigenous Biodiversity before any implementation, including ceasing the implementation of new Significant Areas.
- Replacing the NPS – Freshwater Management 2020 and the National Environmental Standards (NES) for Freshwater, including by:
  - Rebalancing Te Mana o te Wai to better reflect the interests of all water users.
  - Allow district councils more flexibility in how they meet environmental limits and seek advice on how to exempt councils from obligations as soon as practicable.
- Amending the NES for Plantation Forestry regulations to place a duty upon harvesters to contain and remove post-harvest slash.
- Introducing an NPS for Renewable Electricity Generation.

Until such time as Government has completed its review, amendment, or replacement of the above national direction, it is difficult to anticipate the impacts on land-use change.

Our Response

Council considers these national direction documents when making decisions on subdivision and land use consent applications. These documents also have implications for Council's planning for future growth and development, including the current drafting of Council's Growth Strategy. Council may introduce controls through the District Plan or other mechanisms to slow or restrict land use change to certain types, or within certain locations.

As a tier 3 Council, MDC is giving effect to the National Policy Statement for Urban Development by enabling development of 20% more land than assumed by forecast household and business growth over the short to medium term, and 15% over the longer term. Council does this by ensuring there is sufficient land zoned and serviced with the necessary infrastructure in advance of demand.

Additional funding has been set aside for road maintenance and renewals in the Roading Activity Management Plan in anticipation of increased pressure on the rural roading network as a result of forestry harvest.

Ongoing monitoring of land use change will ensure that these trends are recognised and responded to in Council's Annual and Long-term Planning. Council will respond to central government direction around hazard avoidance and managed retreat as the Resource Management Reforms are implemented. As Council develops its Environmental Strategy this may drive further land use change as priorities around emissions reduction are identified and implemented.

2.4 Working with Māori for the future wellbeing of our District

Ko te mahi tahi me te iwi Māori kia taurikura ai tō tātou rohe, haere ake nei

Manawatū District Council is committed to advancing our relationship with whānau, hapū and iwi Māori throughout the District. While Council acknowledges that historically our role has been primarily driven by legislative responsibility, we aim to evolve into a space where we enjoy genuine relationships with partners who care about all in our community. Our goal is to ensure that our connections with Māori are meaningful, and enduring.

The 2022 election saw the introduction of a Māori ward. This has ensured that a Māori voice is heard at the governance table and demonstrates Council's commitment to progress. Following that Council invited iwi members to participate in the Focus Groups. This opportunity was taken up, so that now Māori and Council collectively discuss the future direction of the district.

Another example of Council's commitment is the ongoing partnership with Ngāti Kauwhata within the Mana Whakahaere (Ōroua River Governance Group). This group was formed under the Ōroua Declaration in 2015 and must meet at least once a year. During 2023, the group met four times. Council's membership on this group demonstrates a commitment towards improved outcomes for the Ōroua River. This group helps to ensure that Council activities impacting or improving the health of the Ōroua River are known and understood by the Ngāti Kauwhata so that their members are informed, prior to making decisions.

In December 2020, Council adopted Te Kīwai (o te kete) or "the handle of the basket". Te Kīwai (o te kete) refers to two parties each carrying one handle of the basket. In this way they bear the load together and are responsible for adding and sharing the contents. It can be referred to as simply "Te Kīwai".

The engagement approach detailed in Te Kīwai is modelled on the process of pōwhiri, where the goal is for two separate entities to become one, to achieve a collective purpose.

3.1 Early Community Engagement

What Matters, Manawatū? Results from our Early Engagement

A council's Long-term Plan belongs to the community. As the first step in developing our plan, it was natural for Councillors and staff to head out to all corners of the district, to hear from our different communities about what matters most to them.

Between June and August 2023, over 2,000 people gave us their views across 27 events that we held, as well as online. During the events, we used different activities to hear what matters most – including group discussions, token drops and journey walls. We went to where

residents are – village halls, playgroups, and the Farmers Market – and incorporated movie nights and family days to make things fun.



Councillors were impressed by energy and high engagement that people showed at these events. It demonstrates that rural spirit that defines our district – of getting involved, being upfront and working together. Councillors took what they had heard into account over extensive discussions about what should, and what shouldn't, go into the plan.

So, what matters most?

Building and maintaining **robust infrastructure** came out as the top issue that matters – particularly our roads and our water systems. Roading was a particular concern for rural residents.

We heard safeguarding our **natural environment** was important, particularly how we mitigate our impacts on the environment through initiatives such as waste management. People were concerned about the impacts of climate change and how communities can be more prepared and resilient in the face of increasingly frequent storms.

Affordable housing was another key issue, with residents keen for the council to consider this when planning for growth in Manawatū.

Other themes that emerged included the need for:

- a range of **sports and recreations facilities**, such as bike and walking tracks, the development of the Makino Aquatic Facility, playgrounds and sporting facilities
- a vibrant **Feilding Town Centre**, which supported face-to-face services and weekend trading
- well-planned **growth and development**, balancing residential growth with the protection of highly productive rural land
- support for **culture, arts and heritage**, promoting events across the district to celebrate our multi-cultural population, and which increased understanding of te ao Māori

- good **community services**, including spaces for youth, safety initiatives, rural connectivity and the management of village halls
- strong **economic development**, attracting new businesses, enhancing tourism and maximising benefits from Manfeild.

3.2 Formal Consultation – A Summary

3.3 Consultation Outcomes

3.4 Significance and Engagement Policy (Summary)

Te kaupapahere mō te whaitake o ngā kaupapa me te whakawhitinga kōrero (he whakarāpopoto)

This is a summary for information purposes, visit "Documents" and "Policies" on our website for the full version. Engagement is about involving the community in the decisions that affect them. It is important to Council that we understand the community views and preferences on issues, proposals, decisions, assets and activities we provide.

We understand that decisions range in degrees of significance and require different levels of engagement. The Significance and Engagement Policy 2020 sets out Council's criteria for determining the significance of an issue or decision, and the appropriate level and type of stakeholder engagement it will undertake.

Determining Significance

Understanding the significance of an issue is often an exercise in judgement, which is reviewed by Council staff and Elected Members before decisions are made.

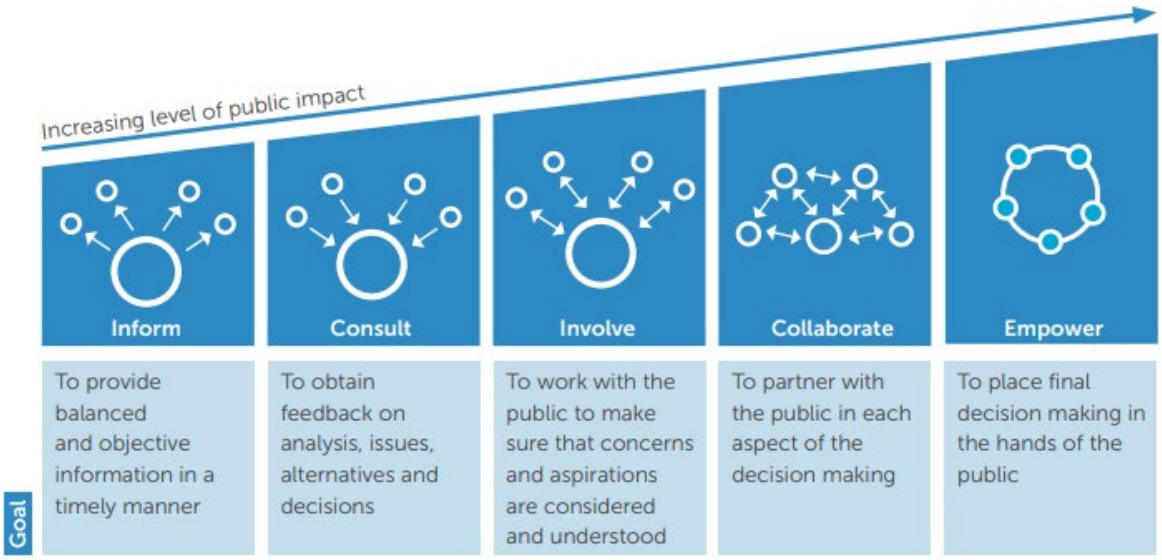
Factors that are considered when determining the significance of an issue are:

1. The level of financial consequences of the proposal or decision.
2. The number of residents or ratepayers affected and the degree to which they are affected by the decision or proposal.
3. The likely impact on present and future social, economic, environmental, or cultural well-being of the community.
4. The likely impact on Māori and mana whenua cultural values and their relationship to land and water and taonga.
5. Whether the proposal affects the level of service of a strategic asset.
6. The level of community interest.
7. Whether the decision, or something similar to it, has a history of, or is known to be, controversial.

Any individual decision or proposal can be affected by more than one of these factors.

Stakeholder Engagement

Council's engagement approach is based on the significance of the issue, as well as existing knowledge of the community and their preferences. The table below indicates the level of engagement to use based on the level of public impact (significance).



Special Consultative Procedure

In certain cases Council is required to consult with the public using the Special Consultative Procedure. This is a process described in section 83 of the Local Government Act 2002. Some examples of when the Special Consultative Procedure is required are during the development and/or review of Council's Long-term Plan, Waste Management and Minimisation Plan, Dog Control Policy, bylaws and several other statutory documents.

Review of the Significance and Engagement Policy 2020

Council has committed to reviewing the Significance and Engagement Policy 2020. Included in this review, will be amendments to the list of "Strategic Assets" in clause 4.3.1 to ensure alignment with the network hierarchy for community halls in the Community Facilities Strategy – Community Halls Sub Plan and the Halls Asset Management sub-plan.

4.1 Financial Strategy 2024-2034

This Financial Strategy explains how Manawatū District Council manages its finances to sustainably deliver services and infrastructure that support our district.

The Financial Strategy provides the financial framework that guide decisions about what the council should, and should not do, so that Manawatū District Council continues to manage its finances prudently.

The framework:

- Outlines the funding mechanisms that are used
- Sets prudent parameters for rates, debts and investments
- Identifies the issues that have potential financial implications in the future
- Provides certainty about our approach to key financial matters such as revaluations and depreciation,

Six principles underpin the Financial Strategy that support the council's overall Community Outcomes.

- Financial stability – managing our finances prudently, ensuring long-term financial viability and resilience
- Sustainable investment in infrastructure – ensuring assets provide value now and into the future
- Affordability – ensuring value for money for residents
- Intergenerational equity – considering the impact of today's decisions on future generations
- Economic development – encouraging economic development across the District
- Environmental sustainability – ensuring that the services we deliver enable environmental sustainability within the Manawatū district.

Council has invested heavily in roading, three water infrastructure and community facilities over the previous 10 years. This means we have assets that broadly are resilient and fit for purpose. The cost for this investment has been spread over multiple generations using loan funding, which has resulted in a level of debt that is near the maximum levels allowable.

This position provides both challenges and opportunities for Council over the coming 10 year Long-term Plan, with high levels of uncertainty about central government reform and uncertain economic and population growth conditions adding to the issues we must consider from a financial perspective.

Funding mechanisms

We use a range of funding mechanisms to fund our activities, which are summarised in the Revenue and Financing Policy.

The following table summarises the mechanisms we use to fund different kinds of expenditure:

	Operating Expenditure	Renewal Expenditure	New Works	Growth Works

User fees and charges	✓			
Subsidies and grants	✓	✓	✓	✓
Interest and dividends	✓			
Rates (including targeted rates)	✓	✓	✓	
Capital contributions		✓	✓	
Development contributions				✓
Funding from prior or future years' funds	✓	✓	✓	
Loan funding		✓	✓	✓

Prudent limits

Rates

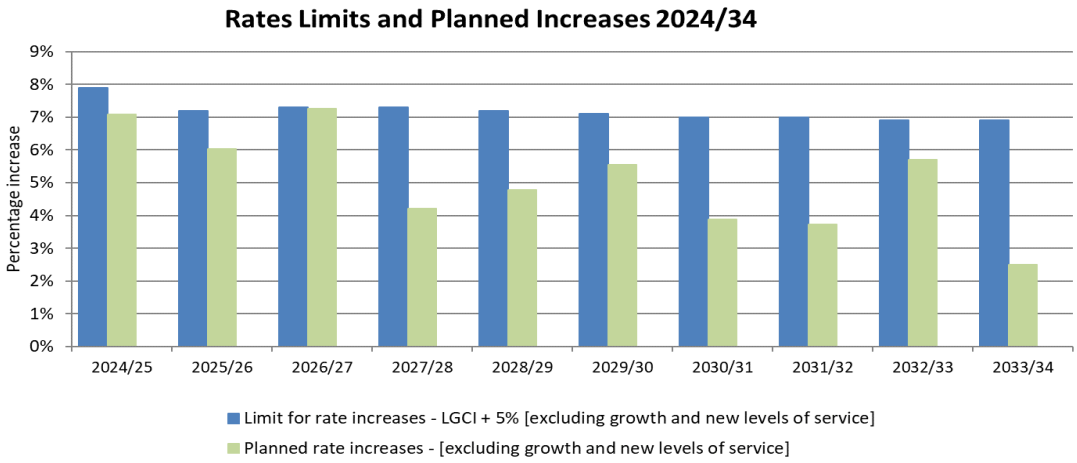
Affordability for residents will be a key consideration when Council determines the required level of rates. In recent years, Manawatū District Council has faced cost pressures, meaning that rate increases have been necessary. However, with affordability being a key issue for many residents, we strive to ensure rates increases are as low as possible, while still providing for the assets and services our community needs.

When determining rates, we consider:

- **What ratepayers can afford**
- **Levels of service we provide**
- **Intergenerational equity**
- **Other sources of funds, such as grants or subsidies**
- **Debt levels**
- **Legislative and regulatory requirements**
- **How to deliver our services most efficiently**
- **External factors such as interest inflation and changes to external funding.**

Manawatū District Council sets an upper limit for rates increases, which is 5% plus the Local Government Cost Index - excluding water by meter, central government imposed activities, new levels of service and growth. 'Growth' accounts for the increased number of properties in the district, which allow us to spread the rates burden across more properties.

Within this current Long-term Plan, the council is proposing a rates increase in 2024/25 of 7.09% for existing ratepayers. This excludes growth and new levels of service.



The percentage increases reflect the Council's expected total rates revenue increases. They do not reflect individual property rates rises, which will differ from the average increase. Each property will be affected by the value of the property, services that the property is connect to, and any rebates that apply to the property.

As described above household growth allows us to spread the rates burden across more properties. Over the period of the Long-term Plan, we forecast that the growth in the District's population will range between 0.97% and 1.61% per annum over the period of the Long-term Plan.

Debt

The council mainly borrows to pay for new capital works (new assets). Sometimes, third-party grants (such as Waka Kotahi/NZTA subsidies for new roading projects) supplement the costs of new capital works. Borrowing allows the council to spread the cost of new capital across future generations who will benefit from it.

Manawatū District Council secures borrowing over its ability to levy rates. It does not secure borrowing over other assets unless appropriate (for example leased assets).

The length of the terms of borrowings is set at the life of the asset, or 30 years, whichever is less.

Interest is paid via rates and principal repayments are funded via depreciation reserve on assets where depreciation is rated. If the assets are not rated, then principal repayment is rated.

The Liability Management Policy outlines four policy limit ratios that the Local Government Funding Agency sets. Our debt limit is whichever ratio yields the lowest debt. The limit ratios are:

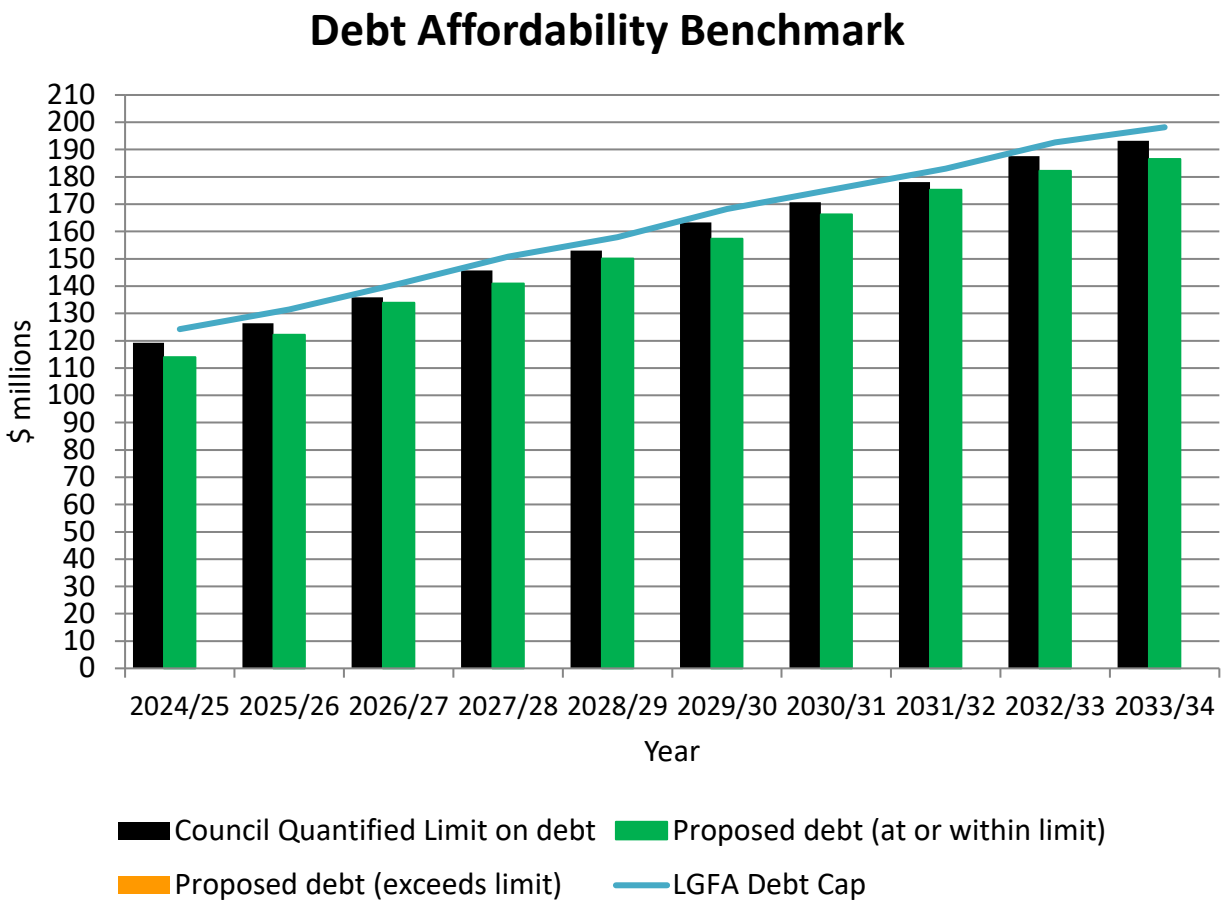
Ratio	Limit
Net interest as a percentage of total revenue	Less than 20%
Net interest as a percentage of annual rates revenue	Less than 25%
Net debt as a proportion of total revenue	Less than 175%
Financial accommodation compared to external indebtedness.	Available financial accommodation of more than 110% of external indebtedness.

At the time of writing, the ratio that yields the lowest debt is the net debt as a proportion of total revenue.

The Council then applies a $5 million buffer to the limit calculated by the policy ratio, to allow for any emergency works, which sets our self-imposed debt cap.

Council is committed to improving our financial resilience by continuing to build up reserves. Reserve funds will enable Council to pay debt, undertake repairs to infrastructure in the event of an emergency, and/or respond to unanticipated community requests. The council is also building a self-insurance reserve that can be used for minor events when it's preferable to making an external insurance claim. The resilience reserve funds are collected via the general rate.

The following chart forecasts the total level of net debt against our debt limit, calculated by net debt being less than 175% of total revenue, less $5 million.



Issues that have financial implications

Several issues have financial implications in the future. These are:

Growth

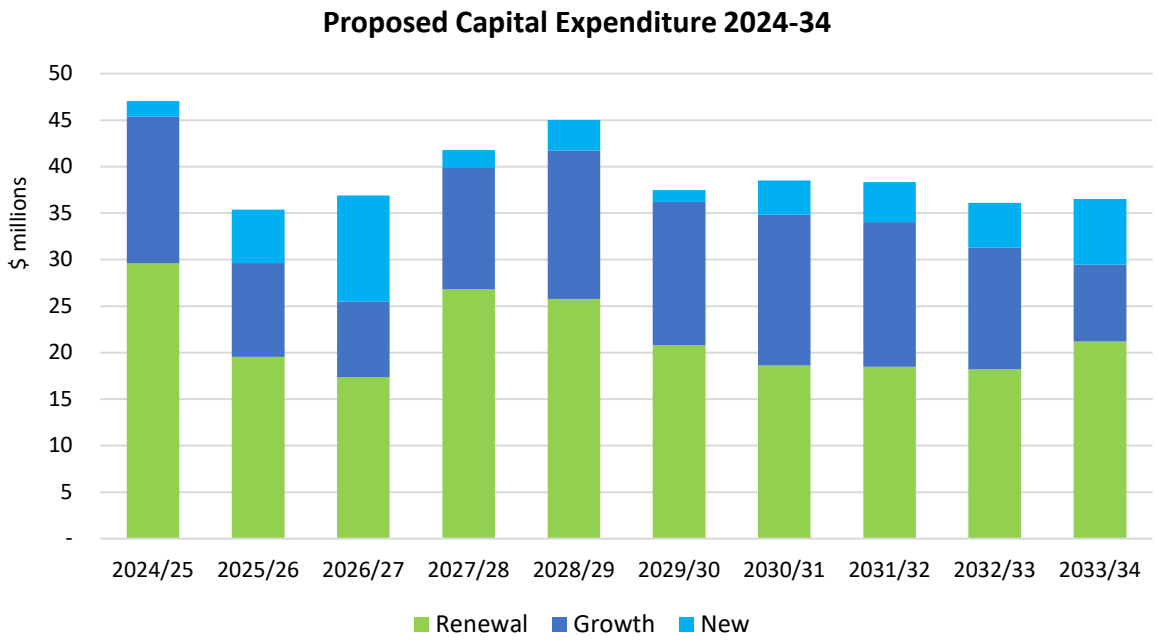
Over the next ten years, we forecast the population will grow by between 0.97%– 1.61% each year.

The rate at which our population grows will impact on the demand for our services and infrastructure.

Additional capital work generated by growth is funded by Development Contributions.

Economic growth is vital for the financial future of our district, but that growth must be managed so that it occurs at a sustainable rate so that our infrastructure and services can support that growth.

Council has responded to this projected growth in demand by providing for a capital growth programme as summarised in the graph below. The graph shows the amount of capital expenditure required to maintain existing levels of service and meet any additional demand on Council's infrastructure.



Changes in land use

- Land use on class 1, 2 and 3 soils is now governed by the National Policy Statement for Highly Productive Soils and will restrict development on these types of soils.
- Further changes to land use are likely to occur over the term of the Long-term Plan, which may include:
  - diversification of land use from agriculture to forestry and other low emission land uses,
  - de-intensification or relocation of intensive primary production away from waterways, and
  - greater protection of land to protect indigenous biodiversity.

Natural disasters and unexpected events

We are forecasting that with climate change, there will be more frequent and more damaging storms hitting our district. This will require us to build more financial resilience into the way we manage our finances in the future.

The Manawatū is in a highly seismic zone, which could threaten our services and infrastructure.

The COVID-19 pandemic demonstrated the vulnerability that all organisations face when pandemics hit our communities.

Recent events (for example, storms, COVID-19, climate change and cost inflation) mean that our insurance premiums have increased significantly.

The council also sets aside a reserve fund to provide resilience. In recent years, events such as Cyclone Gabrielle have meant that we have had to spend more than is in the reserve fund for disaster recovery. Manawatū District Council used this reserve fund during COVID-19 to apply no rates increase in 2020/21.

The council ensures that its net debt is at least than $5 million below the debt limit to allow for emergency funding if required.

Regulatory and policy changes

Regulatory changes can require councils to provide new services, set new compliance standards, and make District Plan changes to reflect resource management decisions.

These changes can increase Council's costs, which can impact rates or user fees and charges.

Uncertainty on government policy changes (such as the recent Three Waters legislation) can also impact the certainty with which Council makes decisions about the future of our services.

Funding challenges

The increases in costs-of-living have affected us all. It means we are under more pressure to ensure that the council's services and infrastructure provide value for money, while at the same time facing increased costs for many of the products and services we procure. Affordability for our residents is carefully considered when decisions are made.

Financial settings

Revaluation of our assets

Revaluations of council assets can significantly impact depreciation (the amount the council puts aside each year to fund the renewal of old assets when they reach the end of life).

The council revalues its core infrastructure assets annually, which smooths the impact on rates from changes in depreciation. The council revalues land and buildings on a three-yearly basis.

Depreciation

The council rates for depreciation to fund the renewal or replacement of assets. There are three activities where the council considers it prudent not to fully fund depreciation. These are roading, halls and recreation centres and parks, reserves and sports grounds.

Roading is a strategic asset of the council and results in a significant depreciation charge. However, the renewal or replacement of the majority of our roading assets are funded through subsidies from the New Zealand Transport Agency (NZTA). Therefore, it would be double dipping if the council were to fully fund depreciation and also to get a subsidy for the replacement.

- **With the exception of the Feilding Civic Centre the Te Kawau Recreation Centre, and the District's high priority halls (which are considered strategic assets) depreciation on other halls is not funded as the asset may not be replaced or alternative funding mechanisms, such as third party funding, may be used to fund the replacement. For the same reasons we only fund 50% of the depreciation on the Makino Aquatic Centre, the Community Hub and Libraries, parks, reserves and sports grounds.**

Balancing our budget

Council is required to balance its budget by ensuring that operating expenses are covered by operating revenue. There are some situations where Council is not required to balance its budget, including:

- **Not funding or partly funding depreciation on selected assets as outlined above**
- **Using revenue for capital purposes:**

The operating surplus in the Statement of Comprehensive Revenue and Expense includes revenue to fund capital expenditure. This type of revenue includes NZTA Waka Kotahi subsidies for roading capital expenditure, grants for community facilities, development contributions received to cover

growth-related capital expenditure and contributions from ratepayers (in the form of capital connection fees and some capital contributions) to fund connection to Council infrastructure

- **Funding growth-related capital expenditure from development contributions:**

When new land is developed, the developer is charged a contribution fee toward the costs of infrastructure such as water and wastewater pipes, and facilities such as parks and reserves.

A 20-year work programme has been developed and development contribution fees have been calculated according to this programme. Often Council is required to put the infrastructure in place before the development occurs to ensure we have the capacity to accommodate growth. In these instances loans are taken out to fund this expenditure. The servicing of these loans (both interest and principal repayments) is funded by future development contributions.

- **Funding from prior or future years' surpluses:**

There are a limited number of circumstances in which it is considered prudent to fund operations expenditure from prior or future years' surpluses. One example is where a grant is received for solid waste minimisation. This can only be used for a specific purpose and therefore unspent money is set aside and used in future years.

Relevant financial policies and approaches

We have several policies that bring effect to this strategy.

- **The Revenue and Financing Policy outlines how we fund operational and capital expenditure.**
- **The Liability Management Policy governs how we borrow and debt limits. It is underpinned by council's risk adverse orientation, which leads to interest rates, liquidity and credit risks being managed but not speculated on.**
- **The Investment Management Policy guides how we should invest to optimise investment income while maintaining appropriate levels of risk, and ensure adequate funds are available when needed. It covers a mix of investment types. It lists how we manage our risks to preserve the council's capital base. The Investment Management Policy also covers the following:**
- **Equity investments (shares) are held for strategic purposes that allow other activities within Council. Shares are not purchased solely for investment purposes. While Council receives a dividend from these investments, the benefits of holding these shares are not always related to the dividend. Consequently, the target on these investments is a nil return. The performance of these investments is review regularly to ensure strategic and economic objectives are being met.**
- **Treasury investments include cash investments such as government stock, local government stock, bank bonds, debentures and bank deposits. These are held to:**
  - **ensure Council's specific reserves (separate, special and loan redemption funds) are backed up by realisable cash assets except where Council approves otherwise**
  - **to manage Council's cash position in a manner that maximises interest returns and minimises operational cash deficits and the associated costs incurred**
  - **to maximise interest returns from surplus funds.**

For these investments, Council expects an average market return.

- **Community loans are provided to community organisations at Council's discretion to provide social, economic, cultural and environmental benefits to the District. While a market return is received from a number of these investments, other provide no return. Council individually approves this type of investment, with community benefits**

and the targeted return being address at that time. The targeted return on these investments (taken as a group) is nil.



4.2 Infrastructure Strategy 2024-2054

Introduction

The provision of infrastructure, including roading, three waters infrastructure (water supply, wastewater and stormwater) and community facilities, is critical to the wellbeing of people in the Manawatū District. The current inflationary environment, ageing population, and moderate growth limits our communities' ability to pay for infrastructure assets and services.

Council's strategic infrastructure goal is *"to provide the Manawatū community with resilient infrastructure in a cost-effective way, meeting both current needs and future growth and demand."*

In the Manawatū District Council's ("Council") previous two Infrastructure Strategies (2018-2048 and 2021-2051), a deliberate decision was made to reduce the investment in water and wastewater pipeline renewals. This decision was based on significant investment in the preceding six years and a proactive risk management approach around network failure.

This Infrastructure Strategy (2024-2054) represents a recommitment to Council's deferred water and wastewater renewals programme, with scheduled renewals spread throughout the duration of the 30-year infrastructure period. Within the 30-year term of this Infrastructure Strategy, Council expects to complete all previously deferred water and wastewater renewals, ensuring optimised water and wastewater networks that meet the needs of the Manawatū Community. Council has been keeping up to date with its roading renewal programme, in alignment with the New Zealand Transport Agency's (NZTA) co-funding requirements including levels of service and asset data driven decisions. This will continue over the life of this Infrastructure Strategy.

The programme also includes upgrades to existing infrastructure, the reconsenting of infrastructure assets, responses to changes in regulation, and investment to increase the resilience of key infrastructure to climate events. Council also maintains a resilience fund that it uses to offset some of the costs for recovery from emergency events, particularly the local share of any roading emergency works that are not funded by the New Zealand Transport Agency (NZTA) emergency works subsidy.

Council recognises that past investment has been focused on wastewater and drinking water compliance. Council is now committed to increasing its investment in stormwater management through this 2024-34 Long-term Plan. This investment is both to catch up on historical underinvestment as well as a direct response to recent flood events, which are forecast to become more frequent and intense in the future. Once Council has completed its programme of capital upgrades to the Feilding and Village stormwater networks, new assets will be renewed in future years via a whole of life cyclic renewal programme.

While Council's Long-term Plan focusses on a ten-year planning horizon, this infrastructure strategy considers infrastructure provision over a 30-year time horizon. This extended planning horizon is necessary given the role that infrastructure provision plays as an enabler of economic growth, in serving the health and wellbeing of the Manawatū community, and in affecting how our District functions and grows.

The Infrastructure Strategy identifies significant infrastructure challenges for Council over the next 30 years, the implications of those challenges for Council's roading and three waters infrastructure and how council is responding to those challenges.

The key challenges addressed through this strategy include:

- Affordability;
- Resilience and climate change;
- Managing growth and demand;
- Changing regulatory environment; and
- Impact of central government direction on land-use change.

Council has committed to developing a capital works programme that is both realistic and affordable. To achieve this commitment, Council has had to delay some significant capital projects such as Stage 2 of the Turners Road extension and upgrades to Feilding's stormwater network to later than originally intended.

The Infrastructure Strategy is informed by Council's vision and community aspirations. The information on infrastructure asset condition and performance has been taken from Council's asset management plans. Financial considerations within this strategy inform, and are informed by, Council's Financial Strategy.

Council must ensure that infrastructure is provided in the right place, at the right time, and with enough resilience and capacity to meet current and future needs.

What's included in the Strategy?

This infrastructure strategy is unique in that it is being developed within a period of transition between two Governments. The previous Government introduced a significant number of regulatory and legislative changes, including in areas of three waters and resource management. The new Government has repealed Three Waters Legislation, and announced its intention to repeal many of the recently introduced legislative changes enacted by the previous Government.

The repeal of the previous Government's Three Waters Legislation on 14 February 2024 gave assurances of continued council ownership and control of water services, and responsibility for service delivery. This Infrastructure Strategy therefore includes information on three waters services as well as roading and footpaths.

Asset Portfolio

This Infrastructure Strategy covers the following assets:

- Roading and footpaths
- Water supplies
- Wastewater (sewage treatment and disposal)
- Stormwater

The Strategy outlines the following for these assets:

- Requirements for renewing and replacing existing assets
- How Council will respond to changes in demand for services
- How Council will allow for planned increases and decreases in levels of service provided through these assets, including in relation to the timing of new infrastructure investment
- How Council will maintain or improve public health and environmental outcomes, or mitigate adverse effects
- How Council will provide for the resilience of infrastructure by identifying and managing risks relating to extreme weather events and other natural hazards.

Council also provides other Community infrastructure such as the Community Hub and libraries (previously the Feilding Library), Makino Aquatic Centre, solid waste infrastructure and community buildings and facilities. These activities and assets are not included in this Infrastructure Strategy but are described in Section 5 of the Long-term Plan.

Asset Value

The total estimated value of Council's infrastructure assets (as of 1 July 2023) utilities (water, wastewater and stormwater) and roading is $1.67 billion, as shown in Table 1.

Table 1

	Optimised Replacement Cost	Optimised Depreciated Replacement Cost	Annual Depreciation Cost ($)
Roading and footpaths	$1,157,934,773	$620,378,517	$15,138,357
Water supplies	$207,727,172	$109,109,105	$2,525,997
Wastewater (sewage treatment and disposal)	$195,123,961	$119,263,366	$3,224,612
Stormwater	$108,497,275	$75,259,446	$708,109
Total	$1,669,283,181	$924,010,434	$21,597,075

The "Optimised Replacement Cost" is the cost of constructing a new asset or modern equivalent asset using present day technology and maintaining the original service potential. "Optimised Depreciated Replacement Costs" is a valuation method that makes optimised replacement costs more realistic by depreciating to reflect the shorter remaining life of existing assets. The annual depreciation indicates the quantity of funding that Council should set aside each year to cover the cost of renewing the existing asset with an equivalent asset at the end of its useful life. This is generally calculated based on a straight-line method where it is assumed the asset will degrade at the same rate over its life.

Over the last 10 years (2013/14 to 2022/23) Council has spent an average of approximately $12.6 million per year on the renewal of assets across our infrastructure network (roading, stormwater, water supply and wastewater).

Snapshot of the Manawatū District

The economic, social, demographic and geographic characteristics of the Manawatū District all impact on the provision of infrastructure assets and services. Section 2.1 of the Long-term Plan provides a detailed description of our District. This snapshot sets the context for our infrastructure strategy.

The Manawatū District is uniquely placed in its central location as the gateway to four other regions: Hawkes Bay, Wairarapa, Rangitīkei and Horowhenua. This central location gives the District strategic economic advantages. With easy access to four seaports, seven airports and major Defence Force bases, it is an accessible and centralised cargo, transport, and business hub for the lower North Island and the country.

The main trunk railway, which passes through Feilding, enhances the potential for connectivity, particularly for freight. Primary industry (agriculture and forestry) comprises our biggest economic sector, making up nearly 18% of District GDP. Manufacturing and Defence (primarily the Ōhakea Airbase) also contributes strongly to the local economy.

Several infrastructure projects, collectively known as "Te Utanganui" are planned over the next ten years to develop the Manawatū as a multi modal distribution hub. Key projects within Te Utanganui include KiwiRail's Regional Freight Hub, Te Ahu a Turanga: Manawatū Tararua Highway and the Ōtaki to north of Levin expressway. Significant public and private investment in the Manawatū are expected to drive significant growth in distribution and logistics, as well as providing economic, social and environmental benefits for the region and the country. Expected growth in freight movements as a result of Te Utanganui will place increased pressure on our roading network. Council will work with neighbouring councils and central government agencies to ensure impacts on the roading network are addressed.

Transport is an enabler of wider social, economic and environmental outcomes. Local authorities are a partner in the delivery of land transport infrastructure and services. Council is committed to investing in transport infrastructure based on robust evidence to sustain the network in the long term; by targeting the right solution, to the right place, at the right time, and for the right cost.

Increases in population, dwellings and rating units, as described in Forecasting Assumptions, all have implications for our infrastructure services. These factors can affect the capacity of our assets to deliver services to the community and the timing of capital projects. For example, population growth generally leads to an increase in the volume of traffic using the roading network, placing increasing pressure on our roads and other infrastructure, such as stormwater. It is therefore essential that we ensure our asset management is sustainable and anticipates future growth and land use change in the District.

In managing its infrastructure, Council needs to balance quality and reliability of service with affordability. Further details about how we aim to keep our rates affordable while achieving levels of service are described in the Financial Strategy in Section 4.1.

Challenges impacting on Council's infrastructure decision making

As a community we face a range of challenges that can influence our decision making. As part of our long-term plan we have identified the following five challenges that have an impact on roading and three waters infrastructure, as follows:

- Affordability;
- Resilience and climate change;
- Managing growth and demand;
- Changing regulatory environment; and
- Impact of central government direction on land-use change.

Affordability

The current cost of living pressures mean that affordability is a key concern for a broader spectrum of the Manawatū community. The Manawatū District deprivation index has been reducing steadily since 2013. There is still a significant gap between those that have the highest deprivation and those with the lowest. The median household income for our District is $118,919 (2023), slightly lower than the New Zealand mean average household income (which was $125,177 in 2023). With the

increase in the proportion of residents aged 65+ we expect a greater proportion of residents on a fixed income. Affordability is a key concern for this age group.

Council makes use of a range of local government funding tools and manages cost pressures through the use of shared service agreements, consolidated purchasing and joint procurements. Even with these tools, the reliance on rates as the primary source of funding for local government is considered to be **unsustainable in the long-term. Inflation, increasing interest rates and rising delivery costs for infrastructure projects are all contributing to affordability concerns.**

New capital works are primarily funded via rates, with the cost of financing those loans, including interest and depreciation funding, spread over the expected life of that asset. While this is consistent with the principle of intergenerational equity, it means that Council has reduced head-room for new capital works. Third party funding for new capital projects is often via a competitive process, whereby Councils compete with other councils for the same bucket of money. Council is mindful of the lasting impact of COVID-19 on our community, including economic hardship and its resultant impact on new infrastructure investment.

Council has made a considerable effort to keep forecast rates rises at an affordable level for the Manawatū community by phasing key projects over the life of the long-term plan to smooth peaks in borrowing. This means that Council can't always deliver on those projects that the community wants, such as the resolution of known stormwater flooding issues in Feilding and the rural villages, as quickly as we would like to. Council has also prioritised the completion of capital works carried forward from previous financial years over starting new projects. Council has been realistic about how much work contractors are able to deliver in any given financial year, making sure not to overcommit the capital works programme and to keep the budget within Council's rates cap.

The following table (Table 2) summarises Council's key forecasting assumptions that are relevant to the affordability challenge, their impact on roading and three waters infrastructure, and how Council is responding to that challenge.

Table 2

Key Forecasting Assumptions	**Overall Risk that Council's assumption proves false**[2]	**Impact on roading and three waters infrastructure**	**Council's response**
Transportation Funding Council expects that it will continue to receive a 51% subsidy from NZTA for the maintenance and renewal of roads over the life of this long-term plan. Council also assumes that the total amount of	Overall Risk that Council will not receive a 51% subsidy = High (16) Overall risk that the amount of NZTA funding is reduced = High (24)	Any reduction in NZTA subsidy affects Council's ability to maintain roads to the standard expected by the community. If Council has to reduce the amount of money spent on maintaining roads, this increases the risk of failure, and the amount that Council will likely	Council maintains an awareness of any issues that may affect the level of NZTA funding. If there is a reduction in the subsidy or amount of funding available for roading maintenance and renewal Council would either fund the additional expenditure via rates, or

[2] Refer to Council's Significant Forecasting Assumptions in Appendix x of the 2024-34 Long-Term Plan, including explanation of the risk matrix for assigning risk to alternatives.

Key Forecasting Assumptions	Overall Risk that Council's assumption proves false2	Impact on roading and three waters infrastructure	Council's response
central government funding available to local government through the National Land Transport Fund will not change.		have to spend repairing roads following extreme weather events.	delay roading maintenance and renewal projects to fit within funding constraints.
Inflation Council assumes that costs will increase as set out in the Business and Economic Research Ltd (BERL) Local Government Cost Adjustor Forecast "Legacy LGCI".	Risk that inflation costs increase at a significantly higher rate than forecast by BERL = High (16) Risk that inflation costs increase a significantly lower rate than BERL = Low (2).	Council may face increased costs if inflation rates are significantly different from what we have forecast. Significant cost increases would affect rates affordability in subsequent years.	Council uses industry-specific advice (BERL) on current inflation and predicted trends. Council closely monitors its budget and performance against budgets and adjusts spending if necessary to ensure there are no sudden impacts. Council uses several sources of funds, so the risk of inflation does not apply equally to all sources of funding.
Interest rates Council has assumed that interest rates on loans will range from 5.06% to 6.63% over the life of the Long-term Plan.	Risk that interest rates on loans will be significantly higher than forecast = Guarded (4) Risk that interest rates will be significantly lower than forecast = Low (2)	Higher than expected interest costs would impact on Council's ability to fund infrastructure activities and to undertake planned upgrades and renewals.	Council would respond by delaying planned projects or reducing levels of service to keep rates affordable. We will optimise our investment and apply asset management practices to our planning. We will smooth our costs where possible over time.
Ability to Borrow Council assumes it will be able to borrow at the approved borrowings level.	Risk that Council cannot borrow at the required level = Moderate (8)	If Council cannot borrow the money it has budgeted in the Long-term Plan, Council will have to either delay capital projects, cut levels of service, increase rates, or increase other	The Council has access to finance through the New Zealand Local Government Funding Agency (LGFA), a dedicated financing vehicle for local government.

Key Forecasting Assumptions	Overall Risk that Council's assumption proves false2	Impact on roading and three waters infrastructure	Council's response
		operational funding (fees and charges, grants) to fund capital works. If projects have to be deferred or delayed this would mean lower levels of service.	The Council also enjoys access to an on-demand loan facility with its transactional banker. Active monitoring of Councils financial position enables Council to react quickly to changes in the ability to borrow.
Valuations Council assumes that the value of infrastructure, land and buildings will increase at the same rate as the relevant inflation category, as published by Business and Economic Research Ltd (BERL) in October 2023.	Risk that the value of infrastructure, land and buildings will increase at a higher rate than forecast = Guarded (4) Risk that the value of infrastructure, land and buildings will increase at a lower rate than forecast = Guarded (4)	If the value of infrastructure, land and buildings increases at a higher rate that Council has forecast this will mean that Council will need to increase the amount it rates for depreciation. This would impact on Council's ability to deliver planned projects within forecast funding limits.	As valuations are reviewed annually, Council can adjust its depreciation funding regularly through Annual Plans and Long-term Plan processes.
Sources of funds for future replacement of significant assets Council assumes that the deprecation reserves will adequately fund the renewal of assets over the life of the Long-term Plan, and the longer term (to 2054).	Risk that the depreciation reserves are insufficient to fund the renewals of significant assets over the life of this Long-term Plan = High (16)	If there is a shortfall of depreciation reserves to replace assets Council will have to either reduce levels of service, increase debt and/or increase rates.	Since 2009 Council has built depreciation reserves to fund the long-term renewals of assets, however many assets were nearing the end of their life at that time so recent renewals have depleted the fund. If there is a shortfall in funds to replace assets, Council will either have to reduce levels of service, increase debt and/or increase rates.

Resilience and Climate Change

Resilience is a central theme of Council's infrastructure strategy. The frequency and severity of extreme weather events is forecast to increase as a result of more frequent climate events. The availability of funding is the biggest constraint on Council's ability to recover from extreme weather events, and to enhance the resilience of our infrastructure to future events. Council has a resilience fund where there are varying levels of rating contribution made in any given year, and equally varying levels of draw on that fund in response to largely weather-related events.

Council prioritises the renewal and repair of damaged critical infrastructure over other assets of a similar age, and where possible, improves the resilience of that infrastructure to future severe weather events (refer to Table 3). We have included budgets of around $13.6 million per annum (over the 30-year period) for the renewal of our roading and three waters assets.

The following table (Table 3) summarises the key forecasting assumptions relating to the challenge of resilience to climate change, impacts on roading and three waters infrastructure, and how Council is responding.

Table 3

Key Forecasting Assumptions	Overall Risk that Council's assumption proves false[2]	Impact on roading and three waters infrastructure	Council's response
Climate Change Council assumes that the climate of the Manawatū-Whanganui Region will change by the middle of the century, as a result of climate change, in the following ways (NIWA predictions based on the IPCC Fifth Assessment Report): - Temperature increases up to 1.5°C across the region. - Annual average precipitation will increase by up to 15% in the north of the Region and decrease by up to 20% in the southeast of the region. Increased precipitation could lead to increased frequency and intensity of inland	Risk that climatic changes in the Manawatū District, including the intensity and frequency of extreme weather events, are more extreme than predicted by NIWA based on the IPCC Fifth Assessment Report = Moderate (8) Risk that climatic changes in the Manawatū District, including the intensity and frequency of extreme weather events, are less	Council anticipates that the effects of climate change will include increased likelihood of more frequent severe weather events such as storms, floods and droughts and may affect infrastructure capacity in certain areas.	Council has planned for predictable impacts of climate change through our Asset Management Plans and Activity Management Plans. Generally, the District is well-placed in terms of exposure of three-waters infrastructure to flooding as a result of the range of sea level-rise scenarios, and in terms of current projected flood risk. Council is improving the resilience of its three-waters networks through new works and renewals and by using resilient design materials and pipelaying techniques. Critical infrastructure assets are prioritised for renewal over other assets of a similar age to increase resilience and reduce our risk profile.

Key Forecasting Assumptions	Overall Risk that Council's assumption proves false[2]	Impact on roading and three waters infrastructure	Council's response
flooding events in the district. - Change in number of annual hot days across the region up to 10 days. - Fewer wet days up to minus 15 in the northeast of the region. - The annual mean relative humidity change decreases up to 2.5 percent.	extreme than predicted by NIWA based on the IPCC Fifth Assessment Report = Low (2)		Council makes submissions to national government to advocate for changes to national direction to better enable farmers to diversify their activities and adapt to climate change impacts.
Extreme weather events Council assumes that the intensity and frequency of extreme weather and climate events in the Manawatū District will increase over the 30-year period of this Infrastructure Strategy.		Storm events result in flooding, landslips and damage to roading assets such as bridges and culverts. Severe weather events result in significant reactive maintenance expenditure, disruption to the network and increased road safety risks. Some vulnerable roads have no alternative route available, causing delays and access issues for Council residents during remedial works. Extreme weather events and increased rainfall increase the risk of inland flooding and reduce the capacity of stormwater infrastructure. Increased frequency of extreme weather events will likely	To mitigate flood risk, the District's major infrastructural assets, including the Manawatū Wastewater Treatment Plant, have been located outside the area likely to be affected by a 1 in 200-year (0.5% Annual Exceedance Probability) flood event. Horizons stop banks for the Lower Manawatū, the Kiwitea Stream and the Ōroua River are designed to withstand a 1% AEP flood and the Reids Line spillway flood protection scheme helps mitigate the risk of flood for the urban area of Feilding. Further investment in maintenance and renewal of roading infrastructure is needed to improve network resilience, reducing the risk of closure due to landslides or storm events and minimising

Key Forecasting Assumptions	Overall Risk that Council's assumption proves false[2]	Impact on roading and three waters infrastructure	Council's response
		contribute to rising costs for repairing damaged infrastructure, Civil Defence and emergency management response to events, and community assistance (such as provision of a supplementary water supply). Other risks include impacts on the economic and social wellbeing of our communities through more frequent or severe flooding, drought and/or heavy snowfall. Shifts if climatic conditions over time may drive land-use change. More frequent events can also increase demand from the community to increase resilience to future events. Over the period from 2016/17 to 2021/22, Council spent a total of $9,285,041. on emergency works. In the 2022/23 financial year, council spent a total of $3,475,605 on emergency works relating to Cyclones Hale and Gabrielle. There is also an outstanding claim for $9,775,000 with NZTA	the duration of future road closures. Council focuses attention on roadside drainage to make the roading network more resilient to damage during high intensity rainfall events, reducing the cost of emergency works. Council is improving the resilience of its three-waters networks through new works and renewals and by using resilient design materials and pipelaying techniques. Critical infrastructure assets are prioritised for renewal over other assets of a similar age to increase resilience and reduce our risk profile. Council has leak detection programmes in place to address infiltration and inflows that create capacity issues at the Manawatū Wastewater Treatment Plant in Feilding. Council is working with relevant organisations including Fire and Emergency New Zealand, to help ensure those communities that are vulnerable to water scarcity are well-positioned to meet foreseeable demands for both drinking and general/firefighting water supplies, taking

Key Forecasting Assumptions	Overall Risk that Council's assumption proves false[2]	Impact on roading and three waters infrastructure	Council's response
		for the loss of three bridges. If the cost of emergency works exceeds Council's ability to borrow, the provision of council services and critical infrastructure could be disrupted for considerable periods of time, and Council will be unable to meet agreed levels of service. Increased frequency and intensity of rainfall events result in infiltration and inflows that increase wastewater volumes to be treated. The Manawatū District is well-placed in terms of water security (adequacy of supply into the future), but some rural communities are already experiencing water scarcity during prolonged periods of drought, which are anticipated to increase in frequency due to future climate events. Water supply for firefighting is also an area of vulnerability for these communities.	into account the likely impacts of climate change. Under Council's future plans to extract more of Feilding's drinking water supply from groundwater, less pressure will be placed on the Ōroua River. Council is looking to support farmers by exploring new rural stock water supply schemes in areas susceptible to drought. Council is also proposing a programme of stormwater upgrades for Feilding and the rural villages to improve resilience of urban areas to higher volume rainfall events. The Emergency Management Bill proposes to make the inclusion of Māori members on Emergency Management Committees and Emergency Management Coordinating Executives mandatory. As Māori are disproportionately affected by climate change-related natural hazards, the inclusion of Māori members will ensure the needs of Māori are given adequate consideration at all levels and across governance, planning and operational activities.

Key Forecasting Assumptions	Overall Risk that Council's assumption proves false[2]	Impact on roading and three waters infrastructure	Council's response
			Guidance and greater central government direction is needed when it comes to coastal planning, managed retreat and where existing settlements are already exposed to significant natural hazard risks.
Borrowing for emergency events Council assumes that its $5 million buffer between its financial strategy and the Borrowing Management Policy will ensure it has adequate borrowing facilities in case of emergencies. Catastrophic events are also assumed to attract Government and private charitable sector support.	Risk that Council is unable to borrow at the required level = Moderate (8)	If the amount of borrowing required for recovery exceeds Council's reserves and borrowing limits, the provision of council services and critical infrastructure could be disrupted for considerable periods of time, and Council will be unable to meet agreed levels of service.	Council has taken measures to ensure it has the financial means to respond to more frequent and intense weather events. These measures include investing in externally sourced insurance, while also maintaining a self-insurance reserve of $1 million, building resilience reserve funds over the life of the 10 Year Plan, and a self-imposed $5 million debt cap buffer to ensure there is capacity to borrow if required.

Managing Growth and Demand

A growing population means that total rates are spread across more rating units, softening the burden of future rate rises on exiting ratepayers. Council has a role in ensuring that the core infrastructure it provides (water supply, wastewater, stormwater, and roading) has sufficient capacity, quality and connectivity to enable the District to achieve its growth potential.

Council has a 20-year growth programme of works which are set out in its Development Contributions Policy and schedule. Debt is drawn each year to cover the difference between the amount of money that Council spends each year on new infrastructure to support growth, and the development contributions received from new development. The current level of debt incurred by growth (as of 30 June 2023) is approximately $16.4 million.

Council's Asset Management Plans are based on these population forecasts, ensuring that infrastructure to support growth is installed in the right place and at the right time.

Assumptions around the distribution of population growth between Feilding, rural and village areas over time is useful to inform Council's growth strategy, the Financial and Infrastructure Strategies and planning for new growth works through Council's Activity and Asset Management Plans. The distribution of population growth is dependent on many factors, including the availability of vacant land, the provision of lead infrastructure to facilitate growth, the attractiveness of certain areas (including the quality of services provided, affordability and lifestyle factors) and external influences, including the restrictions imposed on rural subdivision through the National Policy Statement (NPS) for Highly Productive Land with further changes ahead when the Government releases its planned revised NPS. The distribution of growth in later years will be strongly influenced by the decisions that Council makes around future growth planning, rezoning and provision of new infrastructure.

The following projects occurring within the Manawatū-Whanganui Region are expected to generate employment and economic benefits for the Manawatū District over the medium to long term. These projects are relevant to Council's growth planning, and in prioritising growth-related works, as well as influencing Council's population and household forecasts and assumptions around the distribution of this growth.

- Te Utanganui, including KiwiRail's Regional Freight Hub, Te Ahu a Turanga: Manawatū Tararua Highway, the Palmerston North Integrated Transport Initiative – Regional Freight Ring Road, and the Ōtaki to north of Levin expressway. Collectively, these projects are expected to generate employment and to encourage more distribution companies to the region, further boosting employment and economic growth. These investments are also expected to result in increased freight movements and to alter commuter patterns between Feilding and Palmerston North.
- Royal New Zealand Air Force (RNZAF) Base Ōhakea Expansion – impacts on roading, wastewater reticulation and treatment in partnership with NZTA and the RNZAF and attraction of new families to the District.

The following assumptions (Table 4) are key to Council's infrastructure planning to accommodate growth:

Table 4

Key Forecasting Assumptions	Overall Risk that Council's assumption proves false[2]	Impact on roading and three waters infrastructure	Council's response
Population Growth The population of the Manawatū District is forecast to increase from 34,898 residents in 2024 to 39,694 in 2034 (13.74% increase in population over 10 years) (Infometrics May 2023, high population scenario).	Risk that the resident population of the Manawatū District will increase more rapidly than forecast in Figure 1 = Guarded (6) Risk that the resident population of the Manawatū District will increase more rapidly than forecast in Figure 1 = Guarded (6)	A growing population means that the cost of funding new projects and services is spread across more people. However, rapid population growth can also impact on levels of service. Council must plan to ensure that there is sufficient serviced land available to support residential, industrial and commercial growth.	Council uses assumptions around where people will live to inform its growth strategy, the Financial and Infrastructure Strategies and planning for new growth works through Council's Activity and Asset Management Plans. Council regularly reviews population and household growth and development trends (such as the distribution of growth) through the following processes: - Monitoring and reporting under the NPS-UD - Annual Estimated Resident Population from Statistics New Zealand; and - Long-term Plan processes. In addition, subdivision and building consent data is used for annual updates to the schedule of works contained within Council's Development Contributions Policy. Through the above processes, actual growth and development trends are assessed against projected growth
Demographic Change The demographics of the Manawatū District population is forecast to change in a number of ways, including: • Significant increase in the 80-84 and 85+ age brackets • Short-term proportionate decline in the working age population (30-34, 50-54, 55-59 and the 60–64-year age groups) to 2034, followed by growth in the greater than average growth in the 40-44 and 45-	Risk that the demographics of the Manawatū District will differ significantly from the Infometrics high age group projections (May 2023) to 2034 and 2054 as described in Figure 5 = Guarded (3)	The forecast demographics of the Manawatū District community is relevant when considering the types of services, projects and activities delivered by Council. If there is more growth in the working age population than expected, this could place pressure on housing and services to support young families. If the number of older people increases faster than expected this could affect what services Council needs to provide and the communities ability to pay for those services.	

Key Forecasting Assumptions	Overall Risk that Council's assumption proves false[2]	Impact on roading and three waters infrastructure	Council's response
49 years in later years. • Growth in the 5 – 9-year age bracket by 60% to 2054.			enabling review of the need for, and timing of capital expenditure over the 10 Year Plan period. Planned rezoning and investment in infrastructure roading and three waters infrastructure to support growth may be brought forward to reflect greater than anticipated demand. If population and household growth is slower than forecast, we might have to delay infrastructure projects, so rates remain affordable for existing ratepayers. Council responds to changes in the demographic characteristics of the district over time, including through the prioritisation of projects and services to meet the needs of the community. Council will ensure that the capacity, quality and connectivity of the infrastructure is sufficient to enable the District to achieve its growth potential (i.e. infrastructure will be an enabler of growth).
Household Growth Household growth projections for the Manawatū District were commissioned from Infometrics (High growth scenario). Council assumes that the number of households in the Manawatū District will increase by 0.76% per annum over years 1 – 3 of the Long-term Plan, increasing to 1.08% per annum between years 4 to 10 and by 0.76% per annum from year 11 to year 30. This means that the number of households is forecast to increase from 13,242 in 2023 to 17,404 in 2054.	Risk that the number of households in the Manawatū District in 2054 will be significantly more than forecast in Figure 2 = Guarded (6) Risk that the number of households in the Manawatū District in 2054 will be significantly less than forecast in Figure 2 = Guarded (3)	Household growth is generally dependent on new subdivisions which increase the rating base and spread the cost of services (providing no major roading or infrastructural investment is required to support this growth). If the number of new households is less than forecast this will mean that the cost of providing planned levels of service for roading and three waters will be higher per household, making rates less affordable. If there is insufficient serviced land available in the right locations to meet market demand, growth may be redirected outside of the District.	
Distribution of Population and Household Growth The proportion of the Manawatū District's population living in Feilding (relative to rural and village areas) is expected to remain constant at 53.4% from	Risk that the proportion of the residents living in Feilding relative to rural and village areas of the Manawatū District will increase more	Council uses assumptions around where people will live to inform its growth strategy, the Financial and Infrastructure Strategies and planning for new growth works through Council's Activity and	

Key Forecasting Assumptions	Overall Risk that Council's assumption proves false[2]	Impact on roading and three waters infrastructure	Council's response
July 2024 to July 2026, will increase to 53.6% by July 2028, and to 53.8% by July 2034. Introduction on the National Policy Statement on Highly Productive Land is likely to change future housing growth patterns. Since 2000, approximately 50% of all new housing in the Manawatū District have been in Rural Land, and it anticipated this will reduce significantly.	rapidly than forecast in Figure 1 = Guarded (6) Risk that the proportion of the residents living in Feilding relative to rural and village areas of the Manawatū District will decrease or increase at a slower rate than forecast in Figure 1 = Guarded (3)	Asset Management Plans. If growth happens in Feilding at a faster rate than expected this will affect the ability of roading, three waters and community infrastructure to keep up with demand. If growth occurs in rural and village areas quicker than expected Council may have to plan for new growth works, redirect planned spending from Feilding to other areas, or decrease levels of service.	

Council's plan for managing the long-term growth of the district is set out in the Feilding Framework Plan 2013. Implementing that plan involves feasibility investigations, infrastructure planning, and structure plans. Land is rezoned by making changes to the Manawatū District Plan. Council has rezoned Maewa (Precinct 4 - the northern Feilding residential growth precinct) to provide for short-medium term housing growth. The Precinct 5 area provided for industrial growth in the short-medium term. Land in Precinct 1,2 and 3 has been identified for medium to long-term growth in the District Plan. This land remains zoned rural until Council has completed feasibility investigations, including stormwater management.

Work is underway to review the medium to long-term growth approach. This project is referred to as the Manawatū Growth Strategy.

Council's current assumptions on future growth over the life of this Long-term Plan are summarised as follows (Figure 1:):

Figure 1:



Planning for Growth in Years 1 - 3

Council has a committed growth programme in place building infrastructure to support housing growth in Maewa , industrial growth in Precinct 5, and village stormwater improvements. During this period, Council will also plan for greater housing options, including CBD living and urban intensification. Council will complete an urban capacity model to confirm the availability of residential land, and undertake a review of the feasibility of developing residential growth precincts 1 to 3.

Council also plans to commence detailed design and consenting for its Feilding Stormwater Upgrade project, and to increase investment in stormwater services across the villages, to address known urban stormwater issues.

Council's growth commitment is to the Maewa housing area and indications are this will provide for housing growth over the next 10-15 years. Housing growth demand is influenced by the availability of land in Palmerston North City, and Council will monitor housing development to plan ahead.

Council is planning to undertake further feasibility assessments of existing identified growth areas that are yet to be developed (Precincts 1, 2, and 3). In particular, these feasibility assessments will consider how affordable it will be for Council to construct the necessary infrastructure to support growth.

Planning for Growth in Years 3 – 15

It is anticipated that sufficient land is available in Feilding to provide for growth out to year 15 of the Infrastructure Strategy. This includes a combination of:

- Maewa
- Infill and multi-unit housing in Feilding
- Vacant greenfield land

Providing for growth over years 3 to 10 of the long-term plan is divided into two phases – 2a and 2b. Council will continue to construct infrastructure to facilitate development in Maewa over this timeframe. Council plans to begin construction of capital works to address Feilding stormwater issues in year 6.

Council will consider including budget in its Long-term Plan 2027-37 to complete feasibility investigations to identify new medium and long term growth areas (not previously identified). Once new growth areas have been identified, Council's focus will shift to feasibility studies to address serviceability and value for money. Once preferred options are identified, it will be prudent for Council to designate areas for future infrastructure provision. Over years 3 to 10 Council assumes that:

- residential and industrial development continues in Feilding;
- that rural-lifestyle subdivision on highly productive land will reduce (as the current supply of vacant rural land is exhausted and further subdivision on highly productive land is constrained by the requirements imposed by the National Policy Statement for Highly Productive Land); and
- that there will be an increase in rural-lifestyle development on non-highly productive land around the rural villages.

Council will need to review Feilding's housing options during the 2030-2040 Long-term Plan.

In phase 2b Council anticipates significant growth in Rongotea, as land that was recently rezoned through a private plan change request is serviced. Council is also assuming that during the later years (3 – 10) there will be an increasing supply of vacant land for development in Palmerston North that will reduce demand in the Manawatū District. This is based on the rezoning work the Palmerston North City Council (PNCC) currently has underway, as well as changes to medium density development controls. Council will monitor growth trends to track these trends over time.

Planning for Growth from years 15 - 30

By years 15 to 30, the identification and evaluation of growth areas will have been completed and Council will be facilitating growth (funded through its Long-term Plan) by designation and/or constructing targeted lead infrastructure in the confirmed growth areas. It is anticipated this will involve:

- Village edge growth
- Large-lot development around Feilding

During these years Council assumes that previous trends of growth in Feilding, and declining rural lifestyle on highly productive land, will continue but that Maewa will reach full capacity.

Council forecasts that between years 20 and 30:

- greater intensification in Feilding (multi-unit housing intensification and infill)
- large-lot, semi-serviced development surrounding Feilding and some villages
- Rural-lifestyle development on non-highly productive land will continue to provide a lifestyle alternative.
- The status of rural settlements may need to be reviewed if infrastructure is available.
- It is also assumed that the Council will compete with the Palmerston North City Council for growth as Palmerston North City has an increased supply of land for development in Kākātangiata.

Changing Regulatory Environment

Local Government has been in a period of significant legislative reform, including in relation to the delivery of three waters services, resource management, building consent services and waste management. Council is required to make assumptions about the future direction of central government and how this impacts on the roles and responsibilities of local authorities.

When Government introduces new legislation without the necessary financial assistance to councils to carry out new roles and functions assigned to them, the costs fall on ratepayers. Where new legislation is reliant on staff with specialist skills, this may increase costs for Council, particularly if Council must compete for this talent. Changes in central government priorities also impact on the amount of funding that may be made available to local government, and the types of projects that are likely to receive funding (such as through NZTA subsidies).

Council monitors, reports and submits on new legislative requirements as they are notified by Government. Council considers the resource implications of central government reforms and new national direction.

The following table (Table 5) summarises Council's assumptions around legislative change, potential impacts on roading and three waters infrastructure, and how Council is responding to this challenge.

Table 5

Key Forecasting Assumptions	Overall Risk that Council's assumption proves false[2]	Impact on roading and three waters infrastructure	Council's response
Drinking Water Changes to central government legislation do not fundamentally change the current delivery model for drinking water. It is our understanding that the government intends to keep water services regulatory Taumata Arowai (the water quality regulator), as well as the new Water Infrastructure Regulator (focuses of investment and pricing).	The risk that the national regulations and delivery model remain unchanged = Low (2) The risk that the changes to the drinking water regulations and the delivery model are greater than anticipated = Guarded (6).	All drinking water supplies are required to comply with the Drinking Water Standards of New Zealand (DWSNZv2022), the Drinking Water Quality Assurance Rules (DWQAR 2022) and Drinking Water Aesthetic Values (2022). Signals from central government are that there are no fundamental changes proposed to the current delivery model. However, if there were to be changes to the delivery model or significant changes to	The Feilding water supply scheme has multiple sources of water to increase the reliability of the scheme (Ōroua River, Campbell Road and Newbury Line). The Feilding water resilience project is future proofing Feilding's drinking water supply by reducing reliance on the Ōroua River and the ageing infrastructure at the Almadale Water Treatment Plant. Council will achieve compliance with the Drinking Water Quality Assurance Rules 2022 by

Key Forecasting Assumptions	Overall Risk that Council's assumption proves false[2]	Impact on roading and three waters infrastructure	Council's response
		the regulatory criteria, Council may have to increase its investment in drinking water infrastructure.	constructing a new water treatment plant and reservoir to provide for chlorination, fluoridation and storage at Campbell Road. Upgrades to the Stanway-Halcombe rural water scheme in Year 1 will ensure compliance with the NZ Drinking Water Standards for protozoa.
Resource Management Reform Government repealed the Natural and Built Environment Act 2023 and the Spatial Planning Act 2023 on 24 December 2023. Council assumes that Government will replace the Resource management Act with new resource management laws premised on the enjoyment of property rights (Correspondence from Hon Simeon Brown, 14/12/23). Government has also indicated an intention to simplify the planning system and related statues including the Public Works Act and the Reserves Act. Until such time as the Resource Management Act 1991 is repealed and replaced, Council assumes to continue its current roles and responsibilities for resource management.	The risk that the Manawatū District Council will be unable to meet the requirements under new legislation and legislative instruments due to insufficient capacity = Moderate (12)	The shift towards regional spatial planning and regional plan making would have altered the way that Council plans for lead infrastructure to support growth in the later years of the infrastructure strategy (i.e. beyond year 10). While the Coalition Government has repealed the new Resource Management legislation and signalled its intention to replace the RMA with new resource management laws, it is not clear, at this time, what the impact of future resource management legislation will be.	Council will consider the impact of new resource management legislation as it is drafted.

Key Forecasting Assumptions	Overall Risk that Council's assumption proves false[2]	Impact on roading and three waters infrastructure	Council's response
Transportation Priorities Government has indicated it will prepare a new Government Policy Statement (GPS) Transport and will reduce expenditure on cycleways.	The risk that roading maintenance and renewal projects will not secure Waka Kotahi NZTA funding = High (16)	Council has prepared its Long-term Plan budget based on the previous GPS Transport. If there is a significant shift in Government priorities this may affect Councils ability to progress its programme of works. For example, Council has a cycling facilities programme with a total cost of $4,956,519. If NZTA withdrew its subsidy for cycling facilities this would leave a funding shortfall of $2,527,824 (51%) over the first three years of the Long-term Plan.	If there is a significant change in Government priorities for transport that creates a misalignment with Council's current transport programme of works, this would mean that NZTA subsidies are no longer available for planned projects. Council could choose to rates fund 100% of all or some of the planned projects. If Council decided not to proceed with planned programmes that no longer attract a NZTA subsidy, the rated portion (49%) of these projects would be added to Council's reserves.
Waste Management The previous Government was drafting new legislation to replace the Waste Minimisation Act 2008 and the Litter Act 1979. The proposed legislative changes were favourable for Council as they would make it easier and less expensive for Councils to undertake litter enforcement, and would make private waste providers more accountable for their waste data. It is not clear what direction the new Government will take in relation to the review of waste legislation.	The risk that the Manawatū District Council will be unable to meet the requirements under new legislation and legislative instruments due to insufficient capacity = Moderate (12)		

Key Forecasting Assumptions	Overall Risk that Council's assumption proves false[2]	Impact on roading and three waters infrastructure	Council's response
		Actions from Council's Waste Management and Minimisation Plan 2023 are consistent with the previous Government's direction and transition towards a low-emission low-waste circular economy. However, it is not clear how well aligned our Plan will be with the new Government's priorities for waste management and minimisation.	Council will fund new waste initiatives through enhanced waste levy funding where possible, to minimise impact on rates.
National Direction for Freshwater The previous Government's national direction for freshwater was expected to result in new requirements for managing stormwater quality. The NPS-FM water quality targets may mean that Council has to eliminate all direct discharges of treated wastewater to waterways. The new Government has signalled several changes to regulation and legislative instruments that will impact on Council's roles and responsibilities. Indicative changes include replacing the NPS-Freshwater Management 2020 and the National Environmental Standards for Freshwater.		To date, Council's focus for stormwater discharges has been on managing stormwater quantity. If Council has to improve the quality of its stormwater discharges, it will cost more to renew stormwater discharge consents, and to comply with new consent requirements. If Council has underestimated the impact of freshwater reform, it may need to increase budgeted expenditure to renew stormwater and wastewater discharge consents and invest in new mitigations to improve the quality of discharges.	Council made allowance in its budgets for more stringent requirements when renewing its wastewater and stormwater discharge consents. Council's investment in the Manawatū Wastewater Treatment Plant in Feilding means that it already achieves a high quality of treated wastewater discharge.

Impact of Central Government Direction on Land-use Change

Council is aware of current land use trends, including rural land being used more intensively than it was in the past. However, these trends may slow or reverse as new requirements are introduced to the District Plan and to the One Plan to ensure compliance with new central government direction. Council is required to give effect to national direction as signalled in legislative instruments, including National Environmental Standards and National Policy Statements under the Resource Management Act 1991. The following legislative instruments are considered to be particularly relevant to Council's assumptions around land-use change in the Manawatū District over the life of this Infrastructure Strategy:

- **NPS for Highly Productive Land (NPS-HPL)**
  The NPS-HPL has the effect of limiting rural subdivision on highly productive (LUC Class 1 – 3) land. Council must balance the protection of highly productive land under the NPS-HPL with the requirements to provide a certain amount of development capacity to meet expected demand for new housing and business land over the short to medium term.

- **NPS for Plantation Forestry, pricing of agricultural emissions and the carbon price set through the NZ Emissions Trading Scheme**
  These legislative instruments are assumed to encourage land conversion away from primary production to new forestry, including exotic carbon forestry. Council is aware that areas of forestry in the District will reach harvestable age between 2021-2030.

- **NPS for Indigenous Biodiversity (NPS-IB)**
  The NPS-IB currently requires that Council identify and protect areas of indigenous biodiversity. Land-owners with significant natural areas may be limited in what they can do with their land. Council may also be required to maintain and restore natural areas to meet vegetation cover targets.

The interplay between new legislation, National Policy Statements under the Resource Management Act 1991 and Horizons One Plan means that land use change in the moderate to long term is inevitable, but there is a high level of uncertainty about where, how and when that land use change will take place. The level of uncertainty increases over time as new targets are set in legislation and through National Policy Statements and plans.

Council is expecting moderate changes in land use over the next three years and more significant changes to current trends are forecast to occur between years 4 and 10. Forecast changes include:

- diversification of land use from agriculture to forestry and other low emission land uses;
- a reduction in rural subdivision on highly productive land;
- de-intensification or relocation of intensive primary production away from waterways; and
- greater protection of land for indigenous biodiversity purposes.

Council has evaluated the risk that current land use in the Manawatū District changes more rapidly, or in different locations or ways than anticipated (Refer to "Alternative 1" in the Land Use Change Forecasting Assumption on page xx), as "Guarded" (risk score of 4 for years 1 – 3, and 6 for years 4 to 10)[2]. Council has evaluated the risk that current land use in the Manawatū District will persist or that land use change will occur at a much slower rate or in fewer locations or ways than forecast as "Guarded" for years 1 – 3 and "Low" for years 4 – 10.

Rural land is largely self-serviced so changes in land use will not alter demand for reticulated networks. However, rapid changes in land use could result in anticipated demand for new (or

upgrades to existing) services and the need to undertake additional road maintenance or improvement works.

There is uncertainty regarding the response to highly productive land protections and future housing development trends. A large shift of development to rural villages will see the need for additional infrastructure programmes, or lowering levels of service.

Land conversion away from primary production into forestry, has implications for:

- food security,
- employment (i.e. concerns around job losses in agriculture)
- indirect financial implications.

The new government has signalled the review, amendment or replacement of several national standards and policy statements, the implementation of which would have had a considerable impact on land use change, including:

- Undertaking an urgent review into the implementation of the National Policy Statement (NPS) on Indigenous Biodiversity before any implementation, including ceasing the implementation of new Significant Areas.
- Replacing the NPS – Freshwater Management 2020 and the National Environmental Standards (NES) for Freshwater, including by:
    - Rebalancing Te Mana o te Wai to better reflect the interests of all water users.
    - Allow district councils more flexibility in how they meet environmental limits and seek advice on how to exempt councils from obligations as soon as practicable.
- Amending the NES for Plantation Forestry regulations to place a duty upon harvesters to contain and remove post-harvest slash.
- Introducing an NPS for Renewable Electricity Generation.

The summary of the incoming Government's priorities, as expressed in the Coalition Agreements signed on 24 November 2023, do not include any reference to the NPS for Highly Productive Land.

Until such time as Government has completed its review, amendment or replacement of the above national direction, it is difficult to anticipate the impacts on land-use change.

Roading

Strategic Alignment

As noted in the Activity Statement in Section 5.7 the Roading Group contributes to the following community outcomes:

	Roading Group
A place to belong and grow	✓
A future planned together	✓
An environment to be proud of	✓
Infrastructure fit for the future	✓
A prosperous, resilient economy	✓
Value for money and excellence in local government	✓

Council has also developed the following strategic priorities for the roading network that it will use to help guide decision-making and prioritisation of roading projects for this Long-term Plan.

Council's strategic priorities for roading are to:

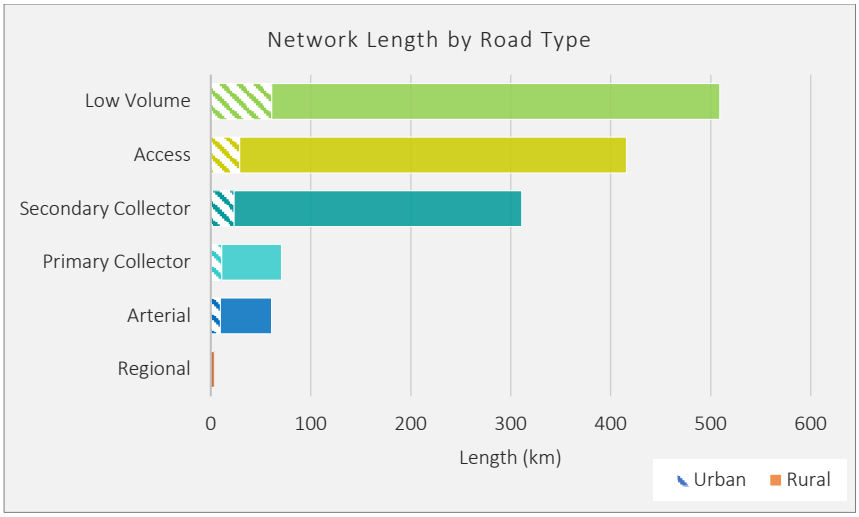
1. Deliver a fit for purpose, safe and affordable roading network;
2. Maximise NZTA funding;
3. Improve resident perception;
4. Ensure that roading supports, not inhibits, the economy; and
5. Provide key linkages to Palmerston North and the State Highway Network

Key Roading Assets

Council's network includes 1,371km of roads, of which approximately 1,002km (73%) is sealed and 369km (27%) is unsealed. The roading network in the Manawatū District, classified using NZTA's "One Network Road Classification (ONRC) system. Council is only responsible for primary collector, secondary collector, access and low volume roads. Roads classified as "arterial" and above are the responsibility of NZTA.

As illustrated by Figure 2 below, approximately 90% of the network consists of low volume, access and secondary collector roads, which carry 39% of the district's traffic. Approximately 90% of road length (1237km) is classified rural, and 10% (134km) is classified urban.

Figure 2:



Council owns and manages over 240 high value bridging assets, dispersed throughout its network, as illustrated in Figure 3 and Figure 4 below.

Figure 3:

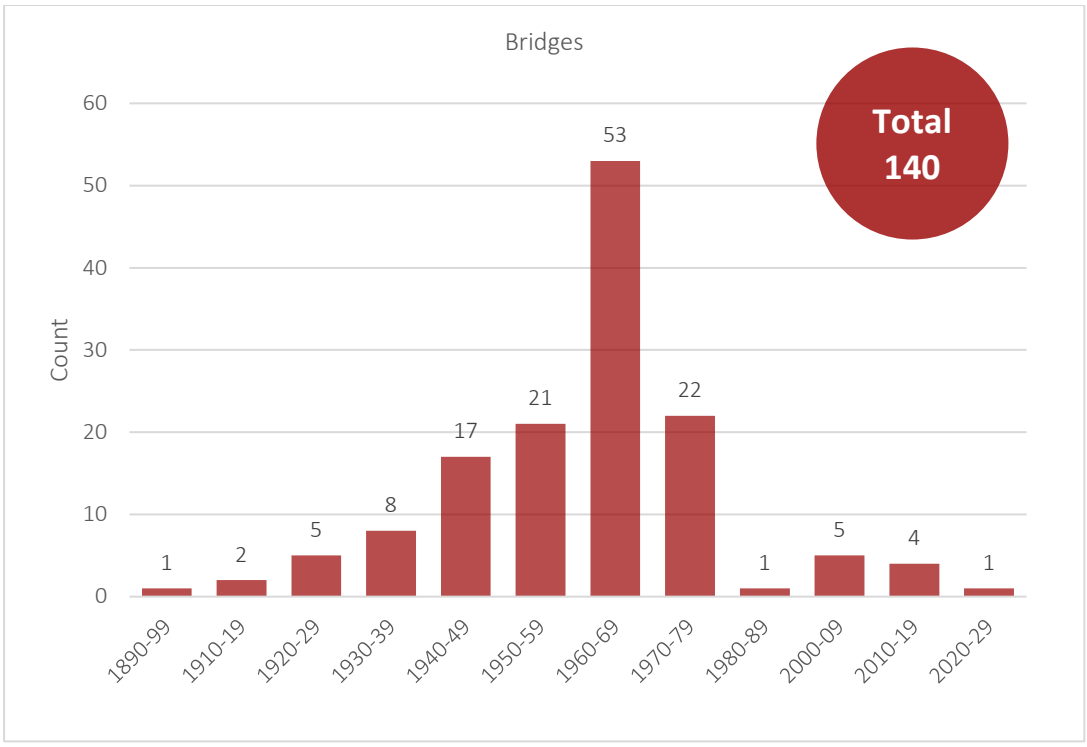
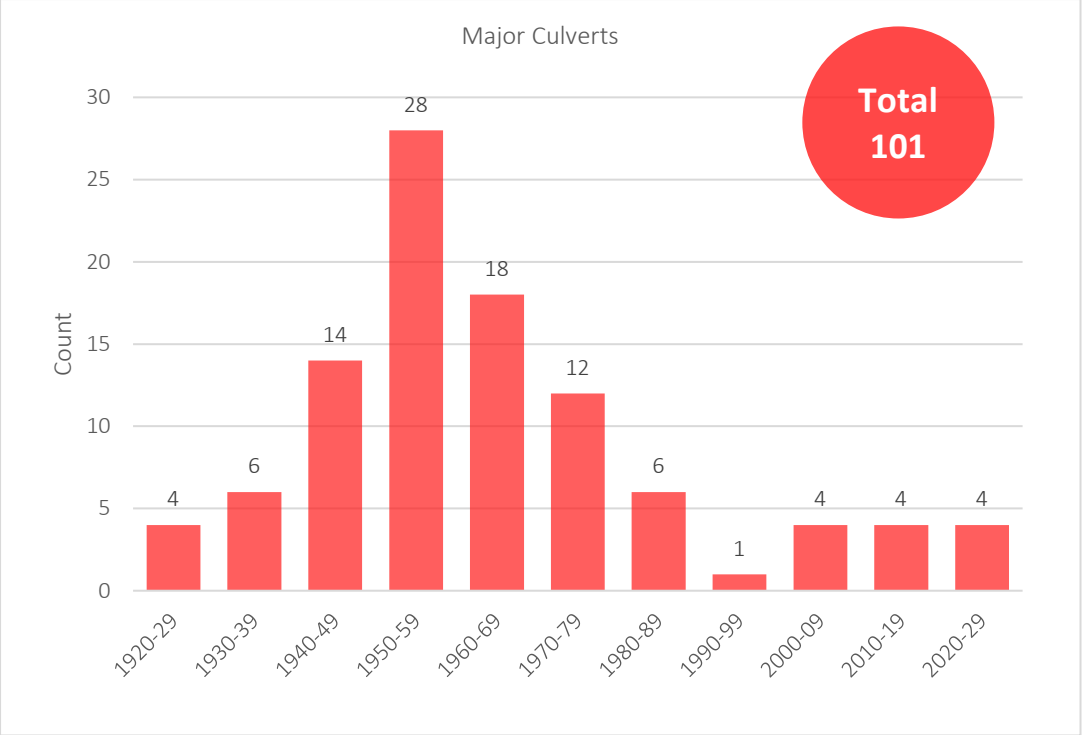


Figure 4:



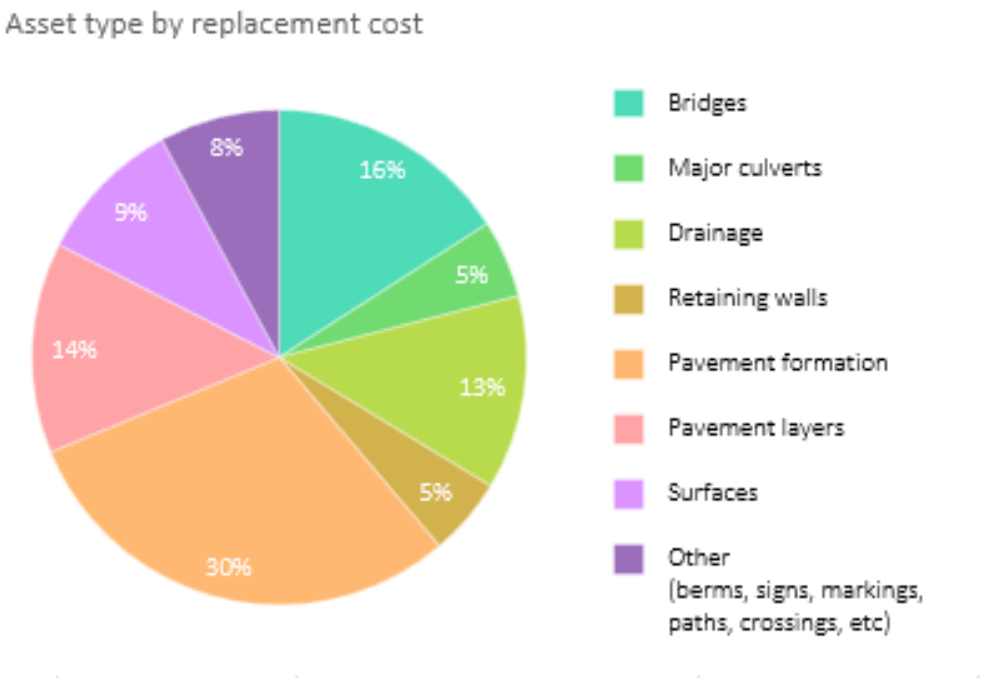
Network Value

The latest valuation of transportation assets in July 2023 calculates the Optimised Replacement Cost at approximately **$1.16 billion dollars**. This represents the cost of replacing Council's roading asset portfolio today and demonstrates the importance of continuously managing our existing transport assets efficiently and effectively.

The 2023 total Optimised Replacement Cost for Council's Roading Assets is a 14.4% increase on the valuation of these assets as of 1 July 2022 (valued on 1 July 2022 at approximately $1.01 Billion).

Figure 5 below illustrates asset type by replacement cost, using the 2023 valuation data.

Figure 5:



Demand

The district's total traffic volume has increased by 22% between 2018 and 2022, with rural road traffic increasing by 23%, and urban road traffic 16%. Furthermore, traffic demand associated with forestry activities on the network is predicted to continue at peak levels until 2029.

The roading and infrastructure investments associated with Te Utanganui (developing the Manawatū as a multi-modal freight hub) will increase freight movements.

In order to respond to future traffic demand, Council will maintain condition of the network by concentrating on core corridor related maintenance and renewal activities.

Asset Condition and Performance

There are five mandatory level of service requirements that Council must measure the performance of its roading network against. The Roading Activity Statement in the LTP identifies five performance measures that Council uses to measure achievement of these level of service measures and targets to meet for each financial year over the life of the LTP. The proposed measures and targets are unchanged from the 2021 LTP.

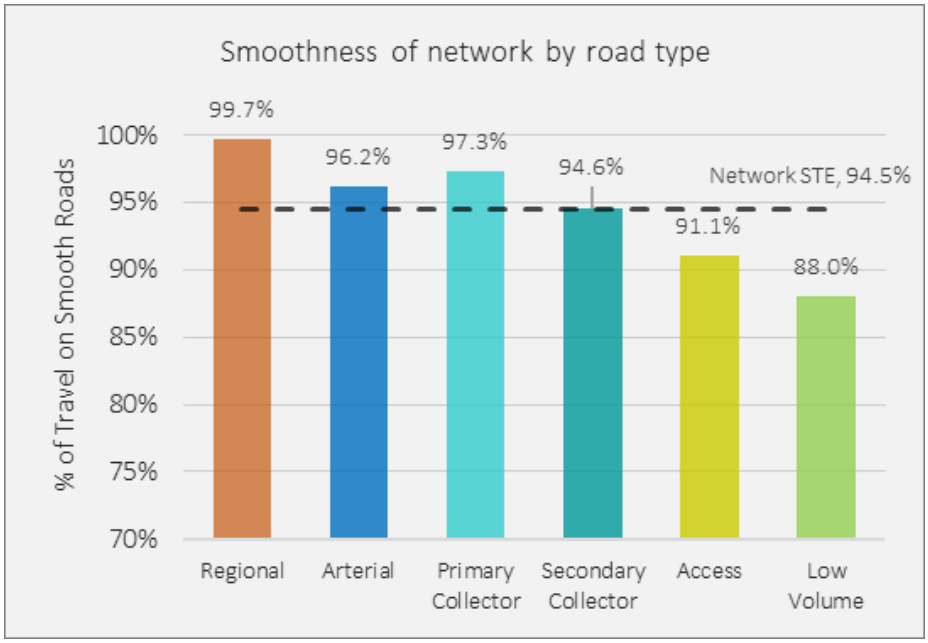
In the 2022/23 financial year, Council achieved all of its performance targets for the roading network, except in relation to the safety of the road network. Council had a target of a reduction in the number of service injury crashes on the local road network from the previous financial year. The number of crashes in the 2022/23 financial year equated to 0.00074 fatalities/serious injuries per capita, compared to 0.00064 the previous financial year.

The road network currently performs at an acceptable level. The primary measure – how smooth the roads are – shows that Council performs well in relation to New Zealand's other Road Controlling

Authorities (ranked 15 out of 67 Local Road Controlling Authorities in New Zealand, and highest out of the Council's in the Manawatū-Whanganui Region).

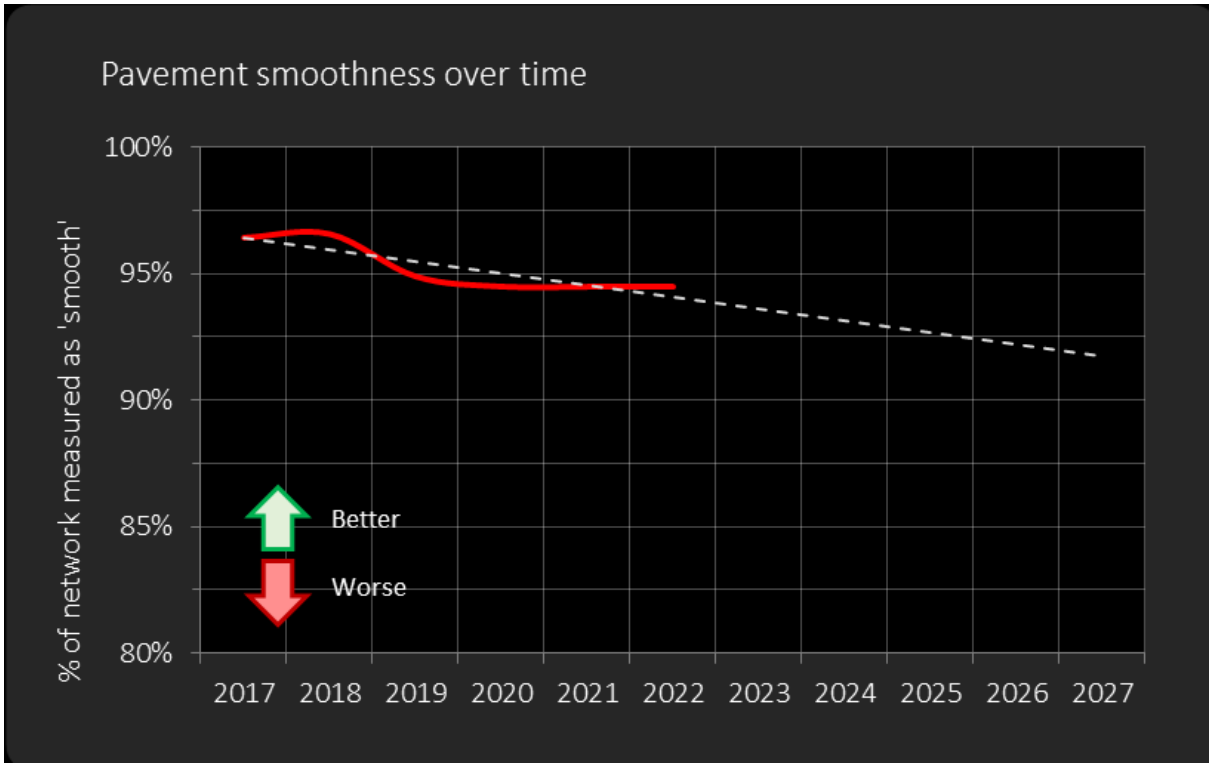
Smoothness of the sealed network also reduces as you step down the road classification hierarchy, aligning with the expectation of a lesser Level(s) of Service to roads carrying lower traffic volumes (Figure 6):

Figure 6:



However, ride quality has been deteriorating gradually over time, as seen in Figure 7 below:

Figure 7:



It is evident that the condition of the roading network is beginning to deteriorate. Due to inflationary pressures, less work can be delivered for the same amount of money. Current funding levels for roading maintenance and renewals have been insufficient to maintain current performance of the roading network. If Council continues to invest in maintenance and renewals at the current level, we can expect longer term deterioration of the network and increased likelihood of network failure. Structures are longer lived assets and deteriorate more slowly in general than other roading assets.

Data Confidence

Data used and maintained in available databases can include degrees of error or uncertainty, mostly due to the origin of some data being from less robust, often historic data sources. Council produces an annual report that measures the accuracy, completeness, and timeliness of data using nationally consistent data confidence measures. The results of this assessment are contained in the *"Transport Insights Asset Management Data Quality Report."*

The latest report gives Council a data confidence score of 93 out of 100, up from last year's score of 88. This result shows that Council's data used to assess the overall condition of the network can be used with a **high degree of confidence**.

A key information source used to assess conditions and trends are High Speed Data Surveys (HSD's), undertaken at regular intervals. The level of detail collected is related to the road classification. This data is used to assess core data on Council's sealed road network, such as roughness, and further metrics such as rutting, texture depth, and skid resistance to corridors with higher One Road Network Classification (ONRC) status.

Lifecycle Management

As outlined in section 4 of the Roading 2024-27 Activity Management Plan, Council uses a programme prioritisation and optimisation method to rank capital and maintenance projects for the roading network. Prioritisation is a method of putting proposals on a priority list indicating which are to be funded first. Optimisation involves allocating resources to gain the most benefit or return possible in the given context. The focus of the evaluation is on minimising total lifecycle costs while meeting community expectations.

The option that minimises Council and road user costs, in a lifecycle context, is considered to be optimal. In addition to minimising lifecycle costs, the process of prioritising and optimising includes consideration of strategic network requirements and the cumulative benefits of strategic corridor improvements.

Issues for Roading Infrastructure

Using the investment logic mapping (ILM) framework, in combination with existing evidence, Council has identified the following key issues for the roading network (Table 6):

Table 6:

Issue	Issue description	Key Focus of Council	Desired end state(s)
Legacy network	Council's maintenance spending has been insufficient to maintain	Further investment in maintenance and renewal activities is necessary to	A network that is fit for purpose

Issue	Issue description	Key Focus of Council	Desired end state(s)
	pavement performance. Deteriorating condition and changing demands on Access, Low Volume and Secondary Collector roads are resulting in decreased Levels of Service and increasing reactive interventions. Reasons for the deterioration include ongoing forestry harvest, growth in freight movements, increasing traffic volumes due to population growth, and inflationary pressures. Future growth in freight movements is expected over the life of the Long-term Plan due to planned transport and infrastructure investment (Te Utanganui).	combat further pavement deterioration, particularly to Low Volume, Access and Secondary Collector level roads. Council will work closely with neighbouring councils and central government agencies to address potential impacts of increased freight movements as a result of Te Utanganui.	
Network resilience	The Manawatū District is susceptible to increasingly severe weather events. Storm events result in flooding, landslips and damage to assets such as bridges and culverts. Severe weather events result in significant reactive maintenance expenditure, disruption to the network and increased road safety risks.	Further investment in maintenance and renewal activities is needed to improve network resilience, reducing the risk of closure due to landslides or storm events and minimising the duration of future road closures.	A network that provides reliable journeys
Safety	While implementation of Council's road safety programme has resulted in an overall downward trend in fatal and serious crashes on the network over the past five years, the incident rate of crashes remains high. This has a significant social and economic cost to the district and country as a whole.	Continued investment in Council's programme of safety related activities is necessary to improve safety of the network and the 'Road 2 Zero' target of 'a 40% reduction on 2018 Fatal & Serious crashes'. The programme focusses on improvements to:	Minimise the risk and consequence of crashes & Enable growth in Manawatū

Issue	Issue description	Key Focus of Council	Desired end state(s)
		- Curve signage and skid resistant guardrails to address loss of control on curves. - Delineation parapet upgrades to address loss of control on straights; and - Intersection signage delineation; to address intersection related crashes.	

The Manawatū road network is critical in sustaining the growth and the economy of the district. Without adequate funding for maintenance, road assets will exponentially deteriorate, negatively impacting user access safety and experience within the community.

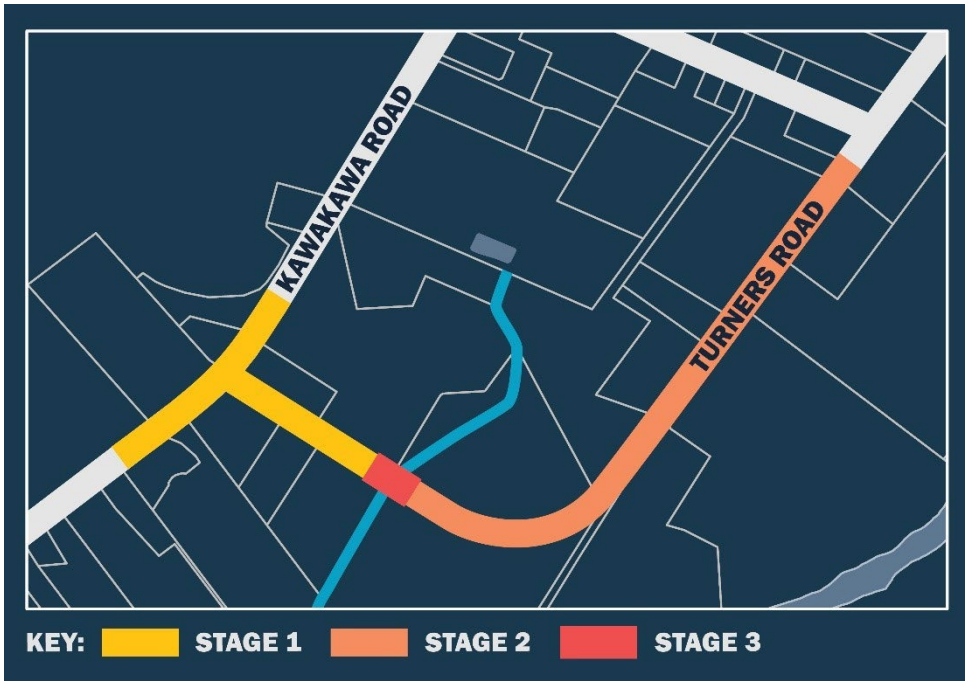
Recent climate change events have also impacted the distribution of limited Council funds, with money originally allocated to maintenance, rehabilitation or reseals being used for emergency works. Waka Kotahi's Emergency Fund has a lengthy turnaround period, forcing the Council to put planned work on the hold to prioritise remedial work in order to reinstate access to residents.

Key Projects for the Roading Activity

Turners Road Extension stages 2 and 3

In the 2018-28 Long-term Plan Council committed to the Turners Road extension which will link the existing Turners Road to Kawakawa Road to help facilitate the development of 24 hectares of high-quality industrial zoned land in this area (Precinct 5). The Turners Road extension is anticipated to bring economic benefits to Feilding and the wider district by attracting new industrial development. The project will also provide a pathway for a trade waste line between key industrial areas and the Manawatū Wastewater Treatment Plant. As such, this project is considered lead infrastructure to enable commercial and industrial growth and development on the southern end of Feilding.

Figure 8: Turners Road Extension



Council began construction of Stage One of the Turners Road extension in early 2023 and will be completed in the 2023/24 financial year. This stage included installation of a Right Turn Bay on Kawakawa Road, and construction of the new Turners Road from the Kawakawa Road intersection to the stormwater culvert.

As this is a continuation of a project that was committed to in the 2018-28 Long-term Plan and remains a strategic priority, Council only evaluated options around the phasing and timing of the works, not whether the project should proceed or not. Timing and phasing of the project considers the budgetary constraints, particularly Council's debt cap and forecast growth in demand for commercial and industrial property. Council has taken a conservative and financially prudent approach to not get too far ahead of development and in doing so overcommitting to our debt capacity that would incur significant interest costs ahead of industrial and commercial development that would offset these lead infrastructure costs.

Stage two includes roading growth works, Feilding wastewater and stormwater growth works and Feilding water supply growth. Stage three involves the construction of a culvert over the stormwater drain that runs through precinct 5. Council considered the option of proceeding with planned capital works in year 1. However, this option was not affordable as Council would have breached its dept cap and over-committed its capital works programme. The most prudent option was to make Year 1 of the LTP is a holding year. That means no new growth is budgeted for in Maewa or Precinct 5 in 2024/25 which will enable the completion of all current works and provide a buffer period to complete those projects. Construction of the Turners Road Extension stages 2 and 3 is scheduled for years 2 and 3 of the Long-term Plan, as detailed below.

Budgeted Expenditure:

Financial Year	Inflated Amount ($)
2025/26	$1,230,982
2026/27	$3,916,751
Grand Total	**$5,147,733**

In addition to the roading budget above, the following table sets out the three waters growth works to support the Turners Road extension:

Financial Year	Stormwater	Water Supply	Wastewater	Total Inflated Amount ($)
2025/26	$1,873,532	$438,291	$332,852	**$2,644,675**
2026/27	$2,288,728	$726,738	$1,300,877	**$4,316,343**
			Grand Total	**$6,961,018**

Maewa Growth Works

Council is taking a corridor approach to provision of infrastructure. The costs of providing roading infrastructure are included with the costs for utility infrastructure on page 48 of this Infrastructure Strategy.

Three Waters Services (Water Supply, Wastewater and Stormwater)

Strategic Alignment

As noted in the Activity Statements for the Water Supply Group (Section 5.8), Wastewater Group (Section 5.9), and Stormwater Group (Section 5.10), Council's three waters services contribute to the following community outcomes (Table 7):

Table 7:

	Water Supply Group	Wastewater Group	Stormwater Group
A place to belong and grow	✓	✓	✓
A future planned together	✓	✓	✓
An environment to be proud of	✓	✓	✓
Infrastructure fit for the future	✓	✓	✓
A prosperous, resilient economy	✓	✓	
Value for money and excellence in local government	✓	✓	

Council has also developed the following strategic priorities for Three Waters Services that it will use to help guide decision-making and prioritisation of Three Waters Projects for this Long-term Plan:

1. Three waters services ensure the Manawatū District remains open for business, whilst maintaining public health, enhancing the environment (freshwater) and providing capacity and cost certainty into the future.
2. Council enhances stormwater networks to protect the community and property within our district.
3. Council enables residential, commercial and industrial growth across our district through well planned 3 waters infrastructure investment.
4. The community are connected to our rivers and other water bodies, which are enhanced by our actions wherever possible.
5. Council will continue to engage with mana whenua with a long-term goal of eliminating all direct discharge of treated wastewater to the Ōroua River.

Also relevant to the delivery of Council's three waters services are Council's broader strategic priorities in the areas of *Environment and Waste*, which are to:

1. Embrace innovation and be responsive to emerging opportunities to improve environmental outcomes for our community now and into the future.
2. Our infrastructure networks and planning incorporate and promote environmental sustainability and resilience.
3. Actively seek to understand and get strategic about the environmental impact of Council activities.

Three Waters Assets

Assets are defined and grouped by their physical assets into the following types:

- Points (any asset that has a single place that defines it)
  - Valves, hydrants and tobies
  - Pumps
  - Sewer Pump Stations
  - Sumps and Cess Pits
  - Buildings (can also be represented by polygons)
  - Plant items
- Lines
  - Pipes – mains and laterals
  - Open Drains in Rural Drainage Schemes and within Urban boundaries
  - Culverts
- Polygons
  - Reservoirs
  - Treatment Plants
  - Irrigated areas
  - Sediment ponds
  - Buildings

Intangible assets such as resource consents are also recorded and depreciated over the life span of the consent. Table 9 summarizes the asset components recorded in AssetFinda, with the units of measurement for this table described in Table 8.

Table 8: Legend for Asset Quantity Table

Unit of Measurement	Meaning
Each	1 or a single confined asset / component
m	length in metres
m^2	length * width (or diameter) in metres

Table 9: Three Waters Asset Quantity

Asset Class		Unit of Measurement	Quantity/length	Number of Asset Records
Stormwater	Drainage Earthworks	m^2	54	4
	Open Drains	m	126,209	185
	Storm Pump Stations	Each, m	68	20

Asset Class		Unit of Measurement	Quantity/length	Number of Asset Records
	Stormwater Line	m	124,815	4,381
	Stormwater Point	Each	2,158	2,158
Wastewater	Sewer Pump Stations	Each, m	6,056	1,100
	Wastewater Line	m	249,135	6,462
	Wastewater Plant	Each, m, m^2	171,063	870
	Wastewater Point	Each	3,012	3,012
	Wastewater Buildings		24	24
Water	Water Line	m	487,395	11,768
	Water Metres	Each	539	539
	Water Plant	Each, m, m^2	36,119	780
	Water Point	Each	12,818	12,818
	Water Buildings		11	11
Grand Total				44,132

Network Value

The following table sets out the replacement value, depreciated replacement value and annual depreciation for Council's three waters infrastructure (as of 30 June 2023):

Class Group	Replacement Value	Depreciated Replacement Value	Annual Depreciation Value
Water	$207,727,172	$109,109,105	$2,525,997

Class Group	Replacement Value	Depreciated Replacement Value	Annual Depreciation Value
Wastewater	$195,123,961	$119,263,366	$3,224,612
Stormwater	$108,497,275	$75,259,446	$708,109
Total	$511,348,409	$303,631,918	$6,458,719

Asset Condition and Performance

There are several drivers behind the levels of service that Council provides for water supply, wastewater and stormwater within the Manawatū District, including:

- Customer service expectations;
- Community Outcomes for the Council, as stated in the Long-term Plan;
- Legislative requirements, including the Department of Internal Affairs mandatory performance measures; and
- Resource consent performance conditions.

The Activity Statements for Water Supply, Wastewater and Stormwater set out the level of service statements, the performance measures that Council uses to measure performance, and the expected performance based on current budget, as set in targets for years 1-3 and 4-10.

Water supply

Council has five urban drinking water schemes to meet residential and industrial/commercial needs in Feilding, Himatangi Beach, Sanson, Rongotea and Ōhakea. The plant at Ōhakea was commissioned in late July 2022.

No changes are proposed to the mandatory level of service measures for Council's water supplies. However, Council is proposing to add some new targets for some levels of service to reflect new water supply schemes commissioned since the last LTP.

Feilding Water Supply

The Feilding water supply scheme has multiple sources of water to increase the reliability of the scheme (Ōroua River, Campbell Road and Newbury Line). Water from the Ōroua River is treated at the Almadale Water Treatment Plant. Drinking water from Almadale is fully compliant with the New Zealand Drinking Water Standards for both bacteria and protozoa.

The reservoir at the Almadale Water Treatment Plant and the trunk water main into town are nearing the end of their useful lives. Following completion of the planned upgrades that are detailed in the Feilding Water Resilience Project (page xx), Council will confirm the future of the Almadale Water treatment Plant with options including reduced reliance or complete decommissioning.

Water from the Cambell Road and Newbury Line bores is treated at the Awa Street Water Treatment Plant. The Awa Street Water Treatment Plant does not currently have UV treatment installed and the water sources do not achieve the required chlorine contact time. This means that drinking water from the Feilding Awa Street Water Treatment Plant does not comply with the NZ Drinking Water Standards for bacteria compliance or the new Drinking Water Quality Assurance Rules 2022 (DWQAR) that came into effect from 1 January 2023. The Awa Street supply therefore failed to meet the water quality targets for those performance measures relating to the provision of a safe water supply in the 2022/23 financial year. The Awa Street water treatment plant will remain in place until the upgrades at the Campbell Road bore are completed as part of the Feilding Water Resilience Project (page xx) in 2028/29.

Rural Water Schemes

Council provides rural water schemes in Stanway-Halcombe and Waituna West to meet residential and agricultural needs. Council also administers two rural water supply schemes that are community operated (Kiwitea and Ōroua No. 1).

The Stanway-Halcombe rural water scheme was non-compliant with the NZ Drinking Water Standards for bacteria in 2022/23 due to high turbidity in the treated water. This turbidity is as a result of erosion of the riverbank near the intake structure caused by Cyclone Gabrielle. Council has prioritised investment in turbidity control in year 1 of the Long-term Plan (2024/25).

The Stanway-Halcombe rural water scheme currently does not comply with the NZ Drinking Water Standards for protozoa. This is being addressed through planned investment in Year 1 of the Long-term Plan (2024/25), in accordance with a direction set by Taumata Arowai.

Real Water Loss

Council measures water loss from Council's networked reticulation system. Council is currently meeting its target of keeping estimated real water loss at below 35% per water supply scheme. Water loss in Feilding and the rural villages was calculated to be 22% in 2021-22. Water losses in Himatangi Beach could not be measured accurately due to seasonal fluctuations in population.

Responding to faults and service interruptions

Council is meeting its targets for responding to and resolving faults or interruptions to its reticulated water supply network. Council's average response time to urgent requests was Horizons Regional Council have assessed that their current water allocation framework, implemented through consenting processes, does not fulfil the requirements outlined in the NPS-FM. Changes to water allocation frameworks to give effect to the NPS-FM would create pressure on Council to move away from waterway abstractions for water supply, and prioritise ground water abstraction wherever possible.

Quality of the water service

Council monitors the total number of complaints received about drinking water clarity, taste, odour, water pressure or flow, and continuity of supply. Council consistently achieves its target of receiving less than 20 complaints per 1000 connections (8.73/1000 in 2022/23).

Managing demand for domestic water supply

Council sets targets around the average consumption of drinking water. The target is set at <300 litres per resident per day for urban drinking water schemes and <1000 litres per resident per day for rural drinking water schemes (to reflect stock use). Council met its targets for the 2022/23 financial year, with the exception of Waituna West (average of 1,370 litres per resident per day).

Wastewater

Council collects, treats and disposes of wastewater, including domestic, commercial and industrial waste. Council maintains reticulated wastewater systems in Feilding, Awahuri, Cheltenham, Halcombe, Kimbolton, Rongotea, Sanson and Himatangi Beach.

In the 2022/23 financial year, Council complied with all of its level of service performance measures and targets, as set out in the 2021-31 Long-term Plan, in relation to:

- The number of dry water sewerage overflows from Council's sewage system;
- Compliance with resource consents for discharge from its treated wastewater system;
- Response and resolution of faults and blockages; and
- Satisfaction with our service.

Council has already invested substantially in the Manawatū Wastewater Treatment Plant in Feilding. This treatment plant is functioning well, and Council has not planned any substantial additional capital upgrades. However, funding has been allocated in years 1 and 2 (2024/25 and 2025/26) of the Long-term Plan for working with stakeholders to develop a revised discharge consent framework for discharge from the Manawatū Wastewater Treatment Plant. This reconsenting includes stage 2 of the wetland construction, with a goal of removing all direct discharge to the Ōroua River (with the exception of emergency weather events).

Council is leveraging off its existing investment at the Manawatū Wastewater Treatment Plant in Feilding through its Wastewater Centralisation Project. This project involves the piping of wastewater from Sanson, Rongotea and Halcombe to the Manawatū Wastewater Treatment Plant for treatment and discharge. In addition, Council has worked closely with the New Zealand Defence Force to provide a permanent wastewater solution for the Ōhakea Base that involves piping wastewater to the Manawatū Wastewater Treatment Plant via the Sanson pipeline. This will be commissioned in Year 1 of the Long-term Plan (2024/25).

The original plan for the Wastewater Centralisation Project (as set out in the 2018-28 Long-term Plan) included the piping of wastewater from Kimbolton and Cheltenham to the Manawatū Wastewater Treatment Plant in Feilding. Due to high infrastructure costs, Council has made the

decision to re-consent both the Kimbolton and Cheltenham Wastewater Treatment Plants as standalone treatment plants. Provision has been made in years 6 and 7 of this Long-term Plan for this reconsenting process. Notwithstanding this, the centralisation of the villages in the south of the District will result in over 100 km of waterways being free of any treated wastewater discharge permanently.

Stormwater

Council maintains stormwater systems in Feilding, Rongotea and Sanson, including inlets, pipes, open drains and outlets. Council maintains shared stormwater assets in Himatangi Beach, Halcombe, Āpiti, Kimbolton, Pōhangina, Rangiwahia and Cheltenham. Council also carries out maintenance on the rural drainage schemes in Bainesse, Maire, Makowhai and Ōroua.

There was one flooding event that occurred in February 2023 which meant that Council did not meet its 2022/23 Annual Plan level of service target of having no flood events (defined as an overflow of the urban stormwater system that enters a habitable floor). However, Council did meet its target of having less than 10 habitable floors per 1000 properties connected to Council's stormwater system affected during this flood event (achieved 0.35). Council also complied with its level of service targets for compliance with its resource consent conditions for stormwater discharges, and satisfaction with the performance of Council's reticulated stormwater system. However, Council failed to meet its level of service target for timely response to flooding events (an average response time of 2.65 hours with a target of <2).

Despite general compliance with the level of service performance framework for stormwater in the 2022/23 financial year, the flood events in November and December 2022 highlighted a number of deficiencies in the urban stormwater network across Feilding. In response to this, Council has approved a $20M stormwater upgrade programme with detailed design and consenting processes being carried out over the first 3 years of the LTP, with the capital investment commencing in year 6 of the LTP. Council would have liked to have initiated the investment earlier, but budget constraints and competing priorities meant that the budget was not available until year 5 onwards.

Council is also aware of ongoing stormwater overland flow and ponding issues in many of the rural villages. Council committed to a village stormwater upgrade programme in the 2018-28 Long-term Plan, allocating $500,000 per year over the life of the Long-term Plan. Many projects have been completed since then, however, with the increasing cost of investing in new infrastructure and the scale of investment required across the villages, Council has committed to increasing that investment to $1M per year for the duration of the 2024-34 Long-term Plan. This investment will see substantial improvement in stormwater services across the Villages throughout the District.

Data Confidence

The asset register for three waters has known data completeness and integrity limitations, which include (but are not limited to) those issues described in Table 10 below.

Table 10:

Issue	Comment
Missing or inadequately classified treatment plant components	Water and wastewater treatment plant assets are recorded at component level with unit rates and total useful life depending on the component. It is a known issue that some treatment plant assets are recorded in the wrong community and some items of plant are not recorded.
Missing or inadequately classified reticulation assets	While the majority of the reticulation assets (line and point classes) are known to be complete there are occasions where unrecorded assets are found in the field. These records are updated as and when this occurs
Missing spatial data for schemes other than Feilding	It is a known issue that a number of reticulation assets in the villages in Manawatū lack geospatial information. This primarily affects the reliability of the GIS and has no impact on the valuation.
Inaccurate attribute age data	Construction date information pre-2000 is understood to have been estimated solely from pipe material information rather than from as-builts or other Council records. Many of the older reticulation assets with missing contract or as built documents have been given a construction date of 1931. A condition assessment programme is being prepared to inspect and plan for the replacement of the '1931' assets as their condition deteriorates.

The above are recognised limitations, and in some cases, action is already being undertaken to address the issues. Asset data confidence is estimated in Table 12 using the NZIAVDG guidelines on recording data confidence grades (Table 11).

Table 11: Legend for Data Confidence Ratings

Confidence Grade	General Meaning
A	**Highly Reliable** Data based on sound records, procedure, investigations and analysis which is properly documented and recognised as the best method of assessment.
B	**Reliable** Data based on sound records, procedure, investigations and analysis which is properly documented but has minor shortcomings; for example, the data is old, some documentation is missing, and reliance is placed on unconfirmed reports or some extrapolation.
C	**Uncertain**

	Data based on sound records, procedure, investigations and analysis which is incomplete or unsupported, or extrapolation from a limited sample for which grade A or B data is available.
D	**Very Uncertain** Data based on unconfirmed verbal reports and/or cursory inspection and analysis.

Table 12: Data Confidence for Three Waters Assets

Asset Class	Water	Wastewater	Stormwater	Comments
Pipelines	10% A	20% A	10% A	Assets constructed since 2010: High accuracy in terms of quantities, descriptions, location and initial recognition of costs
	80% B	80% B	70% B	Constructed 2000-2010: Good accuracy in terms of quantities, descriptions and location
	10% C		20% C	Constructed pre-2000: Good accuracy in terms of location and quantities but average descriptions
Points	40% A	40% A	20% A	See comments for pipelines above
	60% B	60% B	70% B	
			10% C	
Plant & Equipment	20% B	10% B		Since 2010: Average accuracy. Components described at a high level only
	60% C	60% C		2000-2010: Good accuracy. Adequate component descriptions, but initial purchase costs not recorded
	20% D	30% D		Pre 2000: Average accuracy, little supporting documentation
		30% A	60% A	

Asset Class	Water	Wastewater	Stormwater	Comments
Pump Stations		60% B	40% B	
		10% C		
Three Waters Overall Confidence	B	C	B	
	Reliable	Uncertain	Reliable	

Data confidence and quality improve as time passes as all new data is entered (by Council Staff) and is subject to minimum requirements to ensure adequate asset information is captured.

Council has a number of legacy wastewater treatment plants which will be superseded as the Wastewater Centralisation programme progresses. Residual uncertainty around this legacy plant and equipment will be replaced with a high level of data confidence around the new wastewater assets. Given the scale and significance of this investment programme, it was determined there was limited value in gaining a high level of data quality across the range of soon-to-be redundant plant and equipment assets.

Lifecycle Management

As outlined in the Three Waters Asset Management Plan 2024-34, the lifecycle management plan for three waters assets details how Council plans to manage and operate the assets at the agreed levels of service, while managing lifecycle costs.

Assets requiring renewal are identified from either the asset register or an alternative method. The timing of capital renewals based on the asset register is applied by adding the useful life to the year of acquisition or year of last renewal. Alternatively, an estimate of renewal lifecycle costs is projected from the external condition modelling systems and may be supplemented with, or based on, expert knowledge.

Not withstanding the life cycle management approach there is always an underlying risk of unexpected asset failure. Such a failure would result in additional or unbudgeted maintenance expenditure as well as potentially additional or reprioritised renewal expenditure, depending on the size and severity of the asset failure. Any asset failure has the potential to impact on continuity of service delivery, consequently, an unexpected failure would increase this potential impact (i.e. planned versus unplanned water shutdown).

Issues for Three Waters Infrastructure

Identifying issues facing our infrastructure helps us to prioritise investment across our activities. The following issues have been identified for three waters infrastructure (Table 13):

Table 13:

Issue	Issue Description	Key Focus of Council	Desired end state(s)
Uncertainty around the future of the Water Services Reform	The uncertainty around the future of three waters services provision affects Council's planning, funding decisions and work prioritisation.	Council keeps a watching brief on government direction on the water services reform as well as guidance coming from Local Government member organisations including Taituarā – Local Government Professionals Aotearoa, and Local Government New Zealand (LGNZ). Council has included plans for three waters services in its draft Budget and asset management plans for the next 30 years to ensure that the needs of the Manawatū Community will be provided for, regardless of any future changes to the delivery or funding model for three waters services.	Three waters services which comply with regulatory and consenting requirements, meet agreed levels of service targets (as set in the Long-term Plan), and are managed in a financially sustainable way.
Extreme Weather Events	More frequent and intense extreme weather events will impact on Council's infrastructure capacity and ability to meet levels of service expectations.	When carrying out the renewal of existing three waters infrastructure, or installing new infrastructure to support growth, Council will ensure there is sufficient capacity of this infrastructure to cope with more frequent extreme weather events. Council will improve the resilience of the three-waters networks through new works and renewals by using resilient design materials and pipe- laying techniques. Council is improving the resilience of Feilding's water supply (refer to the Feilding Water Resilience Project).	The resilience of Council's three waters infrastructure to extreme weather events will increase over time. Current assets will be maintained so as to meet agreed levels of service and Council will provide for the replacement of critical assets at the end of their useful life.
Growing expectations from the community	Higher community expectations in relation to environmental impacts and health outcomes,	Greater communication with our community on what Council is doing to improve water quality and reduce the impact of Council activities such as the Wastewater Centralisation Project.	The provision of a good quality, safe and reliable water supply to the district and adequate supply for firefighting in

Issue	Issue Description	Key Focus of Council	Desired end state(s)
	especially in respect of water. Reduced tolerance to flooding of non-habitable floors. Increased service expectations in rural areas.	Projects are included in the Long-term Plan to address known stormwater flooding issues within Feilding. Council is reviewing its levels of service, performance measures and funding splits as part of this Long-term Plan. Any requests for increased levels of service will be evaluated against affordability.	some areas of the district. Matching desired levels of service, service risks and consequences with the customer's ability and willingness to pay for the service. We will be innovative in our application of technology and other methods to meet increased community expectations.
Impact of growth on the network	Increasing demand for services, including due to population change, generates a requirement for the development of additional infrastructure or to increase the capacity of existing infrastructure.	Council has adopted growth projections based on the Infometrics high projections (May 2023). Council regularly reviews population growth and development trends through the following processes: - Monitoring and reporting under the National Policy Statement – Urban Development; - Annual Estimated Resident Population (ERP) data from Statistics New Zealand; and - Long-term Plan processes. Demand for new services will be managed through a combination of managing existing assets, upgrading of existing assets and providing new assets to meet demand and demand management. Demand management practices can include non-asset solutions, insuring against risks and managing failures.	Maintaining and developing the three waters infrastructure to meet the current and future needs, including growth. Council will ensure growth is accommodated without impacting existing levels of service.

Issue	Issue Description	Key Focus of Council	Desired end state(s)
Increasing compliance requirements	Changes in legislation and national direction introduce new environmental and legislative requirements, including through the National Policy Statement for Freshwater Management (NPS-FM), Horizons One Plan and NZ Drinking Water standards.	All of Councils water supplies are already chlorinated and all surface water takes have UV treatment. Hence, we are well places under the DWSNZv2018 and can easily implement minor additional changes to achieve compliance if required. Additional budget has been included in Asset Management Plans to offset the increased costs for consent renewals and to ensure compliance with new consent conditions. Council continually monitors its performance against its performance management framework. Changes required by national direction for freshwater will introduce new requirements about managing stormwater quality. To date the focus for infrastructure has been on stormwater quantity.	Mandatory compliance with the New Zealand Drinking Water Standards, including meeting minimum residual chlorine levels for all water sources. Planned changes to pressure (LoS) to promote greater water efficiency and meet consent obligations. Water supply, wastewater, and stormwater services meet service levels and performance measures and targets set by Council in the Long-term Plan. Compliance with consent conditions.
Funding	Cost escalations due to inflationary pressure affect the ability to carry out necessary work and stay within budgets. There is limited appetite to address cost escalations through increases to development contributions or rates.	Cost escalation adjustments are regularly applied to contract rates and prices. The maintenance budgets for each year are adjusted to reflect the previous year's inflation in that particular part of the industry. Major projects and significant changes to levels of service are assessed against affordability through the Long-term Plan and Annual Plan Processes.	We will optimise our investment and apply asset management practices to our planning. We will smooth our costs where possible over time.

Key Projects

Wastewater Centralisation

The Wastewater Centralisation Project was confirmed in the 2018-28 Long-term Plan. It involves the piping of wastewater from Sanson, Rongotea and Halcombe to the Manawatū Wastewater Treatment Plant (WWTP) for treatment and discharge. The pipeline from Sanson to Feilding has already been completed. Year 1 of the Long-term Plan included the infrastructure to support the transport of wastewater from the New Zealand Defence Force Base Ōhakea to the Manawatū WWTP via the Sanson pipeline. The Rongotea connection to Feilding is the next stage to complete. Approximately 13km of wastewater pipeline has already been installed, and the construction of wastewater pump stations and final stage of pipeline is scheduled for 2024/25.

This project remains a strategic priority of Council, so Council is committed to continuing investment in centralisation. However, for affordability reasons, Council has made the decision not to proceed with piping wastewater from Kimbolton and Cheltenham to the Manawatū WWTP in the term of the 2024-34 Long Term Plan. Provision has been made in years 6 and 7 of the Long-term Plan 2024-34 to renew the existing discharge consents for the Kimbolton and Cheltenham WWTP's and for the management of these as standalone WWTPs.

Budgeted Expenditure:

Financial Year	Inflated Amount ($)
2024/2025	$4,418,600
2025/2026	$5,216,712
2026/2027	$2,040,156
2027/2028	$2,118,357
2028/2029	$2,417,856
2029/2030	$2,213,157
2030/2031	$242,258
2031/2032	$86,035
2032/2033	$88,013
2033/2034	$90,038
Total Budgeted Expenditure over years 1 – 5 (Uninflated)	**$18,931,182**

Feilding WWTP reconsenting and associated works

Since January 2015, Council has invested significantly in the Manawatū WWTP, including investing in new land and assets, including infrastructure to support the irrigation of treated wastewater to land. Council has also worked closely with Ngāti Kauwhata to construct and plant a native plant wetland

to improve the quality of the proportion of the treated wastewater that eventually flows into the Ōroua River. Stage 1 of the wetland is due for completion by June 2024.

Council must apply for a new resource consent from Horizons Regional Council for discharges to water from the Manawatū WWTP by May 2026. Funding has been allocated in years 1 and 2 of the Long-term Plan for this reconsenting project which includes a second stage wetland with the goal of removing all direct discharge of treated wastewater to the Ōroua River, with the exception of emergency weather events.

Key stakeholders during this process are Ngāti Kauwhata, other local iwi groups, neighbours of the Manawatū Wastewater Treatment Plant, environmental interest groups, and the wider Manawatū community. Council direction on wastewater management is guided by the National Policy Statement for Freshwater Management, the Horizons Regional Council One Plan, the overarching concept of Te Mana o Te Wai, the Ōroua Declaration which was co-signed by Ngāti Kauwhata and Council in December 2015, as well as critical success factors such as affordability and achievability.

Council is not expecting that significant upgrades to the Manawatū WWTP will be required to satisfy the requirements of the new discharge consent. However, if significant upgrades are required above what is budgeted for in this LTP, Council would identify and cost the principal options as part of the 2026/26 Annual Plan and/or the 2027-37 Long-term Plan.

Budgeted expenditure:

Financial Year	Budgeted Expenditure (Inflated $)		
	Reconsenting and Capital Improvements	Pivot irrigation	Land purchase for application of treated wastewater
2024/25	$2,107,799		
2025/26	$1,282,944		
2026/27	$1,101,194		
2027/28			
2028/29			
2029/30			
2030/31			$3,053,600
2031/32		$938,068	$3,126,893
2032/33		$959,644	
2033/34			
Total over Years 1 - 10	**$4,491,937**	**$1,897,712**	**$6,180,493**
		Grand Total	**$12,570,142**

Note – Council has made an allowance for limited land purchase and establishing the irrigation infrastructure which is subject to re-consenting requirements. If this budget is not be required, it will not be spent.

Feilding Water Resilience

The Feilding Water Resilience project is about future proofing Feilding's potable water supply via a coordinated approach to capital works, renewals, resource consenting and land acquisition. Feilding's reservoir at Almadale and the trunk water main are nearing the end of their useful life. Council committed to undertake investigations into the renewal or replacement of the Almadale Water Treatment Plant in Year 2 of the 2015-2025 LTP. Council evaluated options as part of a "Strategic Water Assessment," the findings of which informed the Feilding Water Strategy project in the 2018-28 LTP. This project is a continuation of past investment to increase the resilience of Feilding's Water Supply.

One of the key drivers of this project is to improve natural disaster resilience of the Feilding potable water network. Improving Feilding's water resilience entails reducing reliance on Ōroua River abstraction for the supply of potable water to Feilding. Reducing reliance on Ōroua River abstraction for Feilding's potable water supply is also consistent with Council's commitments under the Ōroua Declaration and the National Policy Statement for Freshwater Management.

Completed works to date include the strengthening of the existing water reservoir and the construction of a second water reservoir at Fraser Drive, the construction of a new production bore at Roots Street West in Feilding and the purchase of additional land adjacent to the Campbell Road bore.

To ensure compliance with the Drinking Water Quality Assurance Rules (2022) from Taumata Arowai, Council has committed to commissioning the new Roots Street Bore in year 1 which includes the construction of a new water treatment plan at the Roots Street West site, to the construction of a new water treatment plant and reservoir at Campbell Road. The additional land purchased at the Campbell Road bore site will accommodate the new infrastructure that will provide for the chlorination, fluoridation and storage of drinking water. The existing treatment at Awa Street will stay in place until the new treatment facilities have been commissioned.

In summary, Council has already invested significantly in the Feilding Water Resilience Programme, and further investment is planned, including:

- Commissioning of a new water supply bore at Roots Street, Feilding in year 1 (2024/25)
- Construction of a new water treatment plant at Campbell Road to meet new regulations in 2028/29
- UV treatment at Awa Street Water Treatment Plant (as part of the Campbell Road upgrades) in 2028/29
- Chlorine contact upgrades at Awa Steet 2028/29
- Network resilience and flow optimisation investments in years 4 and 5 (2027/28 and 2028/29).

Following this investment, the future of the Almadale WTP will be confirmed with options including reduced reliance or complete decommissioning. This will be confirmed around the middle of the Long-term Plan period.

Increasing Feilding's water resilience contributes positively towards ensuring water quality compliance, as well as enabling population growth in Feilding. Additional benefits arise out of having a high level of supply security for industrial and commercial water users in Feilding which is set to help meeting Economic Development aspirations.

As this is the continuation of a previously committed project, and remains a priority for Council, the option of doing nothing is not supported. If Council chose, for reasons of affordability, to delay any of the planned upgrades, this would prolong the time taken to ensure full compliance of Feilding's water supply with the Drinking Water Quality Assurance Rules (2022). The planned budget therefore includes all of the planned upgrades outlined above.

Budgeted expenditure:

Financial Year	Budgeted Expenditure (Inflated $)
Year 1 2024/25	$2,613,160
Year 2 2025/26	$534,560
Year 3 2026/27	$0
Year 4 2027/28	$5,014,091
Year 5 2028/29	$5,149,470
Total over years 1 - 5	**$13,311,281**

Stanway-Halcombe Rural Water Scheme Upgrade

As outlined above, the Stanway-Halcombe rural water scheme was non-compliant with the NZ Drinking Water Standards for bacteria in 2022/23 due to high turbidity in the treated water. This turbidity is as a result of erosion of the riverbank near the intake structure caused by Cyclone Gabrielle. Council has prioritised investment in turbidity control in year 1 of the Long-term Plan (2024/25).

The Stanway-Halcombe rural water scheme currently does not comply with the NZ Drinking Water Standards for protozoa. This is being addressed through planned investment in Year 1 of the Long-term Plan (2024/25), in accordance with a direction set by Taumata Arowai.

Council has no other option but to invest in the planned upgrades to resolve the current non-compliances with the Stanway-Halcombe rural water scheme. To do nothing would result in enforcement action by Taumata Arowai, which is unacceptable to Council.

Budgeted expenditure:

Financial Year	Budgeted Expenditure (Inflated $)
2024/25 (Year 1)	$3,180,513

Feilding Stormwater Upgrades

The flood events from November and December 2022 highlighted a number of deficiencies in the urban stormwater network across Feilding.

In response to community demand for increased levels of service following these flood events, Council identified four major risk areas within Feilding and prepared preliminary engineer estimates for the stormwater upgrades required to protect those houses that flooded in the December 2021 from future events.

The planned budget includes a $20M+ stormwater upgrade programme that will address flooding issues within all four of the major risk areas. Detailed design and consenting processes are scheduled for the first three years of the Long-term Plan. Physical works will commence in year 6 due to competing priorities and budget constraints.

Other options that Council could choose to reduce costs are to do nothing, or to only address stormwater flooding issues in some of the identified major risk areas. However, by phasing the project as proposed in the planned budget, Council is satisfied that an appropriate balance has been achieved between affordability and meeting community demand for increased levels of service.

Budgeted expenditure:

Financial Year	Budgeted Expenditure (Inflated $)
Year 1 2024/25	$894,108
Year 2 2025/26	$651,601
Year 3 2026/27	$671,149
Year 4 2027/28	$690,707
Year 5 2028/29	$2,804,056
Year 6 2029/30	$4,901,942
Year 7 2030/31	$4,983,873
Year 8 2031/32	$3,352,437
Year 9 2032/33	$3,301,592
Year 10 2033/34	$105,143
Total over Years 1 - 10	**$22,356,608**

Village stormwater upgrades

Council is aware of ongoing stormwater overland flow and ponding issues in many of the rural villages. Council committed to a village stormwater upgrade programme in the 2018-28 Long-term Plan, allocating $500,000 per year over the life of the Long-term Plan. Many projects have been completed since then, however, with the increasing cost of investing in new infrastructure and the scale of investment required across the villages, the planned budget proposes to increase that investment to $1M per year for the duration of the 2024-34 Long-term Plan. This investment will see substantial improvement in stormwater services across the Villages throughout the District.

If Council chose to reduce the budget for this project, this would mean it would take longer for known stormwater overland flow and ponding issues in the rural villages to be addressed. As Council expects the frequency and intensity of storm events to increase over time, choosing not to invest in stormwater upgrades in the rural villages we likely result in declining levels of service for stormwater (i.e. increase incidence of stormwater flooding) over time.

Budgeted Expenditure:

Financial Year	Budgeted Expenditure (Inflated $)
Year 1 2024/25	$1,040,000
Year 2 2025/26	$1,069,120
Year 3 2026/27	$1,101,194
Year 4 2027/28	$1,133,128
Year 5 2028/29	$1,163,722
Year 6 2029/30	$1,192,815
Year 7 2030/31	$1,221,440
Year 8 2031/32	$1,250,757
Year 9 2032/33	$1,279,525
Year 10 2033/34	$1,308,954
Total over Years 1 - 10	**$11,760,655**

Maewa Growth Works

Maewa is Council's primary residential growth area, located at the northern end of Feilding. This area was identified as one of the seven growth precincts for Feilding in the Feilding Framework Plan 2013. Following its incorporation into the District Plan ahead of the 2015-25 LTP, Council has continued to invest, through subsequent LTPs, in lead infrastructure to support residential growth.

In the past year a substantial portion of Maewa was purchased by a single land development entity. Council has now configured the growth investment programme to align with the anticipated subdivision and construction timetable of that land development entity. This has been done to ensure that lead infrastructure is installed at the right time, without Council over-investing ahead of demand which would have implications for Council's debt cap and interest incurred on loans.

The Long-term Plan includes detailed plans for the next 10 years of growth infrastructure in Maewa, as a continuation of Council's prior commitment to facilitate residential growth in this area. Infrastructural investment to support growth for years 10 to 20 have been costed for inclusion in the Council's Development Contributions Policy and schedule. The Manawatū Growth Strategy will inform Council's growth-related infrastructure planning for years 20 to 30. As the Manawatū Growth Strategy is not yet completed, an indicative plan for growth works in years 20 to 30 has been included in this Infrastructure Strategy and will be refined through the next Long-term Plan (2027-37).

Should any significant decisions for future growth investment come out of the Manawatū Growth Strategy work, these will be costed and evaluated as part of the 2027-37 LTP.

Budgeted expenditure:

	Roading	**Water Supply**	**Wastewater**	**Stormwater**	**Total Budgeted Expenditure (Inflated $)**
Year 1 2024/25	$0	$520,000	$0	$0	$520,000
Year 2 2025/26	$185,951	$231,891	$337,330	$827,882	$1,583,054
Year 3 2026/27	$1,602,042	$311,823	$367,497	$468,903	$2,750,265
Year 4 2027/28	$1,096,945	$178,856	$253,752	$370,724	$1,900,277
Year 5 2028/29	$2,519,709	$0	$0	$0	$2,519,709
Year 6 2029/30	$0	$189,658	$380,689	$715,689	$1,286,036
Year 7 2030/31	$2,276,115	$198,888	$587,737	$615,357	$3,678,097
Year 8 2031/32	$2,321,639	$203,662	$1,003,095	$630,126	$4,158,522
Year 9 2032/33	$2,721,249	$240,657	$1,267,814	$600,562	$4,830,282

	Roading	Water Supply	Wastewater	Stormwater	Total Budgeted Expenditure (Inflated $)
Year 10 2033/34	$2,958,634	$226,804	$363,930	$3,493,606	$7,042,974
Grand Total Years 1 – 10 (Inflated $)					**$30,269,216**

As Council's inflation adjuster assumptions are only valid for years 1 – 10 of the Long-term Plan, Council's 30-year budget beyond year 10 is uninflated.

Uninflated Budgeted Expenditure Beyond year 10:

	Roading	Water Supply	Wastewater	Stormwater	Total Budgeted Expenditure (Uninflated $)
Years 11 – 15	$6,824,399	$631,815	$2,917,036	$4,652,920	$15,026,170
Years 16 – 20	$240,099	$192,081	$192,081	$192,081	$816,342
Years 20 - 25	$10,495,110	$2,008,739	$5,553,938	$3,838,901	$21,896,688
Years 25-30	$2,465,080	$2,955,413	$3,872,479	$1,077,565	$10,370,537
Grand Total					**$48,109,737**

Most Likely Scenario

This strategy provides the overview of Council's most likely scenario (our "planned budget") for the management of its infrastructure. Note that the most likely scenario assumes all identified projects will proceed and funding will be confirmed and retained through future Long-term and annual planning processes.

This scenario has been determined by:

1. Including the funded capital and operating budget forecasts from the Long-term Plan 2024-34. The timing of projects and budget provisions have been informed by the asset and activity management plans.
2. Using the assumptions for levels of service, demand and renewals as outlined in the Three Waters Asset Management Plan and the Roading Activity Management Plan.
3. The preferred options for the key projects discussed in this strategy are those that are included in the Long-term Plan budget.

Assumptions on which the most likely scenario is based

Council has assumed that the planned budget is sufficient to continue providing existing roading and three waters services at current levels of service over the life of the Long-term Plan. However, some key projects, such as Feilding urban stormwater upgrades, have been moved out to later years in order to balance the funding required, particularly for years one to ten.

Assumptions about growth in demand for infrastructure services are based on the population and household growth projections (high scenario) prepared by Infometrics (May 2023). Council's Asset and Activity Management Plans have utilised the same growth projections. Council has also considered projected changes in demographics when making decisions around demand for certain services, including implications for the community's ability to pay.

Changes in demand that are as a result of changes in legislation and central government direction have also been considered (refer to Table 5). Community needs and preferences, as expressed through the Customer Satisfaction Survey, early engagement feedback and through customer feedback and complaints have informed Council's decisions regarding levels of service and prioritisation of key projects.

Council has based its renewals budget on the assumption that assets will deliver the required level of service over their documented useful life. There is little evidence to indicate that large scale asset failures are imminent. Council's targeted renewals programme is based on a combination of age, material type and criticality. As noted in discussion about increasing the resilience of Council's infrastructure to climate events, Council prioritises the renewal and repair of damaged critical infrastructure over other assets of a similar age. Where possible, Council improves the resilience of the network through carrying out new works and renewals using resilient design materials and pipelaying techniques.

Tables 2 – 5 outline those significant forecasting assumptions that are relevant to the key challenges that Council is facing in relation to roading and three waters infrastructure. Section xx of the Long-term Plan 2024-34 contains all of the significant forecasting assumptions that Council has used in preparing this Plan.

The Planned budget

The main service consequences of the planned budget are:

- Residual consenting and compliance risks of a delay in provision of the required budget for the Village Wastewater Centralisation projects in Halcombe, Cheltenham and Kimbolton based on funding constraints.
- Extension of the duration of use of an impaired asset, Almadale Water Treatment Plant due to a delay in provision of the required budget for the Feilding Water Resilience project based on funding constraints.
- The ability to complete Feilding stormwater improvement works in a timely manner to protect the community and properties from future weather events.

The plans and forecasts for the first three years (2024/25 – 2026/27) have the most detail and the highest degree of confidence. The plans and forecasts for years four to ten (2027/28 – 2033/34) have a reasonable degree of confidence. The forecasts beyond year 10 are more indicative estimates only given the level of uncertainty associated with Council's assumptions and external influences that Council has little to no control over.

Major projects and significant changes to levels of service are assessed annually through the Annual Plan process. Council's forecasting assumptions are monitored on an ongoing basis and are updated as part of the three-yearly Long-term Plan cycle.

Forecast expenditure required in the Local Government Act 2002 is:

Roading

Uninflated	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Operating	7,749,060	7,961,679	8,181,207	8,493,368	8,584,844	9,137,095	9,243,250	9,563,277	9,922,993	10,232,635
Level of Service	3,499,901	3,120,339	2,530,638	4,687,332	4,284,196	3,948,219	4,715,820	4,240,130	5,019,932	4,272,986
Growth	0	1,350,000	5,139,881	998,661	2,244,568	0	1,946,932	1,946,932	2,237,301	2,387,114
Renewal	12,005,108	7,621,459	5,956,281	9,166,706	9,428,344	9,600,572	9,319,227	9,343,644	9,465,041	9,068,573

Uninflated	2034/35	2035/36	2036/37	2037/38	2038/39	2039/40	2040/41	2041/42	2042/43	2043/44
Operating	10,498,684	10,498,684	10,498,684	10,771,649	10,771,649	10,771,649	11,051,712	11,051,712	11,051,712	11,339,057
Level of Service	2,702,963	2,704,032	3,177,072	2,528,198	2,529,353	2,588,455	5,089,681	2,590,919	2,580,887	2,530,371
Growth	1,233,653	1,234,696	1,706,312	1,324,306	1,325,432	45,587	46,772	47,988	49,236	50,516
Renewal	9,301,216	10,412,822	9,636,343	7,798,069	8,373,532	7,928,910	7,437,699	7,260,244	7,375,840	8,797,378

Uninflated	2044/45	2045/46	2046/47	2047/48	2048/49	2049/50	2050/51	2051/52	2052/53	2053/54
Operating	11,339,057	11,339,057	11,633,872	11,633,872	11,633,872	11,936,353	11,936,353	11,936,353	12,246,698	12,246,698
Level of Service	2,530,371	2,505,371	2,505,371	2,505,371	2,580,006	2,580,006	2,580,006	2,551,362	2,551,362	2,551,362
Growth	1,853,031	1,853,031	2,263,016	2,263,016	2,263,016	2,263,016	50,516	50,516	50,516	50,516
Renewal	6,919,237	8,982,853	7,353,683	7,781,896	6,567,272	6,058,329	7,116,850	6,559,452	6,559,452	6,559,452

Figure 9

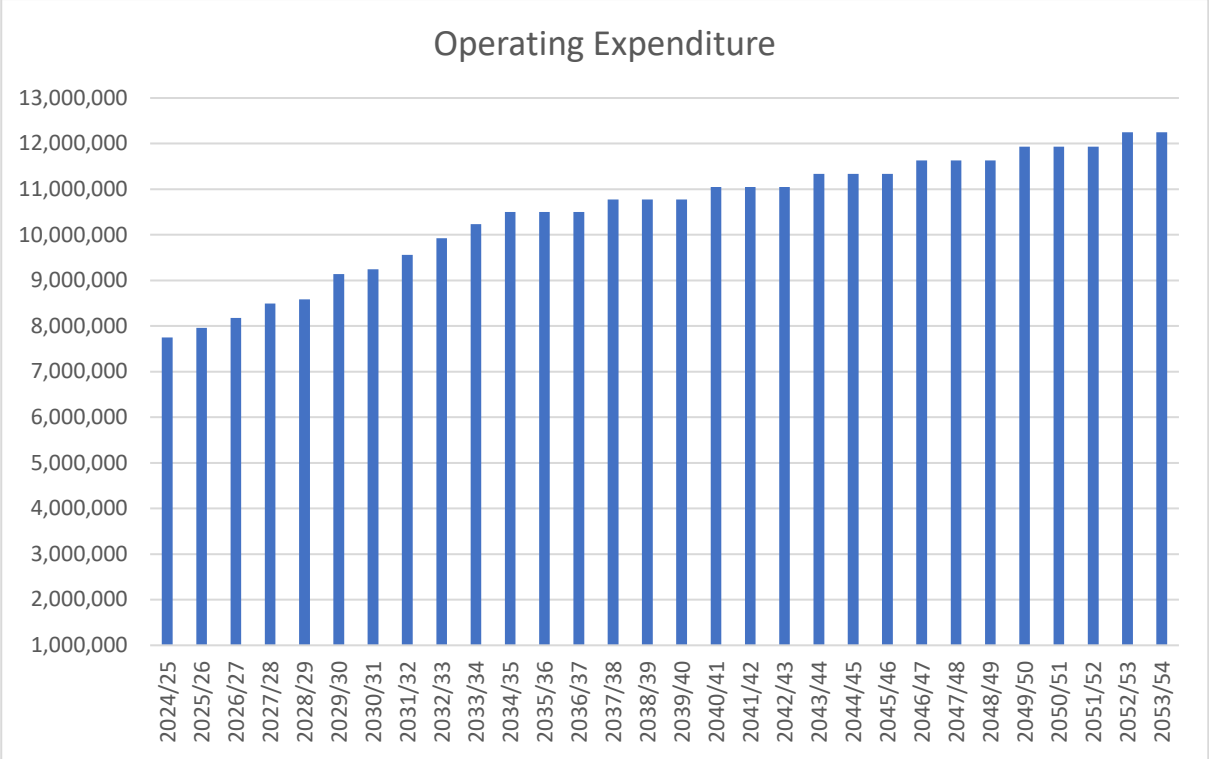
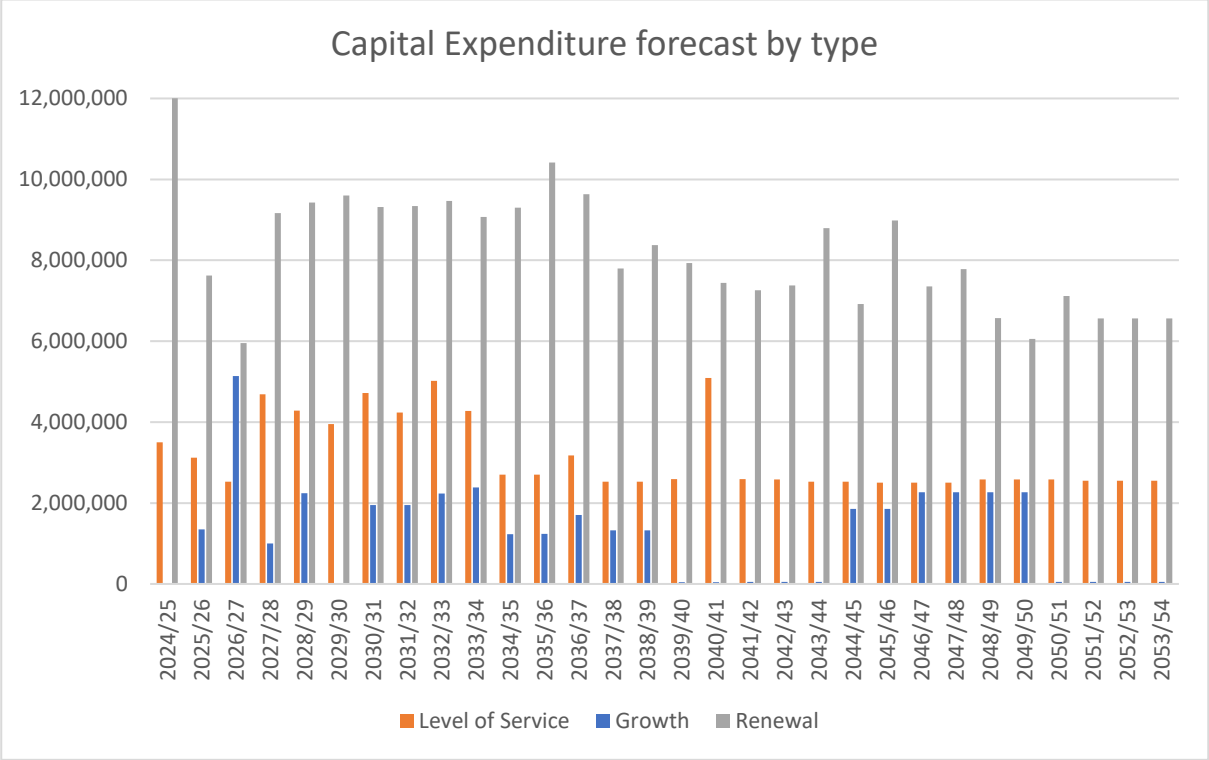


Figure 10



Water Supply

Uninflated	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Operating	4,287,050	4,664,528	5,015,101	5,266,060	5,000,170	5,737,172	6,078,739	6,193,928	6,376,031	6,476,283
Level of Service	4,647,818	913,251	2,143,251	1,064,067	4,016,507	3,288,251	296,235	296,235	666,235	296,235
Growth	500,000	626,854	943,123	157,843	0	159,000	162,831	162,831	188,083	173,271
Renewal	2,970,853	1,492,905	1,282,905	6,290,905	6,290,905	1,865,905	1,865,905	1,615,905	1,615,905	1,615,905

Uninflated	2034/35	2035/36	2036/37	2037/38	2038/39	2039/40	2040/41	2041/42	2042/43	2043/44
Operating	7,100,000	7,100,000	7,100,000	7,100,000	7,100,000	7,100,000	7,100,000	7,100,000	7,100,000	7,100,000
Level of Service	1,858,710	1,858,710	1,858,710	1,023,960	1,023,960	1,023,960	1,023,960	1,023,960	1,023,960	1,023,960
Growth	149,339	150,173	262,114	34,645	35,545	36,470	37,418	38,391	39,389	40,413
Renewal	1,578,633	1,578,633	1,578,633	1,578,633	1,578,633	1,578,633	1,578,633	1,578,633	1,578,633	1,578,633

Uninflated	2044/45	2045/46	2046/47	2047/48	2048/49	2049/50	2050/51	2051/52	2052/53	2053/54
Operating	7,100,000	7,100,000	7,100,000	7,100,000	7,100,000	7,100,000	7,100,000	7,100,000	7,100,000	7,100,000
Level of Service	1,023,960	1,023,960	1,023,960	1,023,960	1,023,960	1,023,960	1,023,960	1,023,960	1,023,960	1,023,960
Growth	171,250	171,250	555,413	555,413	555,413	555,413	600,000	600,000	600,000	600,000
Renewal	1,578,633	1,578,633	1,578,633	1,578,633	1,578,633	1,578,633	1,578,633	1,578,633	1,578,633	1,1578,633

Figure 11

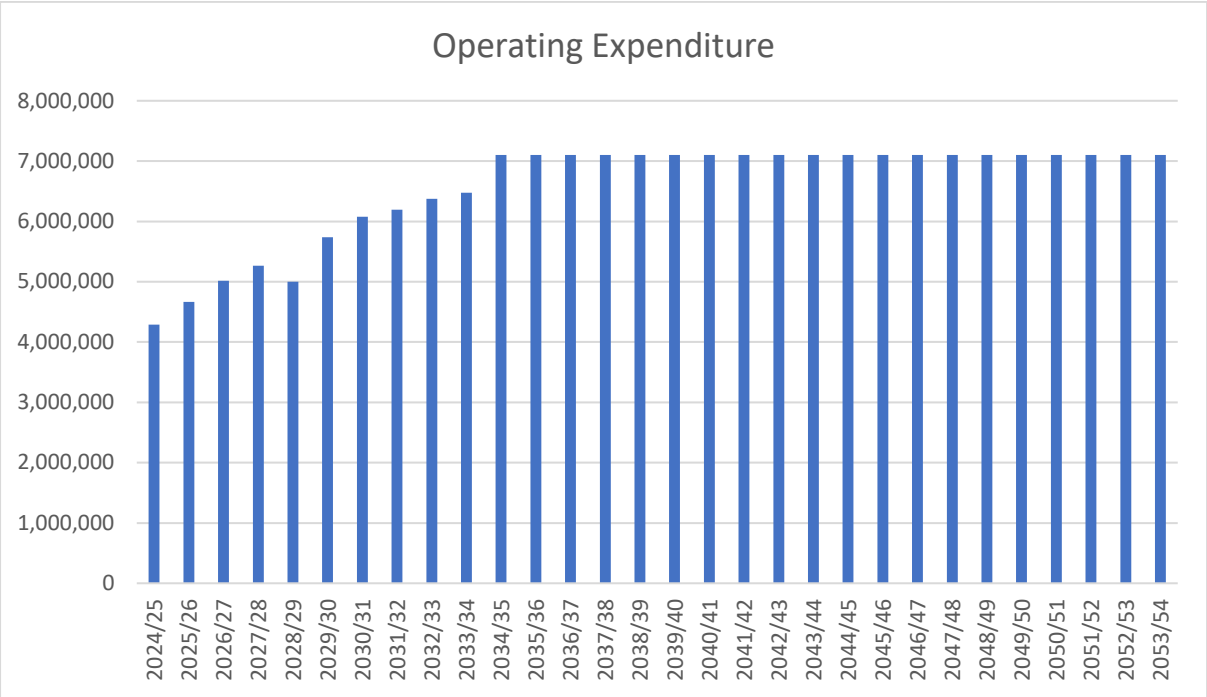
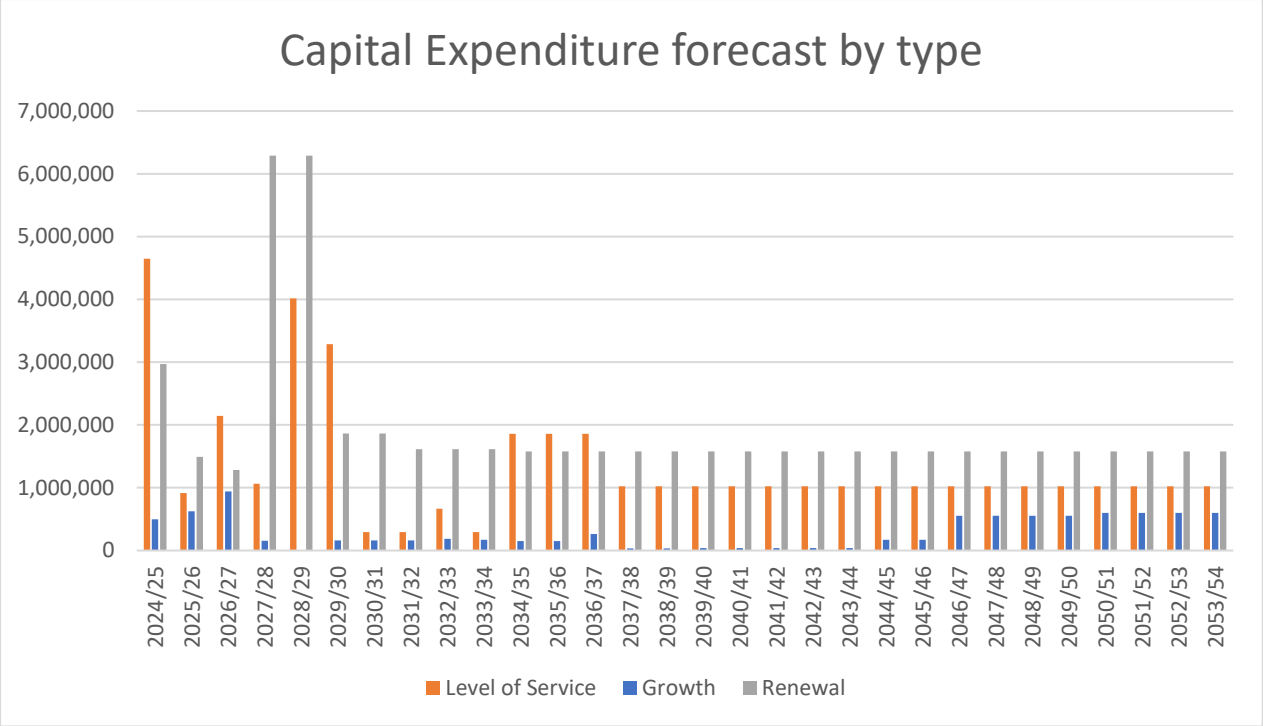


Figure 12



Wastewater

Uninflated	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Operating	7,767,106	7,902,287	8,431,714	9,281,432	8,806,403	9,393,658	9,662,643	10,207,697	10,985,855	11,255,080
Level of Service	1,543,507	3,450,380	880,835	3,332,218	1,808,803	614,987	3,127,755	3,883,434	1,161,707	411,707
Growth	0	626,854	1,515,059	223,939	0	319,152	481,184	801,990	990,847	278,031
Renewal	7,223,361	7,282,340	6,240,571	5,310,372	4,518,587	4,096,302	2,439,233	2,309,681	2,309,681	4,299,681

Uninflated	2034/35	2035/36	2036/37	2037/38	2038/39	2039/40	2040/41	2041/42	2042/43	2043/44
Operating	12,900,000	12,900,000	12,900,000	12,900,000	12,900,000	12,900,000	12,900,000	12,900,000	12,900,000	12,900,000
Level of Service	5,403,615	228,165	1,174,215	1,396,815	61,215	61,215	61,215	5,403,615	228,165	1,174,215
Growth	536,495	537,329	659,764	614,747	568,702	36,470	37,418	38,391	39,389	40,413
Renewal	1,835,374	7,244,753	1,835,374	8,468,993	1,835,374	1,835,374	1,835,374	1,835,374	1,835,374	1,835,374

Uninflated	2044/45	2045/46	2046/47	2047/48	2048/49	2049/50	2050/51	2051/52	2052/53	2053/54
Operating	12,900,000	12,900,000	12,900,000	12,900,000	12,900,000	12,900,000	12,900,000	12,900,000	12,900,000	12,900,000
Level of Service	61,215	61,215	61,215	61,215	61,215	61,215	61,215	5,403,615	228,165	1,174,215
Growth	813,784	905,501	1,348,607	1,362,593	1,123,453	1,208,688	1,151,162	483,537	545,554	483,538
Renewal	1,835,374	1,835,374	1,835,374	1,835,374	1,835,374	1,835,374	1,835,374	1,835,374	1,835,374	1,835,374

Figure 13

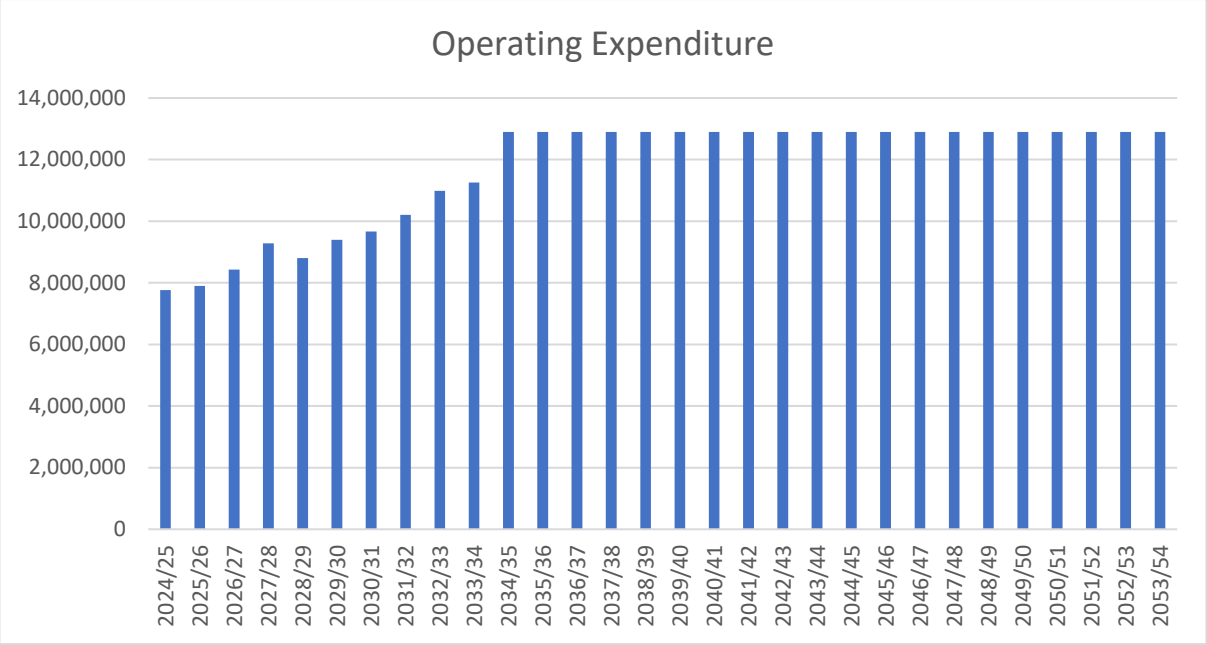
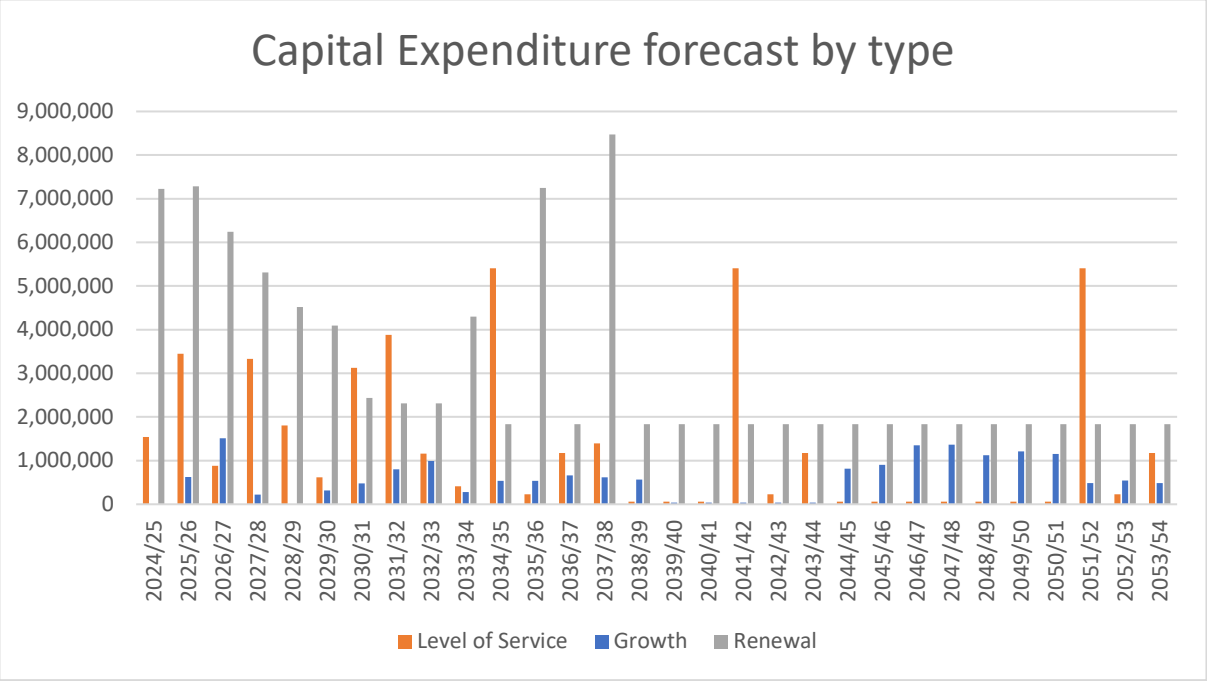


Figure 14



Stormwater

Uninflated	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Operating	1,779,160	1,874,350	2,141,831	2,367,571	2,426,730	2,701,389	3,033,823	3,340,402	3,607,083	3,893,922
Level of Service	2,845,516	1,609,474	1,609,474	2,357,558	3,409,558	5,109,558	5,080,326	3,680,326	3,580,326	1,080,326
Growth	0	2,526,764	2,504,219	327,169	0	600,000	503,796	503,796	469,363	2,669,006
Renewal	155,526	105,526	105,526	105,442	115,442	105,442	134,674	134,674	134,674	134,674

Uninflated	2034/35	2035/36	2036/37	2037/38	2038/39	2039/40	2040/41	2041/42	2042/43	2043/44
Operating	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000
Level of Service	612,150	612,150	612,150	612,150	612,150	612,150	612,150	612,150	612,150	612,150
Growth	1,405,662	1,406,496	1,293,366	511,852	35,545	36,470	37,418	38,391	39,389	40,413
Renewal	205,629	205,629	205,629	205,629	205,629	205,629	205,629	205,629	205,629	205,629

Uninflated	2044/45	2045/46	2046/47	2047/48	2048/49	2049/50	2050/51	2051/52	2052/53	2053/54
Operating	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000
Level of Service	612,150	612,150	612,150	612,150	612,150	612,150	612,150	612,150	612,150	612,150
Growth	545,581	545,581	915,913	915,913	915,913	915,913	40,413	40,413	40,413	40,413
Renewal	205,629	205,629	205,629	205,629	205,629	205,629	1,000,000	1,000,000	1,000,000	1,000,000

Figure 15

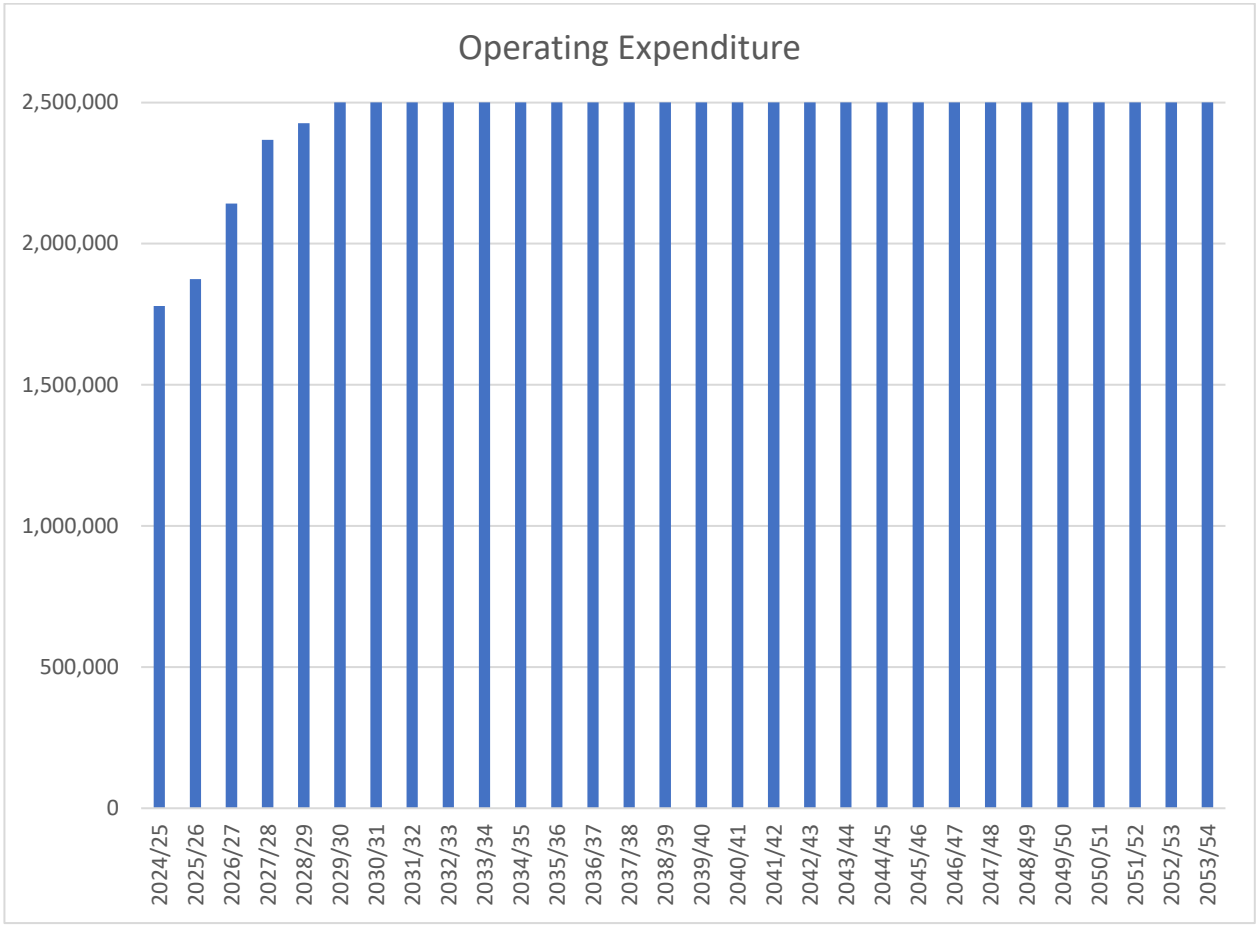
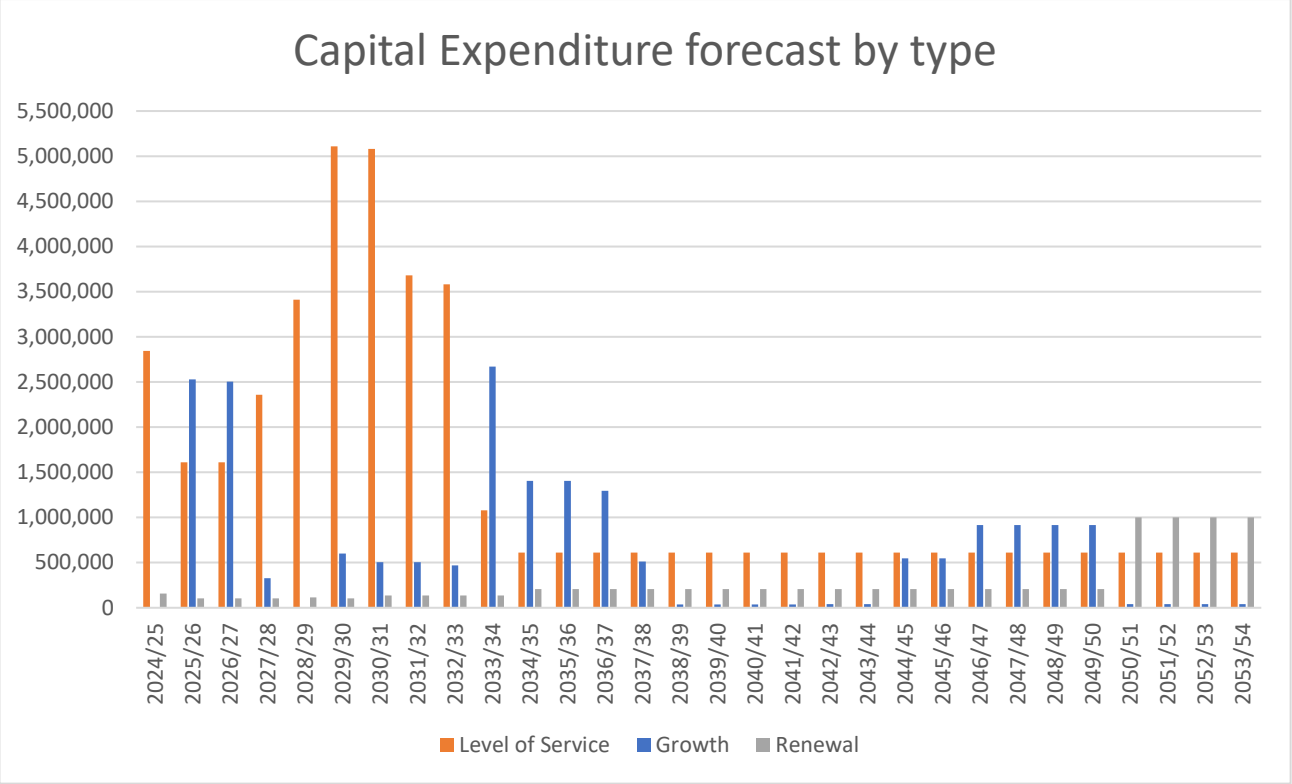


Figure 16



4.3 Summary of other Strategic Documents

Community Facilities and Assets

Community facilities and assets are essential to the delivery of services that support the social, economic, environmental, and cultural wellbeing of our community. The Community Facilities Strategy provides Council with a clear vision for the future of our community facilities and a roadmap of how to get there. The Community Facilities Strategy also provides guidance on what Council needs to think about if and when it decides to upgrade an existing facility, or to develop a new community facility.

The vision for community facilities, as set out in the Community Facilities Strategy is *"A vibrant and thriving interconnected network of community facilities that cater for our communities' and their visitors' social, recreational and cultural needs now and into the future."* This vision informs the following six sub-plans that sit under the Community Facilities Strategy:

- Recreation complexes
- Libraries
- Arts and Cultural Facilities
- Community Halls
- Social Service Facilities
- Public Conveniences

These sub-plans assist council and the community in understanding intended development priorities over the next 30 years, and will assist Council in planning, and making decisions in relation to community facilities.

To give effect to the Community Facilities Strategy and its associated sub-plans, and to ensure the efficient management and performance of community assets over their useful life, Council has developed the Community Facilities Asset Management Plans. These Asset Management Plans consist of the Strategic Asset Management Plan, and six asset management sub-plans. These sub-plans align with the six sub-activities within the Community Facilities Strategy. The Strategic Asset Management Plan describes how Council plans to manage and make decisions about its community assets in a way that achieves the Council's strategic direction for the District. It ensures strategic alignment between Council's Community Asset Management Plans to provide a coherent and integrated approach to managing community facilities assets. The Asset Management sub-plans provide detail on the services provided by the sub-activity, the assets Council uses to deliver those services, the specific issues and opportunities faced by these sub-activities and how Council will manage assets to ensure service delivery.

Strategies and Plans that guide decision-making for Community Facilities and Assets

Reserve Management Plans

Provide a framework for decisions on the management and development of the over 70 reserves that are managed or owned by Manawatū District Council.

The District Sports Facilities Plan (2018)

Provides a high-level direction for sport and recreation facility planning across the Manawatū District in alignment with the Manawatū-Whanganui Regional Sports Facility Plan.

Walking and Cycling Strategy (2020)

Adopted in July 2020 to encourage and support wider participation in walking and cycling in the Manawatū.

Cemeteries Management Strategy (2020)

The goals of this strategy revolve around Council's role in relation to (a) respecting the history of the people of the district, (b) responding to the needs of the community in times of grief and celebration of life, and (c) to ensure sustainable provision of cemetery services.

Hall Management Policy (2009)

Council's Hall Management Policy was last reviewed in January 2009. This policy outlines Council's ongoing commitment to community halls in the Manawatū District and helps to define responsibilities for Council and hall committees. The Policy provides a framework for the provision, management, and development of community halls in the Manawatū.

Since the Halls Policy was written, Council has reviewed the network of Community Halls and has prioritised those that are of high quality, fit for purpose and in the right location for Manawatū residents over those that are deteriorating and have low utilisation. The Community Facilities Strategy – Community Halls Sub Plan categorises community halls as Tier 1 (Council owned), Tier 2 (Council have a vested interest) or Tier 3 (No Council vested interest – owned by another

organisation). Community Halls are also categorised into three hierarchies – high, medium, and low-profile halls, based on assessment criteria that include:

- Occupancy
- Historical significance
- Functionality/strength of the Hall Committee that manages the Community Hall
- Asset condition
- Location and connection to other complimentary community facilities/activities
- Suitability as a Community Activated Emergency Centre

The network hierarchy for community halls helps guide Council's management and investment decisions. High profile halls are retained and renewed, medium profile halls are assessed prior to renewal (decisions may include renewal, relocation, re-purposing, or disposal) and low-profile halls will be disposed of.

Council is currently reviewing its Hall Management Policy. Through this review, Council will align the Hall Management Policy with the Community Facilities Strategy, the Community Halls sub-plan and the Halls Asset Management Plan.

Depreciation of Strategic Assets

Council rates for depreciation to fund the renewal and replacement of assets. Clause 4.3.1 of the Significance and Engagement Policy 2020 lists those assets of Council that are deemed to be "Strategic Assets." This list includes the Makino Aquatic Centre, the Feilding Library (now the Community Hub and libraries), recreational buildings including halls, theatres and recreational complexes, and parks, reserves, and sportsgrounds.

Council is aware of inconsistencies in the way it funds depreciation for the Makino Aquatic Centre, the Community Hub and libraries, medium and low-profile Community Halls, and parks, reserves and sportsgrounds compared to other strategic assets of Council*. Council has made the decision in the Financial Strategy to only fund 50% of the depreciation of the Makino Aquatic Centre, the Community Hub and libraries, and parks, reserves, and sportsgrounds. The depreciation of these assets is not fully funded as these assets may not be replaced like-for-like, or at all, or alternative funding mechanisms, such as third-party funding, may be used to fund (or partially fund) their replacement. Council does not fund depreciation of medium-profile halls for these same reasons. Low-profile halls are not depreciated as Council has signalled its intention to dispose of these assets.

Council's Significance and Engagement Policy does not reflect the categorisation of community halls into high, medium, and low profile. This will be resolved by changing the reference to "halls" clause 4.3.1 of the Significance and Engagement Policy to "high-profile community halls."

**Another exception is roading. While roads are strategic assets, Council does not fully fund depreciation as the renewal or replacement of the majority of roading assets is subsidised by the New Zealand Transport Agency (NZTA).*

District Development

The District Development Group supports economic and community development in the district and updates the rules and guidelines that help manage and protect our natural and physical resources. The following strategic documents, developed in collaboration with our community, help to ensure a high quality of life for all:

The District Plan

Provides a framework to control and manage how land is used, developed, or protected.

Better Later Living Plan (2021)

Outlines what Council already does to support seniors, and Council's commitment to collaborate further with relevant groups to better support our older residents.

Youth Action Plan (2020)

Updated in 2023, the Youth Action Plan was co-created by Council and the district's Rangitahi with the view to empower Manawatu's Rangitahi and to ensure that the diverse group of young people aged 12-24 feel a sense of belonging to the community and that they are given equal opportunities to learn and develop.

The Libraries Strategic Framework (2017-2022)

This Framework plan explores goals and actions to achieve the vision for libraries in the Manawatū District. With the completion of the Community Hub Libraries, this Framework will be reviewed and updated.

Housing Strategy -

Community Development Strategy (2019)

Guides Council's approach to Community Development. Our vision is to see everyone working together to make our communities a fantastic place to grow up, grow old and everything in between. This strategy uses the Te Whare Tapa Whā model to understand wellbeing more holistically.

Economic Development Strategy (2017)

Currently under review. To be revised and adopted in 2024. The Economic Development Strategy of the Manawatū District aspires to grow the local economy with a particular focus on advancing the prosperity and well-being of the district's diverse communities.

Infrastructure

Infrastructure includes Roading, Three Waters (water supply, wastewater, and stormwater) and Solid Waste. Strategies and Plans that guide Council's decision-making in this are include:

Asset Management Plans

Combine management, financial, engineering, and technical practices which Council draws upon to deliver asset-based service to our community in the most cost-effective way.

Waste Management and Minimisation Plan 2022-2028

Stipulates how Council complies with its statutory obligation to promote waste management and minimisation including the reduction, reuse, recycling, recovery, treatment, and disposal of waste.

Environmental Strategy

Drafted and set to be adopted in 2024.

The Environmental Strategy will provide clear strategic direction for the way Council will address environmental issues arising from its operations and the services it provides to the community. The strategy will help us address the growing concern of environmental sustainability, will align Council's environmental objectives with national direction on mitigating and adapting to climate change, and will enhance Council's reputation as an environmentally-responsible service provider.

Road Sealing Policy

This policy that was adopted in 2021 sets out the decision-making process around sealing (unsealed) gravel roads in the district.

External Strategic Documents

Local

Community Plans – supports our rural communities to develop a shared vision for their villages, providing a focus for collaboration between Council, Community Committees, and other agencies.

Regional

Horizons One Plan – The 'one stop shop' resource management planning document for the Horizons Region, combining the Regional Policy Statement, Regional Plan and Coastal Plan.

Regional Land Transport Plan 2024 – This plan sets out the strategic direction for land transport across the Manawatū-Whanganui Region. The plan sets out the regional priorities over a ten-year period and outlines the proposed land transport activities that seek to contribute to these priorities to secure and guide investment in the region. Council has representation on the Horizons Regional Land Transport Committee that develops the plan and advocates for those projects that will best serve the interests of the Manawatū District.

Accelerate 25 – The Manawatū-Whanganui Economic Action Plan – is the region's strategy for increasing job opportunities and quality of life by connecting people, business, and environment.

Manawatū Regional Sport Facility Plan (2018) – provides a high-level strategic framework for regional sport and recreation facility planning. It is designed to provide direction on what should be done and crucially, what should not be done. The plan is designed to focus thinking at a network wide sport and recreation facilities level with emphasis on national, regional, and sub-regional assets, while also capturing local level facility data.

National

Drinking water standards for New Zealand – stipulate the requirements for drinking-water safety.

National Policy Statement for Freshwater Management (NPS-FM) 2020 – Amended January 2024 sets out the objectives and policies for freshwater management under the Resource Management Act 1991. Refer to the "Legislative Change" Forecasting Assumption (page 32) for more information on the Coalition Government's intentions regarding the rebalancing and replacement of this NPS.

National Policy Statement on Urban Development (NPS-UD) 2020 – seeks to ensure New Zealand towns and cities have well-functioning urban environments that enable all people and communities to provide for their social, economic, and cultural wellbeing, while also ensuring the provision of sufficient development capacity to meet the different needs of people. Council must meet its obligations under the NPS-UD through its District Planning activities.

National Policy Statement for Highly Productive Land (NPS-HPL) 2022 – seeks to ensure the availability of New Zealand's most favourable soils for food and fibre production, now and for future generations. The implications of the NPS-HPL on the district planning activity and on land use in the District is discussed in more detail in the "Land Use Change" Forecasting Assumption (page 23).

National Policy Statement for Indigenous Biodiversity (NPS-IB) 2023 – provides direction to councils to protect, maintain and restore indigenous biodiversity, requiring at least no further reduction nationally. As outlined in the "Legislative Change" Forecasting Assumption (page 32), the Coalition Government has indicated its intention to undertake an urgent review of this NPS.

Emissions Trading Scheme – puts a price on greenhouse gas emissions and encourages individuals and organisations to reduce greenhouse gas emissions and establish plantings to remove greenhouse gases from the atmosphere.

Emissions Reductions Plan – sets out how Aotearoa New Zealand will meet its emissions reduction targets for 2022-2025. It also sets a path for meeting our long-term emissions reduction target.

National Adaption Plan – contains strategies, policies and actions that will help New Zealanders adapt to the changing climate and its effects – so we can reduce the potential harm of climate variability, as well as seize the opportunities that arise.

Government Policy Statement on land transport – sets out how funding from the national land Transport Fund is allocated towards achieving the government's transport priorities.

5.1 Introduction to Council's Activities

Ngā Mahi a te Kaunihera

Manawatū District Council's operational activity is organised into ten groups:

Community Facilities Group

- Makino Aquatic Centre
- Community Hub and Libraries
- Property
- Halls and Recreational Complexes
- Parks, Reserves and Sports Grounds
- Cemeteries
- Public Conveniences

District Development Group

- Community Development
- Economic Development
- District Planning

Regulatory Group

- Animal Control
- Building Control
- Compliance and Monitoring
- Consent and District Planning

Emergency Management Group

Governance and Strategy Group

Roading Group

Water Supply Group

Wastewater Group

Stormwater Group

Waste Management and Minimisation Group

The Activity Statement section of the Long-term Plan describes each of Council's activity groups; what, why and how we do what we do. For each group we outline any negative impact the work we do in that group may have on community wellbeing.

We also set out the levels of service the community can expect from Council for each activity. We set targets for each level of service and then report on our performance in relation to those targets in our annual report at the end of each financial year. Some of our performance targets are based on community satisfaction levels.

5.2 Community Facilities Group

Ngā Taiwhanga Hapori

What we do

Makino Aquatic Centre *Te Taiwhanga Wai Rēhia o Mākino*

We provide a safe, quality aquatic complex, including indoor and outdoor swimming pools, to deliver aquatic programmes for water education and fitness.

Community Hub Library

We provide a district community hub as a centre for the whole community and its visitors. The Community Hub is a place where people can meet, access library services, find information, participate in social, community and lifelong learning experiences, get inspired and innovate, create, discover and do.

Property *Ngā Rawa Tūwāhi*

We manage, support and administer Council's wide range of property portfolio assets and services.

Halls and Recreational Complexes Ngā Whare Huihui me ngā Taiwhanga Rēhia

We provide 16 Council-owned halls and support the management of seven community-owned halls.

Parks, Reserves and Sports Grounds Ngā Papa Rēhia, Papa Tāpui, Papa Hākinakina hoki

We provide our community with opportunities for leisure and recreation through the provision of parks and sports grounds including open spaces, gardens, trees, and playgrounds to ensure our community has access to a wide range of leisure and recreation opportunities.

Cemeteries *Ngā Urupā*

We provide and maintain cemeteries in park-like settings to provide places of remembrance, and facilities for burials and interments of ashes.

Public Conveniences *Ngā Wharepaku Tūmatanui*

We provide and maintain public toilets to protect public health and meet the expectations of residents and visitors.

Why we do it

We work to ensure a vibrant and thriving interconnected network of community facilities that cater for the social, recreational and cultural needs of our communities and their visitors, now and into the future.

Our strategic goals for community facilities are as follows:

To have a resilient network of community facilities across the Manawatū District.

1. To ensure that our community facilities are sustainable

2. To encourage collaboration and customer-focused planning of community facilities
3. To support and help implement the Wellbeing Framework within the Community Development Strategy.

Contribution to Community Outcomes

The Community Facilities Group contributes to the following community outcomes:

A place to belong and grow

- by providing facilities that deliver a community service or offer a place for any person to go and feel a part of the community.

Planning our future together

- by providing fit for purpose adaptable district or local level facilities that contribute to health and well-being outcomes.

An environment to be proud of

- by improving the environmental performance of community facilities that can play a role in the future sustainability of our communities.

Infrastructure fit for the future

- by providing higher quality facilities that are multipurpose, accessible and meet community expectations.

A prosperous, resilient economy

- by attracting and retaining residents through providing facilities that respond to community need.

Value for money and excellence in local government

- by providing a network of community facilities that are value for money and affordable for the community.

How we do it

Makino Aquatic Centre

At the Makino we are a Poolsafe accredited facility that provides space for aquatic play, recreation and education throughout the year.

We have a variety of pools- both indoor and outdoor- and including a purpose built Learn-to-Swim pool. Learn-to-Swim classes, recreation programmes, and Aqua Fitness sessions are held year-round and support water safety awareness, health and wellbeing and a sense of community. We are a fully accessible facility, with accessible changing rooms, pool hoists and water wheelchairs.

We also have the opportunity for lane and pool hire and work with local, regional and national clubs to host aquatic events and community events.

The Makino Aquatic Centre supports the district's schools through the delivery of Water Safety programmes.

Community Hub Library

At the Community Hub Library, we provide a wide range of services for the whole community and its visitors:

- Content and Access – Access to a range of services and content for ease of life, learning, literacy, leisure and knowledge (links with community development enabling the community to have free access to information).
- Social Connection, Collaboration and Learning – Opportunities, programmes and events that build, promote and encourage social connection, new experiences, lifelong learning, literacy (including digital literacy), entrepreneurship, and community connection.
- Services – Working with others to add value to our community
- Outreach – Breaking down barriers to make accessing Community Hub services available to the whole community.

Property

We manage Council owned property through leasing and general day to day operations functions and carry out renewal and building improvement programmes to make sure Council properties are well maintained, safe and meet quality standards. We work with local groups to provide access to community property for a range of community uses. We plan for future property needs by proposing and implementing development projects and regularly review the rationale of holding the property, including considering disposal or repurposing of Council property where appropriate.

Halls and Recreational Complexes

Council owns 16 halls and supports the management of seven community-owned halls. We work with and support halls and Community Committees across the district in delivering day-to-day hall services. We carry out renewal and building improvement programmes to ensure our facilities are well maintained, safe and meet quality standards, including improving existing halls and recreational complexes to meet public expectations. When appropriate, this includes expanding or providing new facilities to meet changing community needs.

Parks, Reserves and Sports Grounds

We maintain parks, reserves and sports grounds to ensure provision of quality, safe spaces for recreation and leisure, and continually improve accessibility to parks, sports grounds and facilities, making them available for a wide variety of users.

We foster collaboration between sport and recreation groups to encourage high-use facilities and opportunities for cost efficiencies and manage parks and sports grounds bookings, fees and charges while liaising with ground staff to ensure facilities are ready for use.

We work with Sport Manawatū and other organisations to deliver programmes throughout the district to get 'everyone active, everyday' and liaise with Community Committees and user groups of parks and sports grounds.

We develop, promote and follow plans and strategies that guide the development and management of parks and sports grounds and are planning on providing a walking and cycling network that links neighbourhoods, schools and community facilities.

Cemeteries

We manage, maintain and plan for future improvements where required for the eight cemeteries in the district, including maintaining accurate burial records.

We work with the community to meet changing demands and community needs and ensure that all cemeteries are maintained to a high standard.

We meet the requirements of the Burial and Cremations Act 1964.

Public Conveniences

We provide a network of public toilets across the district and maintain facilities to ensure they are clean, accessible and fit for purpose.

What we are keeping an eye on

Makino Aquatic Centre

- The growing population increases demand for parking, pool space and increased availability of programs such as Aqua Fitness and Learn to Swim lessons. There is increased demand for additional swimming lane space during winter months.
- Changing demographics creates increased demand for therapeutic hot water.
- Changes in weather patterns will impact on the seasonal demand for outdoor pool use, and usage information will need to be considered in changing the traditional closure date of outdoor facilities in April.
- A nationally recognised issue in the Aquatic sector is the increasing challenge to recruit lifeguards.

Community Hub Library

- The Community Hub Library is based in Feilding yet services a community that is nearly 50% rural. Accessing services, information, content and opportunities can be limited for those that don't reside in town.

Property

- There are a number of buildings within Council's portfolio which receive limited use in their current form. Reasons for this include facilities no longer being fit for purpose, with varying levels of maintenance and renewals undertaken or required.

Halls and Recreational Complexes

- There is increased demand for facilities which are multi-purpose and can cater to a wide variety of leisure and recreation activities.
- The availability of some spaces has become an increasing issue for the community when locating suitable facilities for community groups.

- Some halls and facilities are underused, ageing or deteriorating. This will be addressed through the Community Facilities Strategy.
- There is increasing demand for improved heating and ventilation at the Feilding Civic Centre.

Parks, Reserves and Sportsgrounds

- Population growth will increase the usage of parks, reserves and sportsgrounds within the Manawatū District. Multi-purpose sportsgrounds and facilities will become necessary to accommodate all sporting codes in a cost-effective manner.
- There is increased demand for non-structured, low-impact recreation and exercise (e.g. walking and cycling).
- There is demand from the community for additional provision of indoor sport facilities within the district.
- Climate change causes an increased risk of flooding, requiring coordination with Horizons Regional Council on flood mitigation measures.
- The increasing popularity of freedom camping is creating demand issues in some spaces.

Cemeteries

- The population of residents aged 85 years and older is forecast to increase. This impacts requirements for accessibility to cemetery areas for the ageing population.
- The contour and layout of some cemeteries, combined with a high water table, flooding and scouring can cause access issues.
- Council needs to undertake spatial planning as part of the Cemeteries Management Strategy prior to making decisions on matters such as extending a cemetery, adding a carpark etc.
- Council will need to respond to increasing demand for more varied internment options, which may require different spaces and cemetery styles.

Public Conveniences

- With a growing population, demand for public conveniences will increase, along with the cost of provision and on-going maintenance.
- Increased demand for public conveniences which are disability/age accessible due to the ageing population of the district.

Levels of Service

Makino Aquatic Centre

Level of Service 1		**You can expect safe pools**					
		Baseline	**Actual 2022/23**	**Target 2023/24**	**Target 2024/25**	**Target 2025/26**	**Target 2026-34**
Measure 1	Annual Pool Safe accreditation	2020/21 accredited	Yes	Yes	Yes	Yes	Yes

Level of Service 2		You can expect the provision of a range of quality educational and recreational aquatic experiences					
		Baseline	**Actual 2022/23**	**Target 2023/24**	**Target 2024/25**	**Target 2025/26**	**Target 2026-34**
Measure 1	The number of participants in water activities and learning programmes per annum.	2022/23 (new) 45,142	45,142	>52,000	≥45,142	≥45,142	≥45,142
Measure 2	% of survey participants satisfied with the quality of their experience at the Makino Aquatic Centre.	2020/21 91%	91%	90%	90%	90%	90%

Community Hub Libraries

Level of Service 1		You can expect access to a range of information, resources and experiences that support community wellbeing and interconnectedness, continue to build and promote lifelong learning and bridge the digital divide					
		Baseline	**Actual 2022/23**	**Target 2023/24**	**Target 2024/25**	**Target 2025/26**	**Target 2026-34**
Measure 1	The number of physical and digital collection items borrowed or accessed per capita, per annum.	2022/23 (new) 10.10	10.10	8	10	10	10
Measure 2	The number of logins to library e-resources and apps (including	2022/23 (new) 49,317	49,317	≥49,317	≥49,317	≥49,317	≥49,317

	digital learning apps and heritage platforms), Manawatū District Libraries app and Wi-Fi and computer usage, per annum.						
Measure 3 (New)	% of survey participants satisfied with the quality of their experience attending a programme, class, exhibition, event, digital learning programme or other social interaction group at the Community Hub Library.	New for 2024/25	N/A	N/A	80%	80%	80%

Property

Level of Service 1		**You can expect well maintained, safe Council-owned buildings and properties**					
		Baseline	**Actual 2022/23**	**Target 2023/24**	**Target 2024/25**	**Target 2025/26**	**Target 2026-34**
Measure 1	% in-use Council-owned buildings and properties are compliant with the relevant	2019/20 90%	100%	100%	100%	100%	100%

	safety regulations.						

Halls and Recreational Complexes

Level of Service 1		**You can expect that in-use Council-owned halls and recreational complexes are safe**					
		Baseline	**Actual 2022/23**	**Target 2023/24**	**Target 2024/25**	**Target 2025/26**	**Target 2026-34**
Measure 1 (New)	% of in-use Council-owned halls and recreational complexes are compliant with current building warrant of fitness requirements and FENZ evacuation procedures	2021/2022 100%	100%	100%	100%	100%	100%

Parks, Reserves and Sports Grounds

Level of Service 1		**You can expect satisfaction with our parks, reserves and sportsgrounds**					
		Baseline	**Actual 2022/23**	**Target 2023/24**	**Target 2024/25**	**Target 2025/26**	**Target 2026-34**
Measure 1	% of survey participants satisfied with Council's parks, reserves and sportsgrounds.	95%	90%	90%	90%	90%	90%

Level of Service 2	**You can expect safe parks, reserves and sports grounds**					
	Baseline	**Actual 2022/23**	**Target 2023/24**	**Target 2024/25**	**Target 2025/26**	**Target 2026-34**

Measure 1	Number of health and safety incidents or injuries reported that occurred due to inadequate or poor maintenance in our parks, reserves and sports grounds.	2019/20 0	0	0	0	0	0

Cemeteries

Level of Service 1		**You can expect satisfaction with the maintenance of our cemeteries**					
		Baseline	**Actual 2022/23**	**Target 2023/24**	**Target 2024/25**	**Target 2025/26**	**Target 2026-34**
Measure 1	% of survey participants who were satisfied with the maintenance of cemeteries.	New baseline 2024/25	N/A	N/A	New	≥ 2024/25	≥ 2024/25

Level of Service 2		**You can expect professional and timely interment services**					
		Baseline	**Actual 2022/23**	**Target 2023/24**	**Target 2024/25**	**Target 2025/26**	**Target 2026-34**
Measure 1	The number of complaints about late or inadequate interment services.	2019/20 0	0	0	0	0	0

Public Conveniences

Level of Service 1		You can expect clean and well-maintained public toilets					
		Baseline	**Actual 2022/23**	**Target 2023/24**	**Target 2024/25**	**Target 2025/26**	**Target 2026-34**
Measure 1	The number of complaints* received about inadequate maintenance and/or poor cleaning of our toilets.	2019/20 1	7	<8	<8	<8	<8
	*Excludes complaints that do not relate to the service council provides.						

Assets and Portfolio

Makino Aquatic Centre Te Taiwhanga Wai Rēhia o Mākino

The Makino Aquatic Centre features both indoor and outdoor pool facilities. The indoor complex consists of a 25-metre pool, learn to swim pool, wet deck area, play pool, offices, community meeting rooms and family change rooms. The outdoor complex consists of a 50-metre pool, dive pool, play pool and splash pool. The facility is used for a range of programmes and activities, including learn to swim, aqua fitness, general recreation use and other aquatic activities.

Community Hub Library

The Manawatū District Library is a 1,665m² building located on the corner of Bowen Street and Stafford Street. The building consists of a library area (with approx. 50,000 items), mezzanine floor and tiered seating area, Makerspace (CNC Machine, Laser cutter, 3D printers, sewing machines, vinyl cutter, etc), café, heritage area, storage rooms, offices, meeting rooms (with presentation and video conferencing technology), self-service machines, kitchens and toilets.

Note: Have mentioned the satellite libraries in the “how we do it” as technically these locations are in community halls or centres.

Property *Ngā Rawa Tūwāhi*

Commercial Property	Community Property	General Property
• Feilding Depot	• Council Administration Building	• Fergusson Street Carpark
• Eyre Street Depot and Carpark	• Animal Control building and compound, Awa Street	• Halcombe Playcentre
• South Street/Kawakawa Road commercial land	• Community House, Feilding	• Kimbolton Playcentre

• Himatangi Beach Motor Camp	• Country Fayre – Pōhangina	• Pōhangina Depot
• Tangimoana Beach Motor Camp	• Feilding Clock Tower	• Red Cross House – 31 Grey Street
• Mt. Lees Homestead	• Feilding Community Centre – Te Manawa	• Sanson Playcentre
	• Palmerston North Surf Lifesaving Club	• Residential tenancy – 1269 Pōhangina Road
	• Rongotea Community Centre	
	• Rangiwāhia Memorial Hall	

Halls and Recreational Complexes *Ngā Whare Huihui me ngā Taiwhanga Rēhia*

Recreational Complexes			
Facility	**Location**	**Facility**	**Location**
Feilding Civic Centre	Feilding	Pōhangina Old School Reserve Pool	Pōhangina
Feilding Little Theatre	Feilding	Te Kawau Memorial Recreation Centre	Rongotea
Old Tote Building	Feilding		
Council-Owned Halls			
Hall	**Location**	**Hall**	**Location**
Āpiti Hall	Āpiti	Kiwitea Hall	Kiwitea
Beaconsfield Memorial Hall	Beaconsfield	Ōhakea Hall	Ōhakea
Cheltenham Hall	Cheltenham	Pōhangina Hall	Pōhangina
Clydesdale Hall	Tangimoana	Rangiotū Hall	Rangiotū
Colyton Hall	Colyton	Rangiwāhia Hall	Rangiwāhia
Halcombe Hall	Halcombe	Sanson Hall	Sanson
Himatangi Beach Hall	Himatangi Beach	Stanway Hall	Halcombe
Kimbolton Hall	Kimbolton	Waituna West Hall	Waituna West
Community-Owned Halls			
Hall	**Location**	**Hall**	**Location**
Awahuri Hall	Awahuri	Tangimoana Hall	Tangimoana
Glen Ōroua Hall	Glen Ōroua	Kopane Hall	Kopane
Newbury Hall	Newbury	Longburn Hall	Longburn
Ōroua Downs Hall	Ōroua Downs		

Parks, Reserves and Sports Grounds *Ngā Papa Rēhia, Papa Tāpui, Papa Hākinakina hoki*

Category	**Northern**	**Feilding**	**Southern**
Parks and Sportsgrounds	• Halcombe Domain • Kimbolton Domain	• Victoria Park • Timona Park • Johnston Park • Kōwhai Cricket Area	• Sanson Recreation Reserve

		• South Street Courts	
Neighbourhood Parks	• Fowlers Reserve – Kimbolton • Pōhangina School Reserve • Hauwhiti Reserve - Kimbolton	• Fraser Drive Park • James Palmer Park • Vista Drive Park • Rimu Park • Stonebridge Reserve • Roots Street Reserve • Sanson Playground	• Himatangi Beach Bowling Club Reserve • Mahuri Reserve – Himatangi Beach • Sanson Hall Reserve • Rongotea/Te Kawau Playground
Rural Recreation Areas	• Āpiti Domain • Bartlett's Ford • Beaconsfield Recreation Reserve • London's Ford • Menzies Ford Reserve • Pakihikura School Recreation Reserve • Pōhangina Recreation Reserve (Domain) • Pōhangina Valley Lookout • Rangiwāhia Hall and Rangiwāhia Recreation Reserve • Raumai Reserve • Rewa Old School Reserve		• Ōhakea Domain • Carnarvon Reserve
Public Gardens		• Kōwhai park	
Civic Squares/ Spaces		• Makino Precinct • Manchester Square • Denbigh Square	• Douglas Square - Rongotea
Natural and Cultural Heritage Areas	• Almadale Scenic Reserve • Kimbolton Scenic Reserve • McKinnon Memorial Reserve – Rangiwāhia • Putai Ngahere Reserve (Vinegar Hill)	• Awahuri Forest – Kitchener Park • Bush Lane Reserve	• Coles Bush – Rongotea • Mt Lees Reserve • Ellison Reserve - Tangimoana
Coastal Reserves			• Himatangi Beach Coastal Reserve • Himatangi Beach Kaikokopu Stream Reserve • Tangimoana Coastal Reserve
Memorials	• Pembertons Corner – Rangiwāhia • Cheltenham Memorial Park • Āpiti Church Memorial Park	• Russell Law Memorial Grove	• Mt Stewart Memorial • Te Arakura Reserve

Cycle and Walkway Links		• Greenspine • Lovers Lane Reserve • Makino Bridge Reserve • Rata Street Walkway • Quail Avenue to Homelands Avenue Walkway	
Street Trees and Gardens	• Halcombe • Rangiwāhia • Pōhangina • Āpiti • Cheltenham • Kimbolton • Waituna West	• Feilding	• Rongotea • Himatangi • Tangimoana • Sanson
Miscellaneous Reserves		• Herlihy Reserve • Highfield Hill Lookout • Rangeview Reserve	• Rongotea Carpark Reserve

Cemeteries *Ngā Urupā*

Cemeteries in:	
• Feilding • Halcombe • Kimbolton • Pōhangina	• Rangiwāhia • Rongotea • Sandon (Sanson) • Waituna West

Public Conveniences *Ngā Wharepaku Tūmatanui*

• Feilding CBD Toilets • Āpiti • Duke Street Toilets • Himatangi Beach Toilets • Sanson Playground Toilets • Mt Lees Reserve Toilet • Raumai Reserve Toilet • London's Ford Toilet • Sanson Domain Toilet • Mangakino Skate Park Toilets	• Timona Park Toilets x2 • Kimbolton Toilets • Johnston Park Toilets • Rongotea Toilets • Cheltenham Toilets • Feilding Railway Station Toilets • Victoria Park Toilet • Almadale Scenic Reserve Toilet • Pōhangina Old School Toilet	• Kitchener Park Toilets • Kōwhai park Toilets • Rangiwāhia Toilets • Pōhangina Valley Toilets • Tangimoana Toilets • Halcombe Domain Toilets • Vinegar Hill Campground Toilets x2 • Bartletts Ford Toilet • Rangiwāhia Hall Toilet

Funding Splits

Makino Aquatic Centre (Proposed)

80-85% Uniform Targeted Rate (Feilding 60%, Rural 40%))

15-20% User fees and charges (admission, hireage, classes etc)

Community Hub and Libraries (Proposed)

90-98% Rates (Uniform Targeted Rate (Feilding 60%, Rural 40%)
2 - 10% User fees and charges (fines, fees, internet etc)

Property

90 – 95% General Rate (CV)

5 - 10% User fees and charges (leases and rent)

Halls and Recreational Complexes

95-100% Uniform Annual General Charge

0-5% Lease fees and cost recovery

Parks, Reserves and Sportsgrounds

95-98% Rates (Targeted Rate (CV), Uniform Targeted Rate)

2-5% User fees and charges (ground fees and hireage)

Cemeteries

60-70% General Rate (CV)

30-40% User fees and charges (internment, plots etc)

Public Conveniences (toilets)

100% Uniform Annual General Charge

Interesting Facts and Figures

Makino Aquatic Centre *Te Taiwhanga Wai Rēhia o Mākino*

All together our pools hold 1,900,000 litres of water – imagine that in drink bottles!

We provide over 6,100 learn to swim classes every year!

Community Hub Library

- 320,337 items accessed in a year
- 614 programmes run in 2022/23 (note this is amazing as we are in a reduced capacity in the temporary facility). 82 of the 614 were run in alternate venues like school halls.
- 4048 participants attended school holiday activities in 2022/23
- 1/3 of the programme attendees for 2022/23 came from holiday programmes

Property

- The Feilding Clock tower was built as a millennium project in 1999

- In 1938 the Feilding Community Centre became the first community centre in New Zealand providing learning opportunities outside the school environment (including some of the country's earliest "playcentre" sessions).

Halls and Recreational Complexes

- Council Owns 17 community Halls and 7 halls are community-owned, as well as 16 Playgrounds
- The Old Tote Building in Kowhai Park was built in 1917 to house an electric totaliser (betting machine) essentially the first computer in Feilding

Parks, Reserves and Sportsgrounds

- We maintain over 3,200 street trees throughout the Manawatū District
- Our newest park is Roots Street Reserve purchased in 2020
- The district has over 5,000 square metres of street gardens

Cemeteries

- Our Cemeteries Management Strategy was adopted in 2020
- Earliest recorded Burial on record was for Sandon Cemetery in 1854
- Feilding Cemetery ashes wall installed 2021

Public Conveniences

- There are a total of 31 public conveniences in the district
- The toilets are cleaned a total of 15,000 times each year

Key Projects

- Himatangi Beach Hall Earthquake Strengthening

Manawatu District Council
Funding Impact Statement - Community Facilities
For 1 July 2024 - 30 June 2034
Tauākī Tahua – Ngā Hanga Whaitake o te Hapori

	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000
Sources of operating funding											
General rates, uniform annual general charge, rates penalties	2,167	2,440	2,622	2,812	2,908	2,916	3,056	3,092	3,096	3,317	2,894
Targeted rates	7,932	8,184	9,204	9,518	9,710	9,414	9,800	10,268	10,349	10,757	10,695
Subsidies and grants for operating purposes	1	1	1	1	1	1	1	1	1	1	1
Fees and charges	1,018	930	939	959	979	999	1,019	1,038	1,057	1,086	1,637
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	16	66	68	69	71	72	74	75	76	78	79
Total operating funding	**11,134**	**11,621**	**12,833**	**13,358**	**13,669**	**13,403**	**13,950**	**14,474**	**14,579**	**15,239**	**15,307**
Applications of operating funding											
Payments to staff and suppliers	7,114	7,693	8,117	8,499	8,775	8,670	8,768	9,147	9,256	9,446	9,850
Finance costs	721	764	971	1,042	1,099	1,128	1,177	1,163	1,144	1,182	1,163
Internal charges and overheads applied	1,769	2,170	2,410	2,478	2,448	2,276	2,550	2,686	2,736	2,893	2,872
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	**9,604**	**10,627**	**11,499**	**12,018**	**12,321**	**12,074**	**12,495**	**12,996**	**13,137**	**13,521**	**13,885**
Surplus (deficit) of operating funding	**1,530**	**994**	**1,334**	**1,340**	**1,348**	**1,329**	**1,455**	**1,477**	**1,443**	**1,717**	**1,422**
Sources of capital funding											
Subsidies and grants for capital expenditure	1,111	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	496	352	369	390	420	468	494	504	503	479	445
Increase (decrease) in debt	2,005	729	(225)	(177)	105	(388)	(95)	12	615	(52)	464
Gross proceeds from sale of assets	(39)	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	**3,573**	**1,080**	**144**	**213**	**525**	**80**	**398**	**516**	**1,118**	**427**	**909**
Applications of capital funding											
Capital expenditure											
- to meet additional demand	918	1,114	296	398	33	767	0	0	142	0	0
- to improve the level of service	2,849	2,646	363	264	192	358	63	14	616	14	585
- to replace existing assets	6,057	2,891	1,230	1,753	2,168	1,480	1,263	1,364	1,054	796	959
Increase (decrease) in reserves	(4,721)	(4,576)	(410)	(862)	(520)	(1,198)	528	615	749	1,334	787
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total application of capital funding	**5,103**	**2,074**	**1,478**	**1,553**	**1,873**	**1,408**	**1,854**	**1,993**	**2,561**	**2,144**	**2,331**
Surplus (deficit) of capital funding	**(1,530)**	**(994)**	**(1,334)**	**(1,340)**	**(1,348)**	**(1,329)**	**(1,455)**	**(1,477)**	**(1,443)**	**(1,717)**	**(1,422)**
Funding balance	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

5.3 District Development Group

Te Tipu o te Rohe

What we do

Community Development

Community development is about whanaungatanga - building relationships, sharing experiences and working together to create a sense of belonging. We partner with community groups and not for profit organisations to:

- Celebrate our diversity
- Welcome newcomers
- Learn and share our knowledge with others
- Building strong, resilient, sustainable local communities
- Strengthen the interests and values of our district's residents by encouraging active participations
- Generate community led opportunities and outcomes
- See ourselves as a single, cohesive community as well as a collection of smaller communities based on our geographical location or on areas of special interest or identify

Economic Development

Economic development is closely linked with community development because seen as a means to enhance and complement community wellbeing, economic development can be a driver for strengthening community resilience and fostering community welfare. Our approach to economic development is reflected in our commitment to:

- Provide opportunities for all.
- Advocate for integrated growth by linking economic activities with regional growth projects.
- Liaising with institutional partners and neighbouring territorial authorities to coordinate regional economic development activities.

A review of the economic development strategy is currently underway with the view to implement a discernible and stand-alone economic development strategy in 2024.

District Planning

District planning is essentially about reviewing and updating the District Plan. The District Plan is the main planning document for the District and it is reviewed on a section-by-section basis, responding to national direction, regional policy as well as local issues. As part of comprehensive district planning we:

- Plan for growth of the District.
- Prepare strategy, structure plans, rezone land, and monitor available housing and commercial land, ensuring sufficient land is available in the short, medium and long term.
- Participate in regional planning & work with stakeholders.

Why we do it

Community Development

Council actively engages with diverse community groups and community leaders to ensure Council's approach to community development is informed by the needs and aspirations of its diverse community and seeks to build inclusive, connected and active communities.

Council supports the social, cultural, economic and environmental wellbeing of our people and places by offering a high quality of life for all, guided by the Community Development Strategy which was created in collaboration with our community.

Economic Development

As stated above, economic development and community development are closely linked. Council recognises that creating the conditions for a prosperous, diversified and resilient economy is one of its key roles to ensure the economic wellbeing of the District's communities. Therefore, the Economic Development activity aims to provide an environment that is conducive to both retaining and growing existing, as well as attracting new businesses and commercial activities to reap economic benefits for the wider community.

District Planning

District planning activities are provided to ensure Council meets its obligations under the Resource Management Act 1991. Critically, District Planning contributions are guided by the National Policy Statement on Urban Development 2020 (NPS-UD). The NPS-UD seeks to ensure New Zealand towns and cities have well-functioning urban environments that enable all people and communities to provide for their social, economic, and cultural wellbeing, while also ensuring the provision of sufficient development capacity to meet the different needs of people. Taken as a whole, the rationale for District Planning is about:

- strategically planning for growth of the district, making sure future land use & infrastructure decisions are aligned.
- Ensuring planning rules are up-to-date and reflect current and future issues.
- Avoiding, remedying or mitigating effects on the environment.

Council Controlled Organisations (CCOs)

CCOs deliver economic and community wellbeing outcomes on behalf of the Manawatū District Council. Refer to Table 1 for a description of our CCOs and their contribution to the Community and Economic Development Activity. Refer to Appendix 2 of the LTP (page xx) for the Statement on Council Controlled Organisations.

Contribution to community outcomes

Community Development

The Community Development activity contributes to the following community outcomes which are linked through to the Community Development Strategy:

A place to belong and grow

- We are connected and inclusive - our strength is in the diversity of our people and our heritage. As such, we are a welcoming community.
- Everyone has a sense of belonging and are proud of where they live.
- We value who we are and where we have come from.

A future planned together

- We prepare for tomorrow today - our natural, physical and social environment is safe, sustainable and resilient
- Community success is enabled by quality infrastructure, services and technology
- Our people and communities feel safe
- We are guardians (kaitiakitanga) of the natural environment
- We are actively engaged - our people are empowered to strengthen and influence their communities
- We have creative, cultural and recreational participation in our communities
- We work together to make our whānau and communities better
- Tāngata whenua are visible

An environment to be proud of

- We prepare for tomorrow today - our natural, physical and social environment is safe, sustainable and resilient
- Community success is enabled by quality infrastructure, services and technology
- Our people and communities feel safe
- We are guardians (kaitiaki) of the natural environment

Economic Development

The economic development activity contributes to the following community outcomes.

A prosperous and resilient community & A future planned together

- We work with the business community and other economic stakeholders to provide an environment that is conducive to retain, grow and attract business.
- We encourage diverse economic activities to strengthen economic resilience
- We actively consult with economic and commercial stakeholders to build partnerships and to ensure a more harmonised and coordinated approach to regional economic growth and development initiatives.

Infrastructure fit for future & A place to belong and grow

- We strive to maintaining and investing in infrastructure to meet the technological and other infrastructural needs that are required to strengthen areas of economic activities where the Manawatū has a comparative advantage
- We recognise that strengthening and supporting the District's diverse local economy is linked to enhanced community wealth building.

District Planning

A place to belong and grow

- We review the district plan to ensure we are providing for different housing needs and choices across the district.
- We take an 8 - 80 approach – making sure we're planning for all ages.

- Planning decisions are not just about housing, but communities – ensuring we are thinking about greenspace & connectivity.

A future planned together

- We review and update the district plan, taking into account community, tāngata whenua, and stakeholder views.

An environment to be proud of

- The District Plan Changes are informed by principles of sustainable land use and aligned with Council's obligations under the Resource Management Act 1991.

A prosperous, resilient economy

- Ensuring sufficient housing and business land is available in the short, medium and long-term provides opportunities for investment in the district.

How we do it

Economic Development

We provide event funding for a wide range of activities such Event Funding that are linked to economic activities

We provide business support services including economic analysis, business intelligence and capacity building through the Central Economic Development Agency (CEDA). Moreover, we actively promote Feilding and engage in district wide destination branding through partnering with Feilding and District Promotion.

We are liaising with neighbouring territorial authorities to ensure a coordinated approach to tapping into economic development activities and capturing dividends that arise out of regional economic development programmes.

We are working with commercial and industrial stakeholders to provide knowledge for capacity building and pathways for economic activities and development opportunities.

Community Development

We review and administer contestable funding and ensure allocation of funding aligns with outcomes sought in the Community Development Strategy. We partner with community groups and not for profit organisations that deliver local solutions that promote economic, social, ecological and cultural wellbeing in our district and maintain and develop relationships with funding recipients.

We also administer the Manawatū District Creative Communities Scheme on behalf of Creative New Zealand.

We partner with those communities that have participated in our Community Planning programme to implement identified projects and actions and to work with those remaining communities who are wishing to participate in community planning. We support Community Committees throughout the

district. We furthermore support the Manawatū Youth Council that advocates for the needs of youth and that provides a youth perspective into District issues, policies and future planning.

We are part of the Ministry of Business, Innovation and Employment's Welcoming Communities Programme and will be engaging with groups to develop a Welcoming Plan for the Manawatū District. Furthermore, we have implemented both a Youth Action Plan and a Better Later Living Action Plan in recognition of the different needs of distinctive age groups at both ends of the demographic spectrum. The establishment of a Community Hub Library that is expected to open in July 2024 will further foster multiple social and cultural wellbeing by virtue of providing dedicated event and meeting spaces and programmes for lifelong learning opportunities (te taha hinengaro), social interaction and wellbeing (te taha whanau), physical wellbeing (te taha tinana), literacy (including digital literacy) opportunities and a safe place for the community.

Table 14: Council Controlled Organisations

Name and Purpose	Link to District Development
Central Economic Development Agency (CEDA) Jointly owned by MDC and PNCC. Provides promotion and business support services to drive and facilitate the creation and growth of economic wealth in Manawatū and beyond.	
Manawatū Community Wellbeing and Housing Trust (MCT) Provision of affordable, healthy homes for elderly and/or disabled residents in the Manawatū District as well as providing and promoting health, welfare and wellbeing services.	
New Zealand Local Government Funding Agency Limited (LGFA) The LGFA is a partnership between Participating Local Authorities and the Government which enables councils to secure funding at lower interest margins and to make longer term borrowings.	
Manawatū-Whanganui Local Authority Shared Services Limited (MW LASS Ltd) Investigates, develops and delivers shared services between Horizons Regional Council and the Councils of the Manawatū-Whanganui Region (except PNCC) to ensure consistent levels of service and to reduce the individual costs of delivering these services independently.	
Heartlands Contractor Limited The Company's principal activity is that of a non-trading company, previously being in the activity of contracting. Currently inactive, but may be activated in the future. Heartlands is 100% owned by Council.	
RNZAF Ōhakea Visitor Centre Trust (inactive) Trust that includes representatives from the Royal New Zealand Air Force (RNZAF), MDC, PNCC, RDC and the Manawatū branch of the NZ Division of the Royal Aeronautical Society. Established to investigate the viability of a combined Visitor Centre, promotion of aviation history, positive public image for RNZAF, and infrastructure to support the display of regional aviation history.	
Manawatū Whanganui Disaster Established after the 2004 floods by the local authorities of the Manawatū-Whanganui Region, to meet the welfare needs of people following a significant natural or man-made disaster in the Manawatū-Whanganui region or elsewhere in New Zealand.	

Name and Purpose	Link to District Development
Camp Rangi Woods Trust Maintains and develops the facilities of Camp Rangi Woods for educational and recreational use.	
Awahuri Forest Kitchener Park Trust Assists in the ecological restoration, management and enhancement of the land at the Kitchener Park, and public conservation education.	
Feilding Civic Centre Trust Responsible for the day-to-day operations and promotion of the Feilding Civic Centre.	
Manawatū District Youth Development and Wellbeing Trust Jointly managed by MDC and the New Zealand Police for the purposes of advancing education, alleviating poverty and other programmes and activities that assist and support young people.	

District Planning

We review and update the District Plan on a section-by-section basis, working with stakeholders and the community to ensure our natural and physical resources are sustainably managed, and avoid, remedy or mitigate any potential environmental effects.

We monitor and plan for future growth of the district by ensuring sufficient housing and commercial land is available in the short, medium and long-term.

We respond to Horizons Regional Council (Manawatū-Wanganui Regional Council) and central government policy proposals relevant to strategic planning issues in the district.

We participate in regional planning and prepare for the transition to new central government direction for resource management.

We process private plan change requests as required and we ensure information about the planning is up to date and easily accessible via Council's website.

What we are keeping an eye on

- Ongoing uncertainty around National Direction under the Resource Management Act 1991 affects the extent to which purposeful District Development can proceed.
- Climate Change and demographic transition continue to implicate all three aspects of District Development and related assumptions.
- Council is committed to increase its efforts to build and deepen meaningful partnership with Tāngata Whenua that is grounded in principles of Rangatiratanga (Respect) and Manaakitanga (Care).
- Key issues and challenges that are specific for District Planning related activities revolve around protection of highly productive land (HPL) that is likely to shift housing growth pressure to Feilding and rural villages. This will impact on land supply and infrastructure planning over the next 30 years.
- Council is planning to partner with neighbouring territorial authorities to ensure planning activities are aligned with wider Regional Projects.

Levels of Service

District Development

Level of Service 1		You can expect satisfaction with district development service delivery					
		Baseline	**Actual 2022/23**	**Target 2023/24**	**Target 2024/25**	**Target 2025/26**	**Target 2026-34**
Measure 1	% of targets CEDA has achieved under the relevant Statement of Intent.	83%	83%	80%	80%	80%	80%
Measure 2	% of Results Based Accountability targets achieved under Priority Service Contracts	2021/22 80%	95%	80%	80%	80%	80%

Level of Service 2 (new)		You can expect Council to support community development through administration of its contestable Community Funding					
		Baseline	**Actual 2022/23**	**Target 2023/24**	**Target 2024/25**	**Target 2025/26**	**Target 2026-34**
Measure 1 (New)	% of survey participants that were satisfied with the transparency of the decision-making and application process for Community Funding	2024/25 (new) 80%	N/A	N/A	80%	80%	80%

Level of Service 3 (new)		You can expect Council to support Community Committees to advocate on behalf of their communities					
		Baseline	**Actual 2022/23**	**Target 2023/24**	**Target 2024/25**	**Target 2025/26**	**Target 2026-34**

Measure 1 (New)	% of survey participants that were satisfied with the level of support they receive from Council.	New baseline 2024/25 80%	N/A	N/A	80%	80%	80%

Funding splits

Economic Development

100% General Rate (CV)

Community Development

95% - 100% General Rate (CV)

0 – 5% Grants

District Planning

100% Rates - Uniform annual general charge (76%), General rate (24%)

Feilding Central Business District (CBD) Redevelopment (New)

100% General Rate (CV)

Interesting facts and figures

District Planning

- There is capacity for 1788 houses to be built in the Maewa residential growth area at the northern end of Feilding.
- There is expected to be 13,294 more people in the district by 2054.
- 39.54% of the land in the Manawatū has been classed as Highly Productive land.

Economic Development

- On average 71% of spending in the Manawatū District is by locals.
- 27% of the district workforce is self-employed. Unemployment is lower than the national average at 1.9%.
- 73.3% of the Manawatū Districts exports is meat and meat products.
- 31.5% of businesses in the Manawatū are in agriculture, forestry, and fishing.

Community Development

- The proportion of over 65s in the Manawatū is expected to increase by 4%. To 23% of the total population.
- The Manawatū District sits at 30 out of all the 67 councils for crime rate

Funding Impact Statement

Manawatu District Council
Funding Impact Statement - District Development
For 1 July 2024 - 30 June 2034
Tauākī Tahua – Te Whakawhanake ā-Rohe

	Annual Plan 2024 $000	Year 1 2025 $000	Year 2 2026 $000	Year 3 2027 $000	Year 4 2028 $000	Year 5 2029 $000	Year 6 2030 $000	Year 7 2031 $000	Year 8 2032 $000	Year 9 2033 $000	Year 10 2034 $000
Sources of operating funding											
General rates, uniform annual general charge, rates penalties	4,021	4,320	4,334	4,375	4,461	4,379	4,527	4,655	4,731	4,842	4,926
Targeted rates	87	85	86	86	87	86	87	88	89	90	92
Subsidies and grants for operating purposes	36	35	35	36	37	37	38	39	40	40	41
Fees and charges	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total operating funding	**4,144**	**4,439**	**4,455**	**4,498**	**4,584**	**4,503**	**4,653**	**4,782**	**4,859**	**4,972**	**5,058**
Applications of operating funding											
Payments to staff and suppliers	2,920	3,018	3,078	3,130	3,247	3,307	3,381	3,467	3,529	3,593	3,654
Finance costs	210	269	254	252	247	244	241	240	215	216	215
Internal charges and overheads applied	845	778	845	890	913	841	989	1,037	1,076	1,126	1,151
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	**3,975**	**4,065**	**4,177**	**4,272**	**4,407**	**4,391**	**4,610**	**4,744**	**4,821**	**4,935**	**5,020**
Surplus (deficit) of operating funding	**170**	**374**	**278**	**226**	**178**	**112**	**42**	**37**	**38**	**37**	**38**
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	(170)	(374)	(278)	(226)	(178)	(112)	(42)	(37)	(38)	(37)	(38)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	**(170)**	**(374)**	**(278)**	**(226)**	**(178)**	**(112)**	**(42)**	**(37)**	**(38)**	**(37)**	**(38)**
Applications of capital funding											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	0	0	0	(0)	0	(0)	0	(0)	(0)	0	(0)
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total application of capital funding	**0**	**0**	**0**	**(0)**	**0**	**(0)**	**0**	**(0)**	**(0)**	**0**	**(0)**
Surplus (deficit) of capital funding	**(170)**	**(374)**	**(278)**	**(226)**	**(178)**	**(112)**	**(42)**	**(37)**	**(38)**	**(37)**	**(38)**
Funding balance	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

5.4 Regulatory Group

Te Taha Whakatureture

What we do

Animal Control - *Te Rauhī Kararehe*
We provide animal control services, including dog safety education programmes, throughout the district.

Building Control - *Te Whakatū Whare*
We process building consent applications for compliance with the Building Act 2004 and the New Zealand Building code. We also issue certificates of acceptance, certificates for public use, and code compliance certificates. We conduct inspections, respond to building complaints, and monitor swimming pool and spa fencing and building warrants of fitness.

Compliance and Monitoring - *Te Whakaū i ngā Ture me te Arotake*
We monitor, mitigate, and minimise potentially harmful activities. We process alcohol licences, food control plans and monitor licensed and registered premises.

Consents Planning - *Ngā Whakaaetanga*
We provide planning resource consent guidance and consenting to help ensure our natural and physical resources are sustainably managed, and avoid, remedy, or mitigate any potentially detrimental environmental effects.

Why we do it

We work to provide for public safety and amenity, and the protection and sustainable management of the natural and physical environment, to make the Manawatū District a desirable place to live, visit, and do business. We adhere to legislative requirements, including the Building Act 2004 and the Resource Management Act 1991.

Contribution to Community Outcomes

The Regulatory Group contributes to the following outcomes:

A place to belong and grow
- by ensuring a safe environment to live, work, and play.

An environment to be proud of
- by protecting our natural environment through monitoring and enforcing compliance with the District Plan and Resource Management Act 1991
- by ensuring our built environment and food/alcohol and health premises are safe and fit for purpose.

Infrastructure fit for the future
- by making sure buildings and new developments are safe and accessible.

A prosperous, resilient economy
- by processing quality building and resource consents and promoting sustainable development.

Value for money and excellence in local government

- by aiming to deliver a customer focused service while meeting legislative requirements.

How we do it

We develop, monitor, and enforce bylaws and policies to ensure a safe and useable environment for all members of the community.

Animal Control

We administer The Dog Control Act 1996, Impounding Act 1955, Council's Dog Control Policy and Animal Control and Dog Control Bylaws, and ensure dogs are registered and controlled throughout the district. We classify the district's 'menacing' and 'dangerous' dogs and maintain Council's National Dog Database interface.

We provide access to a 24-hour 7 day a week animal control service for priority 1 call outs/responses and impound nuisance, surrendered or unregistered dogs and wandering stock at our Awa Street site for collection by owners, rehoming or destruction.

We offer a "selected ownership" status, provide dog education programmes and sponsor obedience training certificates to the Feilding Dog Training Club.

Building Control

Council is an accredited Building Consent Authority and administers the Building Act 2004. This includes responding to earthquake-prone, dangerous, or insanitary buildings issues, as well as responding to building related complaints and providing advice.

We assist in the development of policies for dangerous, affected, and insanitary buildings and administer the earthquake prone building legislation under the Building Act 2004.

We facilitate key stakeholder meetings for the construction and development industry and have a building officer on duty to assist with building control advice for new or existing buildings, building consent application lodgements and pre-application meetings to provide clarification/interpretation of the Building Act and Building Code.

We work to make Building Control Services information current and accessible via Council's website and Council office (printed copy) and make building consenting application services accessible and transparent via the online portal.

We ensure the built environment meets safety and accessibility standards including ensuring buildings provide facilities for people with disabilities where required, and monitoring swimming pool/spa fencing to protect children under five years from drowning.

Compliance and Monitoring

We administer the Health Act 1956, Food Act 2014, Litter Act 1979, Resource Management Act 1991, Amusement Devices Regulations 1978, Hazardous Substances and New Organisms Act 1996, the Gambling Act 2003, the Racing Industries Act 2020, the Freedom Camping Act 2011, and the Sale and Supply of Alcohol Act 2012.

Some of Council's legislative responsibilities include:

- Annual inspections of registered health premises to ensure they comply with licence conditions;
- Registering and auditing premises that prepare and sell food;
- Enforcing legislation relating to hazardous substances;

- Issuing permits and inspecting amusement devices;
- Enforcing bylaw provisions;
- Monitoring and enforcing compliance with land use and subdivision consent conditions;
- Responding to complaints, including by providing a 24 hour per day, 7 day a week noise response service; and
- Educating and providing advice to the public and businesses on Council's compliance and monitoring services.

Licensing inspectors, appointed by Council in accordance with the Sale and Supply of Alcohol Act 2012, collaborate with the New Zealand Police, Te Whatu Ora Health New Zealand, and Fire and Emergency New Zealand (FENZ), and together with Council's appointed District Licensing Committee, make decisions on applications for:

- New and renewed licences and managers' certificates
- Temporary authorities and temporary licences
- Variation of licences
- Special licences

Consents Planning
We apply the District Plan and policies that reflect the direction given by central government and the Manawatū-Whanganui Regional Council ("Horizons"). This includes processing resource consents and assessing all building consent applications to ensure they meet the provisions of the District Plan. We process private plan change requests and notices of requirements for designations.

We ensure information about the resource consent application process is up to date and easily accessible via Council's website and at the Council office (printed copy). There is a duty planner available to assist with general planning or resource consent application enquiries.

We also have input into the approval of alcohol licenses, and Land Information Memorandums (LIMs).

What we are keeping an eye on

- Population growth may increase the number of dogs in the district. Non-registration of dogs requires considerable monitoring and enforcement each year which impacts on rates.
- Population growth leads to an increased demand for development and services, creating pressures to meet timeframes, and a need for increased staffing.
- The ageing population and current cost of living pressures lead to issues with the affordability of services. Fees must be set at a level that does not discourage development but also does not shift too much of the cost of development onto ratepayers.
- Processing times for resource and building consents and the costs of compliance may be considered excessive by applicants. Timeframes reflect legal requirements, and the level of processing required from staff. Poor quality building consent applications impact on productivity, with processing timeframes extended by requests for further information.
- New residential development, including infill, increases the amount of hardstand surfaces and decreases 'sponginess,' increasing stormwater runoff. Council is increasing focus on stormwater attenuation and green infrastructure to create more sustainable and resilient urban environments.
- Council is exploring ways to minimise the amount of building and construction material being disposed of to landfill, including through material recycling at the resource recovery facility.

Levels of Service

Animal Control

Level of Service 1		**You can expect a safe environment and protection of the community through timely responses to requests for service**					
		Baseline	**Actual 2022/23**	**Target 2023/24**	**Target 2024/25**	**Target 2025/26**	**Target 2026-34**
Measure 1	% of urgent requests about dog attacks/ wandering stock responded to or caller contacted within 15 minutes of Council receiving request. (Priority 1)	2019/20 99%	94%	90%	90%	90%	90%
Measure 2	% of notifications of roaming dogs responded to or caller contacted the next working day from Council receiving request. (Priority 2)	2019/20 99.5%	96%	90%	90%	90%	90%
Measure 3	% of routine animal control issues responded to or caller contacted the next working day from Council receiving notification. (Priority 3)	2019/20 96%	97%	90%	90%	90%	90%

Building Control

Level of Service 1		**Ensuring life safety by monitoring commercial and public buildings for compliance with the Building Warrant of Fitness**					
		Baseline	**Actual 2022/23**	**Target 2023/24**	**Target 2024/25**	**Target 2025/26**	**Target 2026-34**
Measure 1	% of the district's	Set in 2021/2022	81%	95%	95%	95%	95%

	commercial and public buildings that hold a current compliance schedule are audited every 3 years.						

Level of Service 2		**You can expect we are meeting the statutory obligations of the Building Act as an Accredited BCA, providing a safe built environment, and providing a responsive building control service**					
		Baseline	**Actual 2022/23**	**Target 2023/24**	**Target 2024/25**	**Target 2025/26**	**Target 2026-34**
Measure 1	% of complaints that are investigated and responded to relating to our building control service within the specified timeframes.*	2019/20 95%	92%	90%	90%	90%	90%
Measure 2	% of residential swimming pools that are inspected every 3 years to ensure compliance with the Building Act.	Set in 2021/22	98%	95%	95%	95%	95%
Measure 3	% Applications processed within statutory and specified timeframes: A. Building consent applications and code compliance certificates processed and approved - 20 working days. B. Fixed fee (small works) building	2019/20 A. 94.5% B. 88%	A. 90% B. 89%	A. 95% B. 95%	A. 95% B. 95%	A. 95% B. 95%	A. 95% B. 95%

	consent applications processed and approved - 10 working days. (internal target)						
	*excludes complaints that do not relate to the service council provides						

Compliance and Monitoring

Level of Service 1		**You can be assured that the community has safe food premises and hygienic health registered premises**					
		Baseline	**Actual 2022/23**	**Target 2023/24**	**Target 2024/25**	**Target 2025/26**	**Target 2026-34**
Measure 1	% of all food premises are verified as per legislative requirements under the Food Regulations 2015.	Set in 2021/2022	93%	90%	90%	90%	90%

Level of Service 2		**You can expect we are protecting community amenity and providing a responsive compliance service with timely responses to requests for service**					
		Baseline	**Actual 2022/23**	**Target 2023/24**	**Target 2024/25**	**Target 2025/26**	**Target 2026-34**
Measure 1	% of requests for service related to incidents that endanger public health are responded to within 24 hours of notification.	2019/20 96%	95%	85%	85%	85%	85%
Measure 2	% of urban noise complaints that are responded to within one hour of notification.	2019/20 96%	98%	85%	85%	85%	85%
Measure 3	% of requests for service related to incidents that	2019/20 94%	97%	85%	85%	85%	85%

	do not endanger public health are responded to within 48 hours of notification.						

Level of Service 3		**You can expect us to monitor selected licensed premises selling alcohol for compliance with their license conditions**					
		Baseline	**Actual 2022/23**	**Target 2023/24**	**Target 2024/25**	**Target 2025/26**	**Target 2026-34**
Measure 1	% of licensed premises that are inspected annually to ensure compliance with the conditions of their license and to work with those who do not comply to bring them up to compliance.	2019/20 94%*	98%	95%	95%	95%	95%
	*Covid-19 lockdown affected our ability undertake inspections						

Consents Planning

Level of Service 1		**You can expect the Consents Planning Team are meeting the statutory obligations of the RMA to protect the environment and ensure compliance with the District Plan**					
		Baseline	**Actual 2022/23**	**Target 2023/24**	**Target 2024/25**	**Target 2025/26**	**Target 2026-34**
Measure 1	% of applications for permitted boundary activities under the Resource Management Act are processed in accordance with the statutory timeframes.	Set in 2021/22	93%	100%	90%	90%	90%
Measure 2	% of applications for resource consent under the Resource	Set in 2021/22	91%	90%	90%	90%	90%

	Management Act are processed in accordance with the statutory timeframes: • Non-Notified • Limited Notified (with hearing) • Limited Notified (without a hearing) • Notified						

Assets and Portfolio

Animal Control
Awa Street Pound

Compliance and Monitoring
Signage for alcohol restrictions

Funding Split

Animal Control (Proposed)
20% Uniform Annual General Charge
80% User fees and charges (registration, impoundment, infringements etc).

Building Control (Proposed)
20% Rates (General Rate (CV) 24%, Uniform Annual General Charge 76%)
80% User fees and charges (building consents, warrants, infringements etc).

Alcohol Licensing (Proposed new split to replace Compliance and Monitoring)
70% Rates (General Rate (CV) 24%, Uniform Annual General Charge 76%)
30% User fees and charges (registration, licences, permits, certificates etc)

Environmental Health (Proposed new split to replace Compliance and Monitoring)
90% Rates (General Rate (CV) 24%, Uniform Annual General Charge 76%)
10% User fees and charges (registration, licences, permits, certificates etc).

Consents Planning (Proposed)
50% Rates (General Rate (CV) 24% / Uniform Targeted Rate 76%)
50% User fees and charges (consents, infringements etc)

Interesting Facts and Figures

Dog Control

- We currently have 8,568 dogs registered in the District (in the 2022/23 year)
- The most common dog breed is the huntaway (3,572) closely followed by the labrador (3,513).

Compliance and Monitoring

- 359 Noise complaints received 1/7/2022 – 30/6/2023 – 326 for Afterhours 33 during normal working days.

Consent Processing

- 124 land use consents processed between 1/7/2022 – 30/6/2023.
- 122 Subdivisions processed between 1/7/2022 – 30/6/2023.

Funding Impact Statement

Manawatu District Council
Funding Impact Statement - Regulatory
For 1 July 2024 - 30 June 2034
Tauākī Tahua – Te Whakatureture

	Annual Plan 2024 $000	Year 1 2025 $000	Year 2 2026 $000	Year 3 2027 $000	Year 4 2028 $000	Year 5 2029 $000	Year 6 2030 $000	Year 7 2031 $000	Year 8 2032 $000	Year 9 2033 $000	Year 10 2034 $000
Sources of operating funding											
General rates, uniform annual general charge, rates penalties	2,874	2,549	2,702	2,810	2,890	2,818	3,079	3,194	3,295	3,413	3,478
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	3,759	5,235	5,427	5,637	5,758	5,653	6,086	6,298	6,478	6,687	6,811
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	78	69	70	71	72	73	74	75	76	77	78
Total operating funding	**6,711**	**7,853**	**8,199**	**8,518**	**8,720**	**8,544**	**9,239**	**9,567**	**9,849**	**10,178**	**10,367**
Applications of operating funding											
Payments to staff and suppliers	3,313	3,985	3,996	4,090	4,174	4,226	4,316	4,398	4,482	4,565	4,646
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	3,368	3,839	4,124	4,356	4,533	4,305	4,909	5,156	5,358	5,606	5,715
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	**6,681**	**7,824**	**8,120**	**8,446**	**8,707**	**8,531**	**9,225**	**9,554**	**9,841**	**10,171**	**10,361**
Surplus (deficit) of operating funding	**30**	**29**	**79**	**72**	**13**	**14**	**13**	**13**	**8**	**6**	**6**
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	0	0	0	0	0	0	0	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Applications of capital funding											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0	4	0	0	0	0	0	0	0	0	0
- to replace existing assets	0	0	6	0	8	0	0	0	0	10	0
Increase (decrease) in reserves	30	25	73	72	5	14	13	13	8	(4)	6
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total application of capital funding	**30**	**29**	**79**	**72**	**13**	**14**	**13**	**13**	**8**	**6**	**6**
Surplus (deficit) of capital funding	**(30)**	**(29)**	**(79)**	**(72)**	**(13)**	**(14)**	**(13)**	**(13)**	**(8)**	**(6)**	**(6)**
Funding balance	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

5.5 Emergency Management

What we do

We manage the day-to-day functions of Emergency Management, ensuring that Council is able to respond to events that affect our district. We work with our communities to provide awareness of their local hazardscape so that they can make better informed decisions, are better prepared to respond to and recover from an emergency event that may impact them or the district.

We establish, manage and maintain district and regional partnerships to ensure that Council can deliver a coordinated response to, and the district can recover from an emergency event that has occurred: prior, during and afterwards.

Why we do it

To meet statutory requirements and community expectations to provide an active and responsive emergency management service.

To prepare and empower communities to become more resilient, informed about their hazardscape and better prepared to take action and look after each other.

Contribution to Community Outcomes

Emergency Management contributes to the following community outcomes:

A place to belong and grow

- by educating the community about Emergency Management and the part they play in Civil Defence, and ensuring residents are supported and able to act if an emergency occurs.
- by starting education about emergency preparedness early in life, ensuring the next generation is more resilient.

A future planned together

- by working with the community to plan for emergency situations. This ensures residents and businesses are prepared and confident in our district's ability to deal with emergencies.

A prosperous, resilient economy

- Council is actively involved in local, regional, and national emergency management exercises, and giving confidence in our ability to respond and recover.
- by hastening economic recovery from emergency events through community and Council coordination and planning.

An environment to be proud of

- by understanding and reducing impacts of natural hazards in our district.
- by ensuring that all the five environments are catered for in recovery. The five environments are: social, built, economic, rural, and natural.

Infrastructure fit for the future

- by giving effect to the Manawatū-Whanganui Emergency Management Group Plan, New Zealand Critical Infrastructure Vulnerability Assessment and Regional Critical Infrastructure Plans to understand and plan for hazards, including flood mapping and active fault line mapping. We can use this knowledge to inform future infrastructure planning.
- Learnings from 'Lessons Learnt' from local impacts of historic events. We can use this knowledge to inform future local infrastructure planning.

Value for money and excellence in local government

- by coordinating responses to and providing information about emergency situations.
- by working in partnership with local agencies, businesses, and communities in preparedness for response and recovery to an emergency.
- by being an active participant and partner in the Manawatū-Whanganui Emergency Management Group.
- by collaborating with nearby territorial authorities and Horizons Regional Council to maximise our Emergency Management effectiveness through shared resourcing.

How we do it

Emergency Management works to increase Council and the public's awareness of the districts hazardscape. We work to increase knowledge of how an emergency event may impact them and the district and how best to prepare and recover from this.

Emergency Management works with the districts Community Committees and relevant community organisations and strategic partners to promote emergency management in neighbourhoods across the district and the wider community.

To support Council and the communities' preparedness Emergency Management undertakes an emergency management exercise programme.

We fulfil Council's statutory obligations under the Civil Defence Emergency Management (CDEM) Act (soon to be replaced by the Emergency Management Act) by actively promoting and working towards the 4 Rs of Emergency Management: Reduction, Readiness, Response and Recovery.

We fulfil the public's expectation that Council will, in conjunction with our partner agencies, provide leadership in the case of a natural or other disaster that necessitates a coordinated, multi-agency response. We will engage with and support iwi and community driven initiatives within the Manawatū District to support vulnerable community members during events.

We give effect to the Manawatū-Whanganui Civil Defence Emergency Management Group Plan which focuses on:

- Risk reduction
- Identifying risk reduction initiatives
- Risk information exchange
- Risk reduction programming
- Flood plain mapping and modelling
- Risk reduction programmes for business, communities, and care facilities
- Readiness, response, and preparedness education
- Information activity through marketing opportunities with the support of our national organisation

As a Council, we are represented in committees and groups including:

- Joint Civil Defence and Emergency Management Committee
- Coordinating Executive Group
- Local Emergency Management Committee (MDC coordinated)
- Local Welfare Forum
- Regional Emergency Management Professionals

What we are keeping an eye on

- If public views emergency management as a central and local government responsibility, there may be a lack of self-reliance and preparedness amongst the community. Council can mitigate this through education and ensuring public are aware of their own role in emergency preparedness.
- The frequency and intensity of extreme weather events is forecast to increase over time. The availability of funding is the biggest constraint on Council's ability to recover from extreme weather events, and to enhance the resilience of our infrastructure to future events.
- Guidance and greater central government direction is needed when it comes to coastal planning, managed retreat and where existing settlements are already exposed to significant natural hazard risks.

Levels of Service

Level of Service 1		**You can expect Council will be prepared to assist the community in the event of an emergency**					
		Baseline	**Actual 2022/23**	**Target 2023/24**	**Target 2024/25**	**Target 2025/26**	**Target 2026-34**
Measure 1	% of Incident Management Team personnel trained to at least intermediate level of the Integrated Training Framework for Emergency Management Manawatū	2019/20 75%	90% achieved	≥75%	≥75%	≥75%	≥75%
Measure 2 (New)	% of survey participants involved in the development, delivery or	New in 2024/25	N/A	N/A	New (Y1)	≥2024/25	≥2024/25

	review of Community Response and Recovery Plans that are satisfied with the level of education and information provided by Council.						

Assets and Portfolio

Thunderbird 1 (Emergency Operations Centre Trailer)
3 x Starlink Units
3 x VHF Radio Repeater Stations
VHF Radio hardware

Funding Split

100% General Rate (CV)

Interesting Facts and Figures

16 Community Response and Recovery Plans have been delivered and are active within our communities.

Upgrades to Council's radio network are underway.

Capital Projects

- Rapid Deployment Airshelter and generator for Rapid Deployment Emergency Response and Operation Centre

Funding Impact Statement

Manawatu District Council
Funding Impact Statement - Emergency Management
For 1 July 2024 - 30 June 2034
Tauākī Tahua – Te Rauhī Hapori i te Ohotata

	Annual Plan 2024 $000	Year 1 2025 $000	Year 2 2026 $000	Year 3 2027 $000	Year 4 2028 $000	Year 5 2029 $000	Year 6 2030 $000	Year 7 2031 $000	Year 8 2032 $000	Year 9 2033 $000	Year 10 2034 $000
Sources of operating funding											
General rates, uniform annual general charge, rates penalties	411	471	529	545	530	488	557	586	604	629	641
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total operating funding	**411**	**471**	**529**	**545**	**530**	**488**	**557**	**586**	**604**	**629**	**641**
Applications of operating funding											
Payments to staff and suppliers	302	226	233	246	261	245	283	301	311	325	331
Finance costs	3	2	6	5	4	3	2	2	2	2	2
Internal charges and overheads applied	86	203	222	238	245	232	263	275	282	294	302
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	**392**	**431**	**462**	**489**	**509**	**480**	**549**	**578**	**595**	**621**	**635**
Surplus (deficit) of operating funding	**19**	**40**	**67**	**56**	**21**	**8**	**8**	**8**	**8**	**8**	**7**
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	5	71	(30)	(21)	(21)	(4)	(4)	(3)	(3)	(3)	(3)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	**5**	**71**	**(30)**	**(21)**	**(21)**	**(4)**	**(4)**	**(3)**	**(3)**	**(3)**	**(3)**
Applications of capital funding											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	16	82	0	0	0	0	0	0	0	0	0
- to replace existing assets	77	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	(70)	29	38	36	(0)	5	4	5	5	5	4
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total application of capital funding	**24**	**112**	**38**	**36**	**(0)**	**5**	**4**	**5**	**5**	**5**	**4**
Surplus (deficit) of capital funding	**(19)**	**(40)**	**(67)**	**(56)**	**(21)**	**(8)**	**(8)**	**(8)**	**(8)**	**(8)**	**(7)**
Funding balance	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

5.6 Governance and Strategy Group

Ngā Mahi Kāwanatanga me te Whakatau Rautaki

What we do

We assist elected members to set the strategic direction for the district and help guide decision-making to achieve that direction.

We prepare submissions on behalf of Council and the Manawatū District in response to central government direction and new legislation.

We are responsible for developing and reviewing Council's Governance Policies and Bylaws.

We also provide structures and processes for local democracy and decision making.

We ensure that the Council complies with its Governance, Electoral and other processes as set out in legislation.

We ensure that the Council maintains an appropriate risk management framework.

Why we do it

To equip the elected members to make decisions that balance affordability with community aspirations.

Supporting healthy democratic practices by promoting the principles of transparency and participation.

We want our strategies, policies, plans and bylaws to reflect the diverse needs and interests of communities within the Manawatū, including tangata whenua.

We work to promote and advocate for the best interests of the district at regional and central government levels.

Contribution to Community Outcomes

The Governance and Strategy Group contributes to the following community outcomes:

A place to belong and grow

- by aligning decision making with community feedback.
- by exceeding legal requirements for community inclusion.
- by collaborating with the community in strategic planning.
- by providing opportunities to participate in the democratic processes and decision making.

A future planned together

- by collaborating with the community around statutory and non-statutory planning.
- by using relevant engagement methods that are flexible, responsive and innovative.

An environment to be proud of

- by making informed and prudent decisions with our environment in mind.

A prosperous, resilient economy

- by involving the community in the decision making process and keeping the interests of community and business in mind, we can support healthy economic growth.

Value for money and excellence in local government

- by collaborating internally and externally to maximise efficiency.
- by exercising wise stewardship of public money.
- by staying aware of community opinion.
- by providing excellent customer service.

How we do it

Council has statutory obligations around the way that meetings and elections are run, and the way that we engage with the community over significant decisions.

This work is underpinned by the following statutes:

- Local Government Act 2002
- Local Government Official Information and Meetings Act 1987
- Local Electoral Act 2001
- Local Electoral Regulations 2001

As well as the formal Council team made up of eleven elected members and the Mayor we have five standing committees;

- Audit and Risk Committee
- District Development Committee
- Hearings Committee
- Chief Executive's Employment Committee
- Creative Communities Assessment Committee

We have four informal focus groups – Economic Development, District Plan, Infrastructure and Community Development – to keep our finger on the pulse of progress in these three areas in the district.

We have a Submissions Assessment Panel that oversees the development of submissions on behalf of Council and the community.

We work closely with our 17 community committees as well as the Manawatū District Youth Council as specific communities of interest.

We provide opportunities for the public to be involved in the important decisions that Council makes about the Manawatū District.

Things we are keeping an eye on

- Decisions made by Council may affect some or all residents and ratepayers. Council has a Significance and Engagement Policy to guide Council on significant decisions and how to best engage with those affected in the decision-making process.

- Council relies on expert advice about the possible impact of extreme weather events and the changing climate and how to factor that advice into Council's Long-term planning to ensure community and infrastructure resilience.
- Council keeps on new central government legislation and regulations as Council must resource new roles and responsibilities.

Levels of Service

Level of Service 1 (New)		**You can expect us to facilitate democratic decision-making**					
		Baseline	**Actual 2022/23**	**Target 2023/24**	**Target 2024/25**	**Target 2025/26**	**Target 2026-34**
Measure 1 (new)	% of meeting and committee agendas made available to the public within statutory timeframes	New 2024/25 100%	N/A	N/A	100%	100%	100%

Level of Service 2 (New)		**You can expect us to hold elections of Elected Members to the Council, polls and representative reviews in accordance with statutory requirements**					
		Baseline	**Actual 2022/23**	**Target 2023/24**	**Target 2024/25**	**Target 2025/26**	**Target 2026-34**
Measure 1 (new)	Provide and maintain robust processes that ensure all local elections, polls and representation reviews are held with full statutory compliance	New 2024/25 100% compliance and no complaints regarding statutory compliance are upheld by the ombudsman or the Courts	N/A	N/A	100% compliance and no complaints regarding statutory compliance are upheld by the ombudsman or the Courts	100% compliance and no complaints regarding statutory compliance are upheld by the ombudsman or the Courts	100% compliance and no complaints regarding statutory compliance are upheld by the ombudsman or the Courts

Level of Service 3 (New)		You can expect us to provide and support community engagement and consultation planning and delivery to teams across the organisation and to elected members					
		Baseline	**Actual 2022/23**	**Target 2023/24**	**Target 2024/25**	**Target 2025/26**	**Target 2026-34**
Measure 1 (new)	% of consultations implemented in accordance with the principles of the Local Government Act 2002	New 2024/25 100%	N/A	N/A	100%	100%	100%

Funding Split
95 – 100% Rates (General Rate (CV) 50%, Uniform Annual General Charge 50%)
0-5% Election-related revenue (during an election year)

Interesting Facts and Figures

The Council has five standing Committees:

- Audit and Risk Committee
- District Development Committee
- Hearings Committee
- Chief Executive's Employment Committee
- Creative Communities Assessment Committee

During the year 2023, full Council:

- Met 21 times
- Heard from 25 public forum speakers.

Council has 11 operative bylaws that it uses to protect the public from nuisance, protect promote and maintain public health and safety, and minimise the potential for offensive behaviour in public places.

Council has 27 operative governance policies.

Funding Impact Statement

Manawatu District Council
Funding Impact Statement - Governance and Strategy
For 1 July 2024 - 30 June 2034
Tauākī Tahua – Te Kāwanatanga me te Whakatau Rautaki

	Annual Plan 2024 $000	Year 1 2025 $000	Year 2 2026 $000	Year 3 2027 $000	Year 4 2028 $000	Year 5 2029 $000	Year 6 2030 $000	Year 7 2031 $000	Year 8 2032 $000	Year 9 2033 $000	Year 10 2034 $000
Sources of operating funding											
General rates, uniform annual general charge, rates penalties	3,660	4,247	4,651	4,976	4,887	4,831	5,514	5,456	5,772	6,015	5,994
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receip	0	0	59	0	0	62	0	0	66	0	0
Total operating funding	**3,660**	**4,247**	**4,709**	**4,976**	**4,887**	**4,893**	**5,514**	**5,456**	**5,838**	**6,015**	**5,994**
Applications of operating funding											
Payments to staff and suppliers	780	841	1,075	877	907	1,101	928	944	1,162	978	1,007
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	2,878	3,398	3,627	4,098	3,978	3,791	4,585	4,511	4,675	5,035	4,987
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	**3,658**	**4,239**	**4,701**	**4,975**	**4,886**	**4,892**	**5,513**	**5,455**	**5,837**	**6,013**	**5,994**
Surplus (deficit) of operating funding	**(2)**	**8**	**8**	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**(0)**
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	0	0	0	0	0	0	0	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Applications of capital funding											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	2	8	8	1	1	1	1	1	1	1	(0)
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total application of capital funding	**2**	**8**	**8**	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**(0)**
Surplus (deficit) of capital funding	**(2)**	**(8)**	**(8)**	**(1)**	**(1)**	**(1)**	**(1)**	**(1)**	**(1)**	**(1)**	**0**
Funding balance	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

5.7 Roading Group

Ngā Ara Waka

What we do

We maintain and deliver a roading network that provides suitable access to business, educational, social and recreational services for the district's residents and businesses, as well as encouraging the uptake of walking and cycling as transport modes and for recreation. We provide an appropriate network of tourism routes.

Why we do it

We provide an integrated and resilient land transport network that ensures safe and efficient travel for everyone who lives in and passes through our district.

We optimise maintenance programmes to improve the reliability and cost effectiveness of the road network.

We improve the resilience of the road network to reduce the impact of natural hazard events and improve the safety of the road network.

Contribution to Community Outcomes

The Roading Group contributes to the following community outcomes:

A place to belong and grow

- by ensuring that our roads and footpaths are safe to use, while encouraging the community to drive, walk, or cycle for business or pleasure.

An environment to be proud of

- by being committed to protecting and enhancing the natural, cultural and built environment.

Infrastructure fit for the future

- by being prepared for the changing needs of our communities and being resilient to evolving environmental conditions.

A prosperous, resilient economy

- by enabling the safe and efficient transport of goods and services throughout the district and connecting the Manawatū with the wider New Zealand economy.

Value for money and excellence in local government

- by employing Better Business Case principals to ensure robust and targeted investment decisions.

Aspirations for the roading network

- fit for purpose, safe & affordable roading network
- Maximise NZTA funding
- Improve resident perception
- Roading supports not inhibits the economy
- Key linkages to Palmy & the SH network

How we do it

Through the:

- development, maintenance and renewal of sealed and unsealed roads and active mode infrastructure;
- maintenance of the road reserve including: moving, weeding, sweeping, cleaning, dust mitigation measures;
- provision of traffic services including signage, road marking and other road furniture;
- safety improvements, including through the installation, upgrade or amendment to signage, removing roadside hazards, improving sightlines, traffic calming near schools and other minor safety improvements;
- planning and management to ensure the transportation system is able to cope with future needs; and
- periodic reassessment of problems and robust assessment of the forward work programmes

What we are keeping an eye on

- The national transport system is responsible for about one-fifth of New Zealand's climate changing greenhouse emissions, and emissions are anticipated to increase over time. Transport emissions can contribute to poor air quality.

- Contaminants such as those from vehicle tyres, brake pads, oil and grease and the wear of bitumen from road surfaces can all end up in the district's air, water and land. Large construction projects can also lead to adverse environmental effects.

- Promoting energy efficiency, particularly via the promotion of alternative modes of transport such as walking and cycling is a key contributor to mitigating the adverse environmental effects of the land transport system.

Levels of service

Level of Service 1		**You can expect to get to where you need to go safely using our road network (Mandatory)**					
		Baseline	**Actual 2022/23**	**Target 2023/24**	**Target 2024/25**	**Target 2025/26**	**Target 2026-2034**
Measure 1	The change in the number of fatalities and serious injury crashes on the local road network from the previous financial year, expressed as a number	2019/20 +1	0.00074	<0	<0	<0	<0

Level of Service 2		**You can expect the road to be in good condition (Mandatory)**					
		Baseline	**Actual 2022/23**	**Target 2023/24**	**Target 2024/25**	**Target 2025/26**	**Target 2026-2034**
Measure 1	The average quality of ride on a sealed local road network, measured by Smooth Travel Exposure (STE) index ratings (percentage of assessed network length where roughness is under the relevant threshold).*	2019/20 98%	97%	90%	90%	90%	90%
	*A High Speed Data Survey will be carried out every two years on all sealed roads. The condition of the asset is described by a set of attributes. The quality of these attributes changes over the lifetime of the asset. Sound decisions about interventions and investments rely to a large degree on knowledge of the current condition and the rate of change in the condition of the asset.						

Level of Service 3		**You can expect the roading network to be well maintained (Mandatory)**					
		Baseline	**Actual 2022/23**	**Target 2023/24**	**Target 2024/25**	**Target 2025/26**	**Target 2026-2034**
Measure 1	% of the sealed local road network that is resurfaced.	2019/20 5.55%	7%	5%	5%	5%	5%

Level of Service 4		**You can expect well maintained footpaths (Mandatory)**					
		Baseline	**Actual 2022/23**	**Target 2023/24**	**Target 2024/25**	**Target 2025/26**	**Target 2026-2034**
Measure 1	% of footpaths within the district that fall within the level of	2019/20 99.7%	99.29%	95%	95%	95%	95%

	service or service standard for the condition of footpaths that is set out in Council's Activity Management Plan (for example, cracking, breaks, high lips, trip hazards etc.).						

Level of Service 5		**You can expect a timely response to your request for service (Mandatory)**					
		Baseline	**Actual 2022/23**	**Target 2023/24**	**Target 2024/25**	**Target 2025/26**	**Target 2026-2034**
Measure 1	% of customer service requests relating to roads and footpaths responded to within the following timeframes: Urgent requests*: within three hours of the request being lodged with Council. Non-urgent requests: the repairs will be included in the 3 month rolling programme or as instructed by Council's Roading Team.	2019/20 Urgent: 100% Non-urgent: 94.6%	Urgent: 92.7% Non-urgent: 92.5%	Urgent: 90% Non-urgent: 90%	Urgent: 90% Non-urgent: 90%	Urgent: 90% Non-urgent: 90%	Urgent: 90% Non-urgent: 90%
	*"Urgent" roading call-outs include the following: sealed and unsealed road failures affecting traffic safety and showing signs of rapid deterioration; removal of offensive graffiti; replacement and painting (where required) of defective or damaged barriers where traffic or public safety is seriously compromised; potholes on arterial roads; removal of offensive and dangerous litter and debris (e.g. dead animals, vomit, excrement, broken glass etc) on all urban roads; and unsealed roads that have subgrade exposure and slippery conditions, where road user safety is at risk. All other roading and footpath requests for services are considered "non-urgent." Further detail on the frequency of inspections and response times is included in Appendix 9 of the Roading Activity Management Plan.						

Assets and portfolio

Network length (km)

	Sealed	**Unsealed**	**Network**
Urban	120.97	11.5	132.47

Rural	880.19	355.29	1235.48
Total	1,002	371	1,373

Funding Split

Roading Network – Subsidised by Waka Kotahi New Zealand Transport Agency
49% Rates – Targeted Rate (CV), Uniform Targeted Rate
51% Waka Kotahi New Zealand Transport Agency Subsidy

Roading Network – Non-subsidised
100% Targeted Rate (CV), Uniform Targeted Rate

Interesting Facts and Figures

If all the roads in the district were in a straight line they would reach from Cape Reinga to Wellington and have over 300km to spare!

Waka Kotahi NZ Transport Agency owns and maintains state highways including parts of Aorangi Street and Kimbolton Road in Feilding

The cost of replacing the entire roading network managed by Council is $1.01 billion (based on the July 2022 valuation).

Capital Projects

- Turners Road Extension stages 2 and 3
- Feilding Town Centre Refresh
- Maewa growth works

Funding Impact Statement

Manawatu District Council
Funding Impact Statement - Roading Network
For 1 July 2024 - 30 June 2034
Tauākī Tahua – Ngā Ara Waka

	Annual Plan 2024 $000	Year 1 2025 $000	Year 2 2026 $000	Year 3 2027 $000	Year 4 2028 $000	Year 5 2029 $000	Year 6 2030 $000	Year 7 2031 $000	Year 8 2032 $000	Year 9 2033 $000	Year 10 2034 $000
Sources of operating funding											
General rates, uniform annual general charge, rates penalties	31	200	240	276	315	360	319	339	387	437	492
Targeted rates	9,151	11,692	12,508	13,032	13,521	13,984	14,849	15,456	16,127	17,199	17,507
Subsidies and grants for operating purposes	2,991	3,127	3,169	3,212	3,211	3,257	3,305	3,309	3,360	3,413	3,398
Fees and charges	126	165	63	64	66	67	69	70	72	73	74
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	232	226	231	237	242	247	253	258	263	268	273
Total operating funding	**12,530**	**15,410**	**16,211**	**16,821**	**17,356**	**17,916**	**18,794**	**19,431**	**20,208**	**21,390**	**21,744**
Applications of operating funding											
Payments to staff and suppliers	5,987	5,316	5,351	5,386	5,332	5,367	5,403	5,348	5,383	5,418	5,364
Finance costs	581	824	906	1,057	1,410	1,631	1,891	1,968	2,194	2,419	2,733
Internal charges and overheads applied	158	1,610	1,705	1,738	1,752	1,587	1,843	1,927	1,986	2,086	2,136
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	**6,726**	**7,749**	**7,962**	**8,181**	**8,493**	**8,585**	**9,137**	**9,243**	**9,563**	**9,923**	**10,233**
Surplus (deficit) of operating funding	**5,804**	**7,661**	**8,250**	**8,640**	**8,862**	**9,331**	**9,657**	**10,188**	**10,645**	**11,467**	**11,512**
Sources of capital funding											
Subsidies and grants for capital expenditure	4,906	4,378	4,362	4,578	6,589	6,680	7,396	7,574	7,662	7,884	7,301
Development and financial contributions	923	1,688	1,756	1,837	1,942	2,107	2,201	2,248	2,258	2,197	2,104
Increase (decrease) in debt	1,390	3,678	2,190	(2,078)	4,452	3,036	5,160	3,454	2,858	3,269	2,060
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	**7,219**	**9,744**	**8,307**	**4,337**	**12,983**	**11,824**	**14,757**	**13,276**	**12,778**	**13,350**	**11,465**
Applications of capital funding											
Capital expenditure											
- to meet additional demand	1,421	0	1,417	5,519	1,097	2,520	0	2,276	2,322	2,721	2,959
- to improve the level of service	3,543	3,601	3,275	2,717	5,149	4,809	4,525	5,513	5,056	6,106	5,296
- to replace existing assets	5,306	12,353	7,999	6,395	10,069	10,584	11,004	10,895	11,142	11,512	11,240
Increase (decrease) in reserves	2,753	1,450	3,866	(1,655)	5,531	3,241	8,885	4,780	4,903	4,478	3,482
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total application of capital funding	**13,023**	**17,405**	**16,557**	**12,976**	**21,846**	**21,154**	**24,414**	**23,464**	**23,423**	**24,817**	**22,977**
Surplus (deficit) of capital funding	**(5,804)**	**(7,661)**	**(8,250)**	**(8,640)**	**(8,862)**	**(9,331)**	**(9,657)**	**(10,188)**	**(10,645)**	**(11,467)**	**(11,512)**
Funding balance	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

5.8 Water Supply Group

Te Ratonga Wai

What we do

We provide a reliable, safe and compliant drinking water supply for residents and businesses across the district.

Why we do it

Clean, safe and compliant drinking water contributes to the health and wellbeing of our residents, making our district a great place to live and do business.
Sustainable management of water supply recognises that water resources are not unlimited, and need to be protected and managed in a sustainable way for the community now and into the future.

Contribution to Community Outcomes

The Water Supply Group contributes to the following community outcomes:

A prosperous resilient economy, a place to belong and grow, infrastructure fit for future and value for money and excellence in local government

- Water supply and quality help to ensure the Manawatū District remains open for business, whilst maintaining public health, and providing capacity and cost certainty into the future.

A future planned together, a prosperous resilient economy and infrastructure fit for future

- Council enables residential, commercial and industrial growth across our district through well planned water supply infrastructure investment.

An environment to be proud of and infrastructure fit for future

- The community are connected to our rivers and other water bodies, with demands on waterways from our water supply systems minimised wherever possible through prioritisation of groundwater sources.

How we do it

We provide water supply to meet residential and industrial/commercial needs via five urban drinking water schemes: Feilding, Hīmatangi Beach, Sanson, Rongotea and Ōhakea.

We provide rural water schemes in Stanway/Halcombe and Waituna West to meet residential and agricultural needs.

We monitor compliance and perform treatment upgrades where necessary to ensure water supplies meet the New Zealand Drinking Water Standards.
We administer two rural water supply schemes that are community operated (Kiwitea and Ōroua No. 1).

We undertake an asset management programme to maintain Council-owned water treatment plants, water storage facilities, and reticulation networks.

We engage with local iwi to ensure cultural and environmental wellbeing of waterways and our environment are upheld in the allocation of water supply now and into the future.

What we are keeping an eye on

- Over-extraction and the use of water resources poses a risk to the life-supporting capacity (mauri) of waterways in our district. Horizons Regional Council, through their resource consent process, manages environmental effects in the main streams and rivers. The amount of water we 'take' to treat is controlled through resource consents, and Council actively works to comply with associated conditions.
- A potential risk exists to the community of contamination of water supply schemes, which if left unmanaged could cause widespread health, wellbeing and economic issues within the community. To mitigate the risk and likelihood of contamination of water supply, Council has a number of operational procedures, monitoring programmes and emergency response plans.
- Rainwater supplies of rural residents are vulnerable to drought, which may lead to greater demand for water supply networks in these areas due to the changing climate.
- Residential, commercial and industrial growth within the district place demand on water supply provision, which must be balanced with current consents for water allocation, and the ability to fund new water sources, e.g. bores.
- Cost escalations in the construction sector have put pressure on the funding of multi-year programmes of work within Council's water activity.

Levels of Service

Level of Service 1		**You can expect the provision of a safe water supply (Mandatory)**						
		Scheme	**Baseline 2019/20**	**Actual 2022/23**	**Target 2023/24**	**Target 2024/25**	**Target 2025/26**	**Target 2026-34**
Measure 1	The extent (% compliance) to which Council's drinking water supply complies with Part 4 of the NZ Drinking	Feilding – Almadale	100%	100%	100%	100%	100%	100%
		Feilding – Awa Street/ Campbell Road	100%*	100%*	100%*	100%*	100%*	100%* and fully compliant from 2029/30 onwards.
		Himatangi Beach	100%	100%	100%	100%	100%	100%
		Rongotea	100%	100%	100%	100%	100%	100%

	Water Standards. (bacteria compliance criteria)	Sanson	100%	100%	100%	100%	100%	100%
		Stanway Halcombe	100%	97%	100%	100%	100%	100%
		Waituna West	100%	100%	100%	100%	100%	100%
		Ohakea	2022/23 100%	100%	100%	100%	100%	100%
		*Subject to an agreed enforced undertaking with Taumata Arowai.						
		Scheme	**Baseline 2019/20**	**Actual 2022/23**	**Target 2023/24**	**Target 2024/25**	**Target 2025/26**	**Target 2026-34**
Measure 2	The extent (% compliance) to which Council's drinking water supply complies with Part 5 of the NZ Drinking Water Standards. (protozoal compliance criteria).*	Feilding Almadale	100%	100%	100%	100%	100%	100%
		Feilding – Awa Street	0%	0%	0%	0%	0%	0% to 2028/29. 100% from 2029/30 onwards
		Himatangi Beach*	100%	100%	100%	100%	100%	100%
		Rongotea*	100%	100%	100%	100%	100%	100%
		Sanson*	100%	100%	100%	100%	100%	100%
		Stanway Halcombe**	0%	0%	0%	0%	100%	100%
		Waituna West*	100%	100%	100%	100%	100%	100%
		Ohakea	2022/23 100%	100%	100%	100%	100%	100%
	* Schemes Automatically comply with Protozoa compliance due to secure bore status ** Stanway Halcombe scheme upgrades are planned for year 1 (2024/25) and we expect this scheme to be compliant in 2025/26.							

Level of Service 2		You can expect the water reticulation network to be well maintained (Mandatory)						
		Scheme	**Baseline**	**Actual 2022/23**	**Target 2023/24**	**Target 2024/25**	**Target 2025/26**	**Target 2026-34**
Measure 1	The estimated percentage of real water loss from Council's networked reticulation system using minimum night flow (MNF) analysis, measured per water supply scheme	Feilding	<35%*	12.1%	<35%	<35%	<35%	<35%
		Himatangi Beach	<35%	38.5%	<35%	<35%	<35%	<35%
		Rongotea	<35%	18%	<35%	<35%	<35%	<35%
		Sanson	<35%	-	<35%	<35%	<35%	<35%
		Stanway Halcombe	<35%	24%	<35%	<35%	<35%	<35%
		Waituna West	<35%	-	<35%	<35%	<35%	<35%
	• Water loss calculations for Hīmatangi Beach, Rongotea, Sanson, Stanway Halcombe and Waituna West are based on minimum night flows in winter with a 2.5l/connection allowance as they are classified as small schemes as the total population is less than 2500. As these schemes don't have residential metering the zone night flow measurements have been used. This is in accordance with the Water New Zealand Water Loss Guidelines (2010). • Sanson and Waituna West schemes are on a trickle feed and therefore minimum night flow measurements overestimate the true water loss. A new methodology is being adopted in 2024/25 to allow for this.							

Level of Service 3	You can expect faults to be responded to and resolved in a timely manner (Mandatory)					
	Baseline 2019/20	**Actual 2022/23**	**Target 2023/24**	**Target 2024/25**	**Target 2025/26**	**Target 2026-34**

Measure 1	**Urgent call-outs*** to a fault or unplanned interruption to Council's networked reticulation system: A. Median attendance time from the time the Council receives notification to the time that service personnel reach the site. B. Median resolution time from the time the Council receives notification to the time that service personnel confirm that the water supply has been reinstated.	A. 0.38 hours B. 0.83 hrs	A. 0.75 hours B. 3.02 hrs	A. < 2 hrs B. < 9 hrs	A. < 2 hrs B. < 9 hrs	A. < 2 hrs B. < 9 hrs	A. < 2 hrs B. < 9 hrs

Measure 2	Non-urgent call outs to a fault or unplanned interruption to Council's networked reticulation system: A. Median attendance time from the time the Council receives notification to the time that service personnel reach the site. B. Median resolution time from the time the Council receives notification to the time that service personnel confirm resolution of the fault or interruption	A. 18.78 hrs B. 24 hrs	A. 24 hrs B. 24 hrs	A. <5 working days B. < a further 5 working days	A. <5 working days B. < a further 5 working days	A. <5 working days B. < a further 5 working days	A. <5 working days B. < a further 5 working days
	*An urgent call-out is one in which there is a complete loss of water						

Level of Service 4		**You can expect satisfaction with the quality of water service (Mandatory)**					
		Baseline 2019/20	**Actual 2022/23**	**Target 2023/24**	**Target 2024/25**	**Target 2025/26**	**Target 2026-2034**
Measure 1	The total number of complaints received by Council about	17.09	8.73	<20	<20	<20	<20

	any of the following: • Drinking water clarity • Drinking water taste • Drinking water odour • Drinking water pressure or flow • Continuity of supply • The local authority's response to any of these issues (Expressed per 1,000 connections to the Council's networked reticulation system)*						
	*excludes complaints that do not relate to the service council provides						

Level of Service 5		**You can expect us to manage the demand for domestic water supply (Mandatory)**						
		Scheme	**Baseline 2019/20**	**Actual 2022/23**	**Target 2023/24**	**Target 2024/25**	**Target 2025/26**	**Target 2026-34**
Measure 1	The average consumption of drinking water per day, per resident within Council's	Feilding	249	192	<300	<300	<300	<300
		Himatangi Beach	520	678	<1000	<1000	<1000	<1000
		Rongotea	114	108	<300	<300	<300	<300
		Sanson	258	202	<300	<300	<300	<300
		Stanway Halcombe	477	408	<1000	<1000	<1000	<1000

	authority area (MEASURE: litres/person/day for domestic supply only).	Waituna West	707	1370	<1000	<1000	<1000	<1000
		Ohakea RWS	Baseline 2022/23 738	738	<1000	<1000	<1000	<1000
	• Feilding target excludes metered water (industrial and commercial) • Waituna West and Stanway Halcombe are rural schemes and therefore the target is 1000l/per to reflect the stock water use • Due to holiday homes the water use at the Hīmatangi Beach scheme is significantly higher than the permanent population. • The Urban non holiday/rural schemes has been increased to 300 from 250 to reflect the targets set in the One Plan (Regional Council overarching plan).							

Assets and Portfolio (if applicable)

Ten water treatment plants and water schemes:

- Feilding
- Ōhakea
- Sanson (currently inactive)
- Rongotea
- Kimbolton
- Hīmatangi
- Kiwitea
- Ōroua No. 1
- Stanway-Halcombe
- Waituna West

401km of water mains

Funding Split

Feilding and Village Water Supply

100% - Targeted rate (fixed) - connected, available, restricted; Water by Metre Rate (volumetric)

Rural Water Supply Schemes

100% - Uniform Targeted Rate scheme specific rate

Interesting facts and figures

The Ōhakea water scheme production bore is 623m deep.
Council has 401km of water mains

Capital Projects

- Feilding Water Resilience
- Stanway-Halcombe Rural Water Scheme Upgrade

Funding impact statement

Manawatu District Council
Funding Impact Statement - Water Supply
For 1 July 2024 - 30 June 2034
Tauākī Tahua – Te Whakarato Wai

	Annual Plan 2024 $000	Year 1 2025 $000	Year 2 2026 $000	Year 3 2027 $000	Year 4 2028 $000	Year 5 2029 $000	Year 6 2030 $000	Year 7 2031 $000	Year 8 2032 $000	Year 9 2033 $000	Year 10 2034 $000
Sources of operating funding											
General rates, uniform annual general charge, rates penalties	0	0	0	0	0	0	0	0	0	0	0
Targeted rates	5,471	5,575	5,859	6,333	7,088	7,305	8,112	8,566	8,764	9,006	9,214
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	654	783	795	869	893	835	964	1,002	1,034	1,078	1,088
Local authorities fuel tax, fines, infringement fees and other receipts	5	5	5	5	5	5	5	5	6	6	6
Total operating funding	**6,129**	**6,363**	**6,659**	**7,207**	**7,986**	**8,145**	**9,081**	**9,573**	**9,803**	**10,090**	**10,308**
Applications of operating funding											
Payments to staff and suppliers	1,463	1,569	1,580	1,718	1,758	1,798	1,823	1,861	1,899	1,936	1,974
Finance costs	416	364	615	698	867	925	1,142	1,322	1,312	1,311	1,327
Internal charges and overheads applied	2,059	2,354	2,470	2,600	2,641	2,277	2,773	2,896	2,983	3,129	3,176
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	**3,939**	**4,287**	**4,665**	**5,015**	**5,266**	**5,000**	**5,737**	**6,079**	**6,194**	**6,376**	**6,476**
Surplus (deficit) of operating funding	**2,191**	**2,076**	**1,995**	**2,191**	**2,720**	**3,145**	**3,344**	**3,494**	**3,609**	**3,714**	**3,832**
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	340	443	463	541	576	628	633	647	644	623	590
Increase (decrease) in debt	1,448	4,155	(279)	1,163	992	2,392	147	91	100	41	7
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	**1,788**	**4,598**	**184**	**1,704**	**1,568**	**3,020**	**780**	**737**	**744**	**664**	**598**
Applications of capital funding											
Capital expenditure											
- to meet additional demand	693	520	670	1,039	179	0	190	199	204	241	227
- to improve the level of service	3,865	4,834	976	2,360	1,206	4,674	3,922	362	371	852	388
- to replace existing assets	285	3,090	1,596	1,413	7,128	7,321	2,226	2,279	2,021	2,068	2,115
Increase (decrease) in reserves	(864)	(1,770)	(1,064)	(916)	(4,225)	(5,830)	(2,213)	1,392	1,758	1,217	1,700
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total application of capital funding	**3,978**	**6,674**	**2,178**	**3,895**	**4,288**	**6,165**	**4,124**	**4,232**	**4,353**	**4,378**	**4,430**
Surplus (deficit) of capital funding	**(2,191)**	**(2,076)**	**(1,995)**	**(2,191)**	**(2,720)**	**(3,145)**	**(3,344)**	**(3,494)**	**(3,609)**	**(3,714)**	**(3,832)**
Funding balance	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

5.9 Wastewater Group

Te Wai Para

What we do

We collect, treat, and dispose of domestic, commercial, and industrial wastewater.

Why we do it

We manage wastewater to uphold the wellbeing of the community and our environment.
We work to ensure wastewater systems minimise contaminants to the district's waterways to protect our environment.

Contribution to Community Outcomes

The Wastewater Group contributes to the following community outcomes:

A prosperous resilient economy, a place to belong and grow, infrastructure fit for future, Value for money and excellence in local government

- Wastewater systems help to ensure the Manawatū District remains open for business, whilst maintaining public health, and providing capacity and cost certainty into the future.

A future planned together, a prosperous resilient economy, infrastructure fit for future

- Council enables residential, commercial, and industrial growth across our district through well planned wastewater infrastructure investment.

An environment to be proud of, infrastructure fit for future

The community are connected to our rivers and other water bodies, with impacts from our wastewater systems mitigated wherever possible.

How we do it

We maintain reticulated wastewater networks in Feilding, Awahuri, Cheltenham, Halcombe, Kimbolton, Rongotea, Sanson and Hīmatangi Beach.

We maximise investment in the Manawatū Wastewater Treatment Plant in Feilding, and work to minimise consenting, compliance, and financial risks of multiple rural treatment plants by executing a multi-year programme of work to centralise wastewater from Sanson, Rongotea, Halcombe, Cheltenham and Kimbolton to Feilding.

Council works to ensure that we meet resource consent requirements for the discharge of treated wastewater to either land or water from the district's Wastewater Treatment Plants and meet statutory obligations under the Local Government Act 2002, Health Act 1956, and Resource Management Act 1991.

We engage with local iwi to ensure cultural and environmental wellbeing of waterways and our environment are upheld in the management of wastewater now and into the future.

Things we are keeping an eye on

- **Wastewater can pollute the environment or cause health risks if not managed successfully.**
- **Disposal of treated wastewater to waterways and land can have physical, cultural, and environmental implications.**
- **Unintentional overflows of untreated wastewater from management systems can have adverse effects on public or private land, and waterways. Council undertakes a regime of inspections; maintenance works and renewals to mitigate risks of overflows.**
- **Council must mitigate the risk that wastewater treatment plants pose to the environment during severe weather events (e.g. flooding).**
- **Stormwater entering the wastewater network can lead to sewage overflows, or it can lead to issues at the wastewater treatment plant by increasing chemical and power usage. To mitigate the risk, Council undertakes programmes of smoke testing to identify problem areas.**
- **Investment in trade waste separation in Feilding will assist Council in meeting demand from industrial trade waste customers, while ensuring that discharges to waterways comply with consent conditions.**
- **Environmental compliance can create affordability issues for the community, particularly given the significant cost of land-based wastewater management solutions.**

Levels of service

Level of Service 1		**You can expect us to effectively manage Council's reticulated wastewater system (Mandatory)**					
		Baseline	**Actual 2022/23**	**Target 2023/24**	**Target 2024/25**	**Target 2025/26**	**Target 2026-34**
Measure 1	The number of dry weather sewerage overflows from Council's sewerage system per 1000 SUIPs (separately used inhabited parts of a rating unit).	2019/20 0.5	0.12	<6	<6	<6	<6

Level of Service 2		**You can expect compliance with the Council's resource consents for discharge from its treated wastewater system (Mandatory)**					
		Baseline	**Actual 2022/23**	**Target 2023/24**	**Target 2024/25**	**Target 2025/26**	**Target 2026-34**
Measure 1	The number of abatement notices advising or breaches of	2019/20 1	0	<2	<2	<2	<2

	resource consent conditions per scheme.						
Measure 2	The number of infringement notices, enforcement orders, and convictions received by Council in relation to resource consent conditions per scheme.	2019/20 2	0	0	0	0	0

Level of Service 3		**You can expect timely response and resolution to faults or blockages (Mandatory)**					
		Baseline	**Actual 2022/23**	**Target 2023/24**	**Target 2024/25**	**Target 2025/26**	**Target 2026-34**
Measure 1	Median response time from the time the Council receives notification to the time that service personnel reach the site. (Urgent)	2019/20 0.62 hrs	0.52 hrs	<2 hrs	<2 hrs	<2 hrs	<2 hrs
Measure 2	Median response time from the time the Council receives notification to the time that service personnel reach the site. (Non-Urgent)	2019/20 3.09 hrs	1.38 hrs	5 days	5 days	5 days	5 days
Measure 3 (non-mandatory)	Median response time from the time	2019/20 1.36 hrs	1.11 hrs	5 days	5 days	5 days	5 days

	the Council receives notification to the time that service personnel reach the site. (Combined)						
Measure 4	Median resolution time: from the time Council receives notification to the time service personnel confirm resolution of the blockage or other fault. (Urgent)	2019/20 1.55 hrs	3.52 hrs	<5 hrs	<5 hrs	<5 hrs	<5 hrs
Measure 5	Median resolution time: from the time Council receives notification to the time service personnel confirm resolution of the blockage or other fault. (Non-urgent)	2019/20 23.80 hrs	4.33 hrs	10 days	10 days	10 days	10 days
Measure 6 – non-mandatory	Median resolution time: from the time Council receives notification to the time service personnel confirm resolution of the blockage or other fault. (Combined)	2019/20 23.50 hrs	4.33 hrs	10 days	10 days	10 days	10 days

Level of Service 4		**You can expect satisfaction with our wastewater service (Mandatory)**					
		Baseline	**Actual 2022/23**	**Target 2023/24**	**Target 2024/25**	**Target 2025/26**	**Target 2026-34**
Measure 1	The total number of complaints received by Council about the following: • sewage odour • sewerage system faults • sewerage system blockages • Council's response to issues with its sewerage system. (Expressed per 1,000 connections to the council sewerage system)*	2019/20 4.43	3.58	<20	<20	<20	<20
	*excludes complaints that do not relate to the service council provides						

Assets and portfolio

187km of wastewater mains
Manawatū Wastewater Treatment Plant in Feilding
Seven other WWTPs - Rongotea, Sanson, Hīmatangi Beach, Halcombe, Cheltenham, Kimbolton, Awahuri.

Funding Splits

Wastewater

70 - 80% Targeted Rate (fixed) – connected, available, restricted
20 - 30% Fees and charges (Trade waste fees, rental and lease)

Nursery

100% plant sales and planting charges

Interesting facts and figures

In the 2022/23 financial year, an average of 8,939,439 litres of wastewater came into the Manawatū Wastewater Treatment Plant in Feilding.

Capital Projects

- Wastewater centralisation
- Feilding Wastewater Treatment Plant reconsenting and associated works

Assessment of Water and Sanitary Services – Water Supply and Wastewater

The Assessment of Water and Sanitary Services was a mandatory requirement under the original Local Government Act 2002. This requirement was removed as part of the 2010 amendment to Local Government Act 2002. Council is now expected to carry out an assessment "from time to time". The Local Government Act 2002 requires that the Council identify and explain any significant difference between the Assessment of Water and Sanitary Services and the Long-Term Plan.

Council has made considerable investment in the water and wastewater activities to ensure compliance with the Taumata Arowai drinking water standards and conditions of the resource consents Council holds to operate the wastewater treatment plants across the district.

Water treatment improvements have focussed on the Stanway-Halcombe Rural Water Scheme to address the protozoa compliance requirements of Taumata Arowai. Project funding was committed in the 2021-31 LTP but was delayed over the past few years as Council engaged with a range of stakeholders. In addition, Cyclone Gabrielle in February 2023 resulted in a reduction to the raw water quality which has resulted in increased cost to achieve compliance due to additional treatment requirements. Council has committed funds in year 1 of the draft 2024-34 LTP to address both compliance issues.

All water supplies operated by Council are chlorinated.

The Ōhakea Rural Water Scheme is now complete and supplying connected customers and the RNZAFB Ōhakea with potable water.

The Feilding water supply has been enhanced with the construction of an additional 6,000 cubic metre storage reservoir and strengthening of the existing reservoir. A new production bore has been completed in Roots Street West to supply Feilding. Funding is allocated in the draft 2024-34 LTP for a water treatment plant and reticulation connection for this new bore.

The Wastewater Centralisation project is well advanced with pipelines and pumps completed between Sanson and Feilding. Funding is allocated to continue the connection of Rongotea and Halcombe in years 1 to 5 of the draft 2024-34 LTP.

The Manawatū WWTP continues to irrigate treated wastewater over the summer months with funding allocated for the reconsenting of the current discharge consent to the Ōroua River, which is due to expire in November 2026.

Stormwater systems have continued to advance with systems installed to match growth and to improve levels of service in Cheltenham, Sanson, Halcombe, and Tangimoana. On-going funding has been provided to continue level of service improvements to these Villages and Rongotea.

Funding has been allocated in the draft 2024-34 LTP for capital investment in the Feilding stormwater network.

Water Safety Plan Status

All Water Safety Plans have been submitted to Taumata Arowai for approval as per the table below. Water Safety Plans for Kiwitea Rural and Ōroua No 1 supply are not required to be completed by Council as these schemes are community operated and administered.

Scheme	Category	Status
Feilding	Large	Applied, pending Taumata Arowai approval
Rongotea	Large	Applied, pending Taumata Arowai approval
Ōhakea	Large	Applied, pending Taumata Arowai approval
Himatangi Beach	Large	Applied, pending Taumata Arowai approval
Stanway-Halcombe	Large	Applied, pending Taumata Arowai approval
Waituna West	Small	Applied, pending Taumata Arowai approval
Kiwitea Rural	Community operated and administered	Not required
Oroua No1	Community operated and administered	Not required

Summary

The only significant variation from the Assessment of Water and Sanitary Services is the additional investment in stormwater infrastructure.

The full review of the Council's Growth and Infrastructure Strategy and Asset Management Plans has provided updated costs and confirmation of the management of and investment in water and wastewater activities.

Funding impact statement

Manawatu District Council
Funding Impact Statement - Wastewater
For 1 July 2024 - 30 June 2034
Tauākī Tahua – Te Wai Para

	Annual Plan 2024 $000	Year 1 2025 $000	Year 2 2026 $000	Year 3 2027 $000	Year 4 2028 $000	Year 5 2029 $000	Year 6 2030 $000	Year 7 2031 $000	Year 8 2032 $000	Year 9 2033 $000	Year 10 2034 $000
Sources of operating funding											
General rates, uniform annual general charge, rates penalties	0	0	0	0	0	0	0	0	0	0	0
Targeted rates	6,307	7,097	7,524	8,033	8,680	8,540	9,039	9,322	9,970	10,773	11,031
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	1,986	1,992	2,072	2,159	2,200	2,225	2,341	2,415	2,484	2,564	2,622
Internal charges and overheads recovered	1,396	1,408	1,459	1,551	1,912	1,582	1,730	1,798	1,865	1,972	2,002
Local authorities fuel tax, fines, infringement fees and other receipts	416	485	499	514	528	543	556	570	583	597	611
Total operating funding	**10,106**	**10,982**	**11,553**	**12,256**	**13,321**	**12,890**	**13,666**	**14,105**	**14,902**	**15,906**	**16,265**
Applications of operating funding											
Payments to staff and suppliers	2,999	3,131	3,096	3,270	3,629	3,556	3,693	3,787	3,882	4,003	4,087
Finance costs	1,436	1,635	1,684	1,974	2,148	2,372	2,375	2,396	2,740	3,182	3,288
Internal charges and overheads applied	2,629	3,001	3,123	3,187	3,505	2,878	3,325	3,480	3,586	3,801	3,881
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	**7,064**	**7,767**	**7,902**	**8,432**	**9,281**	**8,806**	**9,394**	**9,663**	**10,208**	**10,986**	**11,255**
Surplus (deficit) of operating funding	**3,042**	**3,215**	**3,651**	**3,825**	**4,039**	**4,083**	**4,272**	**4,442**	**4,694**	**4,920**	**5,010**
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	784	122	743	1,871	2,045	2,465	2,401	2,350	2,358	2,363	2,350
Increase (decrease) in debt	(815)	257	2,424	(1,114)	3,131	389	56	6,027	6,552	(383)	(592)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	**(31)**	**379**	**3,167**	**757**	**5,176**	**2,853**	**2,457**	**8,376**	**8,909**	**1,980**	**1,758**
Applications of capital funding											
Capital expenditure											
- to meet additional demand	299	0	670	1,668	254	0	381	588	1,003	1,268	364
- to improve the level of service	371	1,615	3,689	970	3,776	2,105	734	3,820	4,857	1,486	539
- to replace existing assets	1,833	7,512	7,786	6,872	6,017	5,258	4,886	2,979	2,889	2,955	5,628
Increase (decrease) in reserves	508	(5,533)	(5,327)	(4,928)	(832)	(427)	729	5,431	4,854	1,190	237
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total application of capital funding	**3,011**	**3,594**	**6,818**	**4,582**	**9,215**	**6,937**	**6,729**	**12,818**	**13,604**	**6,900**	**6,768**
Surplus (deficit) of capital funding	**(3,042)**	**(3,215)**	**(3,651)**	**(3,825)**	**(4,039)**	**(4,083)**	**(4,272)**	**(4,442)**	**(4,694)**	**(4,920)**	**(5,010)**
Funding balance	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

5.10 Stormwater Group

Te Wai Ua

What we do

We provide a network of stormwater systems throughout the district.

Why we do it

Our Council provides and enhances stormwater networks to protect the community and property within our district from inundation.

We work to ensure stormwater systems minimise contaminants to the district's waterways to protect our environment.

Contribution to community outcomes

The Stormwater Group contributes to the following community outcomes:

A prosperous resilient economy, a place to belong and grow, infrastructure fit for future, Value for money and excellence in local government

- Stormwater networks help to ensure the Manawatū District remains open for business, whilst maintaining public health, and providing capacity and cost certainty into the future.

A future planned together, a prosperous resilient economy, infrastructure fit for future

- Council enables residential, commercial, and industrial growth across our district through well planned stormwater infrastructure investment.

An environment to be proud of, infrastructure fit for future

- The community are connected to our rivers and other water bodies, with impacts from our stormwater networks mitigated wherever possible.

How we do it

We maintain reticulated stormwater systems in Feilding, Rongotea and Sanson including inlets, pipes, open drains, and outlets to receiving environments.

We maintain shared stormwater assets with Council's roading activity in Hīmatangi Beach, Halcombe, Āpiti, Kimbolton, Pōhangina, Rangiwāhia and Cheltenham.

We carry out significant ongoing maintenance to the four rural drainage schemes: Bainesse, Maire, Makowhai and Ōroua.

We engage with local iwi to ensure cultural and environmental wellbeing of waterways and our environment are upheld in the management of stormwater now and into the future.

What we are keeping an eye on

- An increase in impervious areas of sites as a result of residential and industrial development creates additional stormwater run-off. Without successful management via detention, pipe networks, and overland flow, this can create an increase in stormwater ponding in rainfall events.

- There will be circumstances when rainfall exceeds the designed capacity of our district's stormwater systems, resulting in stormwater ponding. To mitigate associated risks, Council designs and protects secondary flow paths to reduce the risk of damage to habitable floors.

- Discharging stormwater which may contain contaminants from urban and industrial environments poses a risk to the life-supporting capacity (mauri) of waterways in our district. Horizons Regional Council through their resource consent process manages environmental effects in the main streams and rivers. Council proactively works to comply with resource consent conditions for our stormwater networks and assets, and also works with property owners to reduce the risk of contaminants entering the stormwater system.

- The community's expectations for stormwater servicing are increasing. This includes expectations for stormwater servicing in rural areas. The costs of providing and improving stormwater infrastructure in some areas of the district may be beyond the ability of the community to pay.

Levels of Service

Level of Service 1		**You can expect stormwater system adequacy (Mandatory)**					
		Baseline	**Actual 2022/23**	**Target 2023/24**	**Target 2024/25**	**Target 2025/26**	**Target 2026-34**
Measure 1	The number of flooding events in the District*	2024/25 (new) <2	1	0	<2	<2	<2
Measure 2	The number of habitable floors affected during each flooding event. (Expressed per 1000 properties connected to Councils stormwater system).	2019/20 0	0.35	<10	<10	<10	<10 to 2031/32, <5 in 2032/33 and 2033/34
	* A flooding event is defined as an overflow of the urban stormwater system that enters a habitable floor.						

Level of Service 2	**You can expect us to comply with resource consent conditions for discharge from Council's stormwater systems (Mandatory)**						
		Baseline	**Actual 2022/23**	**Target 2023/24**	**Target 2024/25**	**Target 2025/26**	**Target 2026-34**
Measure 1	The number of: A. Abatement notices B. infringement notices C. enforcement orders D. successful prosecutions received in relation to those resource consents	2019/20 A. 0 B. 0 C. 0 D. 0	A. 0 B. 0 C. 0 D. 0	A. <2 B. 0 C. 0 D. 0	A. <2 B. 0 C. 0 D. 0	A. <2 B. 0 C. 0 D. 0	A. <2 B. 0 C. 0 D. 0

Level of Service 3		**You can expect a timely response to flooding events (Mandatory)**					
		Baseline	**Actual 2022/23**	**Target 2023/24**	**Target 2024/25**	**Target 2025/26**	**Target 2026-34**
Measure 1	Measuring the median response times to attend a flooding event, measured from the time that Council receives notification to the time that service personnel reach the site or contact the resident	No flooding events occurred during 2019/20	2.65	Within 2 hours	Within 2 hours	Within 2 hours	Within 2 hours

Level of Service 4	**You can expect satisfaction with the performance of Council's reticulated stormwater system (Mandatory)**

		Baseline	Actual 2022/23	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026-34
Measure 1	The number of complaints received by Council about the performance of its stormwater system (expressed per 1,000 properties connected to Council's stormwater system)*	2019/20 7.3	2022/23 4.95	<20	<20	<20	<20
	*excludes complaints that do not relate to the service council provides						

Assets and portfolio

109km of stormwater mains

Funding Split

Urban Stormwater (Feilding, Rongotea, Sanson)
100% Rates - 80% Uniform Targeted Rate, 20% General Rate (CV)

Rural Drainage Schemes
100% - Targeted rate (LV) Scheme Specific

Interesting facts and figures

On 16 December 2015, Ngāti Kauwhata, and Manawatū District Council co-signed the Ōroua Declaration to work together as partners and champions for a healthy Ōroua river.

109km of stormwater mains

Capital Projects

- Feilding stormwater investment programme
- Village stormwater upgrade programme

Funding impact statement

Manawatu District Council
Funding Impact Statement - Stormwater and Drainage
For 1 July 2024 - 30 June 2034
Tauākī Tahua – Te Wai Ua

	Annual Plan 2024 $000	Year 1 2025 $000	Year 2 2026 $000	Year 3 2027 $000	Year 4 2028 $000	Year 5 2029 $000	Year 6 2030 $000	Year 7 2031 $000	Year 8 2032 $000	Year 9 2033 $000	Year 10 2034 $000
Sources of operating funding											
General rates, uniform annual general charge, rates penalties	340	259	324	349	372	397	456	535	612	672	733
Targeted rates	1,517	1,162	1,425	1,532	1,626	1,722	1,968	2,290	2,600	2,847	3,093
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	329	346	347	384	396	369	432	449	464	485	493
Local authorities fuel tax, fines, infringement fees and other receipts	14	13	13	14	14	14	15	15	15	16	16
Total operating funding	**2,199**	**1,779**	**2,110**	**2,278**	**2,408**	**2,502**	**2,870**	**3,289**	**3,692**	**4,021**	**4,336**
Applications of operating funding											
Payments to staff and suppliers	255	307	294	316	324	333	341	348	356	364	372
Finance costs	715	945	1,060	1,320	1,576	1,738	1,903	2,211	2,508	2,743	3,004
Internal charges and overheads applied	664	527	520	507	468	356	458	474	476	500	518
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	**1,634**	**1,779**	**1,874**	**2,142**	**2,368**	**2,427**	**2,701**	**3,034**	**3,340**	**3,607**	**3,894**
Surplus (deficit) of operating funding	**565**	**0**	**236**	**136**	**40**	**75**	**168**	**255**	**351**	**414**	**442**
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	981	1,880	1,529	1,737	1,829	1,943	1,971	2,014	1,977	1,938	1,865
Increase (decrease) in debt	1,275	3,488	(808)	(746)	2,485	4,279	5,703	5,861	4,104	4,006	(2,264)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	**2,256**	**5,367**	**721**	**991**	**4,313**	**6,222**	**7,674**	**7,875**	**6,081**	**5,944**	**(400)**
Applications of capital funding											
Capital expenditure											
- to meet additional demand	251	0	2,701	2,758	371	0	716	615	630	601	3,494
- to improve the level of service	1,712	2,959	1,721	1,772	2,671	3,968	6,095	6,205	4,603	4,581	1,414
- to replace existing assets	64	162	113	116	119	134	126	164	168	172	176
Increase (decrease) in reserves	794	2,247	(3,578)	(3,519)	1,192	2,195	906	1,144	1,030	1,004	(5,042)
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total application of capital funding	**2,821**	**5,368**	**957**	**1,127**	**4,353**	**6,297**	**7,842**	**8,130**	**6,432**	**6,358**	**42**
Surplus (deficit) of capital funding	**(565)**	**(0)**	**(236)**	**(136)**	**(40)**	**(75)**	**(168)**	**(255)**	**(351)**	**(414)**	**(442)**
Funding balance	**0**	**(0)**	**(0)**	**(0)**	**0**	**0**	**0**	**(0)**	**0**	**0**	**0**

5.11 Waste Management and Minimisation Group

Te Rōpū Whakahaere me Te Whakaiti Para

What we do

We ensure the health of the Manawatū district community and the environment are protected through provision of effective waste management and minimisation services and initiatives.

Why we do it

Our Council is committed to being a community leader who aims to enable a circular economy for all waste streams. In a circular economy, everything people use to live, work and play is designed to be reused, repaired, or safely returned to the environment, so the materials they are made of are never wasted.

Council also has statutory obligations under the Waste Minimisation Act 2008, Local Government Act 2002, Health Act 1956, and Resource Management Act 1991 to provide effective waste management and minimisation within the district.

Contribution to community outcomes

The Waste Management and Minimisation Group contributes to the following community outcomes:

A Future Planned Together and an Environment to be Proud of

- Work in partnership with the community to plan, implement & fund initiatives that promote a circular economy for waste.

Infrastructure Fit for Future, an Environment to be Proud of and Value for money and excellence in local government

- Practice kaitiakitanga[3] by prioritising the health of people the environment through waste management in a way that is affordable to the community.

How we do it

We provide urban customers in Feilding and the villages of Sanson, Rongotea, Himatangi Beach and Halcombe with kerbside collection services for refuse, food, and recycling waste streams.

We provide rural customers with weekly refuse bag collection from rural drop-off points, and mobile recycling centres in villages for recycling.

We provide and maintain the Manawatū Resource Recovery Centre for managing Council-controlled waste streams, and to provide refuse, recycling, food waste and green waste drop-off to the community.

We meet our legal obligations under the Waste Minimisation Act 2008, Local Government Act 2002, Health Act 1956, and Resource Management Act 1991 to provide solid waste services, including inspecting waste collection points for contamination and fly-tipping.

We regularly review our Waste Minimisation Management Plan and implement the actions identified within the plan to minimise waste within the Manawatū district and beyond.

[3] *Kaitiakitanga means guardianship and protection of the environment.*

We monitor three closed landfills in Feilding, Tangimoana and Kimbolton to ensure they do not pose a risk to the environment or public health.

Council investigates and removes fly tipping from across the Manawatū district.

What we are keeping an eye on

- Disposal of waste to landfill has negative environmental and cultural impacts.
- Offshoring plastic waste for recycling may have negative environmental impacts when exporting to countries with lower environmental standards.
- Closed landfill sites can potentially have negative effects on the environment and public health if not managed correctly.
- Fly tipping can cause negative visual, public health and environmental impacts.
- Organic waste (food and green waste) is the largest contributor to waste streams in our district. When sent to landfill, it takes up storage space and also contributes significantly to methane gas release.
- Waste composition estimates for the district show a high quantity of recyclable materials like plastic and paper. Recycling these materials would free up valuable space in the landfill.

Levels of service

Level of Service 1		**We will prioritise a circular economy for all waste streams.**					
		Baseline	**Actual 2022/23**	**Target 2023/24**	**Target 2024/25**	**Target 2025/26**	**Target 2026-2034**
Measure 1	% of actions set within the Waste Management and Minimisation Plan (WMMP) for that year that are achieved	2022/23 82%	82%	N/A	(new) 50%	50%	60%

Level of Service 2		**We will provide kerbside collection services for refuse and recycling waste streams to Feilding urban customers**					
		Baseline	**Actual 2022/23**	**Target 2023/24**	**Target 2024/25**	**Target 2025/26**	**Target 2026-2034**
Measure 1	The number of missed collections of kerbside refuse and recycling	2024/25 (new)	N/A	N/A	<100	<100	<100

Measure 2	% of issues raised with Council about kerbside collection of refuse or recycling, other than a missed collection, that are responded to* within 3 days.	2024/25 (new)	N/A	N/A	95%	95%	95%
	*'responded to' means that initial contact is made with the customer, but not necessarily that the issue is resolved.						

Level of Service 3		**We will provide accessible refuse and recycling services for rural and village residents**					
		Baseline	**Actual 2022/23**	**Target 2023/24**	**Target 2024/25**	**Target 2025/26**	**Target 2026-2034**
Measure 1	% of rural residents who have a Council refuse bag drop-off point close to their homes.	2019/20 90%	94%	90%	90%	90%	90%
Measure 2	Mobile recycling centres are conveniently located within all identified villages within 5km of the village centre.	2019/20 Yes	Yes	Yes	Yes	Yes	Yes

Assets and portfolio (if applicable)

Manawatū Resource Recovery Centre in Feilding

Council operates eight rural Mobile Recycling Centres in Apiti, Halcombe, Himatangi Beach, Kimbolton, Pohangina, Rongotea, Sanson and Tangimoana.

Funding split

Solid Waste Collection and Disposal (Proposed)

30-40% Rates (Uniform Annual General Charge)

60-70% User fees and charges (blue bag sales, transfer station gate takings and fines)

Kerbside Recycling Collection (Proposed)
90-95% Uniform Targeted Rate
5-10% User fees and charges (recycling recoverables)

Interesting facts and figures

In the 2022/2023 year:

- 5,960 tonnes of Council-controlled waste were sent to landfill
- 35% of incoming recyclables, glass and green waste were diverted from landfill
- Council provided Waste Not Want Not funding towards waste minimisation initiatives run by Feilding Repair Café, Manawatū Community Trust, Precycle NZ and Rethink Waste Manawatū.

Assessment of water and sanitary services – solid waste

The Council's Waste Management and Minimisation Plan (WMMP) 2022-2028 was adopted by Council on 16 June 2022.

Council adopted the funding for the Mobile Garbage Bin service bin purchase in the 2023/24 Annual Plan, but this service is no longer being provided in the LTP due to affordability challenges. Council will review this service and its affordability in year 1 of the 2024-34 LTP for further consideration in subsequent Annual Plan(s).

Food waste and kerbside recycling services for the villages are also not included in the LTP for affordability reasons. Council will review this service and its affordability in year 1 of the 2024-34 LTP for further consideration in subsequent Annual Plan(s).

All other projects align with the action plan within the WMMP.

Funding impact statement

Manawatu District Council
Funding Impact Statement - Solid Waste
For 1 July 2024 - 30 June 2034
Tauākī Tahua – Te Para Totoka

	Annual Plan 2024 $000	Year 1 2025 $000	Year 2 2026 $000	Year 3 2027 $000	Year 4 2028 $000	Year 5 2029 $000	Year 6 2030 $000	Year 7 2031 $000	Year 8 2032 $000	Year 9 2033 $000	Year 10 2034 $000
Sources of operating funding											
General rates, uniform annual general charge, rates penalties	1,569	1,114	1,137	1,165	1,181	1,181	1,222	1,247	1,267	1,756	1,788
Targeted rates	676	745	776	808	833	834	887	915	941	968	987
Subsidies and grants for operating purposes	136	148	152	156	160	164	168	172	176	179	183
Fees and charges	2,156	2,543	2,606	2,676	2,746	2,815	2,879	2,946	3,010	2,615	2,671
Internal charges and overheads recovered	311	389	417	446	462	437	503	524	544	570	581
Local authorities fuel tax, fines, infringement fees and other receipts	44	20	21	21	22	22	23	23	24	24	25
Total operating funding	**4,892**	**4,959**	**5,109**	**5,273**	**5,403**	**5,453**	**5,682**	**5,826**	**5,961**	**6,113**	**6,235**
Applications of operating funding											
Payments to staff and suppliers	3,825	3,660	3,752	3,853	3,953	4,051	4,144	4,240	4,333	4,424	4,517
Finance costs	204	269	280	295	293	302	306	308	309	314	315
Internal charges and overheads applied	732	902	957	1,003	1,020	963	1,095	1,140	1,179	1,234	1,263
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	**4,762**	**4,832**	**4,989**	**5,150**	**5,266**	**5,317**	**5,545**	**5,687**	**5,821**	**5,972**	**6,094**
Surplus (deficit) of operating funding	**130**	**127**	**120**	**123**	**138**	**137**	**137**	**139**	**140**	**141**	**140**
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	449	(56)	(53)	(38)	(26)	(14)	(11)	(9)	(29)	(22)	(20)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	**449**	**(56)**	**(53)**	**(38)**	**(26)**	**(14)**	**(11)**	**(9)**	**(29)**	**(22)**	**(20)**
Applications of capital funding											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	962	18	18	19	19	19	20	20	0	0	0
- to replace existing assets	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	(383)	54	49	67	92	104	107	110	112	119	120
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total application of capital funding	**580**	**71**	**67**	**85**	**111**	**123**	**126**	**130**	**112**	**119**	**120**
Surplus (deficit) of capital funding	**(130)**	**(127)**	**(120)**	**(123)**	**(138)**	**(137)**	**(137)**	**(139)**	**(140)**	**(141)**	**(140)**
Funding balance	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

6.1 Funding Impact Statement – Whole of Council

Manawatu District Council
Funding Impact Statement
Whole of Council
Tauākī Tahua – Te Katoa o te Kaunihera

	Annual Plan 2024 $000	Year 1 2025 $000	Year 2 2026 $000	Year 3 2027 $000	Year 4 2028 $000	Year 5 2029 $000	Year 6 2030 $000	Year 7 2031 $000	Year 8 2032 $000	Year 9 2033 $000	Year 10 2034 $000
Sources of operating funding											
General rates, uniform annual general charge, rates penalties	15,715	16,363	17,319	20,081	21,207	24,695	26,353	27,812	29,507	31,979	33,932
Targeted rates	30,915	34,260	37,102	39,061	41,265	41,604	44,461	46,623	48,559	51,360	52,340
Subsidies and grants for operating purposes	3,164	3,310	3,357	3,405	3,409	3,460	3,512	3,520	3,576	3,633	3,623
Fees and charges	9,085	10,903	11,147	11,538	11,794	11,805	12,442	12,816	13,152	13,078	13,867
Interest and dividends from investments	435	575	595	635	665	705	705	715	725	745	755
Local authorities fuel tax, fines, infringement fees and other receipts	4,341	1,204	1,217	1,192	1,227	1,309	1,295	1,329	1,429	1,399	1,430
Total operating funding	**63,656**	**66,615**	**70,736**	**75,913**	**79,567**	**83,578**	**88,768**	**92,815**	**96,948**	**102,193**	**105,946**
Applications of operating funding											
Payments to staff and suppliers	45,735	46,525	48,808	51,152	51,842	50,928	54,545	55,920	57,590	59,031	60,124
Finance costs	3,824	4,470	4,942	5,310	5,923	6,362	6,862	7,343	8,007	8,864	9,604
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	**49,560**	**50,995**	**53,749**	**56,462**	**57,764**	**57,290**	**61,407**	**63,263**	**65,597**	**67,896**	**69,727**
Surplus (deficit) of operating funding	**14,096**	**15,620**	**16,986**	**19,451**	**21,802**	**26,289**	**27,361**	**29,551**	**31,352**	**34,298**	**36,219**
Sources of capital funding											
Subsidies and grants for capital expenditure	6,017	4,378	4,362	4,578	6,589	6,680	7,396	7,574	7,662	7,884	7,301
Development and financial contributions	3,524	4,484	4,860	6,375	6,811	7,611	7,699	7,762	7,740	7,600	7,354
Increase (decrease) in debt	7,850	10,252	8,222	11,758	7,002	9,134	7,257	8,926	9,094	6,842	4,381
Gross proceeds from sale of assets	(39)	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	**17,352**	**19,113**	**17,444**	**22,712**	**20,402**	**23,425**	**22,351**	**24,262**	**24,495**	**22,327**	**19,036**
Applications of capital funding											
Capital expenditure											
- to meet additional demand	3,583	1,634	5,754	11,381	1,933	3,287	1,286	3,678	4,301	4,830	7,043
- to improve the level of service	14,417	15,793	10,076	8,137	13,048	15,971	15,396	16,208	15,543	13,080	8,262
- to replace existing assets	14,296	29,607	19,562	17,364	26,817	25,768	20,798	18,634	18,487	18,191	21,204
Increase (decrease) in reserves	(848)	(12,301)	(962)	5,281	407	4,688	12,233	15,294	17,517	20,523	18,746
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total application of capital funding	**31,448**	**34,733**	**34,430**	**42,163**	**42,205**	**49,714**	**49,712**	**53,814**	**55,847**	**56,624**	**55,256**
Surplus (deficit) of capital funding	**(14,096)**	**(15,620)**	**(16,986)**	**(19,451)**	**(21,802)**	**(26,289)**	**(27,361)**	**(29,551)**	**(31,352)**	**(34,298)**	**(36,219)**
Funding balance	**(0)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

6.2 Rating System

Funding Impact Statement - Rating - Tauākī Tahua – Ngā Reiti

Council provides local public services and infrastructure that our communities need to thrive. These services are largely funded from the rates that Council charges property owners.

The law that enables councils to collect rates is the Local Government (Rating) Act 2002.

It is important to Council that our rating system:

- provides enough revenue to cover costs;
- spreads the costs of providing services as fairly as possible;
- meets the legal requirements;
- can be understood by the ratepayer and promotes accountability.

The rating system forms part of Council's Prospective Funding Impact Statements and should be read in conjunction with the Council's Revenue and Financing Policy.

Revenue and Financing Policy *Te Kaupapahere mō ngā Moni Whiwhi me te Ahumoni*

The Revenue and Financing Policy outlines how Council has determined it will fund Council services and activities. The policy includes Council's rating philosophy and summarises the rationale for its rating decisions.

A copy of the Revenue and Financing Policy can be found on the Council website.

Rating System *Te Pūnaha Rēti*

Rates are a property tax that are charged each year by the Council.

Council decides what services it will provide in the future and how much it will cost to provide those services. These costs are then distributed amongst the properties in the district.
Individual rates invoices may be different from year to year due changes in the costs required to provide services, the levels of service being provided and changes to individual property valuations.

Types of rates

There are two types of rates – general rates and targeted rates

General rates are generally used by the Council to fund activities where the benefits flow to the district as a whole and the Council considers that the whole community should contribute to the cost.

The Council's general rate is set on capital value and a differential is applied depending on the use, location and zoning of a rating unit.

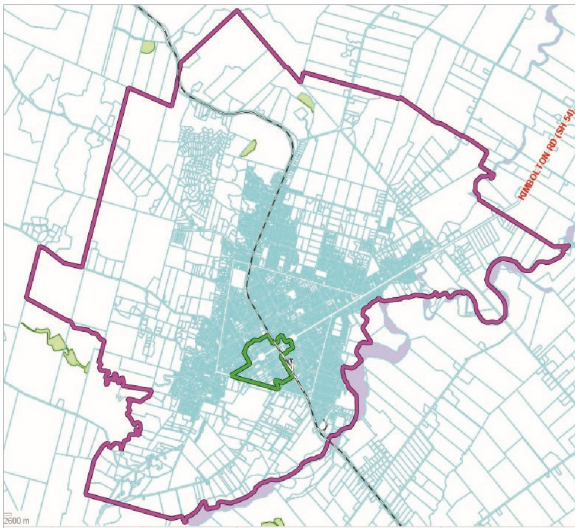
The Council also sets a uniform annual general charge as an amount per separately used or inhabited part (SUIP) of a rating unit – see explanation on page 29.
Targeted rates are set to fund one or more Council activities and can be set in respect of certain defined categories of land or all land in the district. Targeted rates can be calculated based on different factors including:

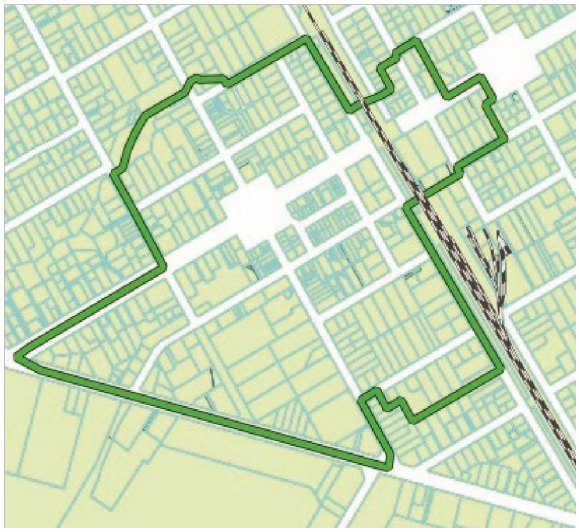
- rateable value;
- location;
- number of connections to the rating unit;
- the extent of provision of service to the rating unit; and
- per separately used or inhabited part of a rating unit (SUIP).

For instance, some of the rates on a property in the Feilding CBD will be rated on a different basis than Feilding rural properties. The types of rates that this "differential category" applies to are the General Rate, the Roading Targeted Rate and the Parks Reserves and Sports Grounds Targeted Rate.

More information on differential categories are below:

Differential Category	**Definitions**
1. Feilding Residential	Being all rating units situated within the 2009 Feilding differential rating area (refer to the map below) used solely or principally for residential or farming purposes or is vacant, but excluding those rating units included in Category 2 and 3.
2. Feilding Rural	Being all rating units situated within the 2009 Feilding differential rating area (refer to the map below) being properties zoned Rural 1, Rural 2 or Flood Channel 2 under the Manawatū District Plan.
3. Feilding CBD	Being all rating units situated within the 2009 Feilding Central Business differential rating area (refer to the map below), not used solely or principally for residential purposes.
4. Rural	Being all rating units situated outside the 2009 Feilding differential rating area excluding those rating units included in Category 5 and 6.
5. Industrial and Commercial	Being all rating units zoned Industrial under the Manawatū District Plan and used solely or principally for commercial or industrial purposes excluding those rating units included in Category 3 and all rating units in the 2009 Feilding differential rating area used solely or principally for conducting a business but excluding those rating units in Category 3.
6. Utilities	Being all rating units situated within the Manawatū District that have been identified as infrastructure utility networks.
7. Defence	Land owned or used by the crown as an air force base, army camp, naval establishment or other Defence area.





More detailed maps are available at the Council's office

Feilding Differential Rating Area 2009 as delineated on the rating plan filed at the Council office on Manchester Street, Feilding

Feilding Central Business District Differential Area 2009 as delineated on the plan filed at the Council office on Manchester Street, Feilding

Rating base

Rates are assessed on all rating units as at 30 June of the preceding year. For example the 2024/2025 rates are assessed on rating units at 30 June 2023.

	Rating units in the district	Capital value of the district	Land value of the district
30 June 2024 projection	14,942	15,742,592,758	9,862,817,950

Rating unit projections	
30 June 2025 projection	14,942
30 June 2026 projection	15,177
30 June 2027 projection	15,409
30 June 2028 projection	15,635
30 June 2029 projection	15,857
30 June 2030 projection	16,070
30 June 2031 projection	16,276
30 June 2032 projection	16,471
30 June 2033 projection	16,657

30 June 2034 projection	16,832

Inspection of Rating Information Database

In accordance with the Local Government (Rating) Act 2002, the Rating Information Database, the District Valuation Roll and Rates Records are available for public inspection at the Council office, 135 Manchester Street, Feilding, between the hours of 8am and 5pm on all business days of the week, except on Wednesday when the Council opens at 9am instead of 8am for staff training purposes.

Goods and Services Tax (GST)

All amounts stated in this rating system document are GST inclusive.

General Rate

The Council sets and assesses a general rate on capital value (CV) on all rating units in the district on a differential basis. The CV of the relevant rating unit is multiplied by the relevant rate in the dollar depending on the rating unit's differential category.

While the rates are set on a CV basis, the Council assesses the rates on defence land in accordance with section 22 of the Rating Act

Differential Category	Basis	Differential	Rate in the $ of CV	Indicative Revenue Required $
1. Feilding Residential	CV	1.00	0.00104	4,018,353
2. Feilding Rural	CV	0.50	0.00052	420,863
3. Feilding CBD	CV	2.25	0.00233	503,902
4. Rural	CV	0.40	0.00041	4,212,440
5. Industrial and Commercial	CV	1.60	0.00166	552,537
6. Utilities	CV	1.60	0.00166	161,332
7. Defence	LV	0.40	0.00041	9,845

The total revenue required from General Rates for 2024/2025 is $9,879,272.

Uniform Annual General Charge

A uniform annual general charge for the portion of costs associated with the operations and maintenance of animal control, governance and strategy, regulatory, local halls and recreation facilities, public conveniences, district plan and solid waste activities.

Uniform annual general charge (UAGC) is set on the basis of an equal amount on each SUIP. and does not vary with the value of the rating unit.

Uniform Annual General Charge per SUIP **$583.00**

Total revenue required from Uniform General Charge for 2024/2025 is $8,578,440.

Definition of a Separately Used or Inhabited Part of a Rating Unit (SUIP)

Several of the rates described below refer to a 'SUIP'.

A separately used or inhabited part of a rating unit (SUIP) includes any part of a rating unit that can be used separately or inhabited by either the owner or any other person who has the right to use or inhabit that part by virtue of a tenancy, lease, license or other agreement. As a minimum, the land or premises intended to form the separately used or inhabited part of the rating unit must be capable of actual habitation, or separate use.

- **Separately used or inhabited part - for a residential rating unit.**

  Includes a building or part of a building that is, intended to be used as, or is able to be used as, an independent residence with independent kitchen with connected cooking facilities.

- **Separately used or inhabited part - for a commercial rating unit.**

  Means a building or part of a building that is, or intended to be, or is able to be, separately tenanted, leased or subleased for commercial purposes.

- **Not rated as separately used parts of a rating unit:**
  - A residential sleep-out or granny flat without independent kitchen facilities.
  - A hotel/motel/hostel room with or without kitchen facilities.
  - Individual storage garages/sheds/partitioned areas of a warehouse.
  - Individual offices/premises of partners in a partnership.

Parks, Reserves and Sports Grounds Targeted Rate

A targeted rate for operations and maintenance of the Council's parks, reserves and sports ground with the balance funded via the parks, reserves and sports grounds $25.00 targeted rate below.

The Parks, Reserves and Sports Grounds Targeted Rate is assessed on all rating units in the district on a differential basis. The capital value (CV) of the relevant rating unit is multiplied by the relevant rate in the dollar depending on the rating unit's differential category.

While the rates are set on a CV basis, the Council assesses the rates on defence land in accordance with section 22 of the Rating Act

Differential Category	Basis	Differential	Rate in the $ of CV	Indicative Revenue Required $

1. Feilding Residential	CV	1.00	0.00046	1,794,109
2. Feilding Rural	CV	0.30	0.00014	112,744
3. Feilding CBD	CV	2.75	0.00127	274,977
4. Rural	CV	0.30	0.00014	1,410,574
5. Industrial and Commercial	CV	1.50	0.00069	231,277
6. Utilities	CV	1.75	0.00081	78,784
7. Defence	LV	0.30	0.00014	3,297

Total revenue required from Parks and Sport Grounds Targeted rate for 2024/2025 is $3,905,763.

Parks, Reserves and Sports Grounds Uniform Targeted Rate

A uniform targeted rate for operations and maintenance of the Council's parks, reserves and sports ground with the balance funded via the parks, reserves and sports grounds capital value based targeted rate above.

The Parks, Reserves and Sports Ground Uniform Targeted Rate is assessed on all rating units in the district as a fixed amount per SUIP.

Parks, Reserves and Sports Ground Uniform Targeted Rate $25.00

Total revenue required from Parks Reserves and Sports Grounds Uniform Targeted Rate for 2024-2025 is $368,154.

Roading Targeted Rate

A targeted rate to fund a portion of the costs associated with the maintenance and renewals of the districts roads and footpaths with the balance funded via Waka Kotahi or the roading uniform targeted rate below.

The Roading Targeted Rate is assessed on all rating units in the district on a differential basis. The capital value (CV) of the relevant rating unit is multiplied by the relevant rate in the $ depending on the rating unit's differential category.

While the rates are set on a CV basis, the Council assesses the rates on defence land in accordance with section 22 of the Rating Act

Differential Category	Basis	Differential	Rate in the $ of CV	Indicative Revenue Required $
1. Feilding Residential	CV	1.00	0.00090	3,474,219
2. Feilding Rural	CV	0.77	0.00069	557,938

3. Feilding CBD	CV	2.17	0.00194	419,531
4. Rural	CV	0.77	0.00069	6,980,547
5. Industrial and Commercial	CV	1.33	0.00119	398,097
6. Utilities	CV	1.50	0.00134	130,768
7. Defence	LV	0.77	0.00069	16,315

Total revenue required from Roading Targeted Rate for 2024/2025 is $11,977,415.

Roading Uniform Targeted Rate

A uniform targeted rate for the portion of costs associated with the maintenance and renewals of the districts roads and footpaths with balance funded via Waka Kotahi or the roading targeted rate above.

The Uniform Targeted Rate is assessed on all rating units in the district as a fixed amount per SUIP.

Roading Uniform Targeted Rate $100.00

Total revenue required from Roading Uniform Targeted Rate for 2024/2025 is $1,472,615.

Makino Aquatic Centre Targeted Rate

A targeted rate for operations and maintenance of the Makino Aquatic Centre.

This rate is assessed on all rating units in the district on a differential basis, as a fixed amount per SUIP.

Within Feilding Differential Rating Area $219.00
Outside the Feilding Differential Rating Area $151.00

Total revenue required by the Makino Aquatic Centre Targeted Rate for 2024/2025 is $2,735,661.

Library Targeted Rate

A targeted rate for operations and maintenance of the district's libraries.

This rate is assessed on all rating units in the district on a differential basis, as a fixed amount per SUIP.

Within Feilding Differential Rating Area $192.00
Outside the Feilding Differential Rating Area $133.00

Total revenue required by the Libraries Targeted Rate for 2024/2025 is $2,401,829.

Kerbside Recycling Targeted Rate

A targeted rate for operations, maintenance and development of the Council's kerbside recycling service.

This rate is assessed on all rating units in the district as a fixed amount per SUIP that has the kerbside recycling service available (excluding vacant land and properties within the rural differential rating area). Details of the service ability are outlined on Council website.

Kerbside Recycling Targeted Rate $116.00

Total revenue to be required by Kerbside Recycling Targeted Rate for 2024/2025 is $857,033.

Feilding CBD Security Targeted Rate

A targeted rate for the cost of providing night time security patrol in CBD area.

This rate is assessed on all rating units in the Feilding CBD differential category as a fixed amount per SUIP.

Feilding CBD Security	**$307.00**

Total revenue required by Feilding CBD Security Target Rate for 2024/2025 is $81,588.

Ultra-Fast Broadband Infrastructure Targeted Rate

A targeted rate for the repayment of debt and interest incurred to fund the ultra-fast broad band infrastructure installation in Kawakawa/Darragh Road.

This rate is assessed on all rating units in Kawakawa Road/Darragh Road industrial area within 10 metres of the Ultra-Fast Broadband infrastructure as a fixed amount per SUIP.

Ultra-Fast Broadband Infrastructure	**$758.00**

Total revenue required by Ultra-Fast Broadband Infrastructure Targeted Rate for 2024/2025 is $16,307.

Stormwater Targeted Rate

A targeted rate for operations, maintenance and development of the Council's stormwater network.

The Stormwater Targeted Rate is assessed as a fixed amount per rating units that are connected directly or indirectly to a stormwater network within: the Feilding Differential Rating Area, or the areas zoned as "village" in the district plan located in Rongotea, Sanson, Himatangi Beach, Tangimoana, Halcombe and Cheltenham.

Stormwater Targeted Rate	**$148.00**

Total revenue required from Stormwater Targeted Rate for 2024/2025 is $1,221,916.

Rural Land Drainage Targeted Rates

A targeted rate for operations, maintenance and development of the individual drainage schemes.

These rates are assessed on all rating units that are part of one or more of the drainage schemes listed in the table below on a differential basis, based on the land value (LV) of the rating unit. Details scheme maps are available at Council's office.

Category	Rate in $ of LV	Required Revenue $
Bainesse drainage district		
Bainesse Class A	0.000790	11,709
Bainesse Class B	0.000380	7,318
Bainesse Class C	0.000310	2,927
Makowhai drainage district		
Makowhai Class A	0.000120	2,694
Makowhai Class B	0.000090	1,796
Makowhai Class C	0.000020	898
Maire drainage district		
Maire Class A	0.000270	1,846
Maire Class B	0.000090	1,477
Maire Class C	0.000120	1,107
Maire Class D	0.000120	738
Oroua Downs drainage district		
Oroua Downs Class A	0.000610	36,364
Oroua Downs Class B	0.000340	27,273
Oroua Downs Class C	0.000180	18,182

Total revenue required from Rural Land Drainage Targeted Rates for 2024/2025 is $114,327.

Wastewater Disposal Targeted Rate

A targeted rate for operations, maintenance and development of the Council's wastewater network.

The Wastewater Disposal Targeted Rate is assessed on all rating units either connected, or capable of connection, to the Council's wastewater system, and is assessed on differential basis bases on the level of wastewater service provided to the rating unit.

Connected

A charge for each toilet or urinal, that is connected to a Council operated wastewater scheme, excluding restricted service or those that have chosen volumetric charging. Any SUIP that is used exclusively or principally as a residence will be charged for one toilet for each residence.

Serviceable

50% of the connected rate per rating unit that is not connected but is capable of being connected to a Council wastewater scheme as the reticulations system is within 10 meters of the rating unit.

Restricted

80% of the connected rate for each toilet or urinal, that is connected to a Council operated wastewater scheme, receiving a restricted service. Any SUIP that is used exclusively or principally as a residence will be charged for one toilet for each residence. This includes Mount Taylor.

Wastewater disposal - Connected	**$965.00 per SUIP**
Wastewater disposal - Serviceable	**$482.50 per rating unit**
Wastewater disposal - Restricted	**$772.00 per SUIP**

Total revenue required from Wastewater Disposal Targeted Rates for 2024/2025 is $8,191,494.

Water Supply Targeted Rate – Urban

A targeted rate for operations, maintenance and development of the councils water system (excluding rural water schemes).

The Water Supply Targeted Rate is assessed on all rating units either connected, or capable of connection, to the Council's water system (excluding those properties connected to a rural water supply scheme) and is assessed on differential basis based on the level of water service provided to the rating unit.

Connected

A charge for each separately used or inhabited part of a rating unit that is connected to a Council operated water supply, excluding restricted service, extraordinary connections or those that have chosen volumetric charging.

Serviceable

50% of the connected rate per rating unit that is not connected but is capable of being connected to a Council water supply scheme as the reticulations system is within 10 meters of the rating unit.

Restricted

80% of the connected charge for each separately used or inhabited part of a rating unit that is connected to a Council operated water supply, receiving a restricted service. This includes Mount Taylor and Sanson

Water supply - Connected	**$490.00 per SUIP**
Water supply - Serviceable	**$245.00 per rating unit**
Water supply - Restricted	**$392.00 per SUIP**

Total revenue required from Water Supply – Urban Targeted Rates for 2024/2025 is $3,558,170.

Volumetric Water Charges (water by meter)

The Volumetric Water Charges are assessed on rating units that are extraordinary water supply users (as defined in Council's Bylaws) and those that have chosen volumetric charging. The rates are assessed on a differential basis based on the level of service provision (connection size and number of connections).

Connection size	Charge per connection
15 mm to 50 mm	$791.15
80 mm to 150 mm	$805.81

Where a rating unit is supplied, in any rating year, in excess of 380 cubic meters, an additional consumption charge of $1.93 per cubic meter of water supplied in excess of 380 cubic meters will be charged.

Total revenue required from Volumetric Water Charges for 2024/2025 is $1,441,178.

Water Supply Targeted Rates - Rural

A targeted rate for operations, maintenance and development of the individual water schemes.
The Water Supply Targeted Rates - Rural are assessed on all rating units in the schemes listed below, based on the units allocated/ supplied.

Stanway/Halcombe Rural Water Scheme - per unit allocated	**$340.00**
Waituna West Rural Water Scheme - per unit allocated	**$463.00**
Ohakea Rural Water Scheme – per unit allocated	**$390.38**
Kiwitea Rural Water Scheme - per unit allocated	**$247.25***
Kiwitea Rural Water Scheme - per additional unit used but not allocated	**$247.25 ***

* Kiwitea Rural Water Scheme rates are set and collected by Council and passed on to the scheme in full.

Total revenue required from Water Supply Targeted Rates – Rural for 2024/2025 is $1,682,348.

Capital Contribution Targeted Rate

The Capital Contribution Targeted Rates are assessed on rating units where ratepayers have signed an agreement to pay their capital contribution over a set term for the Himatangi Beach wastewater scheme and the Rongotea water scheme. Each of the rates is a fixed amount per rating unit, as set out in the table below.

Capital Contribution	Targeted Rate
Himatangi Beach wastewater scheme – twenty year term, 1 July 2013 to 30 June 2033	$923
Rongotea water scheme - ten year term, 1 July 2015 to 30 June 2025	$564
Rongotea water scheme – twenty year term, 1 July 2015 to 30 June 2035	$374

Rates invoice and penalty dates

The rates detailed in this Funding Impact Statement - Rating System (excluding the metered water) are calculated annually and detailed on the Rates Assessment. This covers the year 1 July 2024 to 30 June 2025.

Rates are collected in four instalments. Council sends an invoice in August, November, February and May. The due date for payment of the invoice is the last Friday of the month it is invoiced (as set out in the table below).

The following penalties will be added to unpaid rates

- A 10% penalty will be added (on the penalty date as set out in the table below) to the unpaid balance of an instalment that is not paid by the due date (on the payment due date in the table below).
- A 10% penalty will be added on 5 July 2024 to any unpaid rates from previous financial years that remains unpaid on 4 July 2024. Another 10% will be added on 17 January 2025 to any unpaid rates from previous financial years that remain unpaid on 16 January 2025.

If annual rates are paid in full by 29 November 2024, any penalty charged for instalment one will be reversed.

The Council does not accept lump sum contributions in respect of any targeted rates.

All payments received will be allocated to the oldest rates outstanding.

	Instalment One	Instalment Two	Instalment Three	Instalment Four

Invoice Date	1 August 2024	1 November 2024	3 February 2025	1 May 2025
Payment Due Date	30 August 2024	29 November 2024	28 February 2025	30 May 2025
Penalty Date	5 September 2024	5 December 2024	6 March 2025	5 June 2025

Volumetric Water Charges will be invoiced at the end of each quarter and are due for payment on the last working day of the following month.

	Quarter One	Quarter Two	Quarter Three	Quarter Four
Invoice Date	30 September 2024	31 December 2024	31 March 2025	30 June 2025
Payment Due Date	31 October 2024	31 January 2025	30 April 2025	31 July 2025

Individual 2024/2025 property rates assessments can be viewed on the website www.mdc.govt.nz, using the Property and Rates search function, or call 06 323 0000.

6.3 Prospective Statement of Comprehensive Revenue and Expense

Manawatu District Council

Prospective Statement of Comprehensive Revenue and Expense

	Annual Plan 2024 $000	Note	Year 1 2025 $000	Year 2 2026 $000	Year 3 2027 $000	Year 4 2028 $000	Year 5 2029 $000	Year 6 2030 $000	Year 7 2031 $000	Year 8 2032 $000	Year 9 2033 $000	Year 10 2034 $000
Revenue												
Rates revenue	46,630		50,623	54,421	59,142	62,472	66,299	70,814	74,435	78,067	83,339	86,272
Financial revenue	435		575	595	635	665	705	705	715	725	745	755
Subsidies and grants	9,181		7,688	7,719	7,983	9,998	10,140	10,908	11,094	11,238	11,517	10,924
Development and financial contributions	3,524		4,484	4,860	6,375	6,811	7,611	7,699	7,762	7,740	7,600	7,354
Other revenue	13,427		12,107	12,363	12,731	13,021	13,115	13,737	14,145	14,581	14,476	15,297
Other gains/(losses)	(21)		311	313	320	500	326	435	329	526	310	435
Total revenue	**73,175**	1	**75,787**	**80,270**	**87,187**	**93,466**	**98,195**	**104,297**	**108,480**	**112,876**	**117,988**	**121,037**
Expenditure												
Personnel costs	16,631		15,383	16,357	17,334	18,297	17,022	20,218	21,241	22,344	23,140	23,898
Depreciation and amortisation	27,683	2	27,242	29,620	30,924	32,188	33,207	35,003	36,427	37,748	39,786	40,753
Finance costs	3,824		4,470	4,942	5,310	5,923	6,362	6,862	7,343	8,007	8,864	9,604
Other operating expenses	29,105		31,142	32,450	33,817	33,545	33,906	34,327	34,679	35,246	35,891	36,226
Total operating expenditure	**77,243**	1	**78,237**	**83,369**	**87,386**	**89,953**	**90,496**	**96,410**	**99,690**	**103,344**	**107,681**	**110,480**
Issue 2 Rates Model CD senario Aviary Master												
Operating surplus/(deficit) before tax	**(4,068)**		**(2,450)**	**(3,099)**	**(199)**	**3,514**	**7,698**	**7,887**	**8,790**	**9,531**	**10,306**	**10,556**
Income tax expense	0		0	0	0	0	0	0	0	0	0	0
Net surplus/(deficit) after tax	**(4,068)**	3	**(2,450)**	**(3,099)**	**(199)**	**3,514**	**7,698**	**7,887**	**8,790**	**9,531**	**10,306**	**10,556**
Other comprehensive income and expense												
Gains on the revaluation of property, plant and equipment	29,711		33,485	37,871	25,734	28,188	57,384	35,671	42,769	37,112	59,988	72,812
Impairment losses on restricted buildings through other	0		0	0	0	0	0	0	0	0	0	0
Gains/(losses) on financial assets at fair value through	0		0	0	0	0	0	0	0	0	0	0
Total other comprehensive income and expense	**29,711**		**33,485**	**37,871**	**25,734**	**28,188**	**57,384**	**35,671**	**42,769**	**37,112**	**59,988**	**72,812**
Total comprehensive revenue and expense for the year	**25,642**		**31,035**	**34,772**	**25,535**	**31,702**	**65,082**	**43,558**	**51,559**	**46,643**	**70,294**	**83,369**

6.4 Prospective Statement of Changes in Net Assets and Equity

Manawatu District Council

Prospective Statement of Changes in Net Assets/Equity

	Annual Plan 2024 $000	Note	Year 1 2025 $000	Year 2 2026 $000	Year 3 2027 $000	Year 4 2028 $000	Year 5 2029 $000	Year 6 2030 $000	Year 7 2031 $000	Year 8 2032 $000	Year 9 2033 $000	Year 10 2034 $000
Opening Equity Balance	1,051,438	5	1,122,898	1,153,933	1,188,705	1,214,240	1,245,941	1,311,024	1,354,582	1,406,141	1,452,784	1,523,078
Total other comprehensive income and expense	25,642		31,035	34,772	25,535	31,702	65,082	43,558	51,559	46,643	70,294	83,369
Closing Equity Balance	**1,077,081**		**1,153,933**	**1,188,705**	**1,214,240**	**1,245,941**	**1,311,024**	**1,354,582**	**1,406,141**	**1,452,784**	**1,523,078**	**1,606,447**

6.5 Prospective Statement of Financial Position

Manawatu District Council

Prospective Statement of Financial Position

	Annual Plan 2024 $000	Note	Year 1 2025 $000	Year 2 2026 $000	Year 3 2027 $000	Year 4 2028 $000	Year 5 2029 $000	Year 6 2030 $000	Year 7 2031 $000	Year 8 2032 $000	Year 9 2033 $000	Year 10 2034 $000
Assets												
Current assets												
Cash and cash equivalents	8,248		5,463	4,970	12,097	12,840	17,871	30,399	47,230	64,859	88,441	107,293
Accounts receivable	5,296		5,450	6,058	6,317	6,667	6,814	6,957	7,096	7,238	7,376	7,516
Investment in Council Controlled Entities	1,660		305	1,695	199	205	167	1,407	6	2,953	0	4,106
Inventory	337		0	0	0	0	0	0	0	0	0	0
Other financial assets	15		25	15	15	16	8	11	11	12	13	25
Non-current assets held for sale	0		0	0	0	0	0	0	0	0	0	0
Total current assets	**15,556**		**11,243**	**12,738**	**18,628**	**19,728**	**24,859**	**38,773**	**54,343**	**75,062**	**95,830**	**118,939**
Non-current assets												
Property, plant and equipment	1,174,237		1,259,950	1,303,180	1,334,446	1,372,064	1,441,252	1,479,384	1,524,232	1,561,910	1,618,197	1,686,750
Intangible assets	86		86	77	69	67	82	97	112	127	143	149
Investment in associate	1		1	1	1	1	1	1	1	1	1	1
Investment in Council Controlled Entities	5,351		9,039	7,454	8,706	8,505	8,322	6,930	8,348	5,423	5,447	1,372
Other financial assets	100		130	115	100	84	77	66	55	43	30	5
Total non-current assets	**1,179,775**		**1,269,206**	**1,310,827**	**1,343,322**	**1,380,722**	**1,449,733**	**1,486,478**	**1,532,747**	**1,567,504**	**1,623,817**	**1,688,277**
Total assets	**1,195,330**		**1,280,449**	**1,323,565**	**1,361,950**	**1,400,450**	**1,474,592**	**1,525,251**	**1,587,090**	**1,642,566**	**1,719,647**	**1,807,216**
Liabilities												
Current liabilities												
Accounts payable	9,527		9,803	10,310	11,798	11,743	11,655	11,488	12,832	12,564	12,504	12,319
Provisions	534		504	460	196	30	31	32	32	33	32	0
Employee entitlements	1,537		1,582	1,616	1,654	1,692	1,729	1,765	1,800	1,836	1,871	1,907
Borrowings	14,500		3,789	4,088	5,396	4,930	7,432	5,773	5,923	6,198	6,471	0
Total current liabilities	**26,098**		**15,678**	**16,474**	**19,044**	**18,395**	**20,847**	**19,059**	**20,588**	**20,631**	**20,879**	**14,226**
Non-current liabilities												
Provisions	1,448		700	325	156	134	110	84	58	29	0	0
Borrowings	90,703		110,138	118,061	128,511	135,980	142,612	151,527	160,304	169,122	175,691	186,543
Total non-current liabilities	**92,151**		**110,838**	**118,386**	**128,667**	**136,114**	**142,722**	**151,611**	**160,362**	**169,151**	**175,691**	**186,543**
Total liabilities	**118,249**		**126,516**	**134,860**	**147,711**	**154,508**	**163,568**	**170,670**	**180,949**	**189,782**	**196,570**	**200,769**
Equity												
Retained earnings	493,281	7	516,518	512,905	510,198	510,312	510,952	511,480	511,828	511,880	511,553	509,389
Other reserves	583,799	7	637,415	675,800	704,042	735,629	800,072	843,101	894,313	940,903	1,011,524	1,097,057
Total equity	**1,077,081**		**1,153,933**	**1,188,705**	**1,214,240**	**1,245,941**	**1,311,024**	**1,354,582**	**1,406,141**	**1,452,784**	**1,523,078**	**1,606,447**
Total Liabilities and Equity	**1,195,330**		**1,280,449**	**1,323,565**	**1,361,950**	**1,400,450**	**1,474,592**	**1,525,252**	**1,587,090**	**1,642,566**	**1,719,648**	**1,807,216**

6.6 Prospective Statement of Cash Flows

Manawatu District Council

Prospective Statement of Cash Flows

	Annual Plan 2024 $000	Year 1 2025 $000	Year 2 2026 $000	Year 3 2027 $000	Year 4 2028 $000	Year 5 2029 $000	Year 6 2030 $000	Year 7 2031 $000	Year 8 2032 $000	Year 9 2033 $000	Year 10 2034 $000
Cash flows from operating activities											
Cash was provided from:											
Receipts from rates revenue	46,630	50,623	54,421	59,142	62,472	66,299	70,814	74,435	78,067	83,339	86,272
Interest received	430	570	590	630	660	700	700	710	720	740	750
Dividend received	5	5	5	5	5	5	5	5	5	5	5
Receipts from other revenue	26,131	24,279	24,942	27,090	29,830	30,865	32,343	33,001	33,558	33,594	33,575
Cash was disbursed to:											
Payments to suppliers and employees	(45,735)	(46,525)	(48,808)	(51,152)	(51,842)	(50,928)	(54,545)	(55,920)	(57,590)	(59,031)	(60,124)
Interest paid	(3,824)	(4,340)	(4,803)	(5,174)	(5,800)	(6,241)	(6,741)	(7,223)	(7,912)	(8,771)	(9,512)
Income tax paid	0	0	0	0	0	0	0	0	0	0	0
Goods and services tax (net)	0	0	0	0	0	0	0	0	0	0	0
Net cash from operating activities	**23,636**	**24,611**	**26,347**	**30,541**	**35,325**	**40,701**	**42,576**	**45,008**	**46,848**	**49,876**	**50,967**
Cash flows from investing activities											
Cash was provided from:											
Proceeds from sale of property, plant and equipment	0	0	0	0	0	0	0	0	0	0	0
Net investments movements	0	301	330	1,710	214	221	175	1,418	17	2,965	13
Cash was disbursed to:											
Purchase of intangible assets	(62)	(13)	(14)	(14)	(14)	(15)	(15)	(15)	(15)	(16)	(16)
Purchase of property, plant and equipment	(32,234)	(47,021)	(35,379)	(36,868)	(41,784)	(45,011)	(37,464)	(38,505)	(38,315)	(36,085)	(36,493)
Net cash from investing activities	**(32,296)**	**(46,733)**	**(35,062)**	**(35,172)**	**(41,584)**	**(44,805)**	**(37,304)**	**(37,103)**	**(38,313)**	**(33,136)**	**(36,496)**
Cash flows from financing activities											
Cash was provided from:											
Proceeds from borrowing	25,970	14,449	12,011	15,846	12,398	14,064	14,689	14,699	15,017	13,040	10,852
Cash was disbursed to:											
Repayment of borrowings	(18,120)	(4,197)	(3,789)	(4,088)	(5,396)	(4,930)	(7,432)	(5,773)	(5,923)	(6,198)	(6,471)
Net cash from financing activities	**7,850**	**10,252**	**8,222**	**11,758**	**7,002**	**9,134**	**7,257**	**8,926**	**9,094**	**6,842**	**4,381**
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	(810)	(11,870)	(493)	7,127	743	5,030	12,528	16,831	17,629	23,582	18,851
Cash, cash equivalents and bank overdrafts at the beginning of the year	9,058	17,333	5,463	4,970	12,097	12,840	17,871	30,399	47,230	64,859	88,441
Cash, cash equivalents and bank overdrafts at the end of the year	**8,248**	**5,463**	**4,970**	**12,097**	**12,840**	**17,871**	**30,399**	**47,230**	**64,859**	**88,441**	**107,293**

6.7 Notes to the Financial Statements

He kupu Whakamahuki mō Ngā Tauākī Ahumoni

Note 1

Reconciliation of Prospective Statement of Comprehensive Revenue and Expense to the Funding Impact Statement (FIS)

The Funding Impact Statements (FIS) throughout the document are prepared in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014. They do not comply with Generally Accepted Accounting Practices (GAAP). However, the core financial statements (prospective statement of comprehensive revenue and expense, prospective statement of changes in net assets / equity, prospective statement of financial position and the prospective statement of cash flows) are prepared in compliance with GAAP. The following is a reconciliation between the revenue and expenditure shown in the prospective statement of comprehensive revenue and expense and the Council's overall Funding Impact Statement.

	Annual Plan 2024 $000	Year 1 2025 $000	Year 2 2026 $000	Year 3 2027 $000	Year 4 2028 $000	Year 5 2029 $000	Year 6 2030 $000	Year 7 2031 $000	Year 8 2032 $000	Year 9 2033 $000	Year 10 2034 $000
Operating Revenue in the FIS	**63,656**	**66,615**	**70,736**	**75,913**	**79,567**	**83,578**	**88,768**	**92,815**	**96,948**	**102,193**	**105,946**
Subsidies and grants for capital expenditure	6,017	4,378	4,362	4,578	6,589	6,680	7,396	7,574	7,662	7,884	7,301
Development and financial contributions	3,524	4,484	4,860	6,375	6,811	7,611	7,699	7,762	7,740	7,600	7,354
Vested Assets	0	0	0	0	0	0	0	0	0	0	0
Net gain and losses not included in FIS	(21)	311	313	320	500	326	435	329	526	310	435
Total Revenue in the Statement of Comprehensive Revenue and Expense	**73,175**	**75,787**	**80,270**	**87,187**	**93,466**	**98,195**	**104,297**	**108,480**	**112,876**	**117,988**	**121,037**
Applications of Operating Funding in the FIS	49,560	50,995	53,749	56,462	57,764	57,290	61,407	63,263	65,597	67,896	69,727
Depreciation not included in the FIS	27,683	27,242	29,620	30,924	32,188	33,207	35,003	36,427	37,748	39,786	40,753
Total Operating Expenditure in the Statement of Comprehensive Revenue and Expense	**77,243**	**78,237**	**83,369**	**87,386**	**89,953**	**90,496**	**96,410**	**99,690**	**103,344**	**107,681**	**110,480**

Note 2

Depreciation and Amortisation Expense per Group of Activities

	Annual Plan 2024 $000	Year 1 2025 $000	Year 2 2026 $000	Year 3 2027 $000	Year 4 2028 $000	Year 5 2029 $000	Year 6 2030 $000	Year 7 2031 $000	Year 8 2032 $000	Year 9 2033 $000	Year 10 2034 $000
Community Facilities	2,991	2,823	3,176	3,425	3,495	3,431	3,823	3,851	3,744	4,291	3,932
District Development	0	0	0	0	0	0	0	0	0	0	0
Emergency Management	19	0	0	0	0	0	0	0	0	0	0
Regulatory	30	79	79	72	13	14	13	13	8	6	6
Governance and Strategy	2	8	8	1	1	1	1	1	1	1	0
Roading Network	15,281	15,723	16,736	17,493	18,374	19,257	20,156	21,039	21,984	22,938	23,937
Solid Waste	150	153	155	156	157	154	155	156	156	156	154
Stormwater and Drainage	1,192	776	975	1,041	1,107	1,157	1,228	1,320	1,411	1,491	1,571
Wastewater	3,859	3,571	3,821	4,031	4,203	4,426	4,599	4,770	5,039	5,301	5,468
Water Supply	3,281	2,872	3,126	3,274	3,303	3,469	3,713	3,862	3,969	4,077	4,188

Support Services	879	1,237	1,545	1,431	1,537	1,299	1,314	1,415	1,435	1,523	1,498
Total Depreciation and Amortisation	**27,683**	**27,242**	**29,620**	**30,924**	**32,188**	**33,207**	**35,003**	**36,427**	**37,748**	**39,786**	**40,753**

Note 3

Explanation of Net Operating Surplus (Deficit) after tax

Section 100 of the Local Government Act 2002 requires Council to ensure projected operating revenues are set at a level sufficient to meet that year's projected operating expenses. The table below details the make up of the net surplus/(deficit) as detailed in the Statement of Comprehensive Revenue and Expense.

	Annual Plan 2024 $000	Year 1 2025 $000	Year 2 2026 $000	Year 3 2027 $000	Year 4 2028 $000	Year 5 2029 $000	Year 6 2030 $000	Year 7 2031 $000	Year 8 2032 $000	Year 9 2033 $000	Year 10 2034 $000
Net surplus/(deficit) after tax	**(4,068)**	**(2,450)**	**(3,099)**	**(199)**	**3,514**	**7,698**	**7,887**	**8,790**	**9,531**	**10,306**	**10,556**
The surplus/(deficit) consists of the following											
Roading subsidy received from NZ Transport	4,344	4,378	4,362	4,578	6,589	6,680	7,396	7,574	7,662	7,884	7,301
Subsidies and grants for capital expenditure	1,673	0	0	0	0	0	0	0	0	0	0
Capital contributions and connection fees used to	202	185	190	1,206	1,334	1,696	1,624	1,555	1,593	1,629	1,666
Development contributions recognised as revenue but used to fund past or future capital expenditure in relation to growth	3,321	4,299	4,670	5,169	5,477	5,915	6,075	6,207	6,147	5,971	5,688
Depreciation not funded											
- Roading (renewal funded by NZTA subsidy)	(5,792)	(8,019)	(8,536)	(8,922)	(9,371)	(9,821)	(10,280)	(10,730)	(11,212)	(11,698)	(12,208)
- Parks (only 50% of depreciation is funded)	(531)	(428)	(507)	(555)	(575)	(593)	(682)	(689)	(649)	(770)	(726)
- Halls (depreciation is only funded on high priority hall's, Civic Centre and Te Kawau recreation centre)	(451)	(463)	(469)	(495)	(497)	(500)	(528)	(518)	(484)	(569)	(564)
- Library (only 50% of depreciation is funded)	0	(180)	(199)	(207)	(215)	(218)	(230)	(234)	(236)	(264)	(259)
- Makino Aquatic Centre (only 50% of depreciation is funded)	0	(223)	(257)	(271)	(269)	(240)	(266)	(272)	(275)	(316)	(318)
- Property (only 50% of depreciation is funded)	0	(139)	(155)	(170)	(173)	(126)	(138)	(138)	(136)	(121)	(122)
-3 Waters revaluation impact	(1,300)	0	0	0	0	0	0	0	0	0	0
- Roading (unfunded revaluation impact)	(2,800)	0	0	0	0	0	0	0	0	0	0
Loans principal repayments funded from rates											
- CBD redevelopment loans	129	123	135	144	155	169	100	84	97	109	123
- Ultra Fast Broadband	6	5	5	4	4	3	3	3	3	3	3
Gain on property recognised	(21)	311	313	320	500	326	435	329	526	310	435
Write back of the impairment of debt	0	0	0	0	0	0	0	0	0	0	0
Vested Assets	0	0	0	0	0	0	0	0	0	0	0
Use of reserves and special funds (including interest on growth account, subdivision	(3,012)	(2,300)	(2,651)	(1,001)	556	4,408	4,378	5,618	6,497	8,139	9,537
	(4,068)	(2,450)	(3,099)	(199)	3,514	7,698	7,887	8,790	9,531	10,306	10,556

Note 4
Water by meter included in Rates

Water charged by volume (water by meter) are included in rates revenue in the Statement of Comprehensive Revenue and Expense and in targeted rates in the Funding Impact Statements. The amount of water by meter included in rates is:

	Annual Plan 2024 $000	Year 1 2025 $000	Year 2 2026 $000	Year 3 2027 $000	Year 4 2028 $000	Year 5 2029 $000	Year 6 2030 $000	Year 7 2031 $000	Year 8 2032 $000	Year 9 2033 $000	Year 10 2034 $000
Water by meter included in rates	1,350	1,441	1,477	1,517	1,557	1,595	1,632	1,670	1,706	1,742	1,779

Note 5
Opening Balances

The opening balances for 1 July 2024 do not agree with the closing balances for the prior year's Annual Plan (30 June 2021). The annual plan was approved by Council in May 2023 and the annual plan closing balances reflect the planned position at that time. Actual results for the 2023/24 financial year do not always reflect the position included in the plan. Potential changes include capital projects not progressing and therefore the associated funding is not uplifted, revaluations being different than planned, variances in cash requirements and the resulting impact on equity. To calculate the opening balances for the Long Term Plan we have reforecasted the closing balances at 30 June 2024 to reflect known changes. The main items impacted include cash, investments, property plant and equipment, borrowing and equity.

Note 6
Funding Impact Statements - transfer between operational and capital activities

	Annual Plan 2024 $000	Year 1 2025 $000	Year 2 2026 $000	Year 3 2027 $000	Year 4 2028 $000	Year 5 2029 $000	Year 6 2030 $000	Year 7 2031 $000	Year 8 2032 $000	Year 9 2033 $000	Year 10 2034 $000
Surplus (deficit) of operating funding	14,096	15,620	16,986	19,451	21,802	26,289	27,361	29,551	31,352	34,298	36,219
Surplus (deficit) of capital funding	(14,096)	(15,620)	(16,986)	(19,451)	(21,802)	(26,289)	(27,361)	(29,551)	(31,352)	(34,298)	(36,219)
Funding Balance	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Loan principal repayments funded by rates	297	128	140	148	159	172	103	88	100	112	126
Depreciation funded by rates but transferred to reserve to fund renewal (current and future years)	16,810	17,791	19,497	20,304	21,088	21,709	22,880	23,846	24,754	26,046	26,556
Operating items funded from the transfer of reserves included in the capital activities	(3,012)	(2,300)	(2,651)	(1,001)	556	4,408	4,378	5,618	6,497	8,139	9,537
	14,096	**15,620**	**16,986**	**19,451**	**21,802**	**26,289**	**27,361**	**29,551**	**31,352**	**34,298**	**36,219**

Note 7

Reserve Fund Movements

Equity is made up of a number of reserves - refer to the Statement of Accounting Policies. The following is a summary of reserve funds over the life of the long term plan for each class of funds.

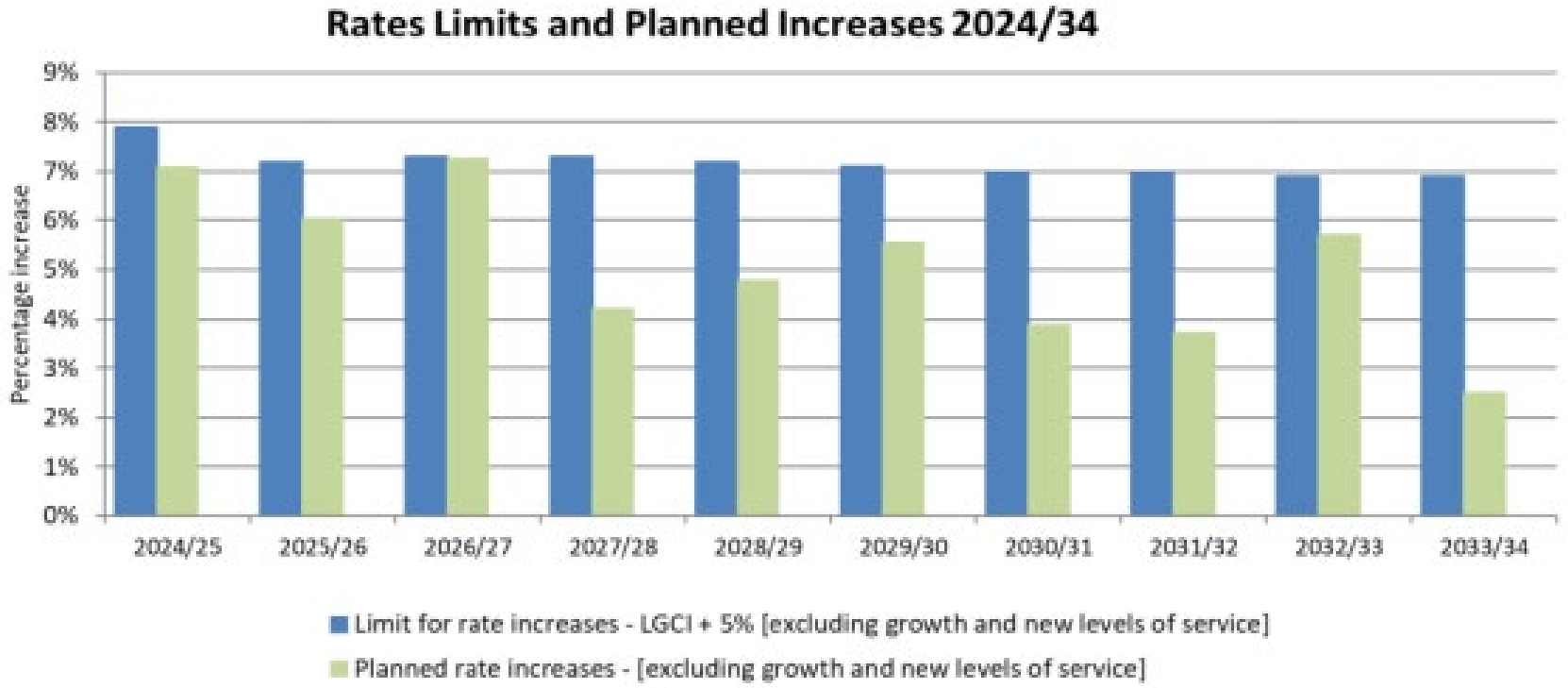
RETAINED EARNING

	Annual Plan 2024 $000	Year 1 2025 $000	Year 2 2026 $000	Year 3 2027 $000	Year 4 2028 $000	Year 5 2029 $000	Year 6 2030 $000	Year 7 2031 $000	Year 8 2032 $000	Year 9 2033 $000	Year 10 2034 $000
Accumulated Funds											
Included in the Accumulated Funds in the balance sheet are two types of reserves. These are separate funds and growth funds detailed below.											
Growth Funds											
Theses funds are created from Development and Financial Contributions levied. They are used for growth related expenditure for the creation of community assets. These include roads, parks and reserves, stormwater, wastewater and water supply.											
Opening balances	0	0	0	0	0	0	0	0	0	0	0
Transfers to reserves	3,321	4,299	7,563	13,379	5,477	5,915	6,075	6,207	6,661	7,241	9,633
Transfers from reserves	(4,486)	(4,299)	(7,563)	(13,379)	(5,477)	(5,915)	(6,075)	(6,207)	(6,661)	(7,241)	(9,633)
Closing Balance	**(1,165)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Depreciation Reserves											
These funds are created from depreciation and amortisation funded through revenue sources. These funds are only applied to the renewal of existing assets and for principal repayments of loans.											
Opening balances	6,513	20,945	13,123	12,739	13,504	(715)	(7,263)	(7,511)	(4,470)	(422)	5,141
Transfers to reserves	16,810	17,791	19,497	20,304	21,088	21,709	22,880	23,846	24,754	26,046	26,556
Transfers from reserves	(11,590)	(25,613)	(19,881)	(19,539)	(35,307)	(28,257)	(23,128)	(20,805)	(20,706)	(20,483)	(23,739)
Closing Balance	**11,733**	**13,123**	**12,739**	**13,504**	**(715)**	**(7,263)**	**(7,511)**	**(4,470)**	**(422)**	**5,141**	**7,958**

OTHER RESERVES

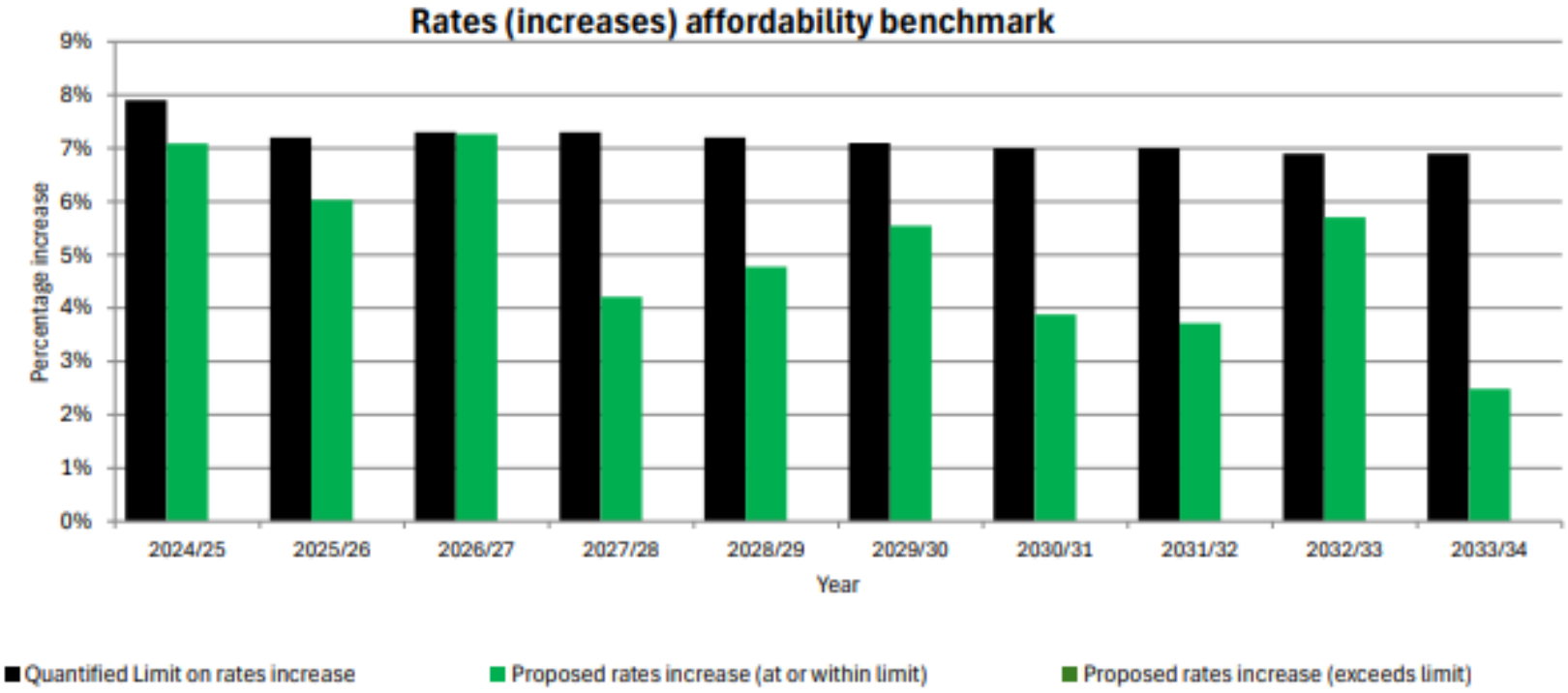
	Annual Plan 2024 $000	Year 1 2025 $000	Year 2 2026 $000	Year 3 2027 $000	Year 4 2028 $000	Year 5 2029 $000	Year 6 2030 $000	Year 7 2031 $000	Year 8 2032 $000	Year 9 2033 $000	Year 10 2034 $000
Trusts and Bequests											
Funds have been gifted to Council for specific purposes, and in many cases have other restriction placed on the fund. The purpose of the fund may not be revised without reference to the Courts or a third party. These include the Hook Bequest, Trewin Bequest, Wakerill Trust, Robert Dickson Library Trust, PA Broad Memorial Trust, Historical Trust, Children's Welfare Trust, Robert Dickson Educational Trust, Museum Trust and the Feilding and District Relief Trust.											
Opening balances	95	94	93	92	91	89	88	87	86	84	83
Transfers to reserves	1	2	2	2	2	2	2	2	2	2	2
Transfers from reserves	(2)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Closing Balance	**94**	**93**	**92**	**91**	**89**	**88**	**87**	**86**	**84**	**83**	**82**
Special Funds											
These are funds set aside by Council. The Council may alter them without references to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council. They include the General Purpose Reserve, Insurance Reserve and the Land Subdivision Reserve.											
Opening balances	2,810	2,953	3,453	3,969	6,478	9,878	16,938	24,298	32,742	42,222	52,856
Transfers to reserves	394	500	516	2,509	3,400	7,060	7,360	8,443	9,480	10,635	12,722
Transfers from reserves	0	0	0	0	0	0	0	0	0	0	0
Closing Balance	**3,204**	**3,453**	**3,969**	**6,478**	**9,878**	**16,938**	**24,298**	**32,742**	**42,222**	**52,856**	**65,578**
Revaluation Reserves											
These reserves have been created from the revaluation movements of the property, plant and equipment.											
Opening balances	550,790	600,384	633,869	671,740	697,473	725,662	783,045	818,716	861,485	898,597	958,585
Transfers to reserves	29,711	33,485	37,871	25,734	28,188	57,384	35,671	42,769	37,112	59,988	72,812
Transfers from reserves	0	0	0	0	0	0	0	0	0	0	0
Closing Balance	**580,501**	**633,869**	**671,740**	**697,473**	**725,662**	**783,045**	**818,716**	**861,485**	**898,597**	**958,585**	**1,031,397**
TOTAL OTHER RESERVES	**583,799**	**637,415**	**675,800**	**704,042**	**735,629**	**800,072**	**843,101**	**894,313**	**940,903**	**1,011,524**	**1,097,057**

6.8 Benchmark Graphs



Rates (increases) affordability benchmark

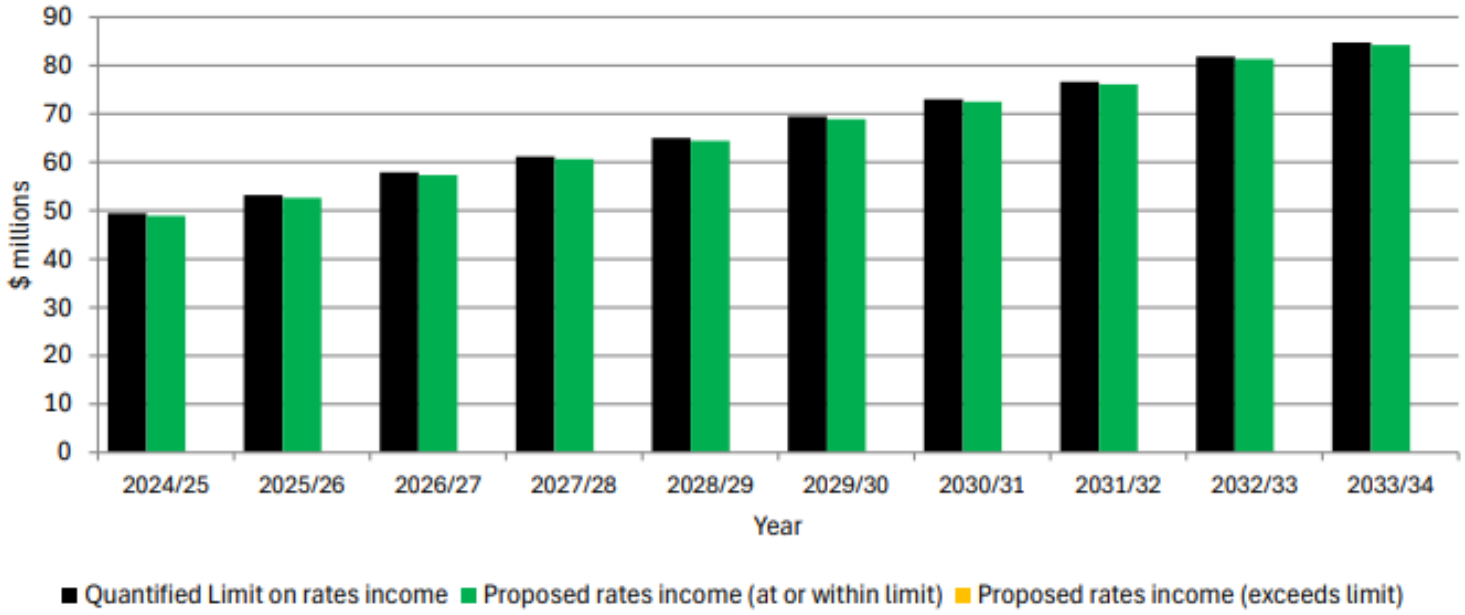
The following graph compares the Council's planned rates increases with quantified limit on rates increases contained in the financial strategy included in this Long Term Plan. The quantified limit is the Local Government Cost Index plus 5%, excluding significant new levels of service and growth in ratepayer numbers.



Rates affordability benchmarks

The Counil meets the rates affordability benchmark if -
- its actual rate income equals or is less than each quantified limit on rates: and
- it actual rates increases equal or are less than each quantified limit of rates increases

The following graph compares the Council's planned rates with a quantified limit on rates contained in the financial strategy included in this Long Term Plan. The quantified limit is the indicative rate increase limit.

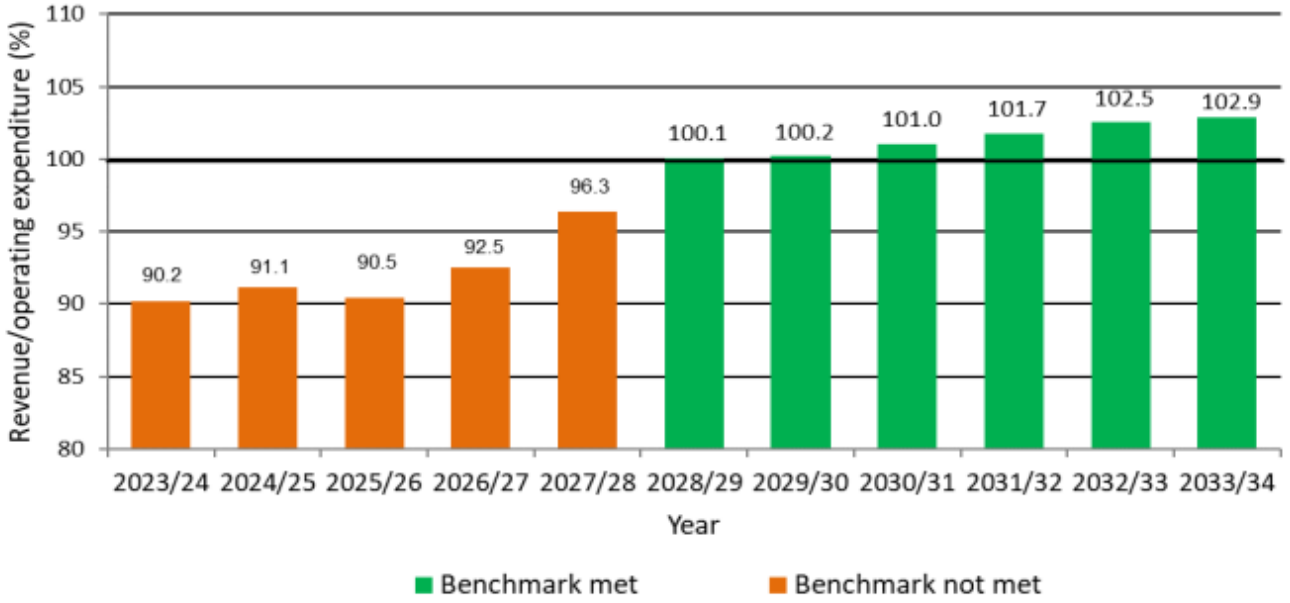


Rates in the funding impact statement and the statement of comprehensive revenue and expenses include rates revenue that is specifically excluded from this benchmark in line with Council's Financial Strategy. These include:
- new levels of service
- growth in the number of ratepayers
- increases in the volume of water supplied that will be charged through metering

Balanced budget benchmark

The following graph displays the Council's planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant and equipment) as a proportion of planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant and equipment).

The Council meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses.



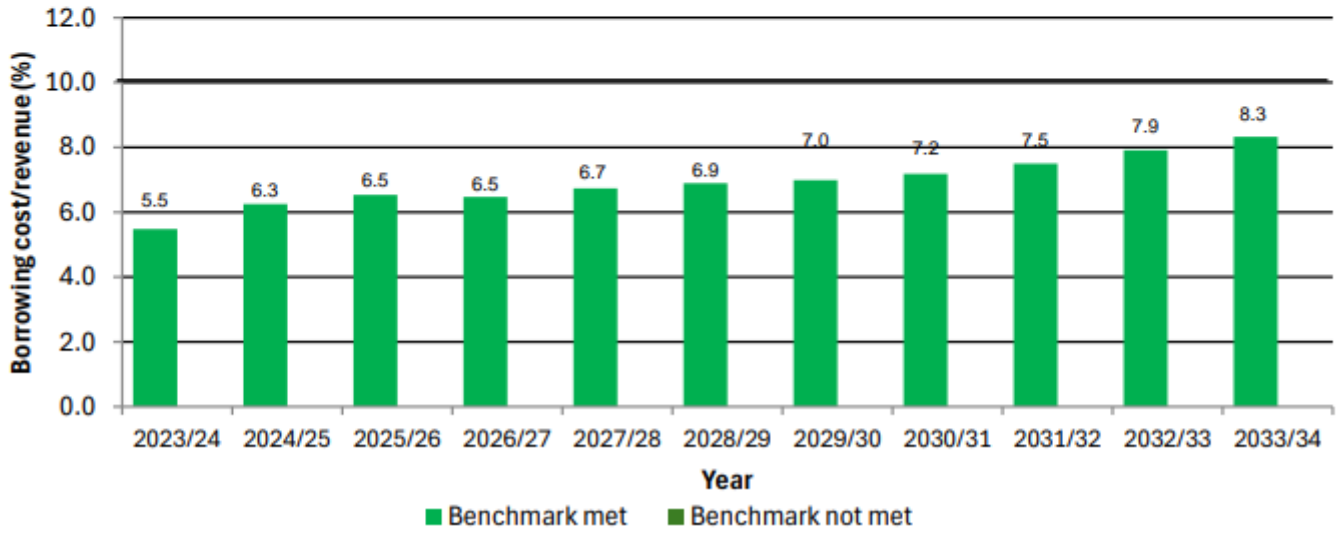
The main reasons for not meeting the benchmark are:

- excluding vested assets
- not funding depreciation on non-strategic assets
- not funding depreciation on the portion of roading subsidised by New Zealand Transport Agency
- not funding the interest expense on loans taken out for growth purposes when the interest and principal repayment will be met from future development contributions

Debt servicing benchmark

The following graph displays the Council's planned borrowing costs are a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluation of property, plant and equipment).

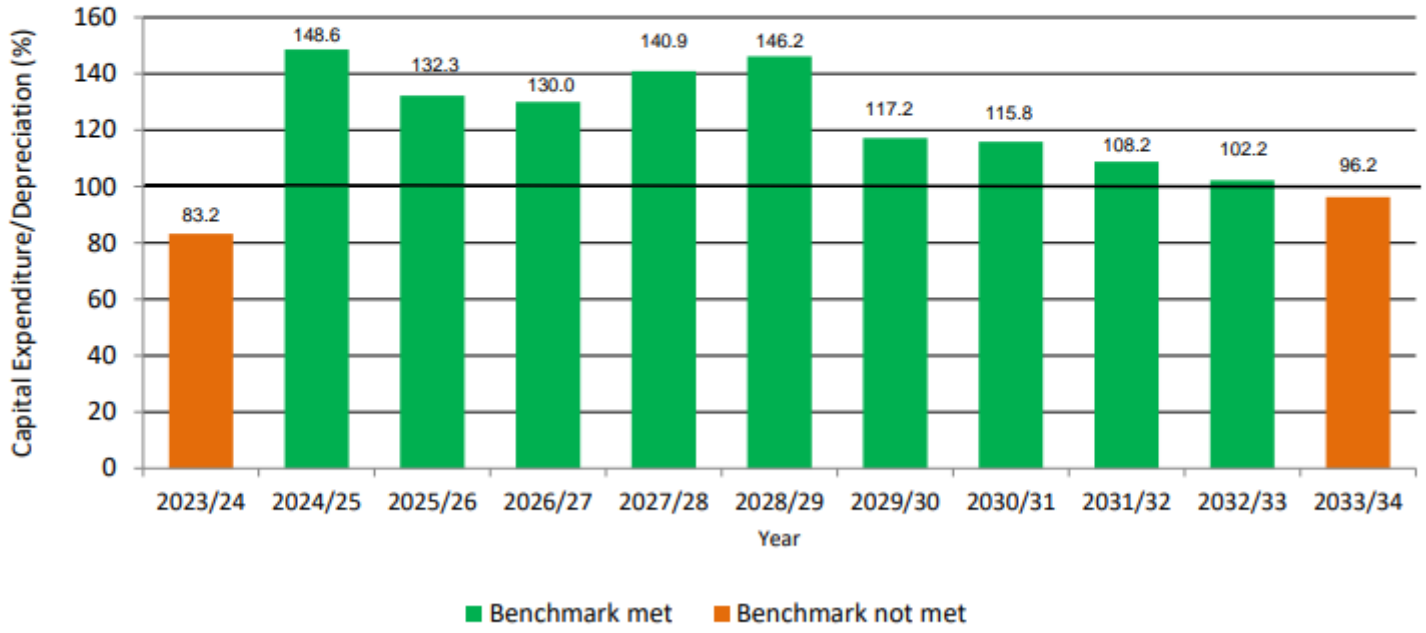
Because Statistics New Zealand projects the Council's population will grow as fast as the national population is projected to grow, it meets the debt servicing benchmark if it planned borrowing costs equal or are less than 10% of it planned revenue.

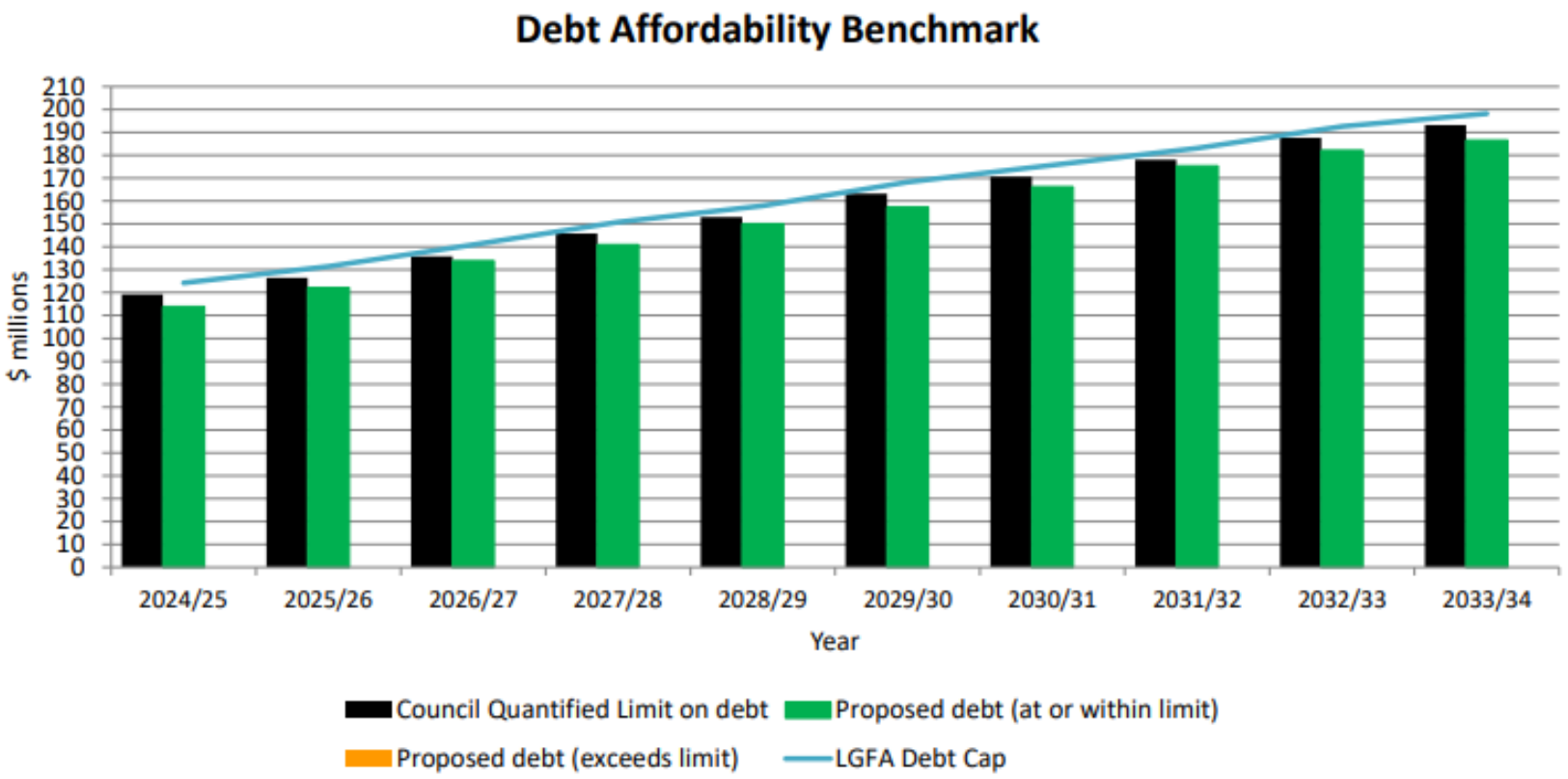


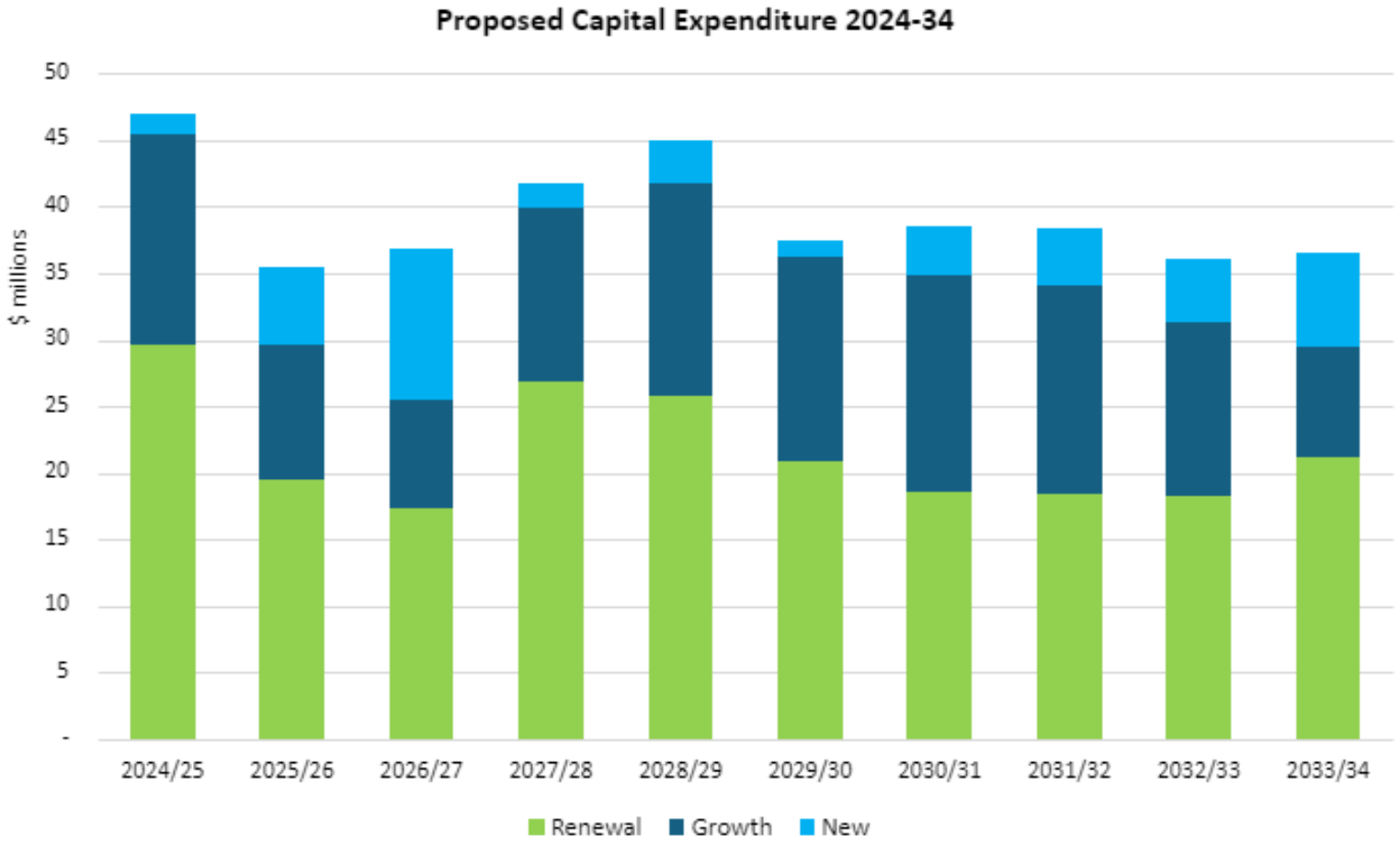
Essential services benchmark

The following graph displays the Council's planned capital expenditure on network services as a proportion of expected depreciation on network services.

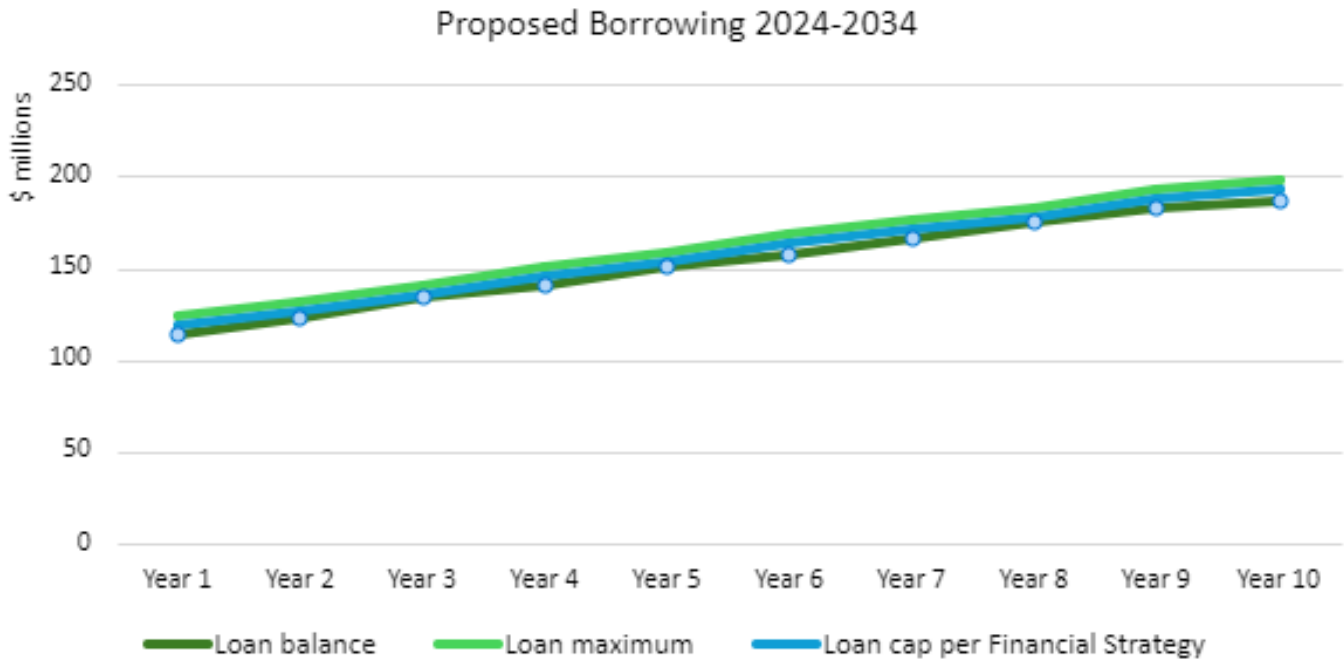
The Council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.




Debt Affordability Benchmark
$ millions
210
200
190
180
170
160
150
140
130
120
110
100
90
80
70
60
50
40
30
20
10
0
2024/25
2025/26
2026/27
2027/28
2028/29
2029/30
2030/31
2031/32
2032/33
2033/34
Year
Council Quantified Limit on debt
Proposed debt (at or within limit)
Proposed debt (exceeds limit)
LGFA Debt Cap


Proposed Capital Expenditure 2024-34
$ millions
50
45
40
35
30
25
20
15
10
5
-
2024/25
2025/26
2026/27
2027/28
2028/29
2029/30
2030/31
2031/32
2032/33
2033/34
Renewal
Growth
New

Whole FIS	47,034	35,393	36,882	41,798	45,026	37,479	38,520	38,330	36,101	36,509
	2024/25	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**2029/30**	**2030/31**	**2031/32**	**2032/33**	**2033/34**
New	1,634	5,754	11,381	1,933	3,287	1,286	3,678	4,301	4,830	7,043
Growth	15,793	10,076	8,137	13,048	15,971	15,396	16,208	15,543	13,080	8,262
Renewal	29,607	19,562	17,364	26,817	25,768	20,798	18,634	18,487	18,191	21,204
Total	47,034	35,393	36,882	41,798	45,026	37,479	38,520	38,330	36,101	36,509



6.9 Statement of Accounting Policies

Statement of Accounting Policies

Adopted:	5 October 2023
Date last reviewed / Reconfirmed:	TBA
Next review due:	5 October 2026
Policy type:	Governance
Reviewer	Chief Financial Officer
Policy version	TBC

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Reporting entity

Manawatū District Council (Council) is a territorial local authority governed by the Local Government Act 2002 and is domiciled and operates in New Zealand.

The Group consists of Manawatū District Council, which is the controlling entity and four controlled entities; The Feilding Civic Centre Trust, the Manawatū Community Trust, Awahuri Forest / Kitchener Park Trust and Heartland Contractors Ltd (100% owned). The Group also includes Central Economic Development Agency Limited, (50% owned) and Manawatū Wanganui LASS (14.3% owned). All entities are incorporated and domiciled in New Zealand. The Council is not aware of any restrictions that may have been imposed upon the CCO's other than normal banking covenants, or any risks associated with them.

The primary objective of Council is to provide goods or services for the community and social benefits, rather than making a financial return. Accordingly, Council has designated itself and the Group as Public Benefit Entities (PBEs) as defined under the Public Benefit Entities International Public Sector Accounting Standards (PBE IPSAS).

The financial statements are for the Manawatū District Council as a separate legal entity. Consolidated prospective financial statements comprising the Council and its controlled entities have not been prepared because the differences to Council prospective financial statements are not material.

Basis of preparation

The accounting policies set out below have been prepared on a going concern basis and have been applied consistently to all periods present in these prospective financial statements. These prospective financial statements have also been prepared based on the assumptions stated.

Statement of compliance

The prospective financial statements of Council have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

The prospective financial statements and service performance information have been in accordance prepared to comply with PBE accounting standards for a Tier 1 entity.

These prospective financial statements comply with the PBE Standards

The prospective financial statements have been prepared on an historical cost basis, except for assets and liabilities, which are recorded at fair value. These are detailed in the specific policies below.

Presentation currency and rounding

The prospective financial statements are presented in New Zealand dollars and values are rounded to the nearest thousand dollars ($'000). Consequently there may be rounding discrepancies in the financial statements.

The functional currency of Council and its controlled entities and associates is New Zealand dollars.

Summary of significant accounting policies

Controlled entities

In the Group financial statements Council consolidates all entities where Council has the capacity to control its financing and operating policies, to obtain benefits from the activities of that entity. This power exists where Council controls the majority voting power on the governing body, or where such policies have been irreversibly predetermined by Council, or where the determination of such policies is unable to impact materially on the level of potential ownership benefits that arise from the activities of the controlled entity.

Council's investment in its controlled entities is carried at cost in Council's parent entity financial statements.

Associates

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

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

Where the Group transacts with an associate, surpluses or deficits are eliminated to the extent of the Group's interest in the associate. Dilution gains or losses arising from investments in associates are recognised in the surplus or deficit.

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

Joint ventures

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. For jointly controlled operations Council and Group recognises in its financial statements the assets it controls, the liabilities and expenses it incurs, and the share of income that it earns from the joint venture.

Exchange transactions

Exchange transactions are transactions where Council receives assets (primarily cash) or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services, or use of assets) to another entity in exchange.

Non-exchange transactions

In a non-exchange transaction Council either receives value from or gives value to another entity without directly giving or receiving approximately equal value in exchange.

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As Council satisfies a present obligation (recognised as a liability) in respect of an inflow of resources from a non-exchange transaction (recognised as an asset), it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Revenue

Revenue is measured at the fair value of consideration received or receivable. Revenue may be derived from either exchange or non-exchange transactions.

Specific revenue policies

Specific accounting policies for major categories of revenue are outlined below:

- Rates are set annually by a resolution by Council and are recognised at the start of the financial year to which the resolution relates. All ratepayers are invoiced within the financial year to which the rates have been set.

- Rates arising from late payment penalties are recognised as revenue when penalties are applied on overdue rates as per Council's rates resolution.

- Rates remissions are recognised as a reduction of rates revenue when Council has received an application that satisfies its rates remission policy.

- Water billing revenue is recognised on an accrual basis. Unbilled usage, as a result of unread meters at year-end, is accrued on an average usage basis.

- Government grants and subsidies are recognised upon entitlement, which is when the conditions pertaining to eligible expenditure have been fulfilled. The most significant government grant is from New Zealand Transport Agency, which subsidises part of the costs in maintaining the local roading infrastructure network.

- Revenue from other services is recognised when the service has been rendered to a third party.

- Fees and charges for building and resource consent services are recognised on a percentage completion basis with reference to the recoverable costs incurred at balance date.

- Sales of goods are recognised when the goods are delivered.

- Interest revenue is accrued on a time basis, by reference to the investment principle and the effective interest applicable.

- Dividends (net of imputation credits) are recognised when the right to receive payment has been established.

- Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as revenue. Assets vested in Council are recognised as revenue when control over the asset is obtained.

- Revenue derived through acting as an agent for another party is recognised as a commission or fee on the transaction.

- Development contributions are recognised as revenue when Council provides, or is able to provide, the services that gave rise to the charging of the contribution. Otherwise, development contributions are recognised as liabilities until Council provides, or is able to provide, the service.

Borrowing costs

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

Cost allocation

Costs directly attributable to an activity are charged directly to that activity. Indirect costs are charged to activities using appropriate cost drivers such as; actual usage, staff numbers and floor area.

Foreign currency

Foreign currency transactions are translated into New Zealand dollars (the functional currency) using the spot exchange rate prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denomination in foreign currencies are recognised in the surplus or deficit.

Grant expenditure

Non-discretionary grants are those grants that are awarded if the grant application meets a specified criteria. Expenditure is recognised when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where Council has no obligation to award on receipt of the grant application. Expenditure is recognised when a successful applicant has been notified of Council's decision.

Income tax

Income tax expense includes current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

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

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the economic entity expects to recover or settle the carrying amount of its assets and liabilities.

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

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

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

Goods and Service Tax (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Financial instruments

Council is party to financial instruments as part of its normal operations. These include bank accounts, investments, accounts receivable, accounts payables and borrowings. All financial

instruments are recognised in the statement of financial position and all revenues and expenses in relation to financial instruments are recognised in the statement of financial performance.

Unless otherwise covered by a separate policy, all financial instruments are reported at their fair value.

Cash and cash equivalents

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

Debtors and other receivables

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

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

In measuring ECLs, receivables have been grouped into rates receivables, and other receivables, and assessed on a collective basis as they possess shared credit risk characteristics.

They have then been grouped based on the days past due. A provision matrix is then established based on historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

Rates are "written-off":

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

• in accordance with the write-off criteria of sections 90A (where rates cannot be reasonably recovered) and 90B (in relation to Māori freehold land) of the Local Government (Rating) Act 2002.

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

Financial assets

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

• amortised cost;

• fair value through other comprehensive revenue and expense (FVTOCRE); or

• fair value through surplus and deficit (FVTSD).

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

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

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

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

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

Initial recognition of concessionary loans

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

Financial assets at fair value through surplus or deficit

This category has two sub-categories: financial assets held for trading, and those designated at fair value through surplus or deficit at inception.

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading. Gains or losses due to change in fair value are recognised in the surplus or deficit.

Currently, Council does not hold any financial assets in this category.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

After initial recognition, they are measured at amortised cost using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Loans to community organisations made at nil or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return of a similar financial instrument. The difference between the face value and the present value of the expected future cash flows of the loan recognised in the surplus or deficit as grant expenditure. The loans are subsequently measured at amortised costs using the effective interest method.

Council has provided a number of loans or advances to community-based organisations that have specific conditions attached. In some circumstances these loans are only repayable should the community-based organisation cease to operate in accordance with the loan conditions. Those loans that are not expected to be repaid to Council in the foreseeable future are recorded at fair value and shown as a contingent asset.

Receivables are classified as "Accounts Receivables" in the statement of financial position. Advances and loans are classified as “Other Financial Assets” in the statement of financial position.

Held-to-maturity investments

Held-to-maturity investments are assets with fixed or determinable payments and fixed maturities that Council has the positive intention and ability to hold to maturity. e.g. Local Government Stock and Bonds.

After initial recognition they are measured at amortised cost using the effective interest method less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Financial assets at fair value through other comprehensive revenue and expense

Financial assets at fair value through other comprehensive revenue and expense are those that are designated as fair value through equity or are not classified in any of the other categories above.

This category encompasses:

- Investments that Council intends to hold long-term, but may be realised before maturity; and
- Shareholdings held for strategic purposes (other than Council's investments in its controlled entity).

Gains and losses are recognised directly in other comprehensive revenue and expense except for impairment losses, which are recognised in the surplus or deficit. In the event of impairment, even though the asset has not been derecognised, any cumulative losses previously recognised in other comprehensive revenue and expense will be recognised in the surplus or deficit. On derecognition of the asset the cumulative gain or loss previously recognised in other comprehensive revenue and expense is recognised in the surplus or deficit.

Impairment of financial assets

Financial assets are assessed for objective evidence of impairment at each balance date. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the surplus or deficit.

Non-current assets held for sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit. Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal economic entity) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal economic entity classified as held for sale continue to be recognised.

Property, plant and equipment

Property, plant and equipment consists of:

- Operational assets: includes land, buildings, library books, plant and equipment, and motor vehicles.
- Restricted assets: includes parks, reserves and associated assets owned by Council, which provide a benefit or service to the community and cannot be disposed of because of legal or other Council restrictions.
- Infrastructure assets: the fixed utility systems that provide a continuing service to the community and are generally regarded as non-tradeable. Each asset class includes all items that are required for the network to function. For example, sewer reticulation includes reticulation piping and sewer pump stations.

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

Cash and non-cash generating assets

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

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

Cash generating assets are those assets that are held with the primary objective of generating a commercial return. Council does not hold any cash-generating assets.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land (which is not depreciated), at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The residual value and useful life of an asset is reviewed and adjusted, if applicable, at each financial year-end.

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

Asset class	Useful life	Depreciation Rate
Non Infrastructural assets		
Buildings and Improvements	40 – 80 years	0.3 – 28.5%
Plant and equipment	3 – 10 years	2 – 33%
Motor vehicles	3 – 5 years	20 – 33%
Library books	10 years	10%
Infrastructural assets		
Roading network		
Top surface (seal)	2 – 23 years	4.3 – 33.3%
Pavement (base course)	69 years	1.45%
Sealed	69 years	1.45%
Unsealed	-	Not Depreciated
Formation	-	Not Depreciated
Culverts	50 – 100 years	1 – 2%
Footpaths	25 – 70 years	1.4 – 4%
Kerbs	50 – 67 years	1 – 1.49%
Signs	15 years	6.67%
Streetlights	25 – 70 years	1.4 – 4%
Bridges	50 – 100 years	1 – 2%
Water system		
Pipes	34 – 120 years	0.8 – 2.9%
Valves, hydrants	50 years	2%
Pump stations	25 years	4%
Treatment, supply and storage	10 – 100 years	1 – 10%
Wastewater system		
Pipes	34 – 120 years	0.8 – 2.9%
Manholes	100 years	1%

Pump stations	25 years	4%
Treatment plant	10 – 50years	2 – 10%
Drainage network		
Pipes	34 – 120 years	0.8 – 2.9%
Manholes, cesspits	100 years	1%

Additions

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

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Disposals

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

Work in progress

All assets constructed by Council are initially recorded as work in progress. Work in progress is recognised at cost less impairment and it is not depreciated. Upon completion, these assets are transferred to their relevant asset class and depreciation commences.

Revaluation

Those asset classes that are revalued are valued on either a one-year or a three-yearly valuation cycle on the basis described below. All other asset classes are carried at depreciated historical cost. The carrying values of revalued items are reviewed at each balance date to ensure that those values are not materially different to fair value. If a material difference exists, a revaluation will be undertaken.

Operational and restricted: land and buildings

These assets are revalued to fair value as determined from market-based evidence by an independent valuer. The most recent valuation was performed by Quotable Value NZ as at 30 June 2022. Council's policy is to revalue land and buildings every three years

Infrastructural asset classes: water supply, wastewater, stormwater, drainage systems and roads

These assets are revalued annually to fair value on a depreciated replacement cost basis. The valuation was performed internally by engineering staff and will be peer reviewed every three years. The most recent valuation was 30 June 2023.

Land under roads

Land under roads was valued based on fair value of adjacent land determined by Tony Jones of Quotable Value NZ, effective 1 July 2005. Council has elected to use the fair value of land under roads as at 30 June 2005 as deemed cost. Land under roads is therefore no longer revalued.

Library collections

The library collections were initially valued at depreciated replacement cost in accordance with the guidelines released by the New Zealand Library Association and the National Library of NZ. This is considered deemed cost and is no longer revalued.

Accounting for revaluations

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

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

Intangible assets

Software acquisition and development

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

Costs associated with maintaining computer software are recognised as an expense when incurred.

Staff training costs are recognised in the surplus or deficit when incurred.

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

Software is amortised on a straight-line basis over the estimated useful life of the asset (usually 4 years). The amortisation charge for each period is recognised in the surplus or deficit.

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

Easements

Easements that are an integral part of an infrastructure asset are included in the value of the asset. Other easements are not recognised.

Impairment of property, plant and equipment and intangible assets

Council's non-financial assets are split between cash generating assets and non-cash generating assets. Cash generating assets are assets held with the primary objective of generating a commercial return. Non-cash generating items are non-financial assets other than cash generating assets. The majority of Council non-financial assets are non-cash generating assets.

At each balance date, Council assesses whether there is any objective evidence that any non-financial asset has been impaired (unable to provide the intended level of service). Any impairment losses are recognised in the surplus or deficit.

If the carrying amount of a class of assets is increased as a result of a revaluation, the increase shall be credited directly to revaluation surplus. However, the increase shall be recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same class of assets previously recognised in surplus or deficit.

If the carrying amount of a class of assets is decreased as a result of a revaluation, the decrease shall be recognised in surplus or deficit. However, the decrease shall be debited directly to revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that class of assets.

Financial liabilities

Trade payables

Short-term payables are recorded at the amount payable.

Loans and borrowings

Loans/borrowings are initially recognised at their fair value.

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

Short-term employee entitlements

Employee benefits are expected to be settled within 12 months after the end of the period in which services are rendered for current rates of pay. These include salaries and wages accrued up to balance date and annual leave earned, but not yet taken, at balance date.

Annual leave has been calculated on an actual entitlement basis at current rates of pay. Sick leave has not been included, as the amount of accumulated sick leave that is anticipated to be taken in future periods is not considered to be material.

Superannuation schemes:

Defined contribution schemes

Obligations for contributions to Defined Contribution Superannuation Schemes are recognised as an expense in the surplus or deficit as incurred.

Defined benefit schemes

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

Insufficient information is available to use defined benefit accounting, as it is not possible to determine, from the terms of the scheme, the extent to which the surplus/deficit will affect future contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a Defined Contribution Scheme.

Provisions – landfill closure and aftercare costs

As the previous operator of landfills, Council has a legal obligation to rehabilitate landfill sites post-closure and to provide ongoing maintenance and monitoring services after closure. The costs to meet these post-closure landfill obligations are recognised within the provision.

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

Financial guarantee contracts

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

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

Financial guarantees are subsequently measured at the higher of:

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

Leases

Finance leases

A finance lease is a lease which transfers to the lessee substantially all the risks and benefits incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, Council recognises the leased asset and corresponding liability in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The asset is depreciated over the period Council is expected to gain benefit from the use of the asset.

Operating leases

An operating lease is a lease where the lessor effectively retains all the risks and benefits of ownership of an asset.

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Net assets/equity

Net assets or equity is the community's interest in Council and is measured as the difference between total assets and total liabilities.

The components of equity are:

- Retained earnings
- Restricted and Council created reserves
- Asset revaluation reserves

Restricted and Council created reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. These reserves may be legally restricted or created by Council.

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

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

Asset revaluation reserves

This reserve relates to the revaluation of property, plant, and equipment to fair value.

Related parties

Related parties arise where one entity has the ability to affect the financial and operating policies of another through the presence of control or significant influence. Related parties include controlled entities and key management personnel, including the Mayor and elected members, the Chief Executive and members of the executive team.

Critical judgements in applying accounting policies, estimates and assumptions

All judgements, accounting estimates and assumptions are included in the accounting policies. None is considered critical, with the exception of the following:

Properties that receive rent

Properties that receive rent have been classified as Property Plant and Equipment rather than Investment Properties, as these are held for strategic purpose rather than to earn rentals or for capital appreciation.

Landfill aftercare provision

The exposure of Council in relation to the estimates and uncertainties surrounding the landfill aftercare provision is based on discounted cash flows of estimated liability costs.

Infrastructural assets

There are a number of assumptions and estimates used when performing depreciated replacement cost (DRC) valuations over infrastructural assets. These include:

- The physical determination and condition of an asset. For example, Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets which are not visible, for example, storm water, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessment of underground assets;

- The replacement cost of an asset is based on recent construction contracts in the region for modern equivalent assets, from which unit rates are determined. Unit rates have been applied to components of the network based on size, material, depth and location. If recent contract cost information is considered out of date, it is indexed using the Consumer Price Index for civil constructions to convert them to current dollar value at the valuation date.

- Estimating any obsolescence or surplus capacity of an asset; and

- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example, weather patterns and traffic growth.

If useful lives do not reflect the actual consumption of the benefits of the asset, then Council could be over or under estimating the annual depreciation charge recognised as an expense in the surplus or deficit.

To minimise this risk, Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Economic Entity, and have been adjusted for local conditions based on experience.

Asset inspections, deterioration and condition modelling are also carried out regularly as part of Council's asset management planning activities, which gives Council further assurance over its useful life estimates.

Experienced valuers perform Council's infrastructural asset revaluations.

Comparatives

To ensure consistency with the current year, certain comparative information has been reclassified where appropriate. This has occurred:

- where classifications have changed between periods;
- where Council has made additional disclosure in the current year, and where a greater degree of disaggregation of prior year amounts and balances is therefore required; and
- where there has been a change of accounting policy.

Public Benefit Entity Prospective Financial Reporting Standards

The Council has complied with PBE FRS 42 in the preparation of these prospective financial statements.

Description of the nature of the entity's current operation and its principal activities

The Council is a territorial local authority, as defined in the Local Government Act 2002. The Council's principal activities are outlined within this Long Term Plan

Purpose for which the prospective financial statement are prepared

It is a requirement of the Local Government Act 2002 to present prospective financial statements that span 10 years and include them within the Long Term Plan. This provides an opportunity for ratepayers and residents to review the projected financial results and position of the Council. Prospective financial statements are revised annually in the Annual Plan to reflect updated assumptions and costs.

Bases for assumptions, risks and uncertainties

The financial information has been prepared on the basis of best estimate assumptions as the future events which the Council expects to take place. The Council has considered factors that may lead to a material difference between information in the prospective financial statements and actual results. These factors, and the assumptions made in relation to the sources of uncertainty and potential effect, are outlined within the Significant Forecasting Assumptions section of this Long Term Plan.

Cautionary Note

The financial information is prospective. Actual results are likely to vary from the information presented, and the variation may be material.

Other Disclosures

The prospective financial statements were authorised for issue on (*date adopted*) by Manawatū District Council. The Council is responsible for the prospective financial statements presented, including the assumptions underlying the prospective financial statements and all other disclosures. The Long Term Plan is prospective and as such contains no actual operating results.

6.10 Revenue and Financing Policy

Manawatū District Council - Revenue and Financing Policy 2024-2034

Our Revenue and Funding Policy outlines how we fund operational and capital expenditure. The Local Government Act 2002 requires us to have a Revenue and Financing Policy.

Council follows a two-step process in developing the policy. Firstly, Council determines how to group Council activities. Secondly, Council determines the funding arrangements for each activity by considering:

a. The community outcomes to which each activity primarily contributes
b. The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals
c. Over what period of time the benefits are expected to occur
d. The extent to which the actions or inaction of particular individuals or groups contribute to the need to undertake the activity; and
e. The costs and benefits, including consequences for transparency and accountability, of funding any activity distinctly from other activities.

Funding operational expenditure

Operating expenditure is what we spend on the Council's day-to-day activities – like running our community services, mowing the lawns in our parks, and collecting rubbish.

Usually, we set our operating revenue (the money we collect) at a level that pays for the operational expenditure. However, it is prudent to do something other than this for some years. If there has been an operating profit in the previous years, we may use that profit to fund subsequent years' operating expenditure. On rare occasions, we might also budget for an operational deficit if it avoids significant fluctuations in rates, fees, or charges.

We have several sources of operating revenue:

- General rates – are generally used by the Council to fund activities where the benefits flow to the district as a whole and the Council considers that the whole community should contribute to the cost.
- Targeted rates – which pay for specific activities and may be paid for by specific groups of ratepayers
- User charges and fees for council services
- Lump sum contributions
- Regional fuel tax
- Any dividends, interest, and proceeds from asset sales
- Previous year's unspent income (reserve funds).

Funding capital expenditure

Capital expenditure is what we spend on property, plant, and equipment to provide services to our community– like roads, swimming pools and the Community Hub.

As with operating revenue, we use several sources to fund capital expenditure:

- Debt to fund new capital assets
- Contributions and subsidies from other agencies, particularly government agencies (for example, NZ Transport Agency (Waka Kotahi) contributions for roading projects)

- Depreciation funds to renew assets
- Financial, Development and Capital Contributions
- Financial equity reserves (such as depreciation)

Who pays for what?

Ratepayers pay for many council activities and services costs, and some pay more than others for particular services and activities. We split the costs of providing our activities depending on who benefits, while also considering the overall impact of that allocation on the community the funding is being sourced from.

General rates are assessed based on the capital value of the property – the higher the capital value, the higher the amount of general rates paid.

Similarly, some ratepayer groups will benefit more than others from a particular service or activity. In these cases, we use a 'targeted rate'.

Those who subdivide or build new houses or commercial buildings are required to pay development contributions to fund the additional demand the development places on Council infrastructure, and associated debt cost.

We charge people user fees for services they privately benefit from, such as building and resource consents and access to the Makino Aquatic Centre.

We receive some grants and subsidies from government and other sources for activities that provide wider public benefits, such as local roads.

Over the following pages, you can read more about how our activities are funded.

Funding choices by Activity

The following pages outline how we fund council activities using the two-step process outlined above. For each activity, we specify if the funding is from public funding (rates) or private funding (user fees, subsidies).

The following table outlines how we fund each activity**.**

Activity	**Funding mix**
Community Facilities	
Cemeteries Cemeteries throughout the district benefit the community as places of mourning, remembrance, history, and recreation. Individuals directly benefit through internments of their loved ones.	**60 - 70% - General Rate (CV)** **30 - 40% -User charges (internment, plots)**
Manawatū Community Hub and Libraries The Community Hub and Libraries benefits the community through promoting social connection, learning and literacy. The Community Hub provides	**90-98% - Uniform Targeted Rate (Feilding 60%, Rural 40%)**

a facility from which community organisations can provide social services to the community. Feilding residents benefit more than rural residents due to their proximity to the Community Hub. Users benefit individually from some services (e.g. Makerspace fees, room hire).	**2-10% - User fees and charges**
Makino Aquatic Centre The activities of the Makino Aquatic Centre provide public health benefits to the community. Feilding residents benefit more than rural residents due to the proximity of the Makino Aquatic Centre. Council considers it important that the Makino Aquatic Centre remains competitive with other pools in the region, in terms of its admission fees and other charges. Pool users benefit individually from the recreational and fitness outcomes.	**80-85% -Uniform Targeted Rate (Feilding 60%, Rural 40%).** **15-20% - User fees and charges (admission, hireage, classes)**
Parks, reserves, and sports grounds The community benefits from the public health benefits from safe, well-maintained spaces for public recreation. Sport and recreational groups benefit from having well maintained facilities and infrastructure to use.	**95-98% - Targeted Rate (CV), Uniform Targeted Rate** **2-5% - User fees and charges (ground fees, hireage)**
Property The community benefits from the range of services that are provided through council-owned buildings and land. There are private benefits to community groups, businesses and not-for-profit organisations who rent or lease property from the council.	**90-95% - General Rate (CV)** **5-10% -User fees and charges (leases and rent)**
Halls and recreation complexes The community benefits from the social connectedness, cultural well-being, and emergency preparedness provided by community halls and recreation complexes. Community groups and organisations, and sport and recreational groups, benefit from having well maintained halls and recreational complexes in which to meet and carry out their activities.	**95-100% -Uniform Annual General Charge** **0-5% - Lease fees and cost recovery**

Public conveniences (toilets) The community benefits from the public health benefits of sanitary toilet facilities.	**100% -Uniform Annual General Charge**
Industrial Ultra-Fast Broadband The ultrafast broadband is a direct benefit to those within the Kawakawa/Darragh industrial area. This is a targeted rate for those properties in Kawakawa/Darragh industrial area within 10 meters of the ultrafast broadband infrastructure.	**100% - Targeted rate**
Feilding Central Business District Security Businesses in the Feilding CBD benefit the most from security services in the CBD. The community benefits from a safe CBD.	**80% - Targeted rate (CV) CBD only** **20% - General Rate (CV)**
District Development	
Community development The community benefits from the local projects, events and programmes that provide community wellbeing. The council receives grants for some of the community development activities.	**95-100% - General Rate (CV)** **0-5% - Grants**
Economic development The community benefits from the employment and economic opportunities that flow from supporting businesses and attracting investors.	**100% - General Rate (CV)**
District Planning The community benefits from the well-being and economic activity that flows from having sufficient land with suitable zoning, infrastructure, and services.	**76% - Uniform Annual General Charge** **24% - General Rate (CV)**
Emergency Management	
Emergency Management The community benefits from being well prepared for emergencies, the work to minimise effects and enable recovery when emergencies do occur.	**100% - General Rate (CV)**
Regulatory	
Animal Control The community benefits from being protected from dangerous, wandering animals.	**20% - Uniform Annual General Charge**

Animal owners should be responsible for managing their animals.	**80% - User fees and charges (registration, impoundment, infringements)**
Building Control The community benefits from safe buildings and swimming pools across the district. Property owners benefit from owning buildings that meet the statutory safety levels.	**20% - Rates - General rate (CV) 24%, Uniform Annual General Charge 76%** **80% - User fees and charges (building consents, warrants, infringements)**
Alcohol Licensing The community benefits from having premises that comply with alcohol controls. Individual businesses benefit from being able to demonstrate that they meet alcohol control requirements.	**70% - Rates – General Rate (CV) 24%, Uniform Annual General Charge 76%** **30% - User fees and charges (registration, licenses, permits, certificates)**
Environmental Health The community benefits from the public health outcomes of safe food premises, ensuring bylaw compliance, and timely responses to nuisance complaints (for example, noise). Individual businesses benefit from demonstrating to their customers that they have acceptable standards of food hygiene.	**90% - Rates - General Rate (CV) 24%,** **Uniform Annual General Charge 76%** **10% - User fees and charges (registration, licences, permits, certificates)**
Consent Planning The community benefits from safe, orderly, and consistent development across the district. Individual property owners benefit by developing properties that meet legislative requirements and community expectations.	**50% - Rates - General Rate (CV) 24%, Uniform Annual General Charge 76%** **50% - User fees and charges (consents, infringements)**
Governance and Strategy	
Governance and Strategy The community benefits from advocacy on community issues and the development of community pride and responsibility.	**95-100% Rates - General Rate (CV) 50%, Uniform Annual General Charge 50%** **0-5% - Election-related revenue (during an election year)**
Roading	
Feilding Central Business District (CBD) Redevelopment The community benefits from economic and community outcomes from an attractive CBD.	**100% - General Rate (CV)**
Roading Network – Subsidised by New Zealand Transport Agency Waka Kotahi (NZTA) The community benefits from the connectivity to the transportation network. This connectivity delivers economic and social outcomes. Well-	**49% - Targeted Rate (CV), Uniform Targeted Rate** **51% - Waka Kotahi NZTA subsidy**

designed roads and footpaths provide safety benefits.	
Roading Network (non-subsidised) Non-subsidised roading projects do not meet NZTA Waka Kotahi criteria for safety and economic benefits to the broader public compared to the status quo and, therefore, do not attract a subsidy. Manawatū District Council fully funds these projects. Residents who live and/or work on these roads are those that benefit from these projects (such as road sealing).	**100% - Targeted Rate (CV), Uniform Targeted Rate**
Solid Waste	
Solid Waste Collection and Disposal The community benefits from the public health outcomes of centralised solid waste disposal. Individual households benefit from disposal of household rubbish.	**30-40% - Uniform Annual General Charge** **60-70% - User fees and charges (blue rubbish bag sales, transfer station gate takings, fines)**
Kerbside Recycling Collection The kerbside recycling collection benefits Feilding residents and businesses by reducing personal cost for waste disposal. The community benefits through preserving the environment and saving landfill space through diverting recyclable materials. The funding of kerbside recycling is via a uniform targeted rate on those properties serviced by the Feilding kerbside recycling scheme. There is a small amount of revenue from recylcling recoverables.	**90-95% - Uniform Targeted Rate** **5-10% User fees and charges (recyling recoverables)**
Stormwater	
Rural Land Drainage The community benefits by managing the risks from flooding and retaining the productive capacity of surrounding rural land. Rural property owners benefit from protecting their land from flooding and increasing the productive capacity of their land**.**	**100% - Targeted Rate (LV) Scheme Specific**
Urban Stormwater The community benefits from protecting people and property from flooding. Individual property owners benefit from the protection from flooding. This activity is funded by a combination of the general rate (based on capital value with	**20% - General Rate (CV)** **80% - Uniform Targeted Rate**

differentials) and uniform targeted rates on areas served by the various schemes.	
Wastewater	
Wastewater The community benefits from the public health outcomes from effective wastewater disposal. Scheme users benefit from a collective wastewater disposal system. Many rural and lifestyle properties have onsite wastewater disposal so do not benefit directly from Council's reticulated wastewater network. This activity is funded via targeted rates on areas serviced by individual schemes.	**70%-80% -Targeted Rate (fixed) – connected, available, restricted** **20%-30% - Trade waste fees, rental, and lease**
Capital Contribution Targeted Rate Capital contribution targets rates are assessed on rating units where ratepayers have signed an agreement to pay their capital contribution of over set terms (either 10 or 20 years) for the Himatangi Beach Wastewater Scheme, and the Rongotea Water Scheme. Those ratepayers in Himatangi Beach and Rongotea that have signed agreements with Council benefit financially from spreading their capital contribution costs over time.	**100% Targeted Rate.**
Nursery The nursery is self-funding through internal charging for plant provision to other activity areas. Plants sold outside of Council provide a self-funding revenue stream to support Council activities. Council and other local authorities such as Horizons benefit from surplus plants being sold in a non-commercial scenario.	**100% - Plant sales and planting charges**
Water Supply	
Water supply The community benefits from the public health outcomes of safe drinking water and the community and recreational benefits of a consistent water supply. Private users benefit from a consistent and safe water supply to their properties.	**100% - Targeted Rate (fixed) – connected, available, restricted; water by Metre Rate (volumetric)**

This activity is funded through targeted rates on areas serviced by individual schemes and user fees and charges (e.g. water meters).	
Water Supply – Scheme Specific Rural water schemes provide local benefits to specific users.	**100% - Uniform Targeted Rate scheme specific rate on a per unit basis.**

6.11 Rates Remission and Postponement Policy

Rates Remissions and Postponement Policy

Adopted:	
Date last reviewed / Reconfirmed:	2009, 2012, 2015, 28/6/2018
Next review due:	2024
Policy type:	Governance
Reviewer	
Policy version	P166

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Rates Remissions and Postponement Policy

This policy applies to all land within the Manawatū district.

This policy is prepared under section 102 and 109 of the Local Government Act 2002 including sections 102(2)(e) with regard to the rating of Māori freehold land.

This policy aims to ensure the fair and equitable collection of rates from all sectors of the community.

Remissions for rates are available for properties that meet the criteria for the following:

- Properties farmed as one
- Additional dwellings that are unoccupied
- Remission of Penalties applied to rates
- Existing on-site wastewater disposal and/or water supply system
- School connected wastewater rate
- Council-owned Utilities
- Community Housing
- Charitable organisations
- Small dwellings
- Volumetrically charged water by meter rates in event of water leak
- Land affected by natural calamity
- Miscellaneous circumstances
- Noted remissions under Local Government Rating Act 2002
- Noted non rateable land under Local Government Rating Act 2002 (schedule 1)

This policy explains the conditions and criteria under which the Council might consider it appropriate to assist a ratepayer by providing rates relief.

1. Definitions:

- **Rates** means general rate, a targeted rate or a uniform annual general rate and volumetric water rate (water by meter) as set in accordance with the Local Government Act 2002 and includes a penalty added to a rate.

- **Remission** means a reduction to the amount of rates to be paid

- **Remitted rates** means rates where the requirement to pay is reduced

- **Non rateable land** means land that is not liable for general, uniform annual general and uniform targeted rates. Rates are payable for services via targeted rates where available.

- **District wide uniform rates** includes the following:
    - Uniform annual general charge
    - Parks reserves and sports grounds uniform targeted rate
    - Roading uniform targeted rate
    - Makino Aquatic Centre targeted rate
    - Library targeted rate

- **Contiguous** properties is defined in section 20 of the Local Government (Rating) Act 2002 – "Two or more rating units must be treated as one rating unit for setting a rate if those units are:
    a) Owned by the same person or persons; and
    b) Used jointly as a single unit; and
    c) **Contiguous** or separated only by road, railway, drain, water race, river or stream."

- **Charitable organisation** is a charitable entity which means a society, an institution, or the trustees of a trust that is or are registered as a charitable entity under the Charities Act 2005 and are tax exempt.

- **Small dwellings** is defined as a dwelling that meets all the following criteria:
    a) Floor area of each dwelling (not including garage) is less than 65sq metres
    b) The dwelling(s) must be used for residential purposes only
    c) The dwelling(s) must be located on one rating unit

- **Māori freehold land** is defined in the Local Government (Rating) Act 2002 as land whose beneficial ownership has been determined by a freehold order issued by the Māori Land Court.

- **Separately used Inhabited property (SUIP)** is defined as any rating unit that can be used separately or inhabited by either owner or any other person who has the right to use to use or inhabit that part by virtue of tenancy, lease, licence or other agreement. As a minimum, the land or premises is intended to form the separately used or inhabited part of the rating using must be capable of actual habitation or separate use.

  In the case of residential rating unit this requires an independent residence with independent kitchen with connected cooking facilities.
  In the case of commercial rating unit this means a building or part of a building that is, or intended to be, or able to be, separately tenanted, leased or subleased for commercial purposes.

  A SUIP does not include:
  - A residential sleep out, or granny flat without independent kitchen facilities
  - A hotel/motel/hostel room with or without kitchen facilities
  - Individual storage garage/sheds/partitioned areas of a warehouse
  - Individual offices/premises of partners in a partnership

1 Remission for properties farmed as one

1.1 Objective

This remission is to provide relief from '**district wide uniform rates**' for non-**contiguous** rating units that are farmed as a single farming operation.

1.2 Conditions and criteria

The following criteria must be met to be granted this remission:

- Ratepayers must own or occupy more than one non-**contiguous** rating unit
- The rating units must be used as a single farming operation

Note: The ratepayer must pay one 'district wide uniform rate' for the combined rating units and for each additional dwelling.

1.3 Application Process

Application must be submitted on the required form. This includes a statutory declaration signed by the owner or ratepayer confirming that the rating units are and will continue to be operated as a single farming operation.

Applications must be received before the end of the first quarter of the rating year (30 September). Applications received after this date will have the remission applied to the next rating year. Applications will not be applied retrospectively.

1.4 Delegations

The Chief Executive or Chief Financial Officer have the delegated authority to approve or decline applications under this policy.

2 Remission for additional dwellings that are unoccupied

2.1 Objective

This remission is to provide relief from '**district wide uniform rates**' applicable to an additional unoccupied dwelling on a rating unit.

2.2 Conditions and criteria

The policy applies to ratepayers who have additional dwellings that:

- Are currently uninhabited and will be uninhabited for the next 12 months
- Have had the power, water and telephone services disconnected
- Are part of **contiguous** or non-**contiguous** rating units that are owned or occupied by the same ratepayer
- Each rating unit will be charged at least one 'district wide uniform rate'

2.3 Application Process

Annual reapplication is required on a form supplied by Council. This includes a statutory declaration signed by the owner or ratepayer confirming that the additional dwelling is uninhabited and will be uninhabited for the next 12 months, and that the power, water and telephone services are disconnected.

Applications must be received before the end of the first quarter of the rating year (30 September). Applications received after this date will have the remission applied to the next rating year. Applications will not be applied retrospectively.

2.4 Delegations

The Chief Executive or Chief Financial Officer have the delegated authority to approve or decline applications under this policy.

3 Remission of penalties

3.1 Objective

This remission is to provide relief from the **penalty** incurred for non-payment of rates.

3.2 Conditions and criteria

The Council will remit the penalty incurred in the following circumstances:

- No other remission of penalty has been granted on the property within the current financial year
- Automatic remission of the penalty incurred on instalment one will be made where the ratepayer pays the total amount due for the year on or before the due date of the second instalment
- Instalment penalty will be remitted if a direct debit has been established to pay the rates in full by the end of the financial year

The Council may remit the penalty incurred where the application meets the following criteria:

- Remission of penalty will be considered in any one rating year where payment has been late as a result of significant family disruption. Remission will be considered in the case of death, illness or accident of a family member
- Remission of the penalty may be granted if the ratepayer is able to provide evidence that their payment has gone astray in the post, or the late payment has otherwise resulted from matters outside their control. Each application will be considered on its merits and remission will be granted where it is considered just and equitable to do so
- The Council may remit small balances because of cash rounding
- Where the ratepayer has entered into an arrears repayment agreement for the duration of the agreement and provided that the conditions are adhered to, the account will be exempt from current instalment penalty charges and fifty percent of arrears penalties

In implementing the policy, it is conditional that the full amount of rates due has been paid and circumstances of each case be taken into consideration on their individual merits.

3.3 Application Process

Unless the remission is initiated by Council staff, all requests for penalty remissions must be in writing (including email).

3.4 Delegations

The Chief Executive or Chief Financial Officer have the delegated authority to approve or decline applications under this policy.

4 Remission for existing on-site wastewater disposal and/or water supply system

4.1 Objective

This remission is to provide relief from the **serviceable wastewater targeted rate** (half charge) **and/or the serviceable water targeted rate** (half charge) charged for rating units that had an existing on-site wastewater disposal and/or water supply system prior to Council extending their reticulation system to the property.

4.2 Conditions and criteria

The following criteria must be met to be granted this remission
on site wastewater disposal and/or water supply systems were in place prior to Council extending the reticulation system to the property

4.3 Application Process

A written application is required from the ratepayer of the rating unit.

This remission will continue until such time as the ratepayer connects to the Council services available. This remission will not be approved retrospectively.

4.4 Delegations

The Chief Executive or Chief Financial Officer have the delegated authority to approve or decline applications under this policy.

5 Remission for school connected wastewater

5.1 Objective

This remission is to recognise that schools may be disadvantaged by the "pan charge system" and to ensure schools are fairly charged for **connected wastewater targeted rate** based on their full time equivalent on-site staff and student numbers rather than number of connections.

5.2 Conditions and criteria

The following criteria must be met to be granted this remission:

- Schools must meet the definition of an "Educational Establishment" as defined in schedule 1 of the Local Government (Rating) Act 2002

The remission will be calculated based on the following:

- Council will remit the connected wastewater rate by subtracting the sum of calculation (b) from the sum of calculation (a)
- Calculation (a) - Council's connected wastewater targeted rate (based on the number of water closets/urinals)
- Calculation (b) - the number of full time equivalent on-site students and staff divided by 20 and multiplied by the connected wastewater targeted rate. If the sum of calculation (b) is greater than (a) no remission will apply

5.3 Application Process

No application is required. Council will liaise with the Ministry of Education each year to obtain rolls numbers as at 1st March. The remission will be applied automatically, based on the roll numbers.

5.4 Delegations

The Chief Executive or Chief Financial Officer have the delegated authority to approve or decline applications under this policy.

6 Remission for Council owned utilities

6.1 Objective

This remission is to avoid incurring the rating costs to Council that would be indirectly recovered from other ratepayers. This policy provides relief of 100% remission of all fixed, uniform and targeted rates that have been set.

6.2 Conditions and criteria

The following criteria must be met to be granted this remission:

- The rating unit(s) must be a utility rated under differential category 6
- The utility is owned by Council.

6.3 Application Process

Council will apply this remission automatically.

6.4 Delegations

The Finance Operations Team Leader or Chief Financial Officer have the delegated authority to approve or decline applications under this policy.

7 Remission for Community Housing Providers

7.1 Objective

This remission is to provide relief from **50% of total rates payable excluding water by meter**, for Community Housing Providers. This is to assist Community Housing providers to establish rental housing at below market rental for low income households.

7.2 Conditions and Criteria

Rates remissions for community housing provided under this policy will be administered annually and granted no more than three times.

This remission does not apply to crown owned housing providers.

Rates may be remitted where the application meets the following criteria:

- A community housing provider that is registered as such with the Community Housing Regulatory Authority;

7.3 Application Process

An annual application is required on a form supplied by Council and must be received before the end of April to apply to the following financial year.

Applications will not be applied retrospectively.

Organisations who apply need to include:

- Proof of Community Housing status

The provision of rates relief in any year does not set a precedent for similar level of support in any future years.

Rates relief will only be granted to a maximum or three times.

7.4 Delegation

The Chief Executive, or Chief Financial Officer have the delegated authority to approve or decline applications under this policy.

8 Remission for charitable organisations

8.1 Objective

This remission is to provide relief from **50% of total rates payable including water by meter**, for charitable organisations that benefit the community.

This includes those organisations whose land may be non-rateable under Schedule 1 Section 9 of the Local Government (Rating) Act 2002.

8.2 Conditions and criteria

Rates remissions for charitable organisations under this policy will be administered annually and may be made for a multi-year term to a maximum of three years.

Rates may be remitted where the application meets the following criteria:

- Directly links with the Council's priorities as described in the Long-term Plan; and
- A rating unit that may be owned by Council or owned and occupied by a charitable organisation, which is used principally for sporting, recreation, art or community purposes; or
- A rating unit that is leased by a charitable organisation for a period of at least one year; is used principally for recreation, sporting or community purposes, and where the organisation is liable for the payment of the Council's rates under the property's lease agreement

In allocating the rates support, Council will prioritise against the following:

- Activities that support sport and recreation.
- Activities that will attract and retain residents.
- Activities that will encourage the arts and contribute to a vibrant, thriving Manawatū.

Applications will also be assessed against:

- Opportunity for participation/accessibility to Manawatū District residents
- Compliance with previous reporting requirements.

8.3 Application process

An application is required on a form supplied by Council and must be received before the end of April to apply to the following financial year. Applications will not be applied retrospectively.

Organisations who apply need to include (where applicable):

- Statement of organisation's objectives
- Current financial statement
- Proof of charitable status
- Information on activities and programmes
- Details of membership or client numbers
- Any other information that supports the application in relation to the eligibility criteria

The provision of rates relief in any year does not set a precedent for similar level of support in any future years.

8.4 Delegations

The Chief Executive, or Chief Financial Officer have the delegated authority to approve or decline applications under this policy.

9 Remission for small dwellings

9.1 Objective

This remission is to provide relief from '**district wide uniform rates**' for ratepayers in respect of rating units that have two or more separately used and inhabited parts, where one or more dwellings are considered to be small.

The Council may reduce each 'district wide uniform rate' charge by 35% on the second and subsequent small dwellings , i.e. the first 'district wide uniform rate' will be at the full rate with 35% remission applying to each subsequent 'district wide uniform rate'.

9.2 Conditions and criteria

The following criteria apply:

- Floor area of each dwelling (not including garage) is less than 65sq metres
- The dwelling(s) must be used for residential purposes only
- The dwelling(s) must be located on one rating unit

9.3 Application process

An application must be submitted on the form supplied by Council. This includes a statutory declaration signed by the owner or ratepayer confirming that the dwelling(s) have a floor space of less than 65 square metres.

Applications must be received before the end of the first quarter of the rating year. Applications received after this date will have the remission applied to the next rating year. Applications will not be applied retrospectively.

9.4 Delegations

The Chief Executive or Chief Financial Officer have the delegated authority to approve or decline applications under this policy.

10 Remission for volumetrically charged water by meter rates in the event of a water leak

10.1 Objective

To remission is to provide relief from excess **volumetrically charged water by meter rates** resulting from a water leak on a property.

10.2 Conditions and criteria

Ratepayers are liable for water supplied through the volumetrically charged water meter rates and are responsible for the maintenance of the supply system on their property. However they may experience a leak or damage to the supply of which they are unaware. Council considers it reasonable to allow a remission of water charges in these circumstances.

In certain circumstances Council may provide for relief of water by meter rates that occur as a result of leaks. The following criteria apply:

- Council is satisfied a leak on the property has caused the excessive consumption and the leak has been repaired
- The remission granted will be based on the excess water usage, less the property's normal consumption of water for similar periods
- The remission will apply to the quarter the leak was identified and the following quarter, providing adequate time to repair the leak. Where there are extenuating circumstances, the period of the remission may be extended
- It is the ratepayer's responsibility to maintain the water assets on their property. Recurring leaks may be an indication of systemic failure and the remission may be declined

10.3 Application process

An application must be made in writing explaining the circumstances of the situation and providing evidence of the remedial action taken to repair the leak.

10.4 Delegations

The Chief Executive or Chief Financial Officer have the delegated authority to approve or decline applications under this policy, following the recommendation from the General Manager – Infrastructure or Utilities Manager.

11 Remission for land affected by natural calamity

11.1 Objective

This remission is to provide relief from **all, part of , any rate on any rating unit** to assist ratepayers experiencing financial hardship due to a natural calamity.

11.2 Conditions and criteria

Remissions approved under this policy will be applied only for each specific event and only to property affected by the event, and should not be considered as precedent setting.

The Council may remit all, or part of, any rate on any rating unit where the application meets the following criteria:

- Where erosion, subsidence, submersion or other natural calamity has affected the use or occupation of any rating unit
- It is applicable for each single event. This does not apply to erosion, subsidence etc that may have occurred without a recognised major event

Council has discretion in applying this remission and may change criteria with each event. In exercising this discretion Council will consider the nature and the severity of the event and available funding at the time.
The Council may require financial or other records to be provided as part of the remission approval process.

11.3 Application process

The application process will be determined by Council at the time of determining the criteria for each event.

11.4 Delegations

An individual event or calamity is to be approved by Council.

12 Remission for land that does not meet the definition of a Separately Used or Inhabited part of a rating unit (SUIP)

12.1 Objective

This remission is to recognise parcels of land that do not meet the definition of a SUIP and are therefore provided relief of the **district wide targeted rates.**

12.2 Condition and criteria

Land that does not meet the definition of a Separately Used or Inhabited part of a rating unit.

12.3 Application

Council will apply this remission automatically if the status is determined. In other cases written application is required.

12.4 Delegation

The Finance Operations Team Leader or Chief Financial Officer have the delegated authority to approve or decline applications under this policy.

13 Remission for miscellaneous circumstances

13.1 Objective

This remission is to provide rates relief where Council deems an inequity exists, or when Council deems it prudent. Council recognises that not all situations in which the Council may wish to remit rates will be provided for in Council's specific policies or necessarily be known about by the ratepayer in advance.

13.2 Conditions and criteria

The Council, rates on a rating unit where it considers it just and equitable to do so:

- The application does not meet the circumstances provided for in any of the Council's other remission policies
- Financial records may be required

13.3 Application process

Council may apply this remission if it considers the rating system is inequitable. In other cases written application from the ratepayer is required.

13.4 Delegations

The Chief Executive has the delegated authority to approve or decline applications under this policy.

14 Noted remissions provided under the Local Government Rating Act 2002

14.1 Conditions and criteria

Legislation classifies the following as being eligible for rates remissions under the Local Government Rating Act 2002 including but not limited to:

- Remission of rates on Māori freehold land generally (part 4 section 114)
- Remission of rates for freehold land under development (part 4 section 114a)
- Remission of rates Limitation on trustee liability (part 4 section 93)

14.2 Application process

Council will apply this legislation automatically where council is aware of the land status, in other cases written application is required

14.3 Delegation

The Finance Operations Team Leader or Chief Financial Officer have the delegated authority to approve or decline applications under this policy.

15 Noted non rateable land provided under the Local Government Rating Act 2002 (schedule 1)

15.1 Conditions and criteria

Legislation classifies the following as being non-rateable under schedule 1 of the Local Government Rating Act 2002 including but not limited to:

- Land owned for conservation (section 1)

- Land used by Council for gardens, halls, swimming pools (section 4)
- QE 2 Land (section 5)
- Land owned or used for school/education (section 6)
- Land used solely or principally for place of worship (section 9)
- Cemeteries/burial grounds(section 10)
- Māori Customary Land (section 11)
- Māori freehold land with a meeting house (section 13a) – Marae
- Māori freehold land with a meeting house (section 13b) Reservation
- Unused Māori freehold land (section 14a)

15.2 Application process

Council will apply this legislation automatically where council is aware of the land status, in other cases written application is required.

15.3 Delegation

The Finance Operations Team Leader or Chief Financial Officer have the delegated authority to approve or decline applications under this policy.

16 Māori Freehold Land

Council recognises its obligations to provide for the fair and equitable collection of rates from Māori freehold land, recognising that certain Māori-owned freehold lands have particular conditions, features, ownership structures, or other circumstances determining the land as having limited rateability under legislation.

This policy also acknowledges the desirability of avoiding further alienation of Māori freehold land in multiple ownership, to recognise, support and take account of:

a. Facilitating any wish of the owners to develop the land for economic use;

b. The presence of wāhi tapu (sacred places) that may affect the use of the land for other purposes;

c. The importance of associated housing in providing kaumatua (elders) support and enhancement for marae;

d. The importance of the land for community goals relating to:

i The preservation of the natural character of the coastal environment;

ii The protection of outstanding natural features; and

iii. The protection of significant indigenous vegetation and significant habitats of indigenous fauna.

e. Matters related to the legal, physical and practical accessibility of the land; and

f. Land that is in, and will continue to be in, a natural and undeveloped state.

Council acknowledges that little undeveloped Māori freehold land exists in the Manawatū District.

Council provides for a range rates relief via the remissions outlined in the sections above using various criteria which is also applicable to Māori freehold land. As a consequence the Council does not provide for any additional remissions or postponements under this policy.

17 Rates postponement policy

Council does not have a rates postponement policy.

Appendix 1 Forecasting Assumptions

Navigation page for the Significant Forecasting Assumptions

Introduction

The Local Government Act (section 17, Schedule 10) requires that the long-term plan clearly identify all the "significant assumptions and risks underlying the financial assumptions." Where a forecasting assumption involves a high level of uncertainty, we have to outline the fact of that uncertainty, and estimate the potential effects of that uncertainty on the financial estimates provided.

This section of the Long-term Plan includes the following significant forecasting assumptions:

01. Population Health
02. Population Growth
03. Distribution of the District's Growth
04. Household Growth
05. Distribution of Household Growth
06. Demographic Change
07. Land Use Change
08. Climate Change
09. Emergency Events
10. Legislative Change
11. Infrastructural Capacity
12. Achievement of Capital Works Programme
13. Useful Life of Assets
14. New Zealand Drinking Water Standards
15. Transportation Funding Assumption One
16. Transportation Funding Assumption Two
17. Transportation Funding Assumption Three
18. Resource Consents
19. Impact of Inflation on Council Budgets
20. Impact of Insurance Costs on Council Budgets
21. Interest Rates
22. Capital Works Costs
23. Valuations
24. Ability to Borrow
25. Sources of Funds for Future Replacement of Significant Assets
26. Technological Change

Format of Forecasting Assumptions

[Insert diagram here – the following become text boxes]

1. Assumption statement – this is the assumption that Council's budgets are based on. For some assumptions, this statement is supported by tables, graphs or supporting notes.
2. Alternative Assumption Statement(s) – These are alternative scenarios that Council has used to explore the risks on Council should the assumption not prove true. In understanding the risk of these alternative assumptions Council considers both the impact and likelihood of these alternatives based on the best available information.

3. Reasons & Financial Effect of Uncertainty – The Long-term Plan budget is based on the assumption statements. This section of the forecasting assumptions summarises what the impact would be on Council for each of the alternative scenarios Council has considered.
4. Mitigating Factors – These are actions or strategies that Council uses to minimise the potential risks associated with these alternative assumptions.
5. Source – This is the information that Council has used when preparing both the assumption and the alternative assumption scenarios.

Assessing Risk

Council utilises the following risk matrix when assessing the risk of each alternative assumption scenario on Council's financial estimates. For each alternative, Council considers both the likelihood of the alternative proving true (from rare to almost certain) and the impact on Council if the alternative proves true (from minor to worst case). The overall risk score assigned to each alternative scenario is calculated by multiplying the likelihood score by the impact score.

	IMPACT					
LIKELIHOOD		Minor (1) Temporary disruption or limited impact on ability to deliver the activity. Very few lives affected.	Moderate (2) Moderate impact on ability to deliver activity. Few lives are effected.	Major (4) Major impact on ability to deliver activity or to standard required. Some lives affected.	Severe (8) Serious or long-term impact on ability to deliver activity or deliver to the standard required. Many lives are affected.	Worst Case (16) Impact on delivery of activity is severely compromised or may not occur at all. High % of community affected.
	Almost Certain (5) Is expected to occur in most circumstances	Guarded	Moderate	High	Extreme	Extreme
	Likely (4) Will probably occur in most circumstances	Guarded	Moderate	High	Extreme	Extreme
	Possible (3) Might occur at some time	Guarded	Guarded	Moderate	High	Extreme
	Unlikely (2) Could occur at some time	Low	Guarded	Moderate	High	High
	Rare (1) May only occur in exceptional circumstances	Low	Low	Guarded	Moderate	High

Population Health

Assumption: There will not be any Government-mandated restrictions or widespread community transmission of infectious diseases over the life of the Long-term Plan.

Alternative	That there will be a lockdown or significant community transmission over the life of the Long-term Plan.
Impact	**Moderate** If government restrictions (similar to those seen in response to COVID-19) were introduced, this would impact on the collection of revenue from Council facilities. The government restrictions across the 2019/20 financial year resulted in a decreased revenue intake from Council facilities of $70,000. Council also made the decision to have a 0% rates increase for the 2020/21 financial year, in an effort to help residents who were suffering economically due to the pandemic. Existing projects were funded from the Council's emergency reserves and there were no increases to staff salaries or wages for that year. The Council could also be required to respond to restrictions which would incur additional costs. The impact on Council finances would depend on the magnitude and nature of restrictions imposed. Widespread community transmission of infectious diseases could result in ongoing issues around staff shortages as was the case with COVID-19. The COVID-19 lockdown in 2020 and ongoing staff shortages due to illness delayed many projects including the Community Hub, and earthquake strengthening of the Council Administration Building. The COVID-19 lockdown also affected the Council's ability to undertake inspections for building and compliance purposes, impacting on its ability to meet measures and targets. It has been widely observed that COVID-19 and associated restrictions have increased social isolation in individuals. Social isolation is particularly impactful on older individuals, as it has serious impacts on many physical and psychological health conditions (National Academies of Sciences, Engineering, and Medicine, 2020). This includes dementia, heart disease, stroke, depression, anxiety, suicide and congestive heart failure. The World Health Organization has increasingly recognised social isolation as being a priority public health issue. Council's purpose includes promoting the social wellbeing of its communities, alongside physical, cultural and environmental wellbeing. This means that Council has a role to play in helping to rebuild social connections, and must consider social wellbeing as one of the key outcomes of projects and services.
Likelihood	**Unlikely** **While uncertainty remains around whether significant community transmission of infectious diseases is likely to re-occur, and whether new strains of the COVID-19 virus will emerge, it is unlikely that the government would impose wide-scale restrictions as have been seen in the recent past.** **The national response to COVID-19 was successful at limiting widespread community transmission of the disease. The vaccination rollout across the country was widespread, and over 90% of those aged 12 and over have now**

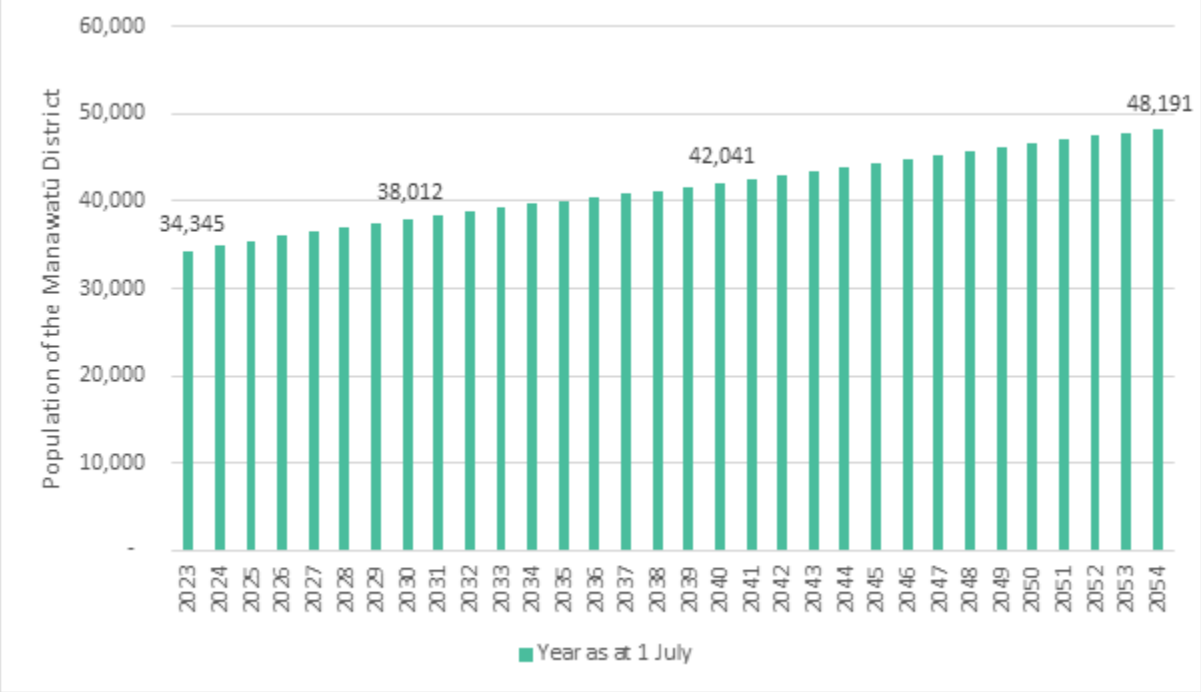
	received the primary course (first and second dose) of the vaccine (Te Whatu Ora, 2023). In 2022 there were 216 positive test results submitted by staff, and there have been 37 positive test results in 2023 (as at 04 December 2023). This decrease in positive test results indicates that COVID-19 is having less of an impact on staffing levels over time. **While it is possible that there would be further community outbreaks of COVID-19 that would result in government restrictions being imposed, the risk of this is declining due to significant increases in national vaccination rates.**
Overall Risk	**Guarded (4)**
Reasons & Financial Effect of Uncertainty	**Reduced revenue from community facilities would impact on the level of funding available for delivery of services.**
Mitigating Factors (if applicable)	**While the Council would experience negative impacts from the introduction of government restrictions, the local economy would be insulated from the worst impacts of these due to limited reliance on visitors for the collection of Council revenues.** **In the event of wide-scale restrictions that force council facilities to temporarily close, costs associated with operating the Makino Aquatic Centre would be reduced as energy and casual/seasonal costs would be avoided. This would offset some of the loss in revenue associated with closure of the pool.** Council is also able to change the public and private funding splits for Council facilities such as the Makino Aquatic Centre and the Manawatū Community Hub to increase the proportion collected from rates, as opposed to user fees and charges. Changes to the funding split would provide a buffer from the impacts of any government restrictions.
Sources	National Academies of Sciences, Engineering, and Medicine. (2020). *Social Isolation and Loneliness in Older Adults: Opportunities for the Health Care System*. Washington, DC: The National Academies Press. https://doi.org/10.17226/25663 Te Whatu Ora. (2023). *COVID-19 vaccine data*. COVID-19 vaccine data – Te Whatu Ora - Health New Zealand

Population Growth

In the absence of Statistics New Zealand subnational projections, the population growth projections for the Manawatū District were commissioned from Infometrics.

Assumption: That the population of the Manawatū District will increase from 34,345 residents in 2023 to 48,191 in 2054 (Infometrics High scenario).
The population of the Manawatū District is expected to grow by an average of 1.5% per annum from 2023 to 2030, by 1.06% per annum over the period from 2030 to 2040 and by 1.04% over the period from 2040 to 2054 (Infometrics High Scenario).

Figure 1: Population Growth 2023 to 2054 (based on Infometrics High Scenario, May 2023)



Alternative 1	That the resident population of the Manawatū District will increase more rapidly than forecast in Figure 1.
Impact	**Moderate** Significantly higher population growth may impact negatively on levels of service as roading and community infrastructure has insufficient capacity to meet demand. Council may need to rezone land sooner than planned to accommodate increased demand for new houses. Ministries and agencies rely on population growth assumptions contained in Council's Long-term Plan for their own planning. If Council underestimates the rate of population growth, this will impact on planning for services and facilities such as in the areas of health, education, social housing, community facilities, infrastructure, business etc. If service and facility provision does not match community needs, this can detrimentally affect community wellbeing.
Likelihood	**Possible** Population forecasts are based on the "High" growth scenario published by Infometrics (May 2023). The population projections follow a traditional cohort component projection method. The projection approach starts with employment forecasts, driven by a

	combination of historical trends and assumptions for future forecasts, including carbon pricing and further adoption of automation technology. Employment forecasts inform part of projected net migration. Net migration forecasts also consider housing capacity and commuting patterns, particularly between Palmerston North and Feilding. According to Infometrics forecasts, Palmerston North is expected to take a greater share of the combined area's population growth in the future as large greenfield residential areas become available, and as changes around highly productive land may adversely affect Manawatū's residential land supply. The introduction of emission pricing in 2025 is expected to have the effect of reducing agricultural intensity and encouraging forestry, resulting in a reduction in on-farm and off-farm (e.g. dairy and meat processing) employment. International net migration is forecast to recover slowly due to highly competitive global markets for migrants. Positive migration to provincial and rural areas is expected to persist, with post-pandemic trends of working remotely or from home bolstering regional migration. The long-term ageing of the population means that the gap between births and deaths is closing. By 2050, deaths are projected to outnumber births and the population will be entirely reliant on net migration to avoid any decline. The above factors are reflected in the population growth scenario adopted as a basis for the 2024-34 Long-term Plan. Council adopted Infometrics "High" scenario as the most likely scenario for the following reasons: 1. The medium 10-year growth scenario is likely to understate growth due to the overly conservative baseline assumptions within Infometrics employment and population forecasts. For example, the assumption of 30,000 net international migration per annum has already been proven to be understated, with a provisional net migration gain of 52,000 in the year ended February 2023.[1] 2. MDC considers that the Infometrics projections overstate the impacts of the NPS-HPL on lifestyle development in the Manawatū. MDC will still be enabling rural lifestyle development on class 4 – 7 land. 3. Insufficient consideration has been given to existing residential growth capacity within Precinct 4 to the north of Feilding, within the deferred residential zones 1 – 3 and around the rural villages. 4. Council is in the process of opening up large areas of industrial land for development within the Kawakawa Industrial Park (Precinct 5), facilitated by the construction of the Turners Road Extension. MDC is expecting high employment growth as new industrial businesses become established in this area. The current employment forecasts that inform the population forecasts do reflect this expected growth.
Overall Risk	**Guarded (6)**
Reasons & Financial Effect of Uncertainty	Significantly higher population growth than expected will put pressure on existing roading and community infrastructure and services. Council may need to find ways of raising the extra revenue required or consider lower levels of service. Higher than expected population growth will also mean that Council receives more development contributions. This will help to partially offset higher expenditure on servicing this growth.

Mitigating Factors (if applicable)	Council regularly reviews population growth and development trends through the following processes: 1. Monitoring and reporting under the National Policy Statement – Urban Development (NPS-UD); 2. Annual Estimated Resident Population (ERP) from Statistics New Zealand; 3. Long-term Plan process Major projects and significant changes to levels of service are assessed against affordability through the Annual Plan Process. In addition, subdivision and building consent data is used for annual updates to the schedule of works contained within Council's Development Contributions Policy. Through the above processes, actual growth will be assessed against projected growth enabling review of the need for, and timing of capital expenditure over the 10 Year Plan period. Growth projects may be brought forward due to excess demand for new roading or community infrastructure.
Source	Infometrics (Brunsdon, 2023) Manawatū-Whanganui Region population projections, High scenario. International Migration: February 2023 (Statistics New Zealand, 2023).

Alternative 2	**That the resident population of the Manawatū District will increase more slowly than forecast in Figure 1.**
Impact	**Minor** Significantly lower population growth rates than forecast will mean that Council's revenue from rates and development contributions will be less than forecast. This may mean that planned investment in new roading and community infrastructure is deferred. Decreased rates revenue may also increase costs for current ratepayers to fund capital projects and service delivery. If Council significantly overestimates population growth rates, this may result in an over-supply of community facilities and services provided by Ministries and external agencies that rely on this data, including in the areas of health, education, social housing, community facilities, infrastructure and business.
Likelihood	**Possible** Population forecasts are based on the high growth scenario published by Infometrics in January 2023 and updated in May 2023. These forecasts have anticipated a slow recovery to international net migration as global competition for migrants increases and slowing population growth through natural increase. While the projections are based on the best information currently available, uncertainty is elevated due to uncertainty about the effect of emissions pricing for agriculture on employment in this sector and the effect of national direction such as the NPS-HPL on residential land supply and development trends between Feilding and Palmerston North. The additional layer of uncertainty imposed by national direction and climate change policy has increased the likelihood of lower than forecast population growth from unlikely to possible.
Overall Risk	**Guarded (3)**
Reasons & Financial Effect of Uncertainty	Lower rates of population growth could increase the costs per property of delivering agreed levels of service. Lower than expected population growth will also mean that Council collects less revenue through development contributions. This will require Council to revisit the need for, and timing of capital projects to support growth.

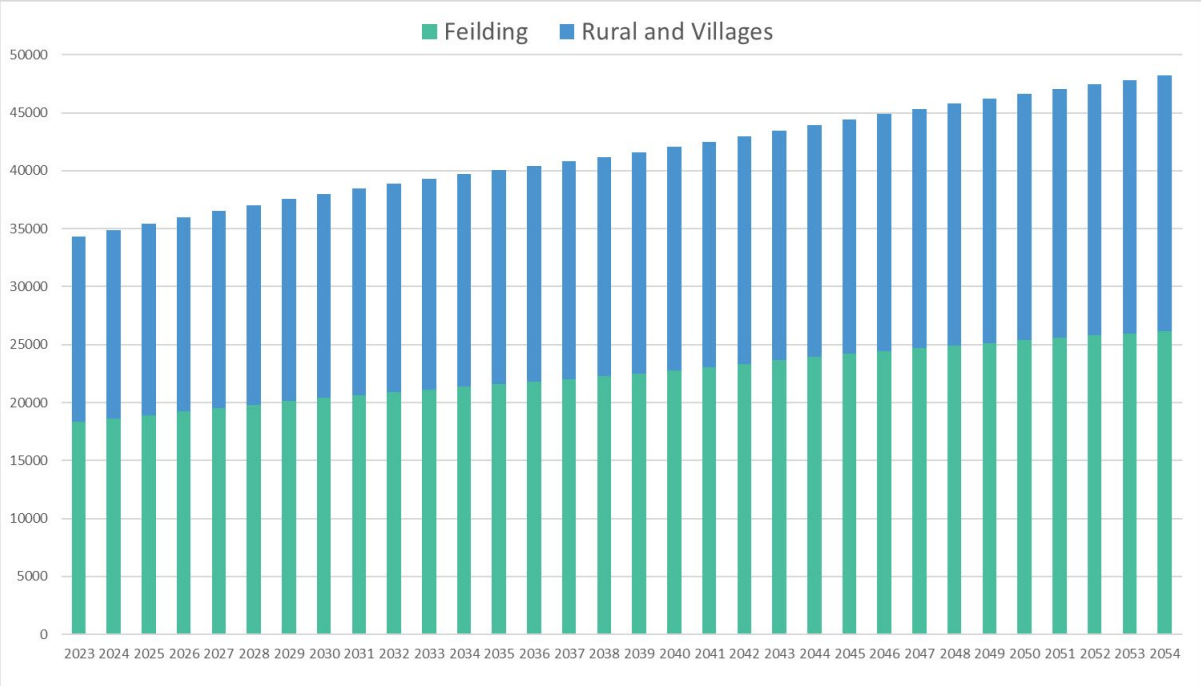
Mitigating Factors (if applicable)	Council regularly reviews population growth and development trends through the following processes: 1. Monitoring and reporting under the National Policy Statement – Urban Development (NPS-UD); 2. Annual Estimated Resident Population (ERP) from Statistics New Zealand; 3. Long-term Plan process Major projects and significant changes to levels of service are assessed against affordability through the Annual Plan Process. In addition, subdivision and building consent data is used for annual updates to the schedule of works contained within Council's Development Contributions Policy. Through the above processes, actual growth will be assessed against projected growth enabling review of the need for, and timing of capital expenditure over the Long-term Plan period. Growth projects may be delayed due to surplus capacity in the existing roading network.
Source	Infometrics (Brunsdon, May 2023) Manawatū-Whanganui Region population projections, High Scenario.

Distribution of the District's Population

In the absence of Statistics New Zealand subnational projections, the population growth projections for the Manawatū District were commissioned from Infometrics.

Assumption: That the proportion of the Manawatū District's population living in Feilding will remain constant at 53.4% from July 2024 to July 2026 (years 1 to 3), will increase to 53.6% by July 2028 (start of year 5), to 53.8% by July 2033 (start of year 10), to 54.1% by July 2038 (start of year 15), to 54.5% by July 2043 (start of year 20) and decline slightly to 54.3% of the total population by July 2053 (start of year 30), as illustrated in Figure 1.

Figure 1: Distribution of growth between Feilding, rural and villages areas between 2023 and 2054 (based on population growth derived from the Infometrics High Scenario, May 2023)



If a higher proportion of new residential development occurs in Feilding relative to rural and village areas, we can expect to see an increase in the proportion of residents living in Feilding. Similarly, if people and families relocate from rural or village areas into Feilding, this will result in the proportion of residents living in Feilding increasing. However, if rural or village areas attract a greater proportion of new residential development relative to Feilding, residents relocate from Feilding into rural and village areas, we would expect the proportion of the population living in Feilding to decline.

Assumptions around the distribution of population growth between Feilding, rural and village areas over time is useful to inform Council's growth strategy, the Financial and Infrastructure Strategies and planning for new growth works through Council's Activity and Asset Management Plans.

It is not possible for Council to separate village areas from rural areas when considering the distribution of residents in the Manawatū District as the smallest units of population that Statistics New Zealand produce (SA2's) include a mix of rural and village areas.

The following narrative guided Council's assumptions around the distribution of growth in Feilding relative to rural and village areas over the next 30 years. In assigning proportions, Council considered the current ratio, calculated using Statistics New Zealand statistical areas and the number of new residents forecast for the District as a whole, as forecast by Infometrics ("High" scenario, May 2023).

Narrative for the distribution of future residential growth

Over the next 2 to 3 years we expect to see a continuation of the current patterns of growth – being rural-residential development on existing vacant lots within the rural area and residential growth within Precinct 4 (Council's priority growth area to the north of Feilding). The current Feilding vs Urban and Villages split is expected to persist over this time. Further, the private plan change request that provides for between 140 to 180 new lots to be created in Rongotea has now been approved.

Between 3 and 10 years we are anticipating a reduction in the proportion of population (and household) growth in rural areas of the District as the number of new rural-residential lots created slows due to restrictions on new rural subdivision imposed by the NPS-HPL, and as the availability of vacant rural lots reduces. Over this period, we expect an increase in the rate of growth in (and surrounding) rural villages on non-highly productive land, and as they attract a greater share of new residents looking for lifestyle development and infrastructure improvements make development in these areas more attractive. Residential development in Rongotea is expected to increase the village share of growth and development, partially offsetting a reduction in rural subdivision. Overall, it is anticipated that the population of Feilding as a proportion of the total District's population will increase between years 3 and 10, particularly as Horizons completes its flood protection works for Feilding and existing stormwater flooding issues are resolved.

Between years 10 and 15 we expect Feilding to take an even greater proportion of overall growth in the District. However, more of this development will occur as infill development, as greenfield development in Precinct 4 reaches capacity. The proportion of new growth in rural areas is expected to decline due to reduced availability of vacant rural lots, and the proportion of new growth in rural villages and surrounding areas on non-highly productive land is expected to increase slightly as they provide a lifestyle alternative to Feilding.

During years 10 to 15, Council will need to start rezoning and planning for new infrastructure investment in Feilding growth areas identified through the new growth strategy to ensure there is sufficient availability of small-lot residential land available to support future demand. Council will also need to plan for new infrastructural investment in the villages, to provide a large-lot residential alternative to new Feilding growth areas.

Between years 10 and 15 Council will need to rezone and service new greenfield land, identified through the new growth strategy, adjacent to the existing Feilding urban area. Due to development constraints, this may necessitate development on the eastern side of the Ōroua River. Council anticipates growth of large-lot residential development within the rural villages, providing a more affordable and lifestyle alternative to Feilding. We are expecting the ratio of new residential development in Feilding and the villages to plateau between years 15 to 20. A combination of factors, including agricultural emissions pricing, fuel prices, the NPS-HPL, and land use controls will mean that an even smaller proportion of overall growth is located in rural areas. New housing will be concentrated in Feilding (with infill development prioritised over new greenfield development), and in those rural villages with existing capacity for new development.

Between years 20 and 30 greater intensification (infill) in Feilding and small-lot greenfield development in growth areas will continue to provide for demand. If Council has not completed its growth strategy or rezoned and serviced sufficient land to meet demand within Feilding, village growth as a proportion of total growth will increase relative to Feilding. Rural lifestyle development

on non-highly productive land will continue to make up a small proportion of new residential growth in the District.

Alternative 1	**That the proportion of the residents living in Feilding relative to rural and village areas of the Manawatū District will increase more rapidly than forecast in Figure 1.**
Impact	**Moderate** Significantly higher population growth in Feilding relative to rural and village areas may impact negatively on levels of service as roading, three waters and community infrastructure has insufficient capacity to meet demand. Council may need to rezone land in or adjacent to Feilding sooner than planned to accommodate increased demand for new houses. Planned investment in villages may be delayed to focus resources to supporting growth in Feilding. The Manawatū District may attract a smaller proportion of population growth as new residents locate outside of the District. Greater infill development could lead to capacity issues if the rate of infill exceeds upgrades to existing infrastructure.
Likelihood	**Possible** Forecasts in relation to the distribution of population growth are based on the population growth forecast by Infometrics ("High" growth scenario, May 2023) and the current distribution of residents as forecast by Statistics New Zealand (SA2s). This forecast is strongly linked to the population growth forecast. If overall population growth is slower than anticipated, it will take longer for precinct 4 to reach capacity, and longer for the supply of vacant lots in rural and village areas to be exhausted. This will influence the patterns of growth, with the current distribution between Feilding, rural and village areas likely persisting for longer than forecast. As outlined in the *"narrative for the future distribution of population growth"* above, the distribution of population growth is dependent on many factors, including the availability of vacant land, the provision of lead infrastructure to facilitate growth, the attractiveness of certain areas (including the quality of services provided, affordability and lifestyle factors) and external influences including the restrictions imposed on rural subdivision through the NPS-HPL. The distribution of growth in later years will be strongly influenced by the decisions that Council makes around future growth planning, rezoning and provision of new infrastructure. For example, if Council decides to direct growth investment to Feilding and new growth areas adjacent to Feilding rather than investing in village areas, it is likely that the overall proportion of new growth in Feilding will increase at a faster rate than forecast.
Overall Risk	**Guarded (6)**
Reasons & Financial Effect of Uncertainty	Significantly higher population growth in Feilding relative to other areas will put increased pressure on existing roading, three waters and community infrastructure and services. Council may need to increase the level of investment in new roading, three waters services and community facilities within Feilding, or consider lower levels of service.

	Council may need to rezone and service additional land in and around Feilding sooner than forecast to meet increased demand.
Mitigating Factors (if applicable)	Council regularly reviews population growth and development trends through the following processes: 1. Monitoring and reporting under the National Policy Statement – Urban Development (NPS-UD); 2. Annual Estimated Resident Population (ERP) from Statistics New Zealand; 3. Long-term Plan process Major projects and significant changes to levels of service are assessed against affordability through the Annual Plan Process. In addition, subdivision and building consent data is used for annual updates to the schedule of works contained within Council's Development Contributions Policy. Through the above processes, trends in the distribution of population growth will be assessed and used to direct investment in growth-related works. Growth projects in Feilding may be prioritised over planned growth works in rural and village areas.
Source	Infometrics (Brunsdon, 2023) Manawatū-Whanganui Region population projections, High scenario. Statistics New Zealand.

Alternative 2	**That the proportion of the residents living in Feilding relative to rural and village areas of the Manawatū District will decrease or increase at a slower rate than forecast in Figure 1.**
Impact	**Minor** Significantly lower population growth rates in Feilding may mean that planned investment in new roading, three waters and community infrastructure in Feilding is deferred. Council may need to plan for new growth works, or to redirect planned investment from Feilding to other areas to support demand for new development in rural and village areas earlier than forecast.
Likelihood	**Possible** Forecasts in relation to the distribution of population growth are based on the population growth forecast by Infometrics ("High" growth scenario, May 2023) and the current distribution of residents as forecast by Statistics New Zealand (SA2s). As outlined in the "narrative for the future distribution of population growth" above, the distribution of population growth is dependent on many factors, including the availability of vacant land, the provision of lead infrastructure to facilitate growth, the attractiveness of certain areas (including the quality of services provided, affordability and lifestyle factors) and external influences including the restrictions imposed on rural subdivision through the NPS-HPL. The distribution of growth in later years will be strongly influenced by the decisions that Council makes around future growth planning, rezoning and provision of new infrastructure. For example, if Council decides to direct growth investment to support rural lifestyle subdivision on non-highly productive land, or large-lot residential development in village areas, it is likely that the overall proportion of

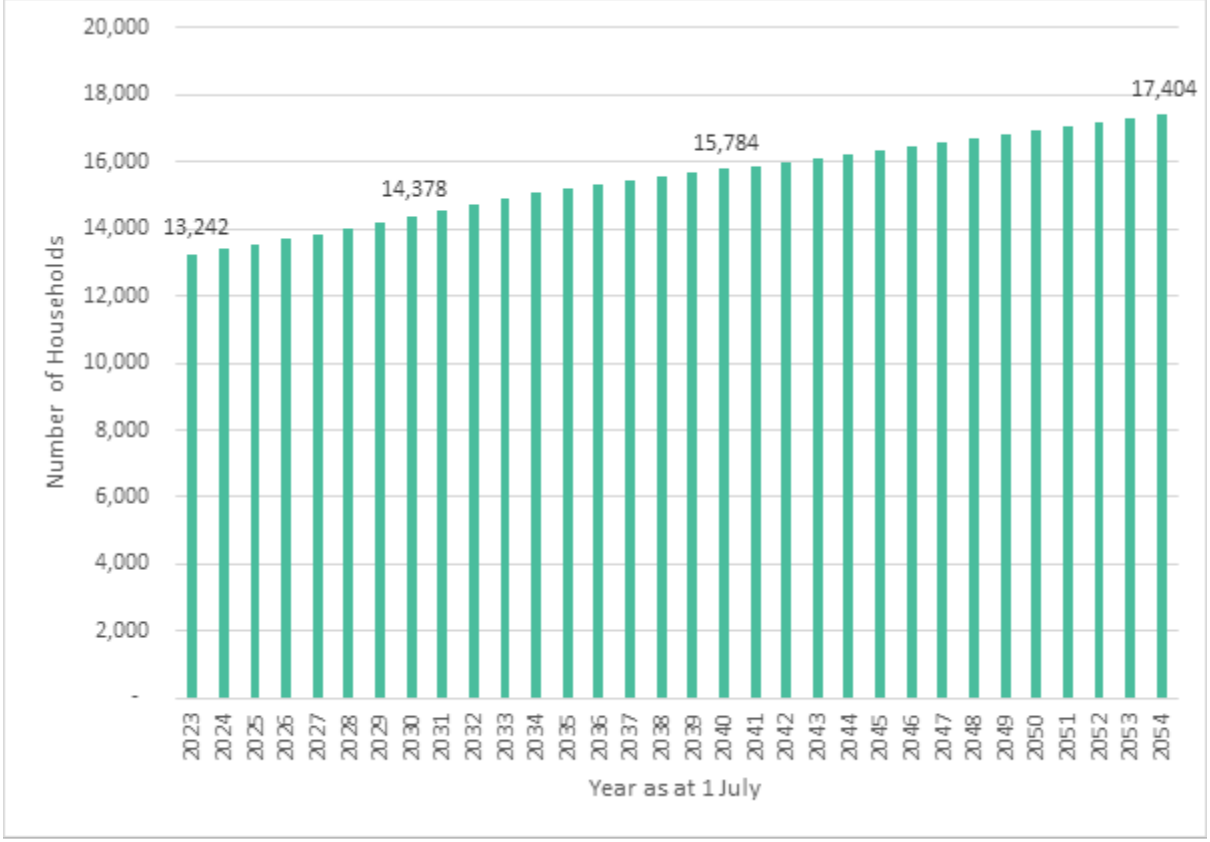
	new residents living in Feilding will decrease, or increase at a slower rate than forecast.
Overall Risk	**Guarded (3)**
Reasons & Financial Effect of Uncertainty	Significantly higher population growth in rural or village areas relative to Feilding will put increased pressure on the rural roading network and existing services in villages. Council may need to redirect planned growth works from Feilding to rural or village areas to support this growth, or consider lower levels of service. Council may need to rezone and service additional land in and around village areas sooner than forecast to meet increased demand.
Mitigating Factors (if applicable)	Council regularly reviews population growth and development trends through the following processes: 1. Monitoring and reporting under the National Policy Statement – Urban Development (NPS-UD); 2. Annual Estimated Resident Population (ERP) from Statistics New Zealand; 3. Long-term Plan process Major projects and significant changes to levels of service are assessed against affordability through the Annual Plan Process. In addition, subdivision and building consent data is used for annual updates to the schedule of works contained within Council's Development Contributions Policy. Through the above processes, trends in the distribution of population growth will be assessed and used to direct investment in growth-related works. Growth projects in rural or village areas may be prioritised over planned growth works in Feilding.
Source	Infometrics (Brunsdon, 2023) Manawatū-Whanganui Region population projections, High scenario. Statistics New Zealand.

Household Growth

Household growth projections for the Manawatū District were commissioned from Infometrics. The forecasts are based on average household size based on projected changes in gender and age structure of the population and trends in household formation. The actual number of households will depend on availability of dwellings.

Assumption: That the number of households in the Manawatū District will increase from 13,242 in 2023 to 17,404 in 2054 as illustrated in Figure 2 below. The number of households in the district are forecast to increase by 1.14% per annum over the first three years of the Long-term Plan, increasing to 1.08% growth per annum between 1 July 2028 (year 4) and 1 July 2034 (year 10) and an average of 0.68% growth per annum over the period from 1 July 2035 (year 11) to 2054 (year 30).

Figure 2: Forecast Household Growth in the Manawatū District



Alternative 1	That the number of households in the Manawatū District in 2054 will be significantly more than forecast in Figure 2.
Impact	**Moderate** Demand for land and new roading and community infrastructure will be greater than anticipated. This may mean that additional land needs to be rezoned and new infrastructure provided to meet this demand.
Likelihood	**Possible**

	Household forecasts are based on the high growth scenario published by Infometrics (May 2023). These forecasts are based on average household size based on projected changes in gender and age structure of the population and trends in household formation. The Infometrics population forecasts follow a traditional cohort component projection method. The projection approach starts with employment forecasts, driven by a combination of historical trends and assumptions for future forecasts, including carbon pricing and further adoption of automation technology. International net migration is expected to recover slowly to around 30,000 over the long-term. The pattern or net migration into provincial and rural areas is expected to persist, with post-pandemic trends of working remotely expected to bolster regional migration. Net migration forecasts also consider housing capacity and commuting patterns, particularly between Palmerston North and Feilding. Palmerston North is expected to take a greater share of the combined area's population growth in the future as large greenfield residential areas become available, and as changes around highly productive land may adversely affect Manawatū's residential land supply. The above factors are reflected in the household growth scenario adopted as a basis for the 2024-34 Long-term Year Plan. While the projections are based on the best information available, uncertainty is currently elevated due to national direction and climate change policy that influences land use development.
Overall Risk	**Guarded (6)**
Reasons & Financial Effect of Uncertainty	Household growth generally results in new subdivisions and therefore an increase in the rating base. This spreads the costs of providing Council services, providing no major roading or community infrastructure investment is required. We may not have sufficient land available in the range of locations needed to provide the level of choice demanded by the market.
Mitigating Factors (if applicable)	Council regularly reviews development trends through the following processes: 1. Monitoring and reporting under the National Policy Statement – Urban Development (NPS-UD); 2. Annual Estimated Resident Population (ERP) from Statistics New Zealand; 3. Long-term Plan process Major projects and significant changes to levels of service are assessed against affordability annually through the Annual Plan Process. In addition, subdivision and building consent data is used for annual updates to the schedule of works contained within Council's Development Contributions Policy. Through the above processes, actual growth in households will be assessed against projected growth enabling review of the need for, and timing of capital expenditure over the Long-term Plan period. Planned rezoning and investment in growth infrastructure may be brought forward to reflect greater than anticipated demand.

Alternative 2	**That the number of households in the Manawatū District in 2054 will be significantly less than forecast in Figure 2.**
Impact	**Minor**

	Demand for land and infrastructure will be less than anticipated. This may mean that additional land has been rezoned and new roading and community infrastructure provided well in advance of demand, which could impact on Council's ability to fund levels of service.
Likelihood	**Possible** Household forecasts are based on the high growth scenario published by Infometrics (May, 2023). These forecasts are based on average household size based on projected changes in gender and age structure of the population and trends in household formation. The population forecasts that form the basis of the household projections have been developed using a traditional cohort component projection method. The projection approach starts with employment forecasts, driven by a combination of historical trends and assumptions for future forecasts, including carbon pricing and further adoption of automation technology. The model also considers anticipated changes in net international migration, housing capacity and commuting patterns and the impact of national direction and emissions pricing on employment and development patterns. While the projections are based on the best information available, uncertainty is currently elevated due to national direction and climate change policy that influences land use development. If population growth is significantly less than forecast or if the average household occupancy rate is higher than forecast, the number of new households is likely to be lower than forecast.
Overall Risk	**Guarded (3)**
Reasons & Financial Effect of Uncertainty	If the number of households in the urban areas do not increase as forecast, then there will be limited increases in the rating base. This will mean that the costs of providing the planned levels of service for roading and community infrastructure will be higher per household and there will be more rating pressure on existing households and businesses.
Mitigating Factors (if applicable)	Council regularly reviews development trends through the following processes: 1. Monitoring and reporting under the National Policy Statement – Urban Development (NPS-UD); 2. Annual Estimated Resident Population (ERP) from Statistics New Zealand; 3. Long-term Plan process Major projects and significant changes to levels of service are assessed against affordability annually through the Annual Plan Process. In addition, subdivision and building consent data is used for annual updates to the schedule of works contained within Council's Development Contributions Policy. Through the above processes, actual growth in households will be assessed against projected growth enabling review of the need for, and timing of capital expenditure over the Long-term Plan period. Reduced development pressure will mean that available land is not exhausted as quickly. Planned rezoning and new infrastructure may be delayed until such time as demand warrants the expenditure.

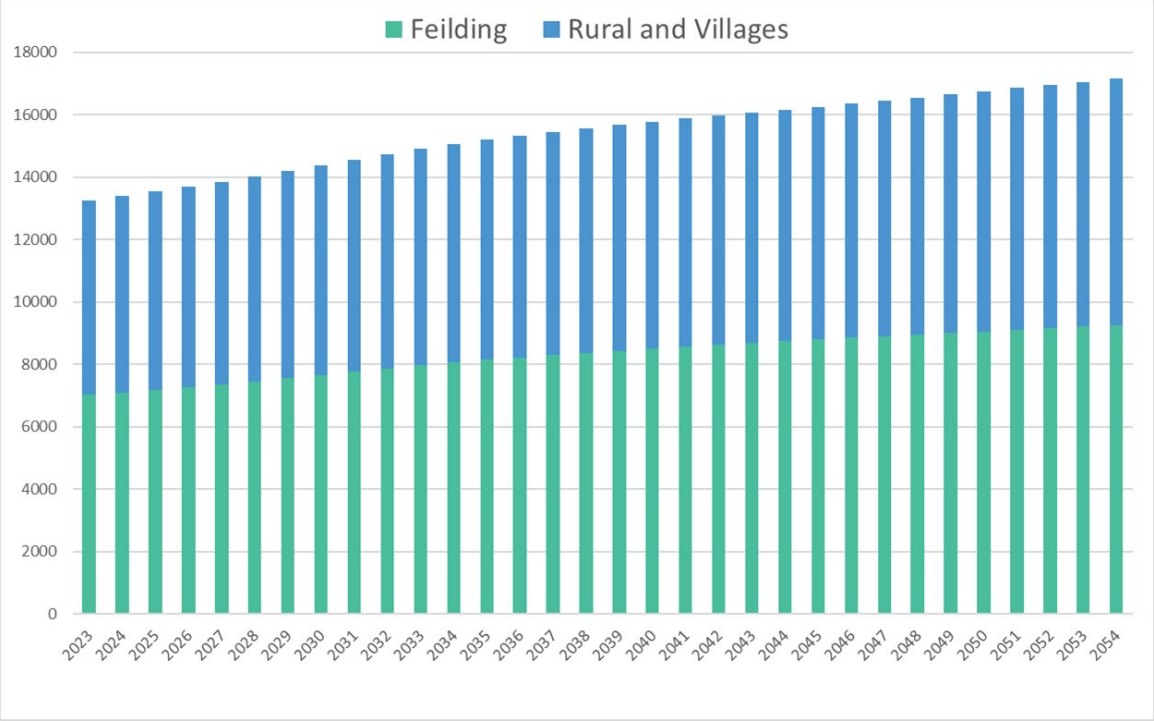
Distribution of Household growth

Household growth projections for the Manawatū District were commissioned from Infometrics. The forecast growth in new households are based on average household size, based on projected changes in gender and age structure of the population, and trends in household formation. In forecasting the number of new households by location (Feilding vs rural and village areas), Council divided the forecast proportion of the population living in Feilding by the average household size.

Assumption: That the number of households located in Feilding will increase from 7,106 (as at July 2024) to 7,265 by July 2026 (start of year 3), to 7,458 by July 2028 (start of year 5), to 7,974 by July 2033 (start of year 10), to 8,369 by July 2038 (start of year 15), to 8,696 by July 2043 (start of year 20), and to 9,215 by July 2053 (start of year 30), as illustrated in Figure 2.

The number of households in rural and village areas will increase from 6,284 (as at July 2024) to 6,425 by July 2026 (start of year 3), to 6,554 by July 2028 (start of year 5), to 6,942 by July 2033 (start of year 10), to 7,205 by July 2038 (start of year 15), to 7,372 by July 2043 (start of year 20), and to 9,215 by July 2053 (start of year 30), as illustrated in Figure 2.

Figure 2: Forecast Distribution of Households in the Manawatū District



Alternative 1	**That there will be considerably more households in Feilding and fewer households in rural and village areas than forecast in Figure 2.**
Impact	**Moderate**

	Demand for land and new roading and community infrastructure will be greater than anticipated. Significantly higher household growth rates in Feilding relative to rural and village areas may impact negatively on levels of service as roading and community infrastructure has insufficient capacity to meet demand. Council may need to rezone land in or adjacent to Feilding sooner than planned to accommodate increased demand for new houses. Planned investment in villages may be delayed to focus resources to supporting growth in Feilding.
Likelihood	**Household growth forecasts are based on the population growth forecasts by Infometrics ("High" growth scenario, May 2023) and the current distribution of residents as forecast by Statistics New Zealand (SA2s).** **This forecast is strongly linked to the assumptions on population growth and the distribution of this population growth between Feilding, rural and village areas. If overall population growth is slower than anticipated, it will take longer for precinct 4 to reach capacity, and longer for the supply of vacant lots in rural and village areas to be exhausted. This will influence the patterns of household growth, with the current proportions of new households constructed in Feilding relative to village and rural areas persisting longer than forecast.** **As outlined in the *"narrative for the future distribution of population growth"* above, the distribution of population and household growth is dependent on many factors, including the availability of vacant land, the provision of lead infrastructure to facilitate growth, the attractiveness of certain areas (including the quality of services provided, affordability and lifestyle factors) and external influences including the restrictions imposed on rural subdivision through the NPS-HPL.** **The distribution of household growth in later years will be strongly influenced by the decisions that Council makes around future growth planning, rezoning and provision of new infrastructure. For example, if Council decides to direct growth investment to Feilding and new growth areas adjacent to Feilding rather than investing in village areas, it is likely that Feilding would attract a greater proportion of new household growth. By concentrating investment to support growth in Feilding, we would expect the overall number of households in Feilding to be more than forecast and the number of households in rural and village areas to be proportionally less than forecast.**
Overall Risk	**Guarded (6)**
Reasons & Financial Effect of Uncertainty	**Significantly higher household growth in Feilding relative to other areas will put increased pressure on existing roading and community infrastructure and services. Council may need to increase the level of investment in new roading and community facilities within Feilding, or consider lower levels of service. Higher than expected growth in households in Feilding will reduce the rating burden for those rates that are targeted to Feilding. Lower than expected growth in the number of households in rural and village areas will increase the costs to provide planned levels of service for those services that are targeted to rural and village areas.**

	Council may need to rezone and service additional land in and around Feilding sooner than forecast to meet increased demand.
Mitigating Factors (if applicable)	**Council regularly reviews population and household growth and development trends through the following processes:** **1. Monitoring and reporting under the National Policy Statement – Urban Development (NPS-UD);** **2. Annual Estimated Resident Population (ERP) from Statistics New Zealand;** **3. Long-term Plan process** **Major projects and significant changes to levels of service are assessed against affordability through the Annual Plan Process. In addition, subdivision and building consent data is used for annual updates to the schedule of works contained within Council's Development Contributions Policy.** **Through the above processes, trends in the distribution of population and household growth will be assessed and used to direct investment in growth-related works. Growth projects in Feilding may be prioritised over planned growth works in rural and village areas.**
Source	**Infometrics (Brunsdon, 2023) Manawatū-Whanganui Region population projections, High scenario. Statistics New Zealand.**

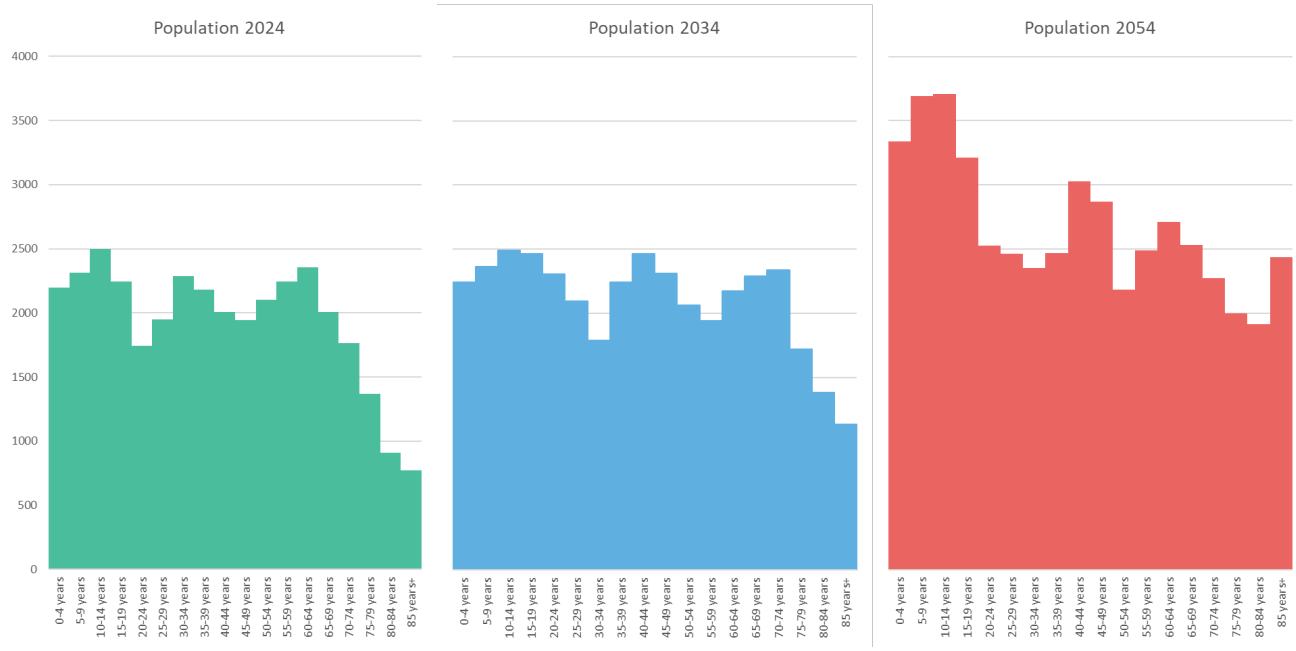
Alternative 2	**That there will be considerably fewer households in Feilding and more households in rural and village areas than forecast in Figure 2.**
Impact	**Minor** Significantly lower household growth rates in Feilding than forecast may mean that planned investment in new roading and community infrastructure in Feilding is deferred. Council may need to plan for new infrastructure to support household growth in rural and village areas earlier than forecast, or to redirect planned investment from Feilding to these areas.
Likelihood	**Possible** **Household growth forecasts are based on the population growth forecast by Infometrics ("High" growth scenario, May 2023), and the current distribution of residents as forecast by Statistics New Zealand (SA2s).** **As outlined in the *"narrative for the future distribution of population growth"* above, the distribution of population and household growth is dependent on many factors, including the availability of vacant land, the provision of lead infrastructure to facilitate growth, the attractiveness of certain areas (including the quality of services provided, affordability and lifestyle factors) and external influences including the restrictions imposed on rural subdivision through the NPS-HPL.** **This forecast is strongly linked to the assumptions on population growth and the distribution of this population growth between Feilding, rural and village areas. If overall population growth is slower than anticipated, it will take longer for precinct 4 to reach capacity, and longer for the supply of vacant lots in rural and village areas to be exhausted. This will influence the patterns of**

	household growth, with the current proportions of new households constructed in Feilding relative to village and rural areas persisting longer than forecast. **If the impact of the NPS-HPL or rural subdivision and development is less than anticipated, the number of new households constructed in rural areas (on non-highly productive land) will be greater than forecast.** **The number of new households located in Feilding vs rural and village areas in later years will be strongly influenced by the decisions that Council makes around future growth planning, rezoning and provision of new infrastructure. For example, if Council decides to direct investment to support new rural lifestyle subdivision on non-highly productive land, or large-lot residential development in village areas, it is likely that these areas will attract a greater share of new household growth, and therefore the number of households in Feilding would increase at a slower rate than forecast.**
Overall Risk	**Guarded (3)**
Reasons & Financial Effect of Uncertainty	If the number of households in Feilding do not increase as quickly as forecast, there will be limited increases in the rating base. This will mean that the costs of providing the planned levels of service for those services that are targeted to Feilding will be higher per household. If the number of households in rural and village areas increases more quickly than forecast, the rating base for these areas will increase relative to Feilding, reducing the rating burden for those rates that are targeted to rural and village areas.
Mitigating Factors (if applicable)	**Council regularly reviews development trends through the following processes:** **1. Monitoring and reporting under the National Policy Statement – Urban Development (NPS-UD);** **2. Annual Estimated Resident Population (ERP) from Statistics New Zealand;** **3. Long-term Plan process** **Major projects and significant changes to levels of service are assessed against affordability annually through the Annual Plan Process. In addition, subdivision and building consent data is used for annual updates to the schedule of works contained within Council's Development Contributions Policy.** Through the above processes, actual growth in households will be assessed against projected growth enabling review of the need for, and timing of capital expenditure over the Long-term Plan period. Reduced development pressure will mean that available land is not exhausted as quickly. Planned rezoning and new infrastructure may be delayed until such time as demand warrants the expenditure.

Demographic Change

Assumption: That the demographics of the Manawatū District will follow the Infometrics demographic projections (high growth scenario, May 2023) over the period 2024 to 2034 and to 2054 as illustrated in Figure 5 below.

Figure 5: Demographic change



Alternative	**That the demographics of the Manawatū District will differ significantly from the Infometrics high age group projections (May 2023) to 2034 and 2054 as described in Figure 5.**
Impact	**Minor** The forecast demographics of the Manawatū District Community is relevant when considering the types of services, projects and activities delivered by Council. If the actual demographics differ significantly from the forecasts, this will influence demand for Council facilities, including parks, reserves and sports facilities. Greater than forecasted growth in the young adult to middle age brackets could place pressure on housing availability and the delivery of services to support young families. Greater than forecasted shifts towards older demographics could change the mix of services demanded from Council, and the ability to pay for those services.
Likelihood	**Possible**

	The forecasts from Infometrics show increases in the total population across all age brackets between 2024 and 2054. There is no significant population growth forecasted between 2024 and 2034 with some age groups seeing a decline. However, there are significant increases forecasted for the 80-84 years and 85+ year age groups, with both increasing by over 100%, between 2024 and 2054. The proportion of residents aged 80+ is forecast to increase from 5% of the total population in 2024 to 9% of the total population in 2054. With people living longer, and easing fertility and birth rates, the proportion of residents aged over 65 years is expected to continue to increase to 2054. The forecast increase in older residents is relatively certain and is supported by current trends. Employment in the wider region would likely have a long-term impact on the mid age population. With the employment growth in industries such as construction currently occurring this may lead to an increase in the age groups of 20-29 years. The Manawatū District Council is also expected to pick up a greater share of both international and internal migration due to the ability to work remotely (Bell, 2023). In the short term between 2024 and 2034 there is a decline forecasted in the working age population (the 30-34, 50-54, 55-59 and the 60-64 year age groups). These short-term demographic shifts are likely due to various factors, including the expectation that Palmerston North will attract a greater share of population growth as large greenfield areas become available; and the departure of people from the 25-29 and 45-49 year age groups. This could also indicate that while we are seeing employment growth in the District, this growth is not going to be even across all skill levels and types of roles. The total population is forecast to increase by 38% between 2024 and 2054, with only 8% growth forecasted between 2024 and 2034. The age groups of 40-44 and 45-49 years are projected to increase to 2054 by 51% and 48% which is higher than average increase across all age groups of 38%. Based on birthrate assumptions, a growth in the middle age groups is likely to lead to an increase in the school age groups. All age groups from 0-19 years are forecast to increase above the 38% total district increase, with the 5-9 year olds increasing by 60% between 2024 and 2054. Given the number of factors that contribute to population demographics, it is not possible for Council to have a high level of certainty around these forecasts. As the demographic forecasts from Infometrics take into consideration anticipated growth based on known regional projects, the likelihood that these forecasts prove false is considered “possible.”
Overall Risk	**Guarded (3)**
Reasons & Financial Effect of Uncertainty	Uncertainty in the future demographic characteristics of the Manawatū District impacts on the ability to plan for the needs of future communities and the priority that Council places on certain projects and services in its future planning.
Mitigating Factors (if applicable)	Council reviews demographic trends based on census data every five years and estimated resident population data from Statistics NZ every 12 months. Council’s overall strategic direction with respect to changes in population demographics is reviewed every three years as part of each 10 Year Plan process. Data provided to Council will help with ongoing monitoring of community wellbeing. In addition, major projects and significant changes to levels of service are assessed against affordability annually through the Annual Plan process.

The above processes will enable Council to respond to changes in the demographic characteristics of the district over time, including the prioritisation of projects and service delivery to meet the needs of the community.

Land Use Change

Assumption: On the basis of current and anticipated Government Legislation and policy instruments, current land uses will change to a moderate extent over the next 3 years. More significant changes in land use are anticipated between years 4 and 10 of the Long-term Plan, as described below.

Note: Significant changes in land use are anticipated over the life of Council's Infrastructure Strategy as current legislative reform is implemented. However, given the high level of uncertainty associated with these reforms, this forecasting assumption focusses on the life of the Long-term Plan. Ongoing monitoring of land-use change will ensure that these trends are recognised and responded to in Council's Annual and Long-term Planning.. As Council develops its Environmental Strategy this may drive further land use change as priorities around emissions reduction are identified and implemented.

The types of land use changes anticipated over the life of this Long-term Plan include:

- Some diversification of land use from agricultural activities towards forestry and other low emissions land uses and innovation and technology to reduce on farm emissions from livestock farming to meet our obligations under the Zero Carbon Act, the Paris Agreement and for carbon credits.
- A significant reduction in rural subdivision on highly productive land as a result of the requirements of the National Policy Statement for Highly Productive Land, which seek to avoid this type of development. Some new lifestyle development will continue as existing vacant titles are developed.
- A reduction in new rural subdivision will result in greater demand for subdivision within urban areas (including both infill and Greenfield subdivision within identified growth areas), and adjacent to rural villages on non-highly productive land. Some increase in rural development will occur as a lifestyle alternative.
- Constraints on expansion of agricultural activities due to more stringent discharge requirements in the One Plan as the requirements of the National Policy Statement – Freshwater Management are implemented.
- Highly versatile land will be retained for productive uses, including land conversions for food production on suitable land, as growers relocate from neighbouring Districts including the Horowhenua due to inability to meet the discharge requirements of the One Plan.
- The Kawakawa/Turners Road Industrial Park is fully developed, requiring additional industrial land to be identified in, or around, Feilding.
- Changing transport patterns influence land use decisions as a consequence of the rural ring road, Te Ahu a Turanga (the Manawatū Gorge replacement road) and Te Utanganui (Central New Zealand distribution hub).

- Areas of native vegetation will be protected from development and areas of land within urban areas will be set aside for revegetation to meet the requirements of the National Policy Statement for Indigenous Biodiversity and the Regional Biodiversity Strategy.
- Changes in housing preferences including the shifting rental/ownership split, different forms of housing in recognition of rising housing costs, and more mixed-use activity. For example, future amendments to the District Plan will facilitate more mixed-use development in the Feilding Town Centre.

Alternative 1	**That current land use in the Manawatū District will change more rapidly, or in different locations or ways than anticipated.**
Impact	**Moderate** Rapid changes in land use could result in unanticipated demand for new (or upgrades to) services and the need to undertake additional road maintenance or improvement works, particularly if housing development increases in the villages, and/or there is additional housing/industrial development around Feilding. New activities can generate additional employment that can increase the rate of population and household growth and stimulate economic activity. If land use change occurs more rapidly than forecast this could alter council's priorities for infrastructural investment. Should Council not have enough serviced urban land available, this will necessitate changes to the timing around new infrastructure investment to support growth. If Council is unable to meet demand for new serviced land, this could result in development shifting outside of the District, or the ad-hoc provision of infrastructure, leading to poorer outcomes.
Likelihood	**Unlikely for years 1 – 3, Possible for years 4 to 10** The interplay between new legislation, National Policy Statements under the Resource Management Act 1991 and Horizons One Plan mean that land use change in the moderate to long term is inevitable, but there is a high level of uncertainty about where, how and when that land use change will take place. The level of uncertainty increases over time as new targets are set in legislation and through National Policy Statements and plans. Certain changes in land use are less desirable for our District, such as shifts from agricultural activities for food production to forestry or carbon farming. At present, Council has limited ability to control forestry expansion through the District Plan. However, Central Government has suggested statutory change to enable controls through the District Plan or other mechanisms to slow or restrict land use change to certain types or locations. The rate of land uptake for residential and industrial development is dependent on several factors including population growth, household growth, migration patterns, inward investment and economic prosperity. The supply of land in neighbouring cities and districts also has a significant influence – particularly Palmerston North. Significant changes in any of these factors will affect when additional land needs to be rezoned. While Council is aware of current land use trends, including rural land being used more intensively than it was in the past, these trends may slow or reverse as new requirements are introduced to the District Plan and to the One Plan to ensure compliance with legislative requirements. Council is also aware that large areas of forestry in the District will reach harvestable age between 2021-2030.

Overall Risk	**Guarded for years 1 to 10 (4–6)**
Reasons & Financial Effect of Uncertainty	Significant changes in land use can impact Council's District Planning and the delivery of infrastructure. For example, if growth occurs in areas where Council currently has no plans for infrastructure investment. Given the process and investment associated with installing lead infrastructure, there are risks with opening up multiple areas at one time. There is uncertainty regarding the response to highly productive land protections and future housing development trends. A large shift of development to rural villages will see the need for additional infrastructure programmes or lowering levels of service. Council's infrastructure programme is currently focused on development in Precinct 4 (housing) and Precinct 5 (industrial). Any change in the rate of development will have a significant financial impact. Significant changes in land use may also impact on Council's investment and priorities for three waters infrastructural investment, prior to transfer to the new Water Services Entity.
Mitigating Factors (if applicable)	The new growth strategy is scheduled to be completed in Year 1 of this Long-term Plan. This strategy will help to guide future rezoning and give effect to new legislative requirements, including the National Policy Statements for Highly Productive Land, Urban Development and Indigenous Biodiversity. Council monitors land use change through the monitoring and reporting requirements of the NPS-UD. This includes monitoring of land use, subdivision and building consents. The zoning of land and the activities permitted on land is managed through the District Plan Review, informed by expert advice and investigations. New infrastructure and roading needed to support residential and industrial growth are controlled through Structure Plans that have been incorporated into the District Plan through the Plan Change process and will be funded by development contributions. The cost for new services to support new residential, industrial or commercial areas will be partially funded by development contributions. Rural land is largely self-serviced so changes in land use will not alter demand for reticulated networks, but may impact on roading. Council has already anticipated increased pressure on the rural roading network, with increasing numbers of heavy vehicles to service forestry harvest. As a result, additional funding has been set aside for road maintenance and renewals in the Roading Activity Management Plan. Council monitors, reports and submits on new legislative requirements as they are notified by Government. Additional budget has been included within the Long-term Plan in anticipation of the new responsibilities and resource implications of new legislative requirements.

Alternative 2	**That current land use in the Manawatū District will persist or that land use change will occur at a much slower rate or in fewer locations or ways than forecast.**

Impact	**Minor** Less significant land use change will mean less demand for new services and road maintenance or improvement works. Continuation of current land uses, or a more gradual change in land use than anticipated will mean greater stability in economic and social performance due to our capability and capacity being maintained within established industries. Slower land use change in our District compared to neighbouring territorial authorities may mean that our District is slower in responding to central government direction and new legislative requirements. It may also mean that the District has not capitalised on regional projects and developments or new and emerging industries and may therefore be comparatively disadvantaged.
Likelihood	**Possible for years 1 – 3, Unlikely for years 4 to 10** As a lot of the forecast land use change is as a result of new legislative requirements, it is unlikely that there would be little or no land use change over the life of this Long-term Plan and the 30-year period of the Infrastructure Strategy. However, given the number of different factors that influence land use change, it is possible that the rate of change, and the location and nature of change is different and less significant than forecast. For land use change to occur at a slower rate than forecast, a significant shift in central government policy direction would be required.
Overall Risk	**Guarded (3) for Years 1 – 3, Low (2) for years 4 to 10**
Reasons & Financial Effect of Uncertainty	Slower or less significant land use change will mean less demand on the roading network and other Council-owned infrastructure. Investment to facilitate or manage land use change may need to be deferred.
Mitigating Factors (if applicable)	Council monitors land use change through monitoring and reporting requirements under the NPS-UD. This includes monitoring of land use, subdivision and building consents. The zoning of land and the activities permitted on land is managed through the District Plan Review, informed by expert advice and investigations. Funding within the Long-term Plan that is intended to service land use change and new legislative requirements can be reduced through subsequent Annual Plans and Long-term Plans if it is not required.

Climate Change

Assumption: That climate change will continue to exacerbate the intensity and frequency of extreme weather and climate events in the Manawatū District as predicted by NIWA based on the IPCC Fifth Assessment Report. Some of the climatic changes anticipated are:

- Temperature increases up to 1.5°C across the region by mid-century, and 3.5°C toward the end the century.
- Annual average precipitation will increase by up to 15% in the north of the Region and decrease by up to 20% in the southeast of the region. Increased precipitation could lead to increased frequency and intensity of inland flooding events in the district
- Change in number of annual hot days across the region up to 10 days by mid-century and up to 50 hot days toward the end of the century
- Fewer wet days up to minus 15 in the northeast of the region by mid-century and up to minus 30 toward the end of the century.
- The annual mean relative humidity change decreases up to 2.5 percent in both scenarios by mid-century and towards the end of the century.

New Zealand-focused regional modelling and quantitative analyses based on the Coupled Model Intercomparison Project Phase 6 (CMIP6) models are yet to be performed. There is no regional or localised modelling projections available for this Long-term Plan based on the more recent IPCC 6th Assessment Report (AR6). NIWA advises that future regional projections based on CMIP6 would not differ significantly from previous regional projections. MFE also advised that until the CMIP6-based regional downscaling is completed, the regional climate model projections reported in Ministry for the Environment (2018) can continue to be used with reasonable confidence. The assumptions below capture both MfE's recommended minimum and mid-range emission scenario SSP/RCP 4.5 and a high emissions scenario of RCP/SSP 8.5 for hazard assessment. It is crucial to note that that the climate modelling used for these scenarios are based on 2011 data that are provided by the Ministry of Environment.

There is a risk that the dated data used for the modelling is inconsistent with recent adverse climactic events. A recent OECD report suggests taking a precautionary approach to climate change mitigation, particularly noting that some climate tipping points have already been crossed. It is prudent to approach our mitigation and adaptation planning using the upper-range emissions scenario.

The impacts of climate change are discussed in more detail in the Climate Change section of the Long-term Plan.

Alternative 1	**That climatic changes in the Manawatū District, including the intensity and frequency of extreme weather events, are more extreme than predicted by NIWA based on the IPCC Fifth Assessment Report.**
Impact	**Major**

	Under the assumption that natural disasters will occur with increasing frequency, significant climatic events would affect demand for Council services and could adversely affect infrastructure. Incidences of extreme weather events such as increased rainfall leading to inland flooding are a concern for council. Risks include more frequent or costlier storm damage from flooding, and that stormwater standards will not be met. This would increase costs from repair works, and possibly lead to demand for increased levels of service. Other risks include impacts on the economic and social wellbeing of our communities through more frequent or severe flooding, drought and/or heavy snowfall. Such events also cost Council in terms of infrastructure repair, Civil Defence and emergency management response to events, and community assistance (such as provision of a supplementary water supply).
Likelihood	**Unlikely** **Ministry for the Environment and NIWA reports have predicted change in weather patterns including wind, rainfall, drought and snowfall.** There is more certainty that weather patterns in the short term will have predictable impacts due to climate change that can be provided for through our Asset Management Plans and Activity Management Plans. There is less certainty about impacts of weather patterns in the long term as predictions are less reliable.
Overall Risk	**Moderate (8)**
Reasons & Financial Effect of Uncertainty	Significant impacts are not expected to be frequent in the next decade. Council has a policy of holding depreciation renewal reserves. Insurance claims from damage associated with extreme weather are likely to rise as the incidence of these events increases in the future. This is expected to increase the costs of insurance cover. Operating programmes to mitigate impacts of climate change such as reducing peak demand for water and leak detection in wastewater are already underway and are built into the operating budgets of Council.
Mitigating Factors (if applicable)	**Financial impacts will be mitigated by ensuring adequate insurance cover and appropriate maintenance is undertaken as a preventative measure.** **Major flood protection works (stopbanks) have been completed for the lower Manawatū, the Kiwitea Stream and Ōroua River flood control scheme. These stopbanks are designed to withstand the current 1% Annual Exceedance Probability (AEP) flood event, 1 in 100-year flood.** Technology is always changing, and it is likely that new and cost-effective plant and materials will be available to meet some of the challenges in the future. Council has also established a Resilience Fund, which puts aside funding in anticipation of climate change impacts. It is expected that a portion of the fund can be used to mitigate some adverse impacts of climate change. As part of its environmental strategic priorities MDC is committed to improving our infrastructure assets resilience to climate change impacts.
Source	NIWA based on the IPCC Fifth Assessment Report.

Alternative 2	**That climatic changes in the Manawatū District, including the intensity and frequency of extreme weather events, are less extreme than predicted by NIWA based on the IPCC Fifth Assessment Report.**

Impact	**Minor** If climatic changes are less extreme than predicted, expenditure on infrastructure repairs and maintenance will be lower.
Level of Certainty	**Uncertain** **Ministry for the Environment reports have predicted change in weather patterns including wind, rainfall, drought, and snowfall.** There is more certainty that weather patterns will have predictable impacts due to climate change in the short term, that can be provided for through our Asset Management Plans and Activity Management Plans. There is less certainty about impacts of weather patterns in the long term as predictions are less reliable.
Overall Risk	**Low (2)**
Reasons & Financial Effect of Uncertainty	Fewer significant weather events such as flooding, droughts, or heavy snowfall, means that expenditure on infrastructure repairs and maintenance and insurance claims from weather events will be lower. Renewal reserves will need to be retained to address climate change impacts in the longer term.
Mitigating Factors (if applicable)	Financial impacts will be mitigated by ensuring adequate insurance cover and appropriate maintenance is undertaken as a preventative measure.

Source NIWA based on the IPCC Fifth Assessment Report.

Emergency Events

Assumption: The Manawatū District Council is prepared to respond and recover from emergency events that impact the district over the life of the Long-term Plan. However, a catastrophic event, (such as a major earthquake or major weather event) or several consecutive extreme weather events will exceed Council's financial provision to recover costs incurred.

Alternative	**That an emergency event occurs that exceeds Council's financial ability to recover costs incurred to repair critical infrastructure.**
Impact	**Major to Severe** Manawatū District Council and other businesses in the district could be subject to a break in business continuity in the event of a catastrophic emergency event and this would have a major impact on the district economy. Council services including the provision of critical infrastructure could be disrupted for considerable periods of time. Depending on the severity and/or timing of an emergency event, Council may not have the resources on hand to respond or recover from such an event should it occur. Several consecutive extreme weather events may exhaust Council reserves and prudent borrowing ability. There is a risk that Council may not have access to Government support in the future to recoup costs incurred. Emergency events elsewhere in New Zealand and across the world may mean that there are periods of time where insurance cover may not be available, or unavailable for certain types of emergency events. The repair or renewal of critical infrastructure may be delayed due to a lack of borrowing ability and the need to focus resources on high priority infrastructure.
Likelihood	**Unlikely** The top 10 hazards for the Manawatū District, in order of priority, are severe earthquake, river flood, tsunami, drought, landslide (widespread hill country), human pandemic, animal epidemic, transportation incident (HAZNO spill), rural fire (widespread) and high wind/storm event. The likelihood and consequences of an event is different for each hazard. This complicates efforts to assign a single likelihood score; however, the chances of an emergency event occurring in the District that exceeds Council's ability to recover costs incurred, such as a strong earthquake, is considered low. Earthquake forecasts from GeoNet in December 2017 provide a best estimate of 30% (unlikely) of a magnitude 7 or higher earthquake occurring within the Central North Island within the next 10 years.
Overall Risk	**Moderate (12) to High (24)**
Reasons & Financial Effect of Uncertainty	A catastrophic emergency event would impact on Council by demanding immediate funding to repair critical infrastructure. This would reduce the resilience of the Council to meet future unforeseen costs. Additional borrowing would impact on future rating levels.

Mitigating Factors (if applicable)	Emergency Management planning and preparedness aligns with Council's Business Continuity Plan 2020. This plan covers Council's response to an event. It outlines the actions that will be taken internally, to ensure that the critical services Council delivers continue throughout and following an event. The Council also continues to be part of the Manawatū-Whanganui Civil Defence Emergency Management Group working to ensure preparedness for any emergency event, ability to deliver a coordinated response and recovery. Council has a $5 million buffer between our self-imposed debt cap and the Borrowing Management Policy to ensure we have adequate borrowing facilities in case of emergencies. Council also maintains a resilience fund that it uses to offset some of the costs for recovery from emergency events, particularly the local share of any roading emergency works that are not funded by the New Zealand Transport Agency (NZTA) emergency works subsidy. Catastrophic emergency events are assumed to attract Government and private charitable sector support.

Legislative Change

Assumption:	That the Manawatū District Council is prepared to respond to signalled legislative change. However, there will be resource implications as Council will need to increase its capacity to meet the requirements of additional central government legislation and legislative instruments.
Alternative	**That the Manawatū District Council will be unable to meet the requirements under new legislation and legislative instruments due to insufficient capacity.**
Impact	**Major** The impact of Council being unable to meet its obligations under new legislation and legislative instruments due to insufficient capacity and/or capability is dependent on what penalties are imposed by Government for non-compliance. If all or most councils are unable to meet new obligations, this will likely lessen the response from Central Government and may result in a reconsideration of the timeframes or scope of new legislation or legislative instruments. However, if the Manawatū District Council is alone in its inability to meet its obligations, the worst-case scenario is that Government will appoint commissioners to take over the governance role of Council.
Likelihood	**Possible** We are within a significant period of legislative change. The Coalition Government repealed the Natural and Building Environment Act 2023 and the Spatial Planning Act 2023 on 24 December 2023, and the Three Waters Legislation on 14 February. The Coalition Government has signalled several other changes to regulation and legislative instruments that will impact on Council's roles and responsibilities including: • Replacing the Resource Management Act 1991 (RMA) with new resource management laws premised on the enjoyment of property rights as a guiding principle; • Undertaking an urgent review into the implementation of the National Policy Statement (NPS) on Indigenous Biodiversity before any implementation, including ceasing the implementation of new Significant Natural Areas; • Streamlining the plan preparation process in Schedule 1 of the RMA • Introducing financial incentives for councils to enable more housing • Simplifying the planning system and related statutes including the Public Works Act and the Reserves Act • Replacing the NPS – Freshwater Management 2020 and the National Environmental Standards (NES) for Freshwater, including by: - Rebalancing Te Mana o te Wai to better reflect the interests of all water users - Allowing district councils more flexibility in how they meet environmental limits and seeking advice on how to exempt councils from obligations as soon as practicable • Amending the NES for Plantation Forestry regulations to place a duty upon harvesters to contain and remove post-harvest slash • Establishing a National Infrastructure Agency that prioritises the delivery of regional and national projects of significance • Preparing a new Government Policy Statement (GPS) Transport (100-day plan)

	• Reducing expenditure on cycleways • Amending the Building Act and resource consent system to make it easier to build small structures of up to 60sqm. When considering the cumulative cost and resourcing requirements of new legislation and legislative instruments, it is possible that Council will be unable to meet all its obligations. For example, Council may be unable to attract or retain staff with the necessary skills and experience to meet the requirements of new legislation or legislative instruments. Even if Council has the capability to meet new roles and responsibilities, the cost of doing so may exceed Council's debt cap or makes rates unaffordable.
Overall Risk	**Moderate (12)**
Reasons & Financial Effect of Uncertainty	If Central Government does not provide local government with the financial assistance it needs to meet new obligations, the costs will fall on ratepayers. The cumulative impact on rates may exceed the Council's debt cap or other financial controls or exceed ratepayer's ability to pay. Council recognises that there is a national shortage of specialist staff, such as ecologists and planners, that will be needed to meet the new requirements of legislation. The inability to attract the necessary staff could result in more shared arrangements and outsourcing of work to consultants, potentially increasing costs.
Mitigating Factors (if applicable)	Council monitors, reports, and submits on new legislative requirements as they are notified by Government to advocate on behalf of the community and inform our preparedness to these legislative changes. Additional budget has been included within the Long-term Plan in anticipation of the new responsibilities and resource implications of new legislative requirements.

Infrastructural Capacity

Assumption:	That the infrastructure projects outlined in the Infrastructure Strategy are necessary to ensure that there is sufficient capacity to meet forecast population, household and business growth.
Alternative 1	**That our infrastructure will have excess capacity due to lower than forecast growth.**
Impact	**Minor** Maintenance costs to maintain the current level of service may not be sustainable. This means that levels of service may need to be reduced.
Likelihood	**Unlikely** Population forecasts are based on the Infometrics high scenario population projections (May 2023). Business growth is based on trends from past and current development and the consideration of current and the expectation of future economic circumstances. Decisions around infrastructure investment are based on past and current development trends and information that Council holds on the capacity of the current networks. Changes in population growth rates, growth demand and the location of growth within the District can all influence what infrastructure projects are needed and when.
Overall Risk	**Low (2)**
Reasons & Financial Effect of Uncertainty	If the number of new households connecting to reticulated infrastructure networks is lower than forecast, the revenue from rates and development contributions will be lower. This means that the costs for maintenance and renewal will be higher per ratepayer.
Mitigating Factors (if applicable)	Any major changes to the growth trend will be identified through processes in place to monitor population growth and patterns of development across the district. As each project needs to be economically justifiable, projects are unlikely to proceed until there is sufficient demand.

Alternative 2	**That our infrastructure will have insufficient capacity to meet growth demand.**
Impact	**Moderate:** Additional investment will be required in new infrastructure if the level of service is not being met. The Three Waters distribution and collection networks and treatment facilities have capacity to meet some increased forecast growth related needs. The networks overall are in good condition.
Likelihood	**Unlikely** Population forecasts are based on the Infometrics high scenario population projections (May 2023). Business growth is based on trends from past and current development and the consideration of current and the expectation of future economic circumstances. Decisions around infrastructure investment are based on past and current development trends and information that Council holds on the performance of the existing network. Changes in population growth rates, growth demand and the location of growth within the District can all influence what infrastructure projects are needed and when.
Overall Risk	**Guarded (4)**
Reasons & Financial Effect of Uncertainty	Growth significantly above forecast rates will mean that major infrastructure networks will need to be expanded earlier than planned. If infrastructure is not able to keep up with demand, levels of service may suffer, making the District a less attractive place to live.

Mitigating Factors (if applicable)	Funding for growth projects will be partially funded through development contributions. Growth will need to be significantly above forecast levels before additional investment in infrastructure is required. Any major changes to growth trends will be identified through processes in place to monitor development trends across the District. Council has proactively invested in growth related developments, particularly in Maewa (Precinct 4) and the Kawakawa Industrial area (Precinct 5).

Achievement of Capital Works Programme

Assumption: That Council will have both the internal and external resources required to achieve 85% to 105% of its annual capital works programme over the life of the 10-year Plan.

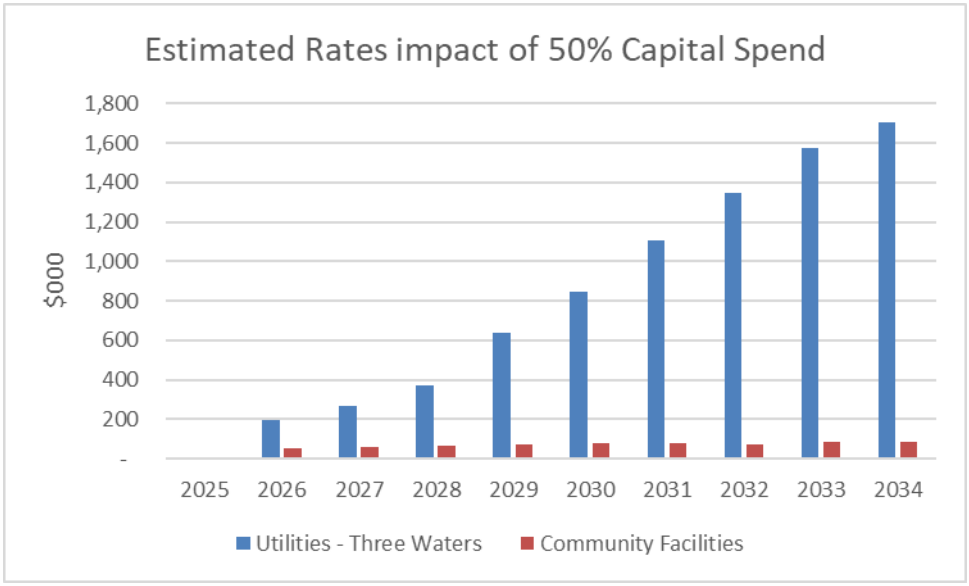
Alternative 1	That Council will not have the resources available to achieve 85% to 105% of its annual capital works programme over the life of the 10-year plan.

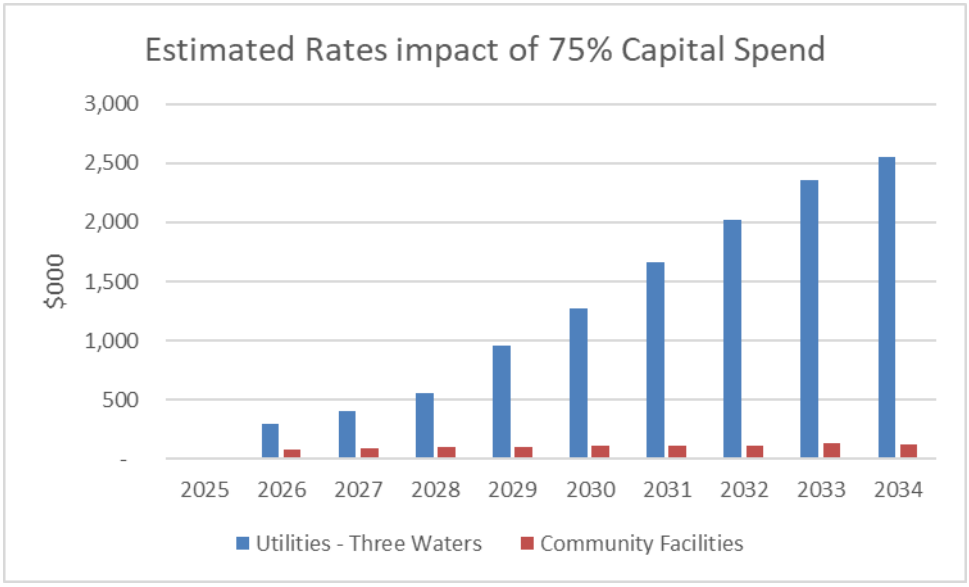
Impact **Moderate**

Council has adopted the target to complete between 85%-105% of its capital works programme annually. This target in included as a Key Performance Indicator for the Chief Executive.

If Council is unable to meet this target, the cost of capital (interest payments) to service debt on loans for capital works would be minimised. This would have a positive impact on rates but may impact on availability and/or levels of service to the community.

The following graphs indicate the impact on rates resulting from 50% and 75% capital expenditure of utilities and community facilities capex over the life of the 10-Year Plan.





Likelihood	**Likely** While Council is proceeding on the expectation that capital works programme targets will be met, it is acknowledged that average annual capital expenditure of 79% has been completed over the period 2015-2020. To support the completion of the capital works programme, internal resourcing has been boosted with the appointment of an additional Project Manager and Design Engineer, and administration support staff. The additional resources will support staged and integrated project management and procurement practices, with the objective of bundling multiple projects into tenders to attain contractor commitment and ensure delivery. This includes bundling of projects across multiple agencies. Allowances will be made at the time of tender acceptance to add stages to the contracts, and contract completion times may be extended to allows contractors to programme their work effectively. This has been taken into account within projected project milestone and completion dates. Factors that may affect delivery are the availability of additional specialist engineering expertise and external contractors (including prequalification requirements for contractors), the capacity of Regional Council to process resource consent applications within statutory timeframes, and the ability to procure products and equipment from offshore. An additional risk is elevated demand due to the large capital works programmes of both neighbouring Councils and central government in the region. It is expected that the bundling of projects will drive resource efficiency and support completion of capital projects across the region.
Overall Risk	**Moderate (8)** We are currently well resourced to deliver to capital works programme targets however factors outside the control of Council may impact on the achievement of targets.
Reasons & Financial Effect of Uncertainty	Planned upgrades, renewals and maintenance works will continue as set out in the Infrastructure Strategy, the 10 Year Plan and the Forward Works Programme in the Three Waters Asset Management Plan. Any deferral of planned capital works will have a positive impact on rates affordability in that year.
Mitigating Factors (if applicable)	Staging and integrated project management and procurement processes will be employed to support capital works programme delivery. As above, this includes seeking opportunities to bundle capital works projects across the wider region.

Useful Life of Assets

Assumption: That assets will deliver the required level of service over their documented useful life.

Alternative	That older assets will fail earlier than their documented useful life
Impact	**Major** **Critical asset failure would impact on the reliability of the service we provide to businesses, schools, rest homes, medical providers and the wider public.** **Insufficient investment for renewal of critical network and plant assets will increase the likelihood of these assets to fail. This failure also increases the risk of environmental risk, public health risk, reputational harm, breaches of resource consent resulting in abatement notices and prosecution.** **Significant asset failure would require additional funding which would impact on debt levels and rates increases.**
Likelihood	**Possible** **Various factors can affect when an asset is replaced, including an extraordinary event such as extreme weather, increased demand from growth, or an increased rate of deterioration from material failure.** **Council has very few water supply assets dating before 1950 and large numbers of sewer and stormwater reticulation with a default installation date of 1931. This network profile skews the current age-based renewals programme.** **The gaps in the accuracy of asset information impact on the timing of renewals and the reliability of service delivery. This is relevant to assessing the risk and timing of an optimised renewals programme.** **To address this, CCTV inspections have been conducted in older parts of the network. Council is in the process of preparing a procurement going out to tender for the CCTV and condition assessment programme. The budget for this has been added to the 2024-34 Long-term Plan along with the renewals programme to follow based on the information collated from the condition inspection information.** **The targeted renewals programme will reduce the likelihood of asset failure across the network.**
Overall Risk	**Moderate** There is little evidence to indicate that large scale asset failures are imminent. The inspection programme will further define this risk to increase certainty and inform risk management practices.
Reasons & Financial Effect of Uncertainty	A renewals programme based on a combination of age, material type and criticality has been included in the Long-term Plan. Funding is included in the Long-term Plan for a CCTV and condition assessment programme. Information from these condition assessments will inform the renewals programme, minimising the risk of bulk failure of assets.
Mitigating Factors (if applicable)	Council has recognised where there are gaps in asset information and has implemented a maintenance and monitoring programme to inform a targeted renewals programme.

Source Data IPWEA. (2015). International Infrastructure management Manual. *Institute of Public Works Engineering Australasia.* International Edition.

New Zealand Drinking Water Standards

Assumption: That Council can deliver safe and cost-effective water supplies to the community in accordance with the Drinking Water Quality Assurance Rules (DWQAR 2022).

Alternative 1	**The national regulations and the delivery model remain unchanged.**
Impact	**Minor** All drinking water supplies will be required to comply with the DWQAR, and aesthetic values. Water supply activities will continue as planned and improvements have been budgeted for in the Long-term Plan.
Likelihood	**Unlikely** The expectation is that there will be some form of legislation change to the delivery model as set by Central Government. However, no major changes are expected
Overall Risk	**Low (2)** We are currently well placed to deliver under the current criteria and performance standards.
Reasons & Financial Effect of Uncertainty	Planned upgrades, renewals and maintenance works will continue to be set out in the Infrastructure Strategy, the Long-term Plan and the Forward Works Programme in the Three Waters Asset Management Plan.
Mitigating Factors (if applicable)	Following completion of planned upgrades to water treatment plans, all of Councils reticulated drinking water networks will comply with the current drinking water regulatory requirements.

Alternative 2	**That the changes to the drinking water regulations and the delivery model are greater than anticipated.**
Impact	**Moderate** **All of Council's water supplies are already chlorinated and all surface water takes have UV treatment. Hence, we are well placed under the current regulatory requirements and can easily implement minor additional changes to achieve compliance if required. The changes to date have consisted of a more rigorous testing regime to monitor total coliforms and enumeration testing for E. coli. The changes to the water delivery model, however, could be significant as these could fundamentally change how and who is responsible for supplying drinking water. Councils' debt profile places council at financial risk if significant changes are needed, and significant costs are incurred to comply with standard and requirements for drinking water supplies.**
Likelihood	**Possible** The department of Internal Affairs Report on the Havelock North Drinking Water Inquiry: Stage 2, recommended significant changes to be made to the regulatory system for water supplies and to the Drinking Water Standards for New Zealand. The new regulations have since been released with relatively minor increases in compliance criteria.

Overall Risk	**Guarded (6)**
Reasons & Financial Effect of Uncertainty	**The delivery model is beyond the control of the Territorial Authorities. Through its lobby group LGNZ, Council has recommended the status quo with respect to the delivery model. This may be amended however to a more regional or national approach delivery model. It is likely that changes will result in additional capital and operational expenses for Council.**
Mitigating Factors (if applicable)	Council is already well placed as all urban drinking water supplies are chlorinated. In addition, all surface water takes for water supply networks are UV treated. These mitigation measures were already in place when increased compliance requirements came into force in 2022.

Transportation Funding – Assumption One

Assumption: That the Council will receive funding from Waka Kotahi NZ Transport Agency (NZTA) for the maintenance and renewal of roads.

Alternative 1	**That roading maintenance and renewal projects will not secure Waka Kotahi NZTA funding.**
Impact	**Severe** The land transport network is a core facility maintained by the Council to assist it in meeting its Community Outcomes through enabling the efficient movement of people and goods throughout the Manawatū District and into neighbouring districts. The removal of Waka Kotahi funding for roading maintenance and renewal projects would impose substantial additional costs on Council and threaten the affordability of providing a roading network that is both fit for purpose and meets the expectations of the community.
Likelihood	**Unlikely** The current 51% subsidy from NZTA is assumed to remain constant. However, as Council's roading network exceeds NZTA 'expectations' of performance, it is possible that the allocation of funds may reduce to balance constraints in funding availability.
Overall Risk	**High (16)**
Reasons & Financial Effect of Uncertainty	The removal of subsidies for roading maintenance and renewal would limit the capacity of local government to respond to the changing needs of the community in addition to placing a substantial burden on Council budgets.
Mitigating Factors (if applicable)	The Council intends to maintain its awareness of any issues that impact on the ability of Council to access Waka Kotahi NZTA funding. Funding for the changing needs and expectations of the community has been recognised in the Long-term plan.

Alternative 2	**That there are delays in finalising Waka Kotahi NZ Transport Agency funding, impacting on Council's delivery of maintenance and renewal projects.**
Impact	**Major** A delay in funding could temporarily delay projects or put pressure on Council roading budgets. These considerations are built into Council planning processes to ensure the impact on the community is minor.
Likelihood	**Possible** Based on recent experiences, the risk of budget confirmation beyond a timely manner is increasing. There is less scope to manage deferral of activities in order to reduce expenditure if this issue presents itself.
Overall Risk	**Moderate (12)**
Reasons & Financial Effect of Uncertainty	Significant delays in securing funding for maintenance and renewal projects could result in lower quality roads, particularly in rural areas. Council would have to either increase rates or bring forward planned projects to ensure that the communities' expectations are met and that local roads are fit for purpose.

Mitigating Factors (if applicable)	The Council intends to maintain its awareness of any issues that impact on the timing of Waka Kotahi NZTA funding. Funding for the changing needs and expectations of the community has been recognised in the Long-term Plan.

Transportation Funding – Assumption Two

Assumption: That the Council will receive 51% of the cost of roading maintenance and renewal projects from Waka Kotahi NZ Transport Agency over the life of the Long-term Plan, as published within the Waka Kotahi NZ Transport Agency Funding Assistance Rates Policy issued in February 2021.

Alternative	**That the level of subsidy from Waka Kotahi NZTA for maintenance and renewal of roads is reduced.**
Impact	**Severe** The land transport network is a core facility maintained by the Council to assist it in meeting its Community Outcomes through enabling the efficient movement of people and goods throughout the District and into neighbouring districts. Any reduction in the level of Waka Kotahi NZTA funding for the maintenance and renewal of the local roading network will impact on Council budgets and the affordability of maintaining a roading network that is safe and efficient and meets the expectations of the community. Rather than the level of subsidy available to Council, the biggest impact on Council budgets would come from the need to reduce budgets further to fit within a reduced level of central government funding available to local government for roading maintenance and renewal. This is considered separately in the following Forecasting Assumption.
Likelihood	**Unlikely** Risk of reduction in the Funding Assistance Rate, FAR (currently at 51%) is unlikely at this time, but impact of such an event happening increases due to cost of materials and provision of contracting services having increased substantially.
Overall Risk	**High (16)**
Reasons & Financial Effect of Uncertainty	Further reduction in the rate of subsidy for roading maintenance and renewal would limit the capacity of local government to respond to the changing needs of the community in addition to placing a substantial burden on Council budgets.
Mitigating Factors (if applicable)	The Council intends to maintain its awareness of any issues that impact on the level of Waka Kotahi NZTA funding. Funding for the changing needs and expectations of the community has been recognised in the Long-term Plan.

Transportation Funding – Assumption Three

Assumption: That the total amount of central government funding available to local government to subsidise roading maintenance and renewal programmes will not reduce from levels released within the National Land Transport Fund (NLTP).

Alternative	That the total level of Waka Kotahi NZTA funding for local government maintenance and renewal of roads is reduced from levels released within the National Land Transport Fund (2020).
Impact	**Severe** The land transport network is a core facility maintained by the Council to assist it in meeting its Community Outcomes through enabling the efficient movement of people and goods throughout the District and into neighbouring districts. Council was asked to reduce the budget for roading maintenance and renewal by $2m in February of 2021, to fit in with funding constraints currently being experienced by Waka Kotahi NZTA. Council reduced the budget as requested. Any further reduction in the level of Waka Kotahi NZTA funding available to Council for the maintenance and renewal of the local roading network will have a major impact on Council budgets and the affordability of maintaining a roading network that is safe and efficient and meets the expectations of the community. Council can either fund the additional expenditure required to maintain the roading network, which will impact on rates, or delay roading maintenance and renewal works to fit within funding constraints.
Likelihood	**Possible** A reduction of funding is possible due to provision of 'emergency response' funding for recent storm events to NZ being announced by central government. This 'emergency funding' is potentially going to be sourced from the National Land Transport Fund, meaning a reduction in available funding for 'Business as Usual' activities.
Overall Risk	**High (24)**
Reasons & Financial Effect of Uncertainty	Further reduction in the level of funding available to support local government roading maintenance and renewal programmes would limit the capacity of Councils to respond to the changing needs of the community in addition to placing a substantial burden on Council budgets.
Mitigating Factors (if applicable)	The Council intends to maintain its awareness of any issues that impact on the level of Waka Kotahi NZTA funding. Funding for the changing needs and expectations of the community has been recognised in the Long-term Plan.

Resource Consents

Assumption: That applications to renew resource consents will be granted but that Council will face additional costs and delays through the application process, particularly in relation to wastewater discharges. Monitoring costs and requirements will be higher for consent renewals due to more stringent conditions.

Alternative 1	**That consents will be renewed in a timely manner and issued without any major changes to existing conditions or requirements.**
Impact	**Minor** If consents are renewed without major changes to conditions and requirements, there will be no need to increase the budget for consent monitoring and renewal included in the Asset Management Plans. Those that have already been adjusted in anticipation of new requirements, may have a surplus.
Likelihood	**Unlikely** Consents already approved under the One Plan have been subject to more stringent conditions and requirements than those issued under the previous Regional Plans. Given the Environment Court decision that ruled against Horizons Regional Council (NZEnvC ENV-2016-WLG-000038), Council thinks it is likely that the trend towards increasing consent costs, delays, and more stringent consent requirements will continue.
Overall Risk	**Low (2)**
Reasons & Financial Effect of Uncertainty	Council has a good understanding of its existing consent requirements and monitors expiry dates through Asset Management Plans. However, while Council can advocate to Regional Council, there is limited flexibility in terms of determining consent conditions.
Mitigating Factors (if applicable)	**Council has a good working relationship with Horizons, and knowledge and understanding of working under the Horizons One Plan. The Council will monitor and work with Horizons to ensure it has sufficient notice of and is well-placed to manage any consent changes required.** **Council works in a partnership alongside Ngāti Kauwhata within Mana Whakahaere (Ōroua River Governance Group). This group was formed under the Ōroua Declaration in 2015, and meets at least once per year. During 2023, the group met four times. In relation to resource consents, Council's membership on this group helps to demonstrate Council's commitment towards improved outcomes for the Ōroua River, and helps to ensure that Council activities impacting or improving the health of the Ōroua River are understood by Ngāti Kauwhata members. This in turn contributes to Ngāti Kauwhata representatives feeling well informed when making decisions on Resource Consent applications where iwi endorsement is required.**

Alternative 2	**That existing resource consents are not renewed and/or granted.**
Impact	**Severe** If existing consents cannot be renewed and/or granted, our existing treatment facilities would be potentially redundant. For new consents, new works could be delayed, impacting on provision of services. Council would need to develop

	alternative ways of managing infrastructure to find solutions that are able to be consented.
Likelihood	**Rare** **While we are anticipating increased costs and time delays in meeting new consent requirements, we consider it highly unlikely that Council will fail to obtain consent. Council may need to make changes, such as eliminating any water-based treatment of wastewater discharges, but should be able to find solutions that meet the requirements of the One Plan and are supported by iwi, the community and other stakeholders.**
Overall Risk	**Moderate (8)**
Reasons & Financial Effect of Uncertainty	If Council continued to operate its treatment facilities and/or discharge without consent, it may face enforcement action and fines. Affordability of services in small communities could become increasingly difficult.
Mitigating Factors (if applicable)	**Council has a good working relationship with Horizons and knowledge and understanding of working under Horizons One Plan. The Council will monitor and work with Horizons to ensure it has sufficient notice of and is well-placed to manage any consent changes required.** Council works in a partnership alongside Ngāti Kauwhata within Mana Whakahaere (Ōroua River Governance Group). This group was formed under the Ōroua Declaration in 2015, and meets at least once per year. During 2023, the group met four times. In relation to resource consents, Council's membership on this group helps to demonstrate Council's commitment towards improved outcomes for the Ōroua River, and helps to ensure that Council activities impacting or improving the health of the Ōroua River are understood by Ngāti Kauwhata members. This in turn contributes to Ngāti Kauwhata representatives feeling well informed when making decisions on Resource Consent applications where iwi endorsement is required. Additional budget has been included in Asset Management Plans to offset the increased costs for consent renewals and to ensure compliance with new consent conditions.

Impact of Inflation on Council Budgets

Assumption: Costs will increase as set out in the Business and Economic Research Ltd (BERL) Local Government Cost Adjustor Forecast "Legacy Local Government Cost Index (Legacy LGCI)" (i.e. including three waters infrastructure) (October, 2023), with the exception of insurance.

The local government annual growth rates across groupings are included below:

Table 15

BERL group	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Planning & regulation	2.6	2.1	2.2	2.1	2.0	1.9	1.9	1.9	1.8	1.8
Roading	2.9	2.0	2.3	2.3	2.2	2.1	2.0	2.0	2.0	1.9
Transport	2.6	2.1	2.2	2.2	2.1	2.0	2.0	1.9	1.9	1.9
Community	2.7	2.0	2.2	2.2	2.1	2.0	1.9	1.9	1.9	1.8
Water & Environment	3.6	2.5	2.7	2.6	2.5	2.3	2.3	2.2	2.1	2.1
LGCI OPEX Mid-point	2.9	2.2	2.3	2.3	2.2	2.1	2.0	2.0	1.9	1.9
LGCI CAPEX Mid-point	3.0	2.2	2.4	2.3	2.2	2.1	2.1	2.0	2.0	1.9
LGCI Combined Mid-point	2.9	2.2	2.3	2.3	2.2	2.1	2.0	2.0	1.9	1.9

Note: The Local Government Cost Index (LGCI) is a composite index that measures the changes in the prices of a basket of goods and services that are purchased by local governments in New Zealand. The LGCI grows more slowly than the Consumer Price Index, reflecting the difference in bargaining power between local authorities and households. BERL produced three versions of LGCI cost adjustor forecasts for Local Government in October 2023. Council has chosen to use the "Legacy LGCI" which includes the same basket of goods as previous years (i.e. includes waters infrastructure). Council opted to use the "Legacy LGCI" series for consistency with our assumption that the three waters reforms will be repealed by Government and that three waters infrastructure will remain the responsibility of Council.

Alternative 1	That inflation costs will increase at a significantly higher rate than forecast by BERL.
Impact	**Major** Council may face increased costs if inflation rates differ significantly from forecasts. The biggest impact in the short term would be to threaten the rates affordability in subsequent years. Significant (and unexpected) cost increases will raise questions over levels of service and affordability.
Likelihood	**Likely** The inflation forecasts in Table 1 have been used to prepare the financial information within the Long-term Plan. These forecasts are updated each year, and each new Long-term Plan uses the most recent update. These forecasts are the best available information that is specific to Local Government that we can use. However, given persistently high core inflation (including volatile energy prices), Council considers it likely that inflation costs could be much higher than forecast by BERL.
Overall Risk	**High (16)**

Reasons & Financial Effect of Uncertainty	Councils may face increased costs if inflation rates differ significantly from forecasts. The biggest impact would be the need to re consider the levels of services provided.
Mitigating Factors (if applicable)	Council utilises industry specific advice on current inflation and predicted trends. Major projects and most infrastructure maintenance are subject to tenders. These tend to be multi-year contracts that reduce the risk to Council in the short term. Council can decide to halt projects if tendered costs exceed the budget. Council closely monitors its budget and performance against budget. Emerging trends in the economy affecting inflation can be identified at early stages and budgets and spending adjusted if necessary to ensure there are no sudden impacts. Council also utilises several sources of funds, including external and internal borrowing at different rates, so the risk of inflation does not apply to all sources of funding.
Source	BERL. (October 2023). *Cost Adjustor 2023 final update.* Taituarā.

Alternative 2	**That inflation costs will increase at a significantly lower rate than forecast by BERL.**
Impact	**Minor** It is possible that rates requirements will reduce, affecting a one year surplus and potentially reducing rate requirements for the future year.
Likelihood	**Unlikely** The inflation forecasts have been used to prepare the financial information within the Long-term Plan. These forecasts are updated each year, and each new Long-term Plan uses the most recent update.
Overall Risk	**Low (2)**
Reasons & Financial Effect of Uncertainty	Councils may face reduced costs if inflation is significantly lower than forecast. This would have a positive impact on Council budgets as costs associated with capital and operational spending would be less than anticipated.
Mitigating Factors (if applicable)	Council utilises industry specific advice on current inflation and predicted trends in addition to closely monitoring performance against budget. Through this process, emerging trends that may impact on inflation can be identified at an early stage and budgets and spending adjusted where necessary to ensure there are no sudden impacts.
Source	BERL. (October 2023). *Cost Adjustor 2023 final update.* Taituarā.

Impact of Insurance costs on Council Budgets

Assumption: That insurance costs will increase by 32% in Year 1 of the LTP as advised by Council's insurance provider, and then will then increase annually at the same rate as the Local Government Cost Index ("Legacy LGCI") combined mid-point (BERL, 2023).

Alternative 1	**That insurance costs will increase at a significantly higher rate than forecast.**
Impact	**Severe**

	Council will face increased costs if insurance price pressures are higher than forecast. Forecast insurance cost increases are already high for Year 1 as the insurance industry recovers from recent shocks including COVID-19, Cyclone Hale and Cyclone Gabrielle. Any additional increase in insurance costs above what is forecast will impact on Council's ability to afford to insure Council's assets and will shorten the timeframe by which Council must explore alternative options, such as reducing the schedule of assets insured or increasing reliance on self-insurance reserves, to reduce insurance costs.
Likelihood	**Possible** While expert advice provided by Council's insurer indicates that insurance prices will increase at high levels in the short term, Council expects the insurance industry to recover from recent shocks and to resume more sustainable premium increases after Year 1. Any future significant emergency events are likely to result in further "spikes" to insurance premiums. However, the timing of any future spikes in insurance premiums is unknown. Council chose to use the "Legacy LGCI" from Business and Economic Research Ltd (BERL) for consistency with our assumption that the three waters reforms would be repealed by the incoming Government. This information is considered the best available information for predicting price increases for local government goods and services.
Overall Risk	**Moderate (12)**
Reasons & Financial Effect of Uncertainty	**Insurance claims from damages associated with extreme weather are likely to rise as the incidence of these events increases in the future. This is expected to increase the costs of insurance cover. In addition, emergency events elsewhere in New Zealand and across the world may mean that there are periods of time where insurance cover is unavailable, or unavailable for certain types of event.**
Mitigating Factors (if applicable)	Council closely monitors actual expenditure against budget. Emerging trends in insurance markets that impact on the cost of insurance to Councils, can be identified at an early stage and budgets and spending adjusted, if necessary, to manage impacts. Council is building a self-insurance reserve that will be used for minor events when this is preferable to making an external insurance claim. Council plans to build the self-insurance reserve over the life of this Long-term Plan to reduce reliance on external insurance providers.
Sources	Aon New Zealand projected premium increases and advice to MWLASS, Oct 2023. BERL. (2023). *Cost Adjusters 2023 final update.* Taituarā, Oct 2023.

Alternative 2	**That insurance costs will increase at a significantly lower rate than forecast.**
Impact	**Minor** The impact of lower than forecast growth in insurance costs would be positive for Council budgets and may enable the release of funds to support other Council activities. Council is building a self-insurance reserve over the life of this Long-term Plan. If insurance costs increase at a lower rate than forecast Council

	will either be better placed financially to deal with unexpected events, or could reduce future budgeted contributions to the self-insurance reserve.
Likelihood	**Unlikely** Council has assessed the likelihood of lower than anticipated insurance costs over the life of the Long-term Plan as unlikely.
Overall Risk	**Low (2)**
Reasons & Financial Effect of Uncertainty	Councils may face lower costs if the increase in insurance costs are significantly less than forecast. The most significant impact would be the release of funds to support other Council activities.
Mitigating Factors (if applicable)	Council has applied the latest insurance industry advice and the "Legacy LGCI" inflation forecasts from BERL to forecast the impact of insurance cost inflation over the 10-year period covered by this Long-term Plan. These forecasts are updated each year, and each new Long-term Plan uses the most up-to-date information, ensuring responsiveness to changes in price pressure over the life of the Long-term Plan.
Source	BERL. (2023). *Cost Adjusters 2023 final update.* Taituarā, Oct 2023.

Interest Rates

Assumption: That the interest on loans raised will be as projected in the table below. It is assumed that all new loans will be drawn at the end of each financial year, so the rates used for budgeting purposes are those as at June.

Table 16:

Year as at 30 June	Average Cost of funds
2025	5.06%
2026	5.16%
2027	5.56%
2028	5.86%
2029	6.12%
2030	6.22%
2031	6.31%
2032	6.37%
2033	6.55%
2034	6.63%

Alternative 1	That interest rates on loans raised will be significantly higher than forecast.
Impact	**Minor** Significant increases in interest costs may impact on Council's ability to fund infrastructure and community activities in addition to major upgrades and planned asset renewals. Investment rates, however, generally follow interest rates and maintain a consistent difference, reducing the impact on Council budgets of higher than expected interest rates on loans.
Likelihood	**Likely** The Reserve Bank of New Zealand has indicated that interest rates will remain elevated for some time since inflation is still far from being in the target range of one to three percent (BERL, Oct 2023). There remains considerable uncertainty around the timing and pace of eventual interest rate cuts.
Overall Risk	**Guarded (4)**
Reasons & Financial Effect of Uncertainty	Interest rates in New Zealand are influenced by the Official Cash Rate (OCR), which is set by the Reserve Bank of New Zealand. Interest rates are also affected by global economic conditions and uncertainty, which can impact trade, financial markets, and confidence. Supply disruptions from COVID-19 have not dissipated completely and the war in Ukraine has added further geopolitical tension.
Mitigating Factors (if applicable)	The Liability Management policy outlines the mitigating strategies that Council has around interest rate risk. The Council is also a member of the LGFA and as such has access to lower interest rates. The term of existing debt is spread out to 2033 using a combination of fixed and floating rates. This enables Council to be less affected by fluctuations in interest rates.
Sources	Reserve Bank of New Zealand, Nov 2022. Accessed on 16 Nov 2023 from: Higher interest rates necessary - Reserve Bank of New Zealand - Te Pūtea Matua (rbnz.govt.nz) BERL. (2023). *Cost Adjusters 2023 final update.* Taituarā, Oct 2023.

Alternative 2	That interest rates on loans raised will be significantly lower than forecast.
Impact	**Minor** A significant decline in interest rates may improve the affordability of Council capital expenditure and service delivery. Depending on Council budget decisions, this may either reduce rates increases or enable greater investment in community infrastructure and the delivery of services to the community. Investment rates, however, generally follow interest rates and maintain a consistent difference, moderating the impacts on Council of fluctuating interest rates.
Likelihood	**Unlikely**

	The Reserve Bank of New Zealand has indicated that interest rates will remain elevated for some time since inflation is still far from being within the target range of one to three percent.
Overall Risk	**Low (2)**
Reasons & Financial Effect of Uncertainty	Interest rates in New Zealand are influenced by the Official Cash Rate (OCR), which is set by the Reserve Bank of New Zealand. Interest rates are also affected by global economic conditions and uncertainty, which can impact trade, financial markets, and confidence.
Mitigating Factors (if applicable)	The Liability Management policy outlines the mitigating strategies that Council has around interest rate risk. The Council is also a member of the LGFA and as such has access to lower interest rates.
Source	Bancorp, October 2023. Treasury Trends issue 449 – October 2023. Accessed on 14 Nov 2023 from: Treasury-Trends-449-October-2023.pdf (bancorp.co.nz) BERL. (2023). *Cost Adjusters 2023 final update.* Taituarā, Oct 2023.

Capital Works Costs

Assumption: Capital works costs will not vary significantly from those budgeted.

Alternative 1	**That capital works costs will be significantly more than budgeted.**
Impact	**Major** The effect on the community depends on the scale of the variance. Council could face higher than budgeted costs that do not fit within the Financial Strategy limits.
Likelihood	**Unlikely** Financial budgeting is indicative, and it is common for projects to incur cost overruns or under-budget results. More time is spent on estimating projects in the first three years of the Long-term Plan, with generally less confidence given to projects in years 4-10. Greater certainty of conditions during the initial years of the Long-term Plan reduces the likelihood that actual costs would be significantly more than budgeted.
Overall Risk	**Moderate (8)**
Reasons & Financial Effect of Uncertainty	Significantly higher costs than anticipated could result in increased debt levels and unbudgeted interest repayments, or deferral of programmes.
Mitigating Factors (if applicable)	The following processes reduce the likelihood of costs being significantly higher than forecast, in addition to mitigating impacts of any budget overruns: 1. Project planning and business case processes to increase the accuracy of planned projects; 2. Projects are re-assessed as part of each Long-term Plan process and costs are updated to reflect the latest costings and technology changes; and, 3. Where needed, levels of service can be revised annually.

4. Council's Delegation Manual sets approval thresholds for contracts. Any variation to a contract that is above the approved contingency amount and pushes the total contract value into the next approval threshold, will trigger the need for approval at the higher level. Any contract with a value of $500,000 or more must be approved by Council, including any variations to those contracts that are above the approved contingency amount.

Alternative 2	That capital works costs will be significantly less than budgeted.
Impact	**Minor** Lower than budget capital works costs would have a positive impact on Council budgets.
Likelihood	**Unlikely** Financial budgeting is indicative, and it is common for projects to incur cost overruns or under-budget results. More time is spent on estimating projects in the first three years of the Long-term Plan, with generally less confidence given to projects in years 4-10. Greater certainty of conditions during the initial years of the Long-term Plan reduces the likelihood that actual costs would be significantly less than budgeted.
Overall Risk	**Guarded (2)**
Reasons & Financial Effect of Uncertainty	If costs are lower, Council could increase levels of service or reduce rate increases.
Mitigating Factors (if applicable)	Lower than anticipated costs result in a net benefit to Council, as this may either release resources to other projects or provide an opportunity to increase levels of service or reduce rates. The re-assessment of projects through the Annual Plan and Long-term Plan processes enables regular review of actual costs against forecast, enabling decisions to be made regarding reallocation of budgets.

Valuations

Assumption: The value of infrastructure, land and buildings will increase at the same rate as the relevant inflation category as published by Business and Economic Research Ltd (BERL, October 2023). The relevant average annual growth rates for infrastructure (three waters and roading) are included below. Land and buildings are revalued and therefore adjusted every three years. The growth rates below indicate the forecast cumulative increase in the value of Council's land and buildings over the life of the Long-term Plan.

	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
Three waters	2.6	2.1	2.2	2.1	2.0	1.9	1.9	1.9	1.8	1.8
Roading	3.0	2.2	2.4	2.3	2.2	2.1	2.1	2.0	2.0	1.9
Land and buildings	2.7			9.1			15.1			20.7

Alternative 1	That the value of infrastructure, land and buildings will increase at a higher rate than forecast.
Impact	**Moderate** Increased valuations would require higher than forecast depreciation funding. This would impact on Council's ability to spend in other areas.
Likelihood	**Unlikely** The process for review of valuations will enable depreciation funding to be adjusted regularly throughout the Long-term Plan process.
Overall Risk	**Guarded (4)**
Reasons & Financial Effect of Uncertainty	Higher valuations could result in higher depreciation requirements that impact on Council level of services and the ability of Council to deliver planned projects within the forecast funding limits.
Mitigating Factors (if applicable)	Infrastructure assets are revalued annually on 1 July by internal staff members in accordance with the Council's Policy. As accounting standard PBE IPSAS 17 Property, Plant and Equipment no longer requires internal revaluations to be subject to external peer review, the Council has chosen to obtain an independent peer review every third year rather than annually. A peer review will be undertaken for the revaluation as at 1 July 2025 and three yearly thereafter. This process enables regular adjustments to levels of depreciation funding. Council undertakes an annual market movement assessment for all Council's land and buildings. If this assessment shows a material change in valuations this triggers a revaluation earlier than the scheduled three-yearly review. Any revaluation is done externally by a third party.
Source	BERL. (2023). *Cost Adjusters 2023 final update.* Taituarā, Oct 2023.

Alternative 2	That the value of infrastructure, land and buildings will increase at a lower rate than forecast.
Impact	**Moderate** Lower valuations will require lower than forecast depreciation funding.
Likelihood	**Unlikely** Strong asset price inflation in the district and across New Zealand is expected to continue, reducing the likelihood that the value of assets would increase at a lower rate than forecast.
Overall Risk	**Guarded (4)**
Reasons & Financial Effect of Uncertainty	Council predominantly funds for depreciation. If depreciation costs are lower than anticipated, funding could be released to fund increased levels of service or reduce pressure on rates.
Mitigating Factors (if applicable)	Infrastructure revaluations are performed annually to mitigate any large changes to budget. Council undertakes an annual market movement assessment for all Council's land and buildings. If this assessment shows a material change in valuations this

	triggers a revaluation earlier than the scheduled three-yearly review. Any revaluation is done externally by a third party.
Source	BERL. (2023). *Cost Adjusters 2023 final update.* Taituarā, Oct 2023.

Ability to Borrow

Assumption: Council will be able to borrow at the approved borrowings level.

Alternative	That Council is unable to borrow at the required level.
Impact	**Severe** If Council is unable to borrow, then Council will either have to defer capital works, reduce levels of service, or increase rates or other operating funding (fees and charges, grants) to fund capital works. If capital works are deferred or delayed, this would lead to lower levels of service.
Likelihood	**Rare** The likelihood is considered rare as Council has access to the LGFA funding market. Local government in New Zealand has no current or forecast issues in accessing debt funding.
Overall Risk	**Moderate (8)**
Reasons & Financial Effect of Uncertainty	While it is likely Council will be able to secure loans, it cannot be guaranteed.
Mitigating Factors (if applicable)	The Council has access to finance through the New Zealand Local Government Funding Agency (LGFA), a dedicated financing vehicle for local government. The Council also enjoys access to an on-demand loan facility with its transactional banker. Active monitoring of Council's financial position enables Council to react quickly to changes in the ability to borrow.

Sources of Funds for Future Replacement of Significant Assets

Assumption: That the depreciation reserves will adequately fund the renewals of significant assets over the 10-year period and the longer term (to 2054), with the exception of roading, the Makino Aquatic Centre, the Community Hub and Libraries, medium and low-profile community halls, and parks, reserves and sportsgrounds for the reasons outlined in the Financial Strategy.

Alternative	That the depreciation reserves are insufficient to fund the renewals of significant assets over the life of this Long-term Plan, and the longer term.
Impact	**Severe**

	There would be a shortfall in funds available to replace assets. This would require Council to either seek third party funding, reduce service levels, increase debt and/or increase rates.
Likelihood	**Unlikely** The depreciation reserves have been depleted by the level of replacement of assets over the past three years. This recent investment in renewals is expected to reduce the demand on the fund over the early years of the Long-term Plan, however, it is possible that there will be insufficient depreciation reserves available to fund all renewal projects.
Overall Risk	**High (16)**
Reasons & Financial Effect of Uncertainty	Since 2009 Council has built depreciation reserves to fund the long-term renewals of assets, however many assets were nearing the end of their life at that time so recent renewals have depleted the fund.
Mitigating Factors (if applicable)	Council will be carefully considering the demand on depreciation reserves within the Long-term Plan budget planning process. If required, Council can seek third party funding, or access borrowings to supplement depreciation reserves at levels forecast within the Long-term Plan.

Technological Change – Assumption 1

Assumption: That Council will be able to take advantage of improvements in technology and asset management practices, resulting in continued efficiency gains and longer asset lives.

Alternative	That technology progresses slower than anticipated.
Impact	**Minor** **Advances in digital technology over the past 10 years have enabled more efficient linkages between condition assessments in the field and asset management systems in the Council. If current rates of technological advancement were to slow, Council would continue to manage, maintain, renew and replace assets using current technologies and best practice.**
Likelihood	**Unlikely** Given recent trends in technological advancement it is considered unlikely that there will not be further advancements over the life of the plan (to 2034).
Overall Risk	**Low (2)**
Reasons & Financial Effect of Uncertainty	Maintenance and renewals programmes are based on current information and best practice and therefore should be able to be completed to budget. Any advances in technology that make projects more or less viable would be considered at the time and taken into account within Council's forecasting of future programmes and budget estimates.
Mitigating Factors (if applicable)	Through their professional memberships and ongoing training, Council officers keep pace with technological advancements that could result in greater efficiencies for Council. It is therefore unlikely that Council will fail to take advantage of new technologies as they become available.

Technological Change – Assumption 2

Assumption: That demands on Council to improve or replace technology to align with national direction on emissions reduction will increase.

Alternative	That the requirement for Council to improve energy efficiency and reduce emissions from operations is staggered
Impact	**Minor** **If requirements to improve or replace technology that improves Council's energy efficiency and reduce emissions are staggered, this will enable Council to plan for these advancements as part of its asset management planning. By staging any necessary upgrades, Council can spread the cost over more years, reducing the financial impact.**
Likelihood	**Likely** The incoming Government has signaled its intention to deliver net zero by 2050. It is considered likely that some of the emissions reduction requirements linked to net zero will be the responsibility of local authorities.
Overall Risk	**Guarded (4)**

Reasons & Financial Effect of Uncertainty	If Council is mandated to improve energy efficiency and reduce emissions, there will be increased costs to replace infrastructure and equipment, and this will impact rates and our service delivery. However, if the requirements are progressive, Council can have sufficient time to prepare for equipment and infrastructural replacements.
Mitigating Factors (if applicable)	Continued infrastructure asset monitoring will enable prompt identification of inefficiencies and maintenance to ensure operability. Council has adequately invested in its wastewater and stormwater assets which are expected to run efficiently for a long time. Council is utilising the services of a carbon management company to monitor energy consumption and expenses, aiming to enhance energy efficiency and outcomes in its operational activities.

Technological Change – Assumption 3

Assumption: That the cost of technology will increase as we migrate from traditional on-premise business systems to the cloud-based business systems (Software as a Service - SaaS). Council will have to budget for an annual increase of 10%-20% in software-related operational costs.

Alternative	**The current budget for software-related operational costs will remain static**
Impact	**Moderate** **Council has no direct control over price increases from software providers. Council is therefore allowing a buffer in terms of budget and time commitments to enable change on demand in case we need to switch providers. If prices remain static, this will mean that Council will have overbudgeted for future years.**
Likelihood	**Unlikely** Given the recent trends in SaaS cost increases, it is very unlikely that software-related costs will not continue to increase over the life of the Long-term Plan.
Overall Risk	**Guarded (4)**
Reasons & Financial Effect of Uncertainty	SaaS products are not owned by the council and migrating from an on-premises system to a cloud-based system surrenders the control over lifecycle management as well as the cost, to the SaaS provider. The provider plans their own roadmaps and the rate of investment into technology advances are out of Council control. The cost of improvements is passed to the customer. Software-related operational costs have been increasing between 10 and 20% per annum in recent years. It is more financially prudent for Council to absorb any future cost increases from the current SaaS provider, as migrating to a different provider can cost significantly more and would require significant resourcing.
Mitigating Factors (if applicable)	Council minimises the annual cost increases through having extended contracts with SaaS providers, e.g. signing 3-year support agreements instead of 1-year support agreements to secure favorable pricing will help control the cost increase. Council plans for continuous business systems improvement (both in terms of time and budgets) and anticipates continuous change that is consistent with previous trends.

Appendix 2 Statement on Council Controlled Organisations

Statement on Council Controlled Organisations (CCOs)

Te tauākī e hāngai ana ki ngā hinongo kei raro I te maru o te Kaunihera

Legislative context
The Local Government Act (LGA) 2002 defines Council Controlled Organisations (CCOs) as (section 6 (1)(b)):

An organisation in respect of which one or more local authorities have, whether or not jointly with other local authorities or persons –

1. Control, directly or indirectly, of 50% or more of the votes at any meetings of the members or controlling body of the organisation; or
2. The right, directly, or indirectly, to appoint 50% or more of the trustees, directors, or managers (however described) of the organisation.

CCOs are mostly set up to independently manage Council facilities or deliver specific services to local residents. Council may choose to work through a CCO when they consider governance by a Trust Board or Company with specialist skills in a specific area is required. CCOs can also attract funding from sources other than ratepayers.

CCOs operate at arm's length to the Council. CCOs are run by Trust Boards or Companies, not by the Council. Every year CCOs provide the Council with a completed Statement of Intent which outline its activities for the year ahead and describes how it will meet the Council's objectives.

A Local Authority may resolve to exempt a small organisation as a CCO with respect to the nature and scope of the activities provided by the organisation, and the costs and benefits if an exemption is granted.

Manawatū District Council has three organisations which fit within the CCO non-exempted definition:

- New Zealand Local Government Funding Authority (LGFA)*
- Central Economic Development Agency (CEDA)
- Manawatū Community Wellbeing and Housing Trust (MCT)

*The New Zealand Local Government Funding Authority (LGFA) is a partnership between Participating Local Authorities and the Government which enables councils to secure funding at lower interest margins and to make longer term borrowings. Further LGFA information is not included, but can be sourced at the following website if required https://www.lgfa.co.nz/.

What we do

CEDA

CEDA is jointly owned between the Manawatū District Council and the Palmerston North City Council.

CEDA grows business and employment, including through the following actions:

- Working with local and regional partners to optimise collective opportunities for economic growth, including through enabling businesses to access new markets
- Supporting business decision-making by providing accurate and timely regulatory and economic information to our community
- Providing business support services to sustain and grow existing business activity and to expand emerging opportunities for enterprise
- Provide start-up business support services
- Providing improved pathways to employment for youth and workers displaced by labour market changes
- Implementing the labour market strategy.

MCT

MCT has been a Council Controlled Organisation since June 2008.

MCT provides good quality, affordable and sustainable housing and health facilities that address the needs of the community to enhance the long-term wellbeing of Manawatū residents.

MCT has 205 housing units including 11 sites in Feilding, one site in Rongotea, and one site in Sanson.

Health and Wellbeing services promoted or provided by MCT include:

- Feilding Health Care Facility (primary health services)
- The Clevely Building (additional space for allied health services including community mental health and physiotherapy services)
- Manchester House Senior Hub Facility (owned by MCT and leased to Manchester House)
- Menzshed

Why we do it

CEDA

CEDA's purpose is *"to drive and facilitate the creation and growth of economic wealth for Manawatū and beyond."*

CEDA's vision for the Manawatū is "*Manawatū 2030; Ko te rohe tino ahu whakamua o Aotearoa New Zealand's most progressive region"*

The three big goals that drive achievement of this vision are as follows:

1. Manawatū is renowned for its exceptional lifestyle, competitive advantages, and is a magnet for investment, business, talent and visitors
2. Manawatū is a world leading agrihub
3. Manawatū is a leading distribution hub, and leverages off its role in central New Zealand.

Council's economic development priorities are set out in its Statement of Expectation for CEDA (see link on the MDC website) and its Economic Development Strategy (which is currently under review).

MCT

The Manawatū Community Trust was established so that everyone in the Manawatū community can experience a comfortable standard of living.[4]

[4]Accessed on 7 Nov 2023 from: https://manawatucommunitytrust.nz

Council established the Manawatū Community Trust for the following purposes:

- Any charitable purpose within the Manawatū District
- To create a fund to be used for:
    a. The promotion of any purpose or purposes within the Manawatū District for the relief of poverty and for the benefit of the residents of the Manawatū District;
    b. The promotion of health services for the residents of the Manawatū District;
    c. The promotion of wellbeing services for residents of the Manawatū District - these services shall include services promoting the improvement of the lifestyle, health and welfare of residents of the Manawatū District and creating a sense of community for the benefit of the residents of the Manawatū District;
    d. The promotion of housing for the elderly and disabled residents of the Manawatū District;
    e. To accept gifts and grants of whatever description, provided that any private benefit conferred on any individual is incidental to the above purposes.

Contribution to Community Outcomes

CEDA

As a shareholder, it is imperative that CEDA's objectives are aligned with Council's community outcomes. The work of CEDA aligns with the following community outcomes:

A prosperous, resilient economy & A future planned together

- Lead and support the region's attraction and retention of talent and skills through an integrated approach.
- Support the development and growth of business and sectors of strength in the region including inward investment.
- Profile Manawatū locally, nationally, and globally.
- Develop strategic partner relationships, leveraging opportunities.
- Data and insights communications on the performance of the region's economy.

Infrastructure fit for future

- Support the development and growth of business and sectors of strength in the region including inward investment.

An environment to be proud of

- Support the development and growth of business and sectors of strength in the region including inward investment.
- Profile Manawatū locally, nationally, and globally

MCT

The work of MCT aligns with the following community outcomes of Council:

A place to belong and grow

- One of the performance measures for MCT is the promotion of health and wellbeing services that create a sense of community for the benefit of residents of the Manawatū. For

example, the health and wellbeing services provided by MCT, including the Manchester House Senior and Menzshed, provide opportunities for connection and a sense of belonging.

A future planned together

- MCT provides healthy and affordable housing as well as support services that contribute to health and wellbeing outcomes, particularly for the elderly and disabled of the Manawatū.

Infrastructure fit for the future

- MCT maintains its housing stock to ensure it is providing a modern healthy living environment, up to date, good quality, sustainable housing and health facilities. One of the performance targets for the Trust is to have all occupied housing stock at a 3 star rating or above by 2025.

Value for money and excellence in local government

- MCT provides affordable housing for the Manawatū community on behalf of Council.
- One of MCT's performance measures sets the rental limit at no more than 30% of the superannuation and accommodation benefits available.

How we do it

CEDA

The Board of four to six independent directors is responsible for the strategic direction and control of CEDA's activities.

The Board guides and monitors the business and affairs of CEDA, in accordance with the Companies Act 1993, the Local Government Act 2002, the Company's Constitution and CEDA's Statement of Intent.

The Board's approach to governance is to adopt "good practice" with respect to:

- the operation and performance of the Board
- managing the relationship with the Chief Executive
- being accountable to all shareholders and reporting to both the Manawatū District Council and Palmerston North City Council

The Chief Executive is responsible for the day-to-day operations of CEDA, engaging and oversight of staff and reporting to the directors on performance against CEDA's objectives.

To achieve its vision and goals, CEDA must work in partnership with our shareholders, central government, Māori, iwi and hapu, industry, and other regional stakeholders.

Council monitors CEDA's performance through six-monthly reporting against the performance management framework included within its Statement of Intent.

MCT

Five Trustees have been appointed by the Manawatū District Council to the Trust. The Trust meets monthly and meets with senior staff from Council on a regular basis to review the operational business of the Trust.

Levels of Service

CEDA

CEDA's performance management framework aligns to its key strategic outcomes. These are reported to Council six-monthly.

Service Level Statement	Performance Measure	2023/24	2024/25	2025/26
Support the development and growth of business and sectors of strength in the region including inward investment	Implementation of Inward Investment strategy with regional partners, through the attraction of investment to the region including key regional projects	Te Utanganui implementation through 10 advocacy engagements and identification of 6 potential investment opportunities	Te Utanganui implementation through 10 advocacy engagements and identification of 6 new potential investment opportunities	Te Utanganui implementation through 10 advocacy engagements and identification of 6 new potential investment opportunities
		Support implementation of the Manawatū Food Strategy through delivery of 3 outcomes that relate to the strategic priorities identified	Support implementation of the Manawatū Food Strategy through delivery of 3 new outcomes that relate to the strategic priorities identified	Support implementation of the Manawatū Food Strategy through delivery of 3 new outcomes that relate to the strategic priorities identified
		4 leads/activities linked to other investment opportunities or promoting the region for investment	4 further leads/activities linked to other investment opportunities or promoting the region for investment	4 further leads/activities linked to other investment opportunities or promoting the region for investment
	Development of priority sectors through targeted business development and retention initiatives	Facilitate implementation of the Destination Management Plan through delivery of 3 activities or initiatives	Facilitate implementation of the Destination Management Plan through delivery of 3 activities or initiatives	Facilitate implementation of the Destination Management Plan through delivery of 3 activities or initiatives
		Deliver 6 sector development initiatives to support the regions sectors of strength	Deliver 6 sector development initiatives to support the regions sectors of strength	Deliver 6 sector development initiatives to support the regions sectors of strength

Service Level Statement	Performance Measure	2023/24	2024/25	2025/26
		400 engagements with businesses including support of Business, Attraction, Retention and Expansion in the region, and including 320 businesses actively engaged through the Regional Business Partner Programme	420 engagements with businesses including support of Business, Attraction, Retention and Expansion in the region, and including 320 businesses actively engaged through the Regional Business Partner Programme	450 engagements with businesses including support of Business, Attraction, Retention and Expansion in the region, and including 320 businesses actively engaged through the Regional Business Partner Programme
		Partner with key stakeholders including Sprout, The Factory and Callaghan Innovation to deliver 6 start-up and innovation activities or initiatives	Partner with key stakeholders including Sprout, The Factory and Callaghan Innovation to deliver 6 start-up and innovation activities or initiatives	Partner with key stakeholders including Sprout, The Factory and Callaghan Innovation to deliver 6 start-up and innovation activities or initiatives
Develop the talent pipeline to grow a skilled workforce, and better utilise the existing labour market	Lead and support the regions attraction and retention of talent and skills through an integrated approach	Develop 4 success stories and business profiles to showcase successes in attraction and retention of talent	Develop 4 success stories and business profiles to showcase successes in attraction and retention of talent	Develop 4 success stories and business profiles to showcase successes in attraction and retention of talent
		Deliver 3 talent and skills initiatives to support industry in the region	Deliver 3 talent and skills initiatives to support industry in the region	Deliver 3 talent and skills initiatives to support industry in the region
		Deliver 2 initiatives that	Deliver 2 initiatives that	Deliver 2 initiatives that

Service Level Statement	Performance Measure	2023/24	2024/25	2025/26
		support youth into employment	support youth into employment	support youth into employment
Profile Manawatū locally, nationally, and globally	Lead and develop the stories of Manawatū, creating a narrative and collective voice, incorporating the cultural heritage of iwi	5 content pieces targeting key audiences to support growing the profile and narrative of the city and region, leveraging the Regional Identity	5 content pieces targeting key audiences to support growing the profile and narrative of the city and region, leveraging the Regional Identity	5 content pieces targeting key audiences to support growing the profile and narrative of the city and region, leveraging the Regional Identity
		20 direct media features published profiling the region, with a reach of more than 1.5 million**	20 direct media features published profiling the region, with a reach of more than 1.5 million**	20 direct media features published profiling the region, with a reach of more than 1.5 million**
	Grow engagement on regional web and digital platforms for increased promotion of and information on the region	180,000 sessions on ManawatuNZ for the year, and a 3% increase in social media engagement	180,000 sessions on ManawatuNZ for the year, and a 3% increase in social media engagement	180,000 sessions on ManawatuNZ for the year, and a 3% increase in social media engagement
Develop strategic partner relationships, leveraging opportunities	Grow and foster relationships with Māori, iwi and hapu in the region	Deliver 3 initiatives to support iwi engagement including support of iwi led projects	Deliver 3 initiatives to support iwi engagement including support of iwi led projects	Deliver 3 initiatives to support iwi engagement including support of iwi led projects
	Build on relationships with shareholders, central government agencies, and regional stakeholders	10 Partnership and funding agreements in place Completion of an independent Customer Satisfaction survey with key insights shared	10 Partnership and funding agreements in place	10 Partnership and funding agreements in place

Service Level Statement	Performance Measure	2023/24	2024/25	2025/26
		with Shareholders		
Data and insights communications on the performance of the region's economy	Economic impact information regularly communicated to stakeholders and business	50 communications to key sectors and businesses in the region including economic updates	50 communications to key sectors and businesses in the region including economic updates	50 communications to key sectors and businesses in the region including economic updates

MCT

Level of Service (Goal)	Performance Measure	Baseline	Targets
Develop and maintain existing housing stock	Have all occupied housing stock at a 3 Star* rating or above by 2025 *A rating system from 1 to 5 Star, 5 Star being the highest	Housing at a 3 Star rating or above as at 30 June 2021: 193 out of 205	2024: 200 of 205 2025: All housing stock 2026: All housing stock
	Maintain average month end occupancy at above 95%	Average month end occupancy 2022: 96%	2024:>95% 2025:>95% 2026:>95%
	Be responsive to urgent maintenance requirements or resident health and safety needs	Maintenance requests from tenants are recorded electronically and are subsequently responded to in accordance with their priority. Service Contractors are engaged with regard to their ability to provide prompt and reliable services to our tenants.	Electronic recording indicates maintenance requests are assessed and addressed promptly. Service contractors are engaged in accordance with the priority of the maintenance request.
Increase the number of housing units	MCT will facilitate development to a total of 250 housing units by 2030.	As at 30 June 2022: 205 units	2024: 205 2025: 208 2026: 220
	Collaborate with the MDC in defining, developing, and refining a strategy to address housing needs for elderly and	Availability of suitable land and residential planning regulations have been assessed	2024: Agreement reached on cooperative goals 2025-2026: Advance goals as determined above

Level of Service (Goal)	Performance Measure	Baseline	Targets
	disabled residents in the Manawatū		
Develop services promoting health and wellbeing	The promotion of wellbeing services towards the improvement of lifestyle, health, wellbeing, and a sense of community for the benefit of the residents of the Manawatū	Needs assessment developed in association with Manchester House	2024: Outcome decisions made, and planning commenced for community services and facilities 2025-2026: Implementation of community services and facilities
	Continue to offer Manawatū residents the option of rentals at no more than 30% of the superannuation and accommodation benefits available	April 2023: The highest rental is at 30% of the single superannuation benefit and available accommodation supplement. Note that 92% of tenants are not at the highest rental.	2024: ≤ 30% 2025: ≤ 30% 2026: ≤ 30%
Compliance and Financial Performance Targets	Provide financial reporting to the MDC as required applying PBE SFR (PS) Public Benefit Entity Simple Format Reporting – Accural (Public Sector)	Meet half yearly and annual reporting deadlines set by MDC and Audit NZ	2024-2026: Reports submitted on time and to the satisfaction of MDC
	Meet ANZ financial undertakings as per our loan agreements to maintain an effective equity / total tangible asset % greater or equal to 50%	As at 30 June 202: 83.6%	2024-2026: ≤ 50%
	Maintain an interest coverage ratio or EBITDA to interest at above 3	As at 30 June 2022: 8.4	2024-2026: >3

Awahuri Forest-Kitchener Park Trust (AFKPT) and Feilding Civic Centre Trust (FCCT)

These CCOs had their exempt status revoked on 1 Feb 2024. Council is currently preparing Statements of Expectations and working with the Trusts to prepare Statements of Intent to be in place by 1 July 2024. The Statement of Intent will set targets for the Trusts and the six-monthly reporting will be on the achievement of these targets.

Funding

CEDA is rates funded but is also able to attract funding from sources other than rates.

The following table sets out the budgeted amount to support CEDA over the life of the LTP:

Budgeted Expenditure – CEDA:

Financial Year	Inflated Amount ($)
2024/25	$691,533
2025/26	$706056
2026/27	$720,883
2027/28	$735,301
2028/29	$749,271
2029/30	$763,508
2030/31	$777,250
2031/32	$791,241
2032/33	$805,483
2033/34	$819,177

MCT is primarily funded via rental and lease receipts received from tenants of the residential and commercial properties managed by the Trust, as well as grants and donations. Council does not provide direct funding to MCT, but supports the financing of housing and wellbeing services through providing loans at lower interest margins and longer terms than if MCT raised the debt directly. This is due to Council's inclusion in the Local Government Funding Authority CCO.

Funding for the AFKPT is via grants from Council. The following table sets out the budgeted grants funding to support AFKPT over the life of the LTP:

Budgeted Expenditure – AFKPT:

Financial Year	Inflated Amount ($)
2024/25	$119,635
2025/26	$129,057
2026/27	$139,115
2027/28	$148,817
2028/29	$160,380
2029/30	$171,099
2030/31	$181,834
2031/32	$185,289
2032/33	$188,809
2033/34	$192,208

Funding for the FCCT is via grants from Council. The following table sets out the budgeted grants funding to support FCCT over the life of the LTP:

Budgeted Expenditure – FCCT:

Financial Year	Inflated Amount ($)
2024/25	$110,647
2025/26	$112,971
2026/27	$115,343

2027/28	$117,650
2028/29	$119,885
2029/30	$122,163
2030/31	$124,362
2031/32	$126,601
2032/33	$128,880
2033/34	$131,071

Council Controlled Organisations Exempt from Council Performance Targets and Measures

In accordance with section 7(3) of the LGA the Council can, by resolution, exempt small CCOs that are not Council Controlled Trading Organisations from the requirements of CCOs.

The Council has six CCOs that have been exempt. The exemption is from 16 June 2023 until 16 June 2026.

As these CCOs have the status of being exempt there is no requirement for Council to disclose the performance targets and measures. The District Development Activity Statement Section 5.3 summarises the contribution that these CCOs make to Economic and Social/Community Development.

Table 17:

Name and Service provided	Membership	Establishment Date
Manawatū-Whanganui Local Authority Shared Services Limited (MW LASS Ltd) Collective of the Councils of the Manawatū-Whanganui Region (except for Palmerston North City Council) who work together on mutually beneficial joint projects to ensure consistent levels of service and to reduce the individual costs of delivering these services independently. MW LASS Ltd is jointly funded by member Councils	Horizons Regional Council and the Horowhenua, Manawatū, Rangitīkei, Ruapehu, Tararua and Whanganui District Councils	2008
Heartlands Contractor Limited (inactive) Non-trading company.	100% Council owned.	2009
RNZAF Ōhakea Visitor Centre Trust (inactive) Established to investigate the viability of a combined Visitor Centre, promotion of aviation history, positive public image for RNZAF, and infrastructure to support the display of regional aviation history.	Trust that includes representatives from the Royal New Zealand Air Force (RNZAF), MDC, PNCC, RDC and the Manawatū branch of the NZ Division of the Royal Aeronautical Society	2007
Manawatū Whanganui Disaster Relief Fund Established after the 2004 floods to meet the welfare needs of people following a significant natural or man-made disaster in	Local authorities of the Manawatū-Whanganui Region	2004

the Manawatū-Whanganui region or elsewhere in New Zealand.		
Camp Rangi Woods Trust Maintains and develops the facilities of Camp Rangi Woods for educational and recreational use.	Two Trustees each from MDC and the Young Men's Christian Association Central Incorporated	1999
Manawatū District Youth Development and Wellbeing Trust Jointly managed by MDC and the New Zealand Police for the purposes of advancing education, alleviating poverty and other programmes and activities that assist and support young people.	Trustees from MDC and New Zealand Police with advisory Trustees from regional partners	Dec 2019

Appendix 3 Who are we - The Governance and Executive Leadership Team



Manawatū District Council Executive Team

Te Kaunihera ā-Rohe o Manawatū Kāhui Whakahaere

Chief Executive



Shayne Harris

Executive Team



Lyn Daly

General Manager Community



Hamish Waugh

General Manager Infrastructure



Frances Smorti

General Manager People and Corporate



Amanda Calman

Chief Financial Officer

Appendix 4 AuditNZ Opinion