



Water Services Delivery Plan

(Draft)

2025



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Part A: Statement of financial sustainability, delivery model, implementation plan and assurance

Statement that water services delivery is financially sustainable

Transitional arrangements to ensure financially sustainable water services provision by 30 June 2028

Manawatū District Council is transitioning to a financially sustainable model through the establishment of an in-house, stand-alone water services business unit, a decision formally adopted by the Council on 15 May 2025. This model was selected over multi-council Water Services Council Controlled Organisations due to its ability to maintain lower projected costs for ratepayers over a 30-year financial modelling horizon, avoid cross-subsidisation of neighbouring councils that have underinvested in infrastructure, and retain full local control and autonomy over investment decisions and service priorities. Financial transparency is ensured through strengthened ringfenced accounting which will be fully implemented at the adoption of the 2027-37 Long Term Plan, meaning all water-related revenues and expenditures will be isolated from general Council finances and reinvested solely in the delivery of water services. The ringfenced accounting is comprehensively documented in Part D: Financial sustainability assessment of this Water Service Delivery Plan. This localised model aligns with the requirements of the Local Government (Water Services Preliminary Arrangements) Act 2024, and has been supported by robust community consultation, with 96.4 percent of submissions endorsing the preferred option. Independent legal and financial reviews have also been completed to ensure the robustness and compliance of the Council's approach.

Revenue requirements to meet costs of water services delivery over the plan period

Council has adopted a cost-recovery funding model to ensure financial sustainability in delivering water services. Revenue will be collected through a combination of targeted water service charges, user charges, development contributions, trade waste agreements and connection fees. This approach is consistent with Council's existing financial practices and complies with the Local Government Act 2002. Charges are determined via the Annual Plan and Long-Term Plan processes, which incorporate community consultation. The funding is designed to cover operational costs, including operational costs i.e. staffing and maintenance, as well as capital investment for infrastructure assets, depreciation, financing costs, and regulatory compliance obligations from the Water Services Authority and Commerce Commission. By keeping water services ringfenced, all funds raised are used solely for water-related purposes. Council's financial modelling demonstrates that this system is capable of meeting service costs independently, without the need for cross-subsidies or external financial support, and supports long-term resilience and transparency.

Proposed levels of investment required over the plan period

Over the 2024 to 2034 period, Council is planning substantial capital investment in water services to improve resilience, ensure regulatory compliance, support growth, and enhance service delivery. Approximately \$68 million is planned for drinking water upgrades, including the construction of new treatment plants at Campbell Road and Roots Street, the addition of new reservoirs, and upgrades to meet chlorination and protozoa standards. Wastewater investment will exceed approximately \$100 million, with major initiatives including the centralisation of village wastewater systems to the Manawatū Wastewater Treatment Plant, significant upgrades to that facility, and the separation of trade waste to improve nutrient management.

Around \$23.8 million will be invested in stormwater improvements, targeting flood protection and network resilience across Feilding and several villages, particularly in areas with frequent ponding or stormwater constraints. In parallel, Council is funding infrastructure to enable future development in key growth areas such as Maewa and the Kawakawa Agribusiness and Industrial Park. This will be funded partly through development contributions, as outlined in the updated policy adopted in April 2025. Collectively, these investments will ensure a fit-for-purpose, modern water services network that can meet the district's needs for decades to come.

Proposed delivery model to deliver financially sustainable water services

The proposed model or arrangements for delivering water services in the Manawatū District

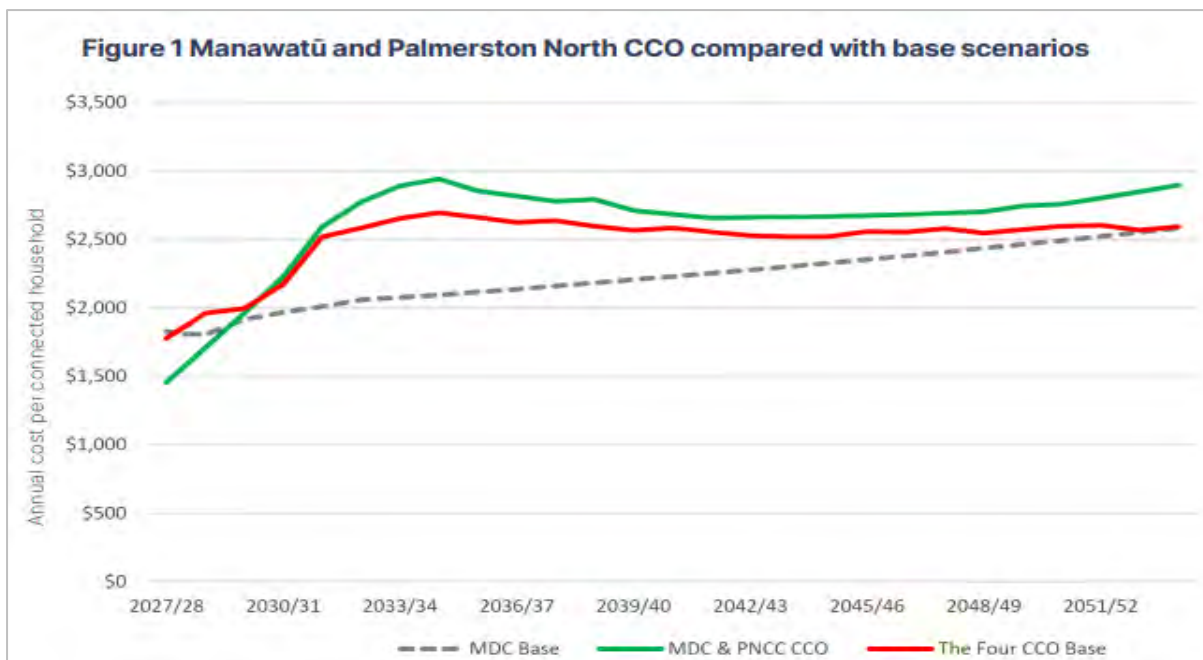
On 15 May 2025, Council adopted the preferred option for Local Water Done Well, as outlined in the Council report included as Appendix A. Council resolved to adopt Option 1, establishing an in-house stand-alone business unit for the delivery of water services in the Manawatū District, and approved the responses to issues and concerns raised in submissions on Local Water Done Well (Annex A)¹ for distribution.

Council undertook extensive modelling to determine the best option for the District's ratepayers. The substantial financial detriment to the Manawatū District ratepayers with any of the multi-Council Water Services Council Controlled Organisation options is the primary reason that Council's preferred option is an in-house standalone business unit. The graph in the graph below compares the Council's base water rates against the other consultation options and illustrates that the Council's base consistently sits lower across the length of the modelling.

This means that a stand-alone model allows water rates to be lower yet have a greater impact as they will be applied solely and directly within the Manawatū District. Although water rates will still be lower in the projected modelling within this option, government levies and regulatory requirements are being applied by the Commerce Commission and the Water Services Authority, which are beyond our local control.

The Water Service Authority levy for Manawatū District Council has been confirmed as \$134,107 for the 2025/26 financial year. The Commerce Commission levies are yet to be confirmed. These increased regulatory requirements will apply regardless of the chosen model.

¹ Annex A lists submissions received and Council's responses, these have not been included in this Plan.



(Graph showing the three options vs their projected costs)

Ringfencing of Water Services

In accordance with legislation, Council will maintain separate accounting for all water-related revenue and expenses. This ringfencing approach, which is already in place, promotes transparency and ensures that all funds are used exclusively for water service delivery.

Why the proposed delivery model was selected and the benefits of this model

Council selected an in-house, stand-alone business unit as its preferred model for delivering water services. This decision, documented in this Plan was based on robust financial analysis, operational considerations, and community consultation, all of which supported the model as the most suitable and sustainable option for the district. In making this decision, Council noted that in the second half of the 30 year projection, the increase in annual household costs was generally steady and in broad alignment with either of the multi-council Water Services Council Controlled Organisations. The decision reflected that while the rates of increase between the three scenarios were similar, the cost to the Manawatu district water service customers was still higher under either of the multi-council Water Services Council Controlled Organisations options. In addition, the first half of the 30 year projection saw significantly higher annual household costs for the Manawatu district water service customers which was considered not to be prudent or in their best interests.

Why the Proposed Delivery Model Was Selected

Council undertook extensive modelling and evaluation of the delivery options, including multi-council Water Services Council Controlled Organisations. The analysis showed that the in-house option (Option 1) provided the lowest water rates for Manawatū ratepayers. The other models, particularly those involving multiple councils, posed a substantial financial detriment to Council residents, primarily due to the risk of cross-subsidising neighbouring councils that had not invested adequately in their water infrastructure.

Another critical reason for selecting the in-house model was the preservation of local control. Council recognised that by maintaining responsibility for water services within the existing structure, it could retain decision-making authority and ensure that service levels, investment priorities, and compliance efforts aligned closely with local community needs and expectations. This approach avoided the governance complexity and potential loss of autonomy that could arise from regional partnerships.

In addition, regardless of the model selected, national regulatory requirements and levies such as those imposed by the Water Services Authority and Commerce Commission would still apply. Therefore, Council saw no advantage in adopting a more complex structure when these costs would be incurred in any case.

Benefits of the Selected In-House Delivery Model

The chosen model delivers several important benefits. Financially, it enables lower water rates and ensures that all revenue raised within the district is spent locally, improving cost-efficiency and investment outcomes. Operationally, the model supports streamlined governance, with clear lines of accountability and responsiveness to community feedback.

Council also found overwhelming community support for this approach. During the formal consultation process, 96.4% of the 505 public submissions endorsed Option 1. Submissions frequently cited satisfaction with the Council's current management of three waters services, a desire to maintain local control, and concerns about the financial implications of joining with other councils.

In conclusion, the in-house, stand-alone delivery model was chosen because it is financially prudent, locally focused, and widely supported by the community. It provides Council with the flexibility to manage water services effectively, meet future regulatory challenges, and continue delivering high-quality outcomes tailored to the specific needs of the Manawātū District.

Proposed revenue collection methods, how charges are set and how revenues will cover the costs of service provision.

Council will fund its in-house water services model using a combination of targeted water charges and volumetric based user charges. This revenue collection approach is aligned with current Council practices and adheres to the requirements set out in the Local Government Act 2002. Council intends to continue collecting revenue through mechanisms such as targeted water services charges for water supply, wastewater, and stormwater services. These may include uniform annual charges or charges based on metered usage, depending on the nature of the service and the level of consumption. Additionally, revenue will be generated through development contributions and connection fees, which are applied to fund infrastructure expansions driven by district growth.

Charges for water services are determined through the Council's Annual Plan and Long Term Plan processes, both of which involve public consultation. Council follows a cost-recovery model where fees and charges are designed to cover the full cost of service delivery. This includes operational expenses such as staffing, maintenance, and consumables, along with capital investment for infrastructure assets like pipelines and treatment facilities. Compliance costs associated with regulatory obligations from the Water Services Authority and the Commerce Commission are also incorporated. Furthermore, Council accounts for depreciation and financing costs related to borrowing for major infrastructure projects.

By using structured financial planning tools and asset management strategies, Council is able to forecast future expenditure and set charges that are transparent and equitable. These charges are carefully calibrated to match service levels and the long-term investment needs of the district.

Under the in-house model, revenue and expenditure will be tightly aligned within a ringfenced structure. This ensures that all funds collected for water services are accounted for separately from other Council finances and used exclusively to support the delivery and maintenance of the full range of water services within the district.

These include day-to-day operations, infrastructure upgrades, compliance activities, and the establishment of financial reserves. Because Council is not participating in a regional shared services model, the in-house approach avoids the overhead costs and inefficiencies that can arise in multi-council arrangements. Council financial modelling indicates that this model is financially sustainable and enables all service costs to be met locally, without the need for external subsidies or cross-council contributions.

The financial modelling of all scenarios that has been completed for a 30 year period includes a range of assumptions on procurement and operational efficiency being achieved in addition to the use of high debt levels of funding to further spread the cost of water services. Council believes there are significant risks in the assumptions made that far into the future, the outcomes are highly subjective and require all of the assumed efficiencies to be achieved. When considering the modelling for the four council, multi-council Water Services Council Controlled Organisation, every assumed efficiency would need to be achieved just to 'breakeven' at the end of 30 years when compared to the status quo. Further, the modelling for the two council, multi-council Water Services Council Controlled Organisation demonstrated that even if every assumed efficiency were to be achieved, at the end of 30 years the Manawatu district water service customers would still be worst off when compared to the status quo.

In summary, Council's proposed revenue approach ensures that all charges are fairly set through transparent processes and that all revenue collected is used solely for the purpose of delivering and maintaining water services for the Manawatū community. This structure supports long-term financial resilience, regulatory compliance, and a high standard of local service delivery.

Implementation plan

Implementing the proposed service delivery model

The Implementation Plan supports the Council's Water Services Delivery Plan by outlining practical actions, timeframes, responsibilities, and key milestones to achieve safe, resilient, and sustainable three waters services (drinking water, wastewater, and stormwater). It aligns with legislative obligations under the Water Services Act 2021, Taumata Arowai requirements, and anticipated reforms including the ringfencing of water finances effective 1 July 2027 which aligns with the development of the 2027-37 Long Term Plan.

Strategic Outcomes

The implementation aims to achieve the following outcomes:

- Public Health Protection – Safe and reliable drinking water
- Environmental Stewardship – Improved wastewater and stormwater outcomes
- Resilience and Risk Mitigation – Climate-adapted, future-ready networks
- Financial Sustainability – Transparent, ringfenced investment and cost recovery
- Iwi Partnership & Community Trust – Authentic engagement and equity

Key Focus Areas and Timeline

Year	Key Deliverables	Lead team(s)
2024/25	<ul style="list-style-type: none"> Finalise and adopt the Water Services Delivery Plan Obtain Feilding Integrated Abstraction consent Begin Supervisory Control and Data Acquisition) SCADA upgrades and Standard Operation Procedures standardisation Asset condition assessment (stormwater focus) Begin preparatory financial ringfencing work 	Compliance, Finance, Asset Management
2025/26	<ul style="list-style-type: none"> Complete Drinking Water Safety Plans (all schemes) SCADA and data integration upgrades Draft 2027–37 Long Term Plan inclusions Start pipe renewal prioritisation program 	Compliance, Operations, Utilities, Asset Management
2026/27	<ul style="list-style-type: none"> Ringfence water services finances (effective 1 July 2027) Revenue generated from water services will continue to be allocated to specific cost centres dedicated to water services. This coding system ensures that water-related income is clearly accounted for and remains distinct from the financial operations of the council's other functions and activities. Activate new Standard Operating Procedures, training framework and backflow programme Progress Halcombe Wastewater Centralisation Transition from rates to water charges 	Finance, Compliance/Operations Project Delivery team, Finance
2027/28	<ul style="list-style-type: none"> Complete stormwater upgrades at Hīmatangi Beach Continue Osborne Terrace drainage upgrades Commence Feilding Precinct 1-3 detention pond construction Develop new stormwater compliance strategy Develop Growth and Infrastructure Strategy for 2027-37 Long Term Plan. The intention is to continue to charge via a user based, targeted water service fee. Complete transition of set fee. This will be similar to a Universal Targeted Rate (UTR) with a set fee charged per property to replace the capital value based rate for this proportion of the stormwater rate. This will be implemented as part of the 2027-37 Long Term Plan with adoption effective 1 July 2027 	Project Delivery Team, Compliance Finance

2028/29	<ul style="list-style-type: none"> Commission final wastewater centralisation connections (e.g. Awahuri) Update condition ratings based on completed CCTV and GIS data Continue review of Feilding Framework Plan and zoning alignment 	Project Delivery team, Assets, Infrastructure Planning and Compliance
2029/30	<ul style="list-style-type: none"> Mid-term review of plan delivery. Integrate findings into 2027-37 Long Term Plan 	Infrastructure Planning and Compliance

Programme Themes

Regulatory & Compliance Readiness

The Council is committed to achieving full compliance with the Drinking Water Quality Assurance Rules 2022, specifically for protozoa and bacterial standards. It will also progress the centralisation of wastewater systems to resolve challenges linked to expired discharge consents. In addition, water consent renewals will be undertaken, including those for Hīmatangi Beach and the Newbury Bore.

b. Infrastructure Upgrades

The Council will complete major infrastructure projects including the Turners Road reservoir, the Roots Street Water Treatment Plant, and the integration of the Feilding bore. Additionally, stormwater infrastructure will be expanded in key areas such as Glasgow Terrace, Poplar Grove, Osborne Terrace, and eastern Feilding.

c. Growth and Planning Integration

Growth-related infrastructure will be staged to support development in the Maewa and Kawakawa areas. The delivery of assets will be coordinated with the Feilding Framework Plan, as well as national policy directions including the National Policy Statement on Urban Development and the National Policy Statement for Highly Productive Land. Funding for demand-driven infrastructure will be supported through the Development Contribution Policy.

d. Financial Sustainability

From 1 July 2027, a comprehensive ringfencing model will be implemented to ensure that water services finances are fully separated from general rates and other Council operations. Debt and targeted charges will be utilised to fund the renewals programme. All water-related financial activities will be managed through a dedicated Three Waters reserve account, with requirements for audited disclosures and stand-alone reporting. This financial framework will be embedded in future Long Term Plans and infrastructure strategies to capture full lifecycle costs. The measures outlined in this implementation plan will ensure that the delivery of water services is financially sustainable by 30 June 2028.

Consultation and engagement

Council has been participating in the Local Water Done Well programme over the past 12 months. Under the Local Government (Water Services Preliminary Arrangements) Act 2024, Council is able to determine how water services will be delivered in the future provided the chosen approach complies with new rules for investment, borrowing, and pricing. A new regulator will oversee compliance with these requirements. The decision made by Council regarding the preferred model for water service delivery is documented in this Water Services Delivery Plan.

The content and consultation requirements for the Plan are prescribed in the Local Government (Water Services Preliminary Arrangements) Act 2024. The Department of Internal Affairs has developed a template for Water Services Delivery Plans, which forms the basis of this document.

Over the past year, Council has taken part in a regional options appraisal project involving all other Councils in the Manawatū–Whanganui region. The Councils in this region include:

- Palmerston North City Council
- Tararua District Council
- Horowhenua District Council
- Rangitīkei District Council
- Whanganui District Council
- Ruapehu District Council
- Manawatū District Council

The regional options appraisal project examined the viability of a multi-council Water Services Council Controlled Organisation and concluded that the proposed seven-council arrangement would not be financially beneficial for Manawatū ratepayers. The modelling, which covered a 30-year period, showed that the Manawatū District Council would be cross-subsidising most of the other councils within the region for the entire duration.

On 7 November 2024, Council resolved to discontinue further work on a multi-council Water Service Council Controlled Organisation involving all seven councils and resolved the following:

- To consider the development of a Water Service Delivery Plan on the basis of an in-house, stand-alone model.
- To continue further work on the viability of a single-council (Manawatū District Council) Water Service Council Controlled Organisation.
- To continue further work on the viability of a multi-council Water Service Council Controlled Organisation between Manawatū District Council and Palmerston North City Council.
- To continue further work on the viability of a multi-council Water Service Council Controlled Organisation between Manawatū District Council, Palmerston North City Council, Horowhenua District Council and Kapiti Coast District Council.

Council continued to evaluate the full implications of transferring waters services into a CCO, with a particular focus on the impact of stranded overheads² on the residual Council organisation if water services were separated.

Council engaged Morrison Low an independent consultancy company to undertake a comparative analysis of the following Water Services Council Controlled Organisation compare Option 1 – ‘Status quo’ with changes (preferred option) (Appendix B).

- Option 2 – ‘the Two’ – A multi-council Water Services Council Controlled Organisation jointly owned by Manawatū District Council and Palmerston North City Council.
- Option 3 – ‘the Four’ - A multi-council Water Services Council Controlled Organisation jointly owned by Horowhenua District Council, Kāpiti Coast District Council, Palmerston North City Council and Manawatū District Council.

² Forming a Council Controlled Organisation means that some fixed costs — such as office expenses, IT systems, and certain corporate staff — remain with the Council, while the revenue previously used to fund these overheads is no longer available.

The implications of stranded overheads vary under each Council Controlled Organisation scenario.

On 19 December 2024, Council resolved to discontinue work on a single-council Manawatū District Council Water Services Council Controlled Organisation. At the same meeting, Council resolved to publicly consult on three options:

- An in-house, stand-alone model for the delivery of water services in the Manawatū district and as the preferred option.
- A multi-council Council Controlled Organisation involving Manawatū District Council and Palmerston North City Council for the delivery of water services in the Manawatū district.
- A multi-council Controlled Organisation involving Manawatū District Council, Palmerston North City Council, Horowhenua District Council and Kapiti Coast District Council for the delivery of water services in the Manawatū district.

Council adopted the Consultation Document for Local Water Done Well at its meeting on 6 March 2025, which is included as Appendix C. Public consultation was held from 10 March to 11 April 2025. A total of 505 submissions were received, and ten submitters spoke to their submissions during the hearing held on 1 May 2025.

To comply with the statutory deadline for submission of the Water Services Delivery Plan, Council is required to adopt the Plan by resolution and submit it to the Department of Internal Affairs by 6 September 2025. The adoption of the Water Services Delivery Plan is scheduled for the Council meeting on 19 June 2025.

Māori and Cultural Engagement

The Mayoral Forum for the Manawatū–Whanganui region met on 12 November 2024 to initiate early and high-level regional engagement with iwi. A subsequent meeting took place at Te Āhuru Mōwai on 27 March 2025 with members of Te Kōtui Reo. Attendees responded positively and requested a follow-up meeting, which was held on 7 April 2025 to allow broader iwi participation. The purpose of these meetings was to provide a clearer understanding of the available options and the rationale behind the preferred option.

Community Engagement

The Local Government (Water Services Preliminary Arrangements) Act 2024 outlines the community engagement requirements under the Local Water Done Well policy. At its meeting on 6 March 2025, Council adopted the Manawatū District Council Consultation Document for the Local Water Done Well. The document outlined three options for the delivery of water services, along with the advantages and disadvantages of each. Council conducted public consultation from 10 March to 11 April 2025. During the submission period, the following public engagement events were held:

- Feilding Farmers Market: March 14th
- Family Fun Day, Feilding: March 16th
- Pop Up Engagement at the Community Hub Library: March 21st
- Public Meeting, Feilding: March 25th
- Pop Up Engagement at the Community Hub Library: March 26th
- Public Meeting, Kimbolton: March 27th
- Te Kōtui Reo Taumata: March 27th
- Feilding Farmers Market: March 28th
- Public Meeting, Rongotea: March 31st

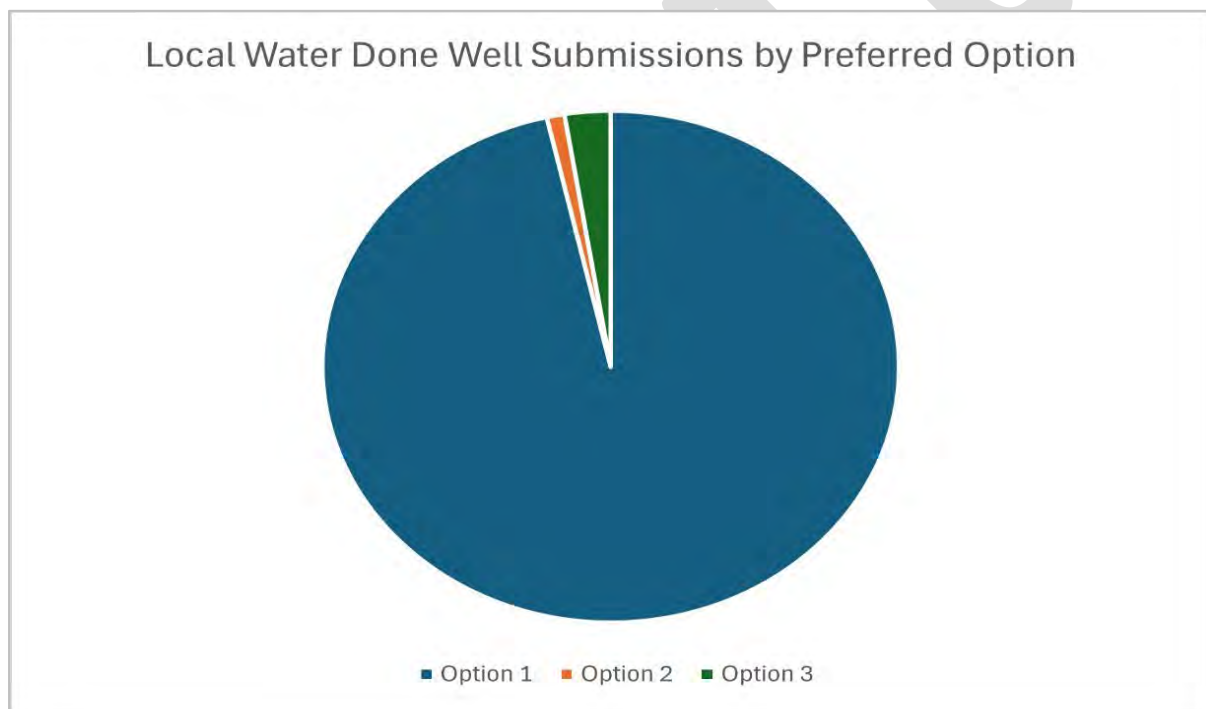
- Pop Up Engagement at the Community Hub Library: April 3rd
- Local Water Done Well Hui, Feilding: April 7th

Submissions

The Local Water Done Well for Manawatū District Consultation Document 2025 asked submitters to select their preferred option. The results of the 505 submissions received included the following:

- 487 (96.4%) selected Option 1 - Status quo with changes (preferred option) as their preferred option;
- 5 (1%) selected Option 2 - A multi-council Water Services Council Controlled Organisation jointly owned by Manawatū District Council and Palmerston North City Council, and;
- 13 (2.6%) selected Option 3 - A multi-council Water Services Council Controlled Organisation jointly owned by Horowhenua District Council, Kāpiti Coast District Council, Palmerston North City Council and Manawatū District Council.

The results from the submissions have been presented in the graph below:



(Graph of Local Water Done Well preferred option results)

The most common reasons for supporting Option 1 were that Council has invested in three waters infrastructure and is managing the process well (222 submissions), a desire to retain local control (137 submissions), and concern that merging with other councils would result in Manawatū District ratepayers subsidising councils that have underinvested in three waters infrastructure (85 submissions).

The five submitters who selected Option 2 as their preferred option stated that Manawatū District Council and Palmerston North City Council should combine and share resources.

The 13 submitters who supported Option 3 cited potential benefits such as reducing service overlap, lowering costs, and spreading risk. Additional reasons included support for independent management, increased ability to stand up to central government, and concerns about Council’s past planning and decision-making.

At the Council meeting held on 1 May 2025, submitters who wished to speak to their submissions were heard. A total of 10 submitters presented their views. Council deliberated on all feedback received through both oral and written submissions at this meeting. Councillors provided clear direction that, of the three options consulted on, Option 1 (status quo with changes) had the most support and was therefore Council’s preferred option.

Draft

Assurance and adoption of the Plan

In addition to internal assurance processes, the following independent reviews have been completed:

- External legal compliance review completed by Simpson Grierson, to confirm that the content requirements of the Local Government (Preliminary Arrangements) Act 2024 have been met (Appendix J).
- On 26 June 2025, Council received feedback from the DIA on the draft Water Services Plan. Council is satisfied that each point and comment provided by the DIA was carefully reviewed, and all identified matters were incorporated into this final Plan.

Council resolution to adopt the plan

The Water Services Delivery Plan was adopted by Manawatū District Council at the meeting of 21 August 2025.

A copy of the resolution is attached as Appendix D: Council resolution - Adoption of Water Services Delivery Plan.

Certification of the Chief Executive of Manawatū District Council

I certify that this Water Services Delivery Plan:

- complies with the Local Government (Water Services Preliminary Arrangements) Act 2024, and
- the information contained in the Plan is true and accurate.

Signed: _____

Shayne Harris

Chief Executive

Manawatū District Council

Date:



The Manawatū District at a glance

Stretching from the Tasman Sea in the west to the Ruahine Ranges in the east, the Manawatū is named after one of the two great rivers that run through the district - the Rangitīkei 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 is not hard to see why.

Established on 1 November 1989, Manawatū District Council incorporates the five former authorities of Ōroua, KIWITEA, Pohangina, Manawatū and Feilding. There is a rich cultural past with the iwi and hapū that reside or have interests in the Manawatū area; Ngāti Kauwhata, Ngāti Raukawa, Ngāti Tūwharetoa, Ngāti Maniapoto, Rangitāne ki Manawatū, Ngāti Hauiti, Ngāti Apa, Muaūpoko and Ngāti Toa Rangatira.

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 livestock sale yards, the Coach House Museum, Manfeild Park and a fantastic locally filled weekly farmer's market. The District has a highly productive farming and agricultural sector, enjoying a rural lifestyle and easy connectivity to the rest of the North Island.

Our Population



33,900

people live in our District
(as at June 2023)



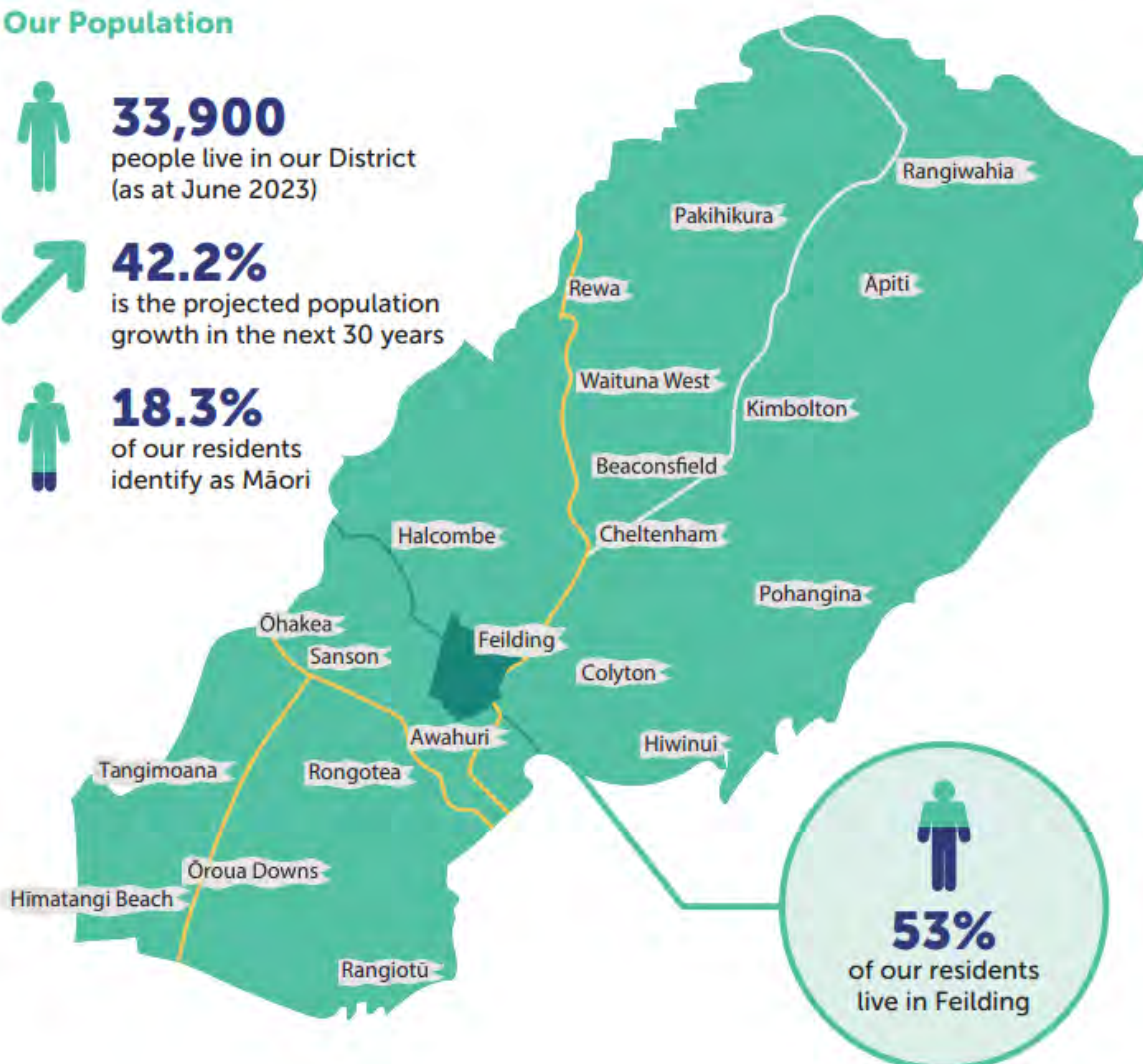
42.2%

is the projected population
growth in the next 30 years



18.3%

of our residents
identify as Māori



53%

of our residents
live in Feilding

Part B: Network Performance

Investment to meet levels of service, regulatory standards and growth needs

Serviced Population

Serviced population figures in the tables below were calculated by visually identifying the areas covered by each water service using rating zones and Council mapping systems, estimating current populations based on Stats NZ subnational estimates and known connection rates informed by previous wastewater projections, adding assumptions for rural properties on water schemes, and then applying Infometrics high population growth projections each year, with Feilding figures taken directly from the 2024-34 Long Term Plan projections.



Wastewater Serviced Population

Projected serviced population	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Serviced population	21,719	22,059	22,402	22,739	23,065	23,369	23,661	23,939	24,202	24,450
Total residential connections	8,620	8,755	8,891	9,025	9,155	9,275	9,391	9,501	9,606	9,704
Total non-residential connections	108	110	111	113	115	116	118	119	120	122

Water Serviced Population

Projected serviced population	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Serviced population	21,886	22,229	22,575	22,914	23,242	23,549	23,843	24,123	24,388	24,638
Total residential connections	7,357	7,472	7,589	7,708	7,829	7,951	8,076	8,202	8,331	8,461
Total non-residential connections	5,622	5,710	5,799	5,890	5,982	6,076	6,171	6,268	6,366	6,466

Stormwater Serviced Population

Projected serviced population	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Serviced population	21,648	21,993	22,341	22,682	23,012	23,321	23,617	23,899	24,166	24,417
Total residential connections	8,335	8,465	8,598	8,732	8,869	9,008	9,149	9,292	9,437	9,585
Total non-residential connections	44	45	45	46	47	48	48	49	50	51

Residential connections relate to urban connections charged via the connected/available/serviceable targeted rate and excludes the 20% of Stormwater that is recovered via a CV rate to all ratepayers. Non-residential connections include rural water scheme units and/or drainage schemes and any volumetrically charged fees.

Serviced Areas

Council has included detailed plans in the following pages that provide a visual representation of the locations of key water and wastewater facilities. These plans are accompanied by descriptions of each plant, including their operational functions and the specific areas they service.

Serviced areas (by reticulated network)	Water supply Schemes & connections	Wastewater Schemes & connections	Stormwater catchments
Residential areas	<ul style="list-style-type: none"> Feilding Mt Taylor Hīmatangi Beach Sanson Rongotea <p>Charged as:</p> <ul style="list-style-type: none"> Connected: 6,931 @ 100% Restricted: 451 @ 80% Serviceable: 131 @ 50% 	<ul style="list-style-type: none"> Feilding Mt Taylor Sanson Awahuri Cheltenham Halcombe Hīmatangi Beach Kimbolton Rongotea <p>Charged as:</p> <ul style="list-style-type: none"> Connected: 8,407 @ 100% Restricted: 172 @ 80% Serviceable: 150 @ 50% 	<ul style="list-style-type: none"> Feilding Rongotea Sanson Cheltenham Halcombe Tangimoana Himatangi Beach <p>Charged as:</p> <ul style="list-style-type: none"> 8,335 units @ 100%
Non-residential areas – (these are units not connections)	<ul style="list-style-type: none"> Stanway-Halcombe: 1,511 units Waituna West: 618 units Ohakea: 1,018 units Kiwitea: 428 units <p>Charged as:</p> <ul style="list-style-type: none"> Per unit purchased (not volumetric) 	There are no non-residential areas that Council services for wastewater.	<p>Council provides funding and rates administration to the following schemes:</p> <ul style="list-style-type: none"> Bainesse Drainage Scheme: 15 properties Makowhai and Maire Drainage Scheme: 6 properties Maire Drainage Scheme: 14 properties Ōroua Downs Drainage Scheme: 9 properties <p>Charged as:</p> <ul style="list-style-type: none"> Land value
Mixed-use water service schemes (where these schemes are not part of the council's water services network).	<ul style="list-style-type: none"> Ōroua No. 1 Rural Water Supply 	N/A	<p>Mixed use assets for stormwater include the following: Reserve along Pharazyn Street that serves as a stormwater drainage area</p> <p>A reserve in Tangimoana that serves as a stormwater drainage and detention area.</p>
Areas that do not receive Council water services	Properties not receiving Council drinking water services and not on a community drinking water supply: 7,954 (rural areas)	Properties not connected to a public wastewater scheme: 8,500 (rural areas)	Properties not on an urban drainage scheme: 7,755 (rural areas)

Proposed growth areas <ul style="list-style-type: none"> Planned (as identified in district plan) Infrastructure enabled (as identified and funded in Long Term Plan) 	<ul style="list-style-type: none"> Maewa growth area: 96 properties Kawakawa Agribusiness and Industrial Park: 50 properties 	<ul style="list-style-type: none"> Maewa growth area: 93 properties Kawakawa Agribusiness and Industrial Park: 77 properties 	<ul style="list-style-type: none"> Maewa growth area: 211 properties Kawakawa Agribusiness and Industrial Park: 56 properties Stormwater detention ponds off Roots Street, Feilding to serve Maewa growth area
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Water supply areas

Council currently manages eight potable water sources within the Manawātū District. Two of these supplies utilise surface water sources (Class 4); four are Class 1 and one is Class 2 due to testing issues. The sources have been summarised in the table below.

Detailed descriptions of each of the Council's water supply areas, along with the corresponding plant locations, are provided below.

Abstraction	Source	Class	Aged	Screened	Source Code
Groundwater					
Hīmatangi Beach	Sanitary groundwater	Class 1	2019	149 – 168m	G00103
Waituna West	Sanitary groundwater	Class 1	2019	228.5 – 234.5m	G01965
Feilding Groundwater	Sanitary groundwater x2	Class 1	2019	190 – 199m (Newbury) 354.4 – 360.9m (Campbell)	G01411 G01417
Rongotea	Sanitary groundwater	Class 1	2019	227.5 – 236.6m	G02118
Ohakea	Sanitary Groundwater	Class 2	N/A	602m -625m	S00250
Surface water					
Feilding Almadale	Surface water	Class 4	N/A	N/A	S00088
Stanway-Halcombe	Riparian groundwater	Class 4	N/A	4.7 – 7.7m	S00250

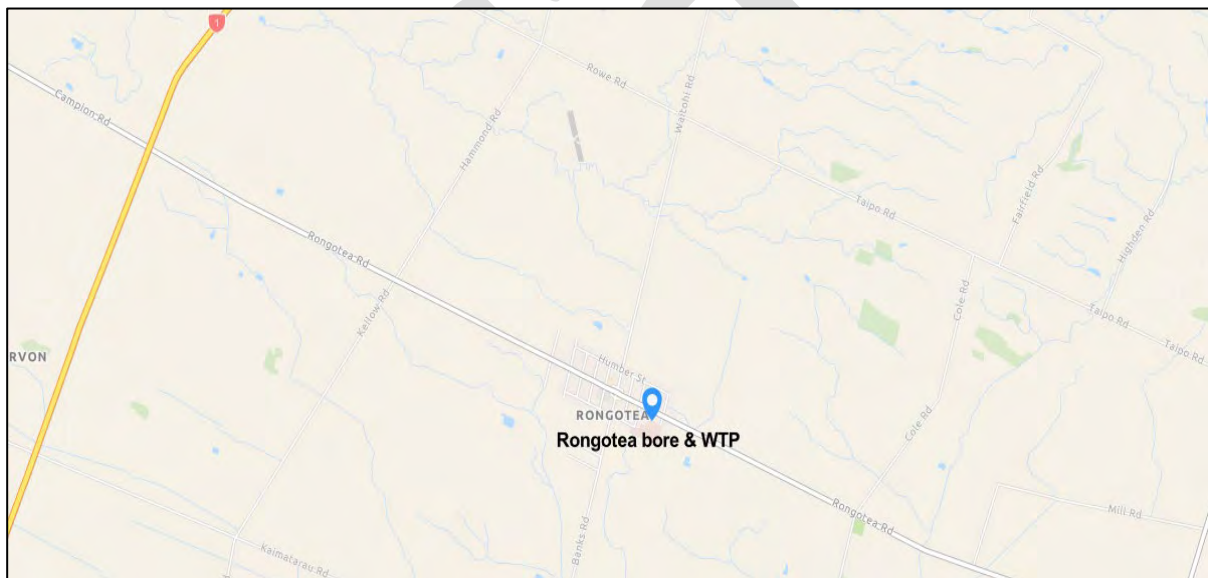
Ohakea Rural Water Supply

The Ohakea/Sanson Water Treatment Plant is located on A'Court Street, Sanson, and is designed to provide potable water to the residents of Sanson, Ohakea and the New Zealand Defence Force affected by the PFAS contamination. The Treatment Plant was designed with a one million litre reservoir, with water being sourced from a 650 meter deep well. The treated water is distributed through a drip feed water supply system, which is connected to private individual water tanks. There is currently no fire-fighting capacity in the reticulation network. Approximately 77 properties and the RNZAF Base Ohakea are connected to the water supply.



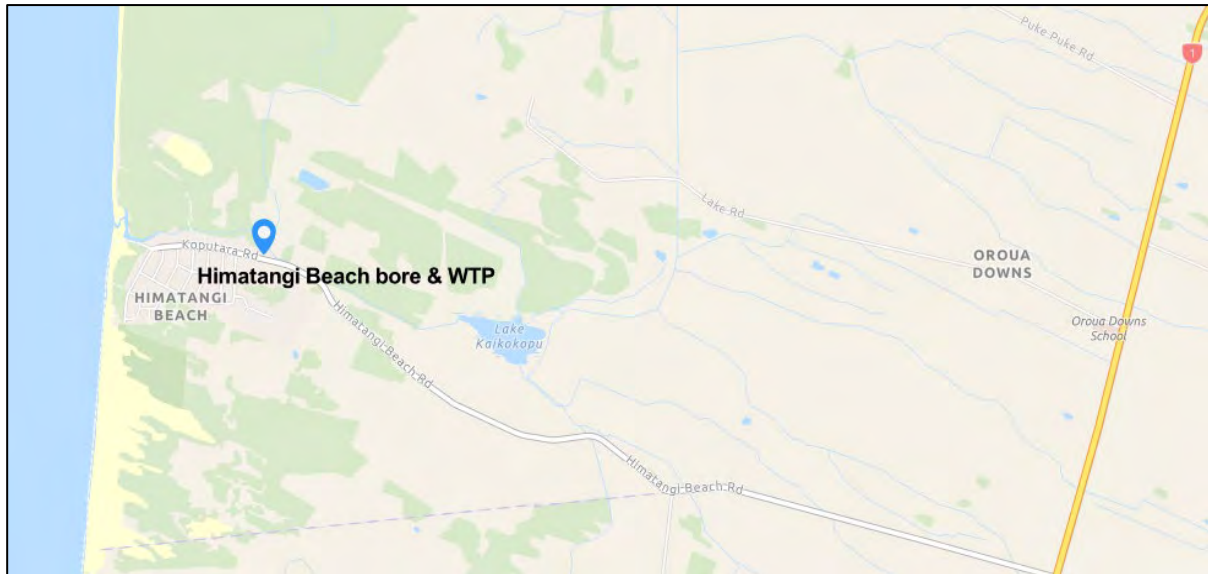
Rongotea Water Treatment Plant

The Rongotea Water Treatment Plant located on Wye Street, Rongotea, is designed to provide potable water to the residents of Rongotea. Water is sourced from a bore on site, treated and then stored in a reservoir. The treated water is then distributed through an on-demand reticulation network that is available to the urban area of Rongotea and includes firefighting capacity. Approximately 80 properties are connected to the water supply.



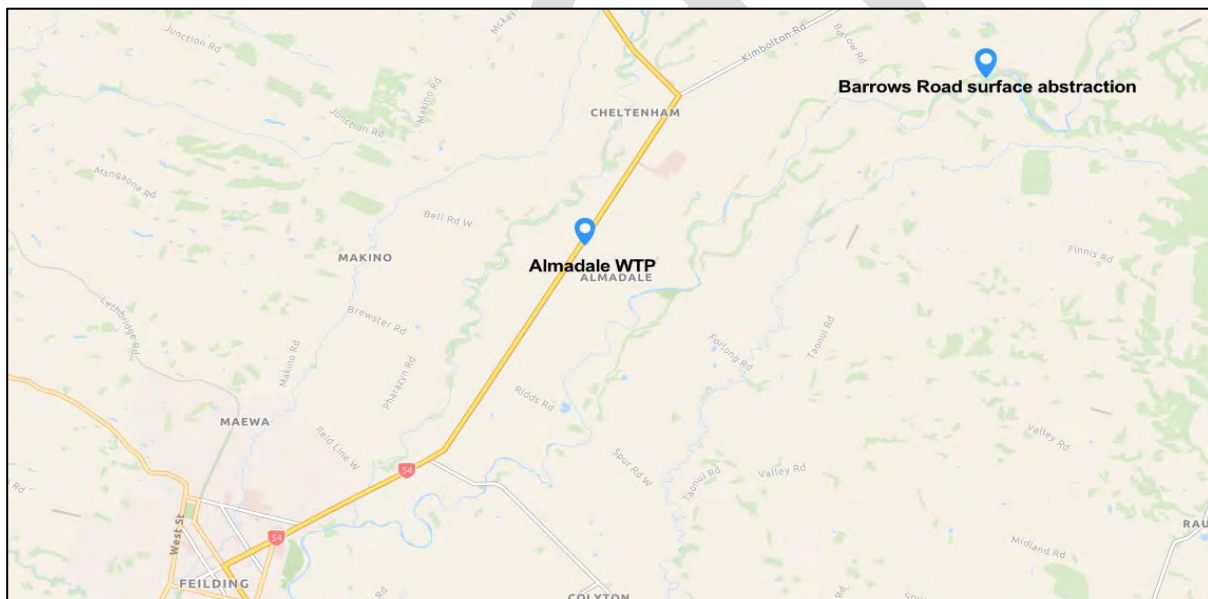
Hīmatangi Beach Water Treatment Plant

The Hīmatangi Beach Water Treatment Plant is located on Koputara Road, Hīmatangi Beach. The site contains a bore that abstracts Class 1 water from a confined aquifer. The bore is not artesian and therefore is equipped with a submersible pump which then pumps water at a constant rate from the bore to two reservoirs located behind the bore. The water is chlorinated to provide a residual disinfectant in the reticulation system and sufficient contact time prior to the first connection. The bore head has been constructed to prevent surface water ingress, and the bore has a security cage to discourage unauthorised access and vandalism.



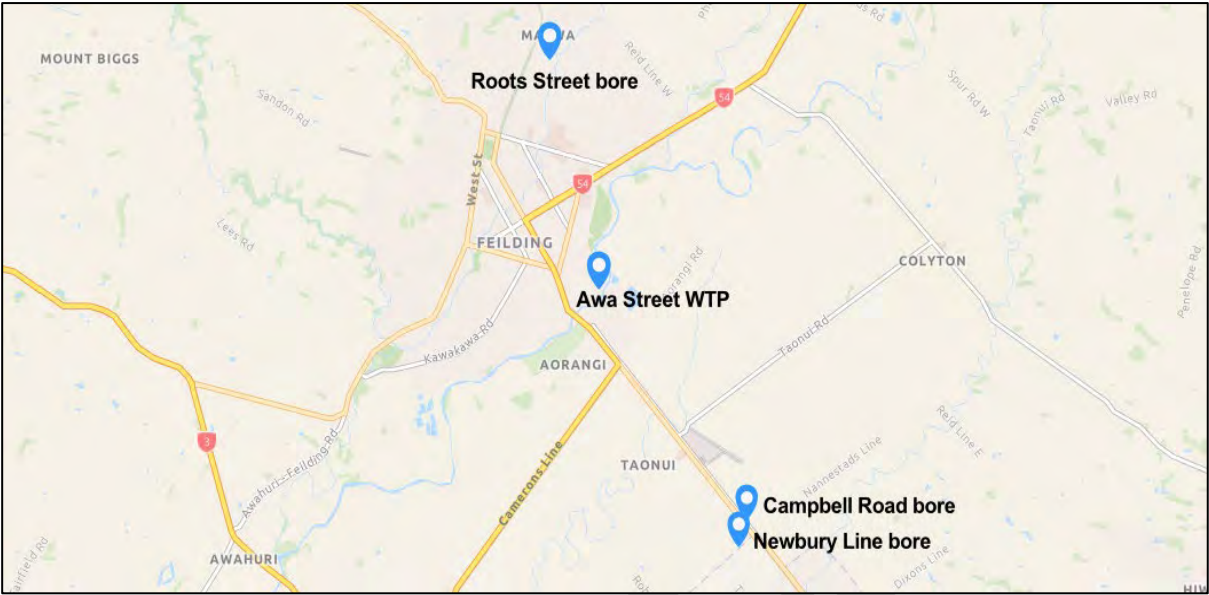
Feilding Surface Water

There are two intakes on the river edge founded in the bed with submersible pumps fitted on guiderails with easy access for maintenance purposes. Water can be pumped directly to the unlined settling pond (the horseshoe) and indirectly into the concrete settling tank. Apart from the short pump lifts from the intakes to the pre-settling area, water flows under gravity to the Almadale Water Treatment Plant.



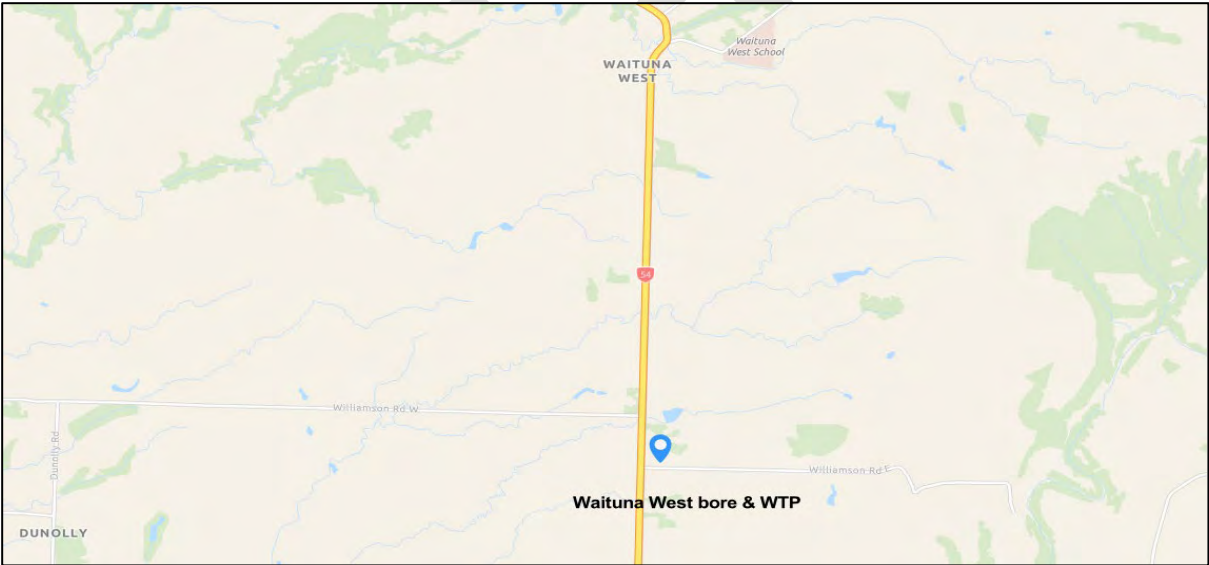
Feilding Groundwater

The Feilding water supply has two interim Class 1 groundwater sources (Campbell Road bore and Newbury Line bore). The aquifers are confined, and the bores are artesian. A third bore has been constructed at Roots Street West and planning towards appropriate treatment has commenced. Surface pumps have been installed to transfer the water through approximately 5km of raw water main to the Awa Street Water Treatment Plant. It is proposed to move the treatment from Awa Street to Campbell Road to ensure the entire line into Feilding contains treated water. Council purchased an area of land surrounding the Campbell Road bore so a treatment plant to be constructed.



Waituna West Water Treatment Plant

The Waituna West Water Treatment Plant abstracts Class 1 water from a deep non-artesian bore located along Williamson Road East. A submersible bore hole pump, pumps water up to a timber tank reservoir at the end of Williamson Road East. The water is chlorinated to provide a residual disinfectant in the reticulation system and sufficient contact time.



Stanway-Halcombe Rural Water Supply

The Stanway-Halcombe Rural Water Supply Scheme abstracts Class 4 water from two shallow bores within the riparian gravels of the Rangitikei River near Pryce's Line. This scheme is chlorinated to provide residual disinfection, and the contact time is achieved within the new 4,000m³ concrete reservoir. A new containerised water treatment plant was commissioned in February 2025 to provide protozoa treatment to achieve the 4 log credits required for this water source. The scheme was originally designed to provide stock water on a restricted flow. The restricted flows were allocated on a unit basis, with an overall capacity of 2,000 units (one unit being 1 cubic metre) per day. In recent years, there has been a reallocation of a proportion of units to lifestyle properties, as farms have been subdivided. This means that water that was not intended for human drinking purposes is now being used for this purpose.

The Stanway-Halcombe Rural Water Supply is administered by a Committee structure with a clear constitution. The committee's role includes representing the needs and aspirations of consumers regarding the supply of potable water, making recommendations to Council for implementation (subject to approval), communicating scheme updates to contributing members, and advocating on behalf of those members at community meetings.



Kiwitea Rural Water Supply Scheme

Council hold a consent to abstract water from the Oroua River at Londons Ford Road which is used for the purposes of stock drinking water, dairy shed washdown and domestic water supply. This is a Council water scheme with the assets being owned by Council however the Kiwitea Rural Water Supply Committee run the day to day operation of the scheme. The scheme is leased via a Deed of Lease to the Kiwitea Water Scheme Trust. The trust administer and maintains the scheme, Council sets and collects the rates required to run the scheme and then transfers them to the Trust to manage.



Oroua No. 1 Rural Water Supply

The Council has delegated the management, operation, abstraction, treatment and distribution maintenance associated with the Ōroua No. 1 Rural Water Supply Scheme to the Executive of the Oroua No 1 Rural Water Scheme Committee Incorporated. The “ownership” of the scheme remains with the scheme.



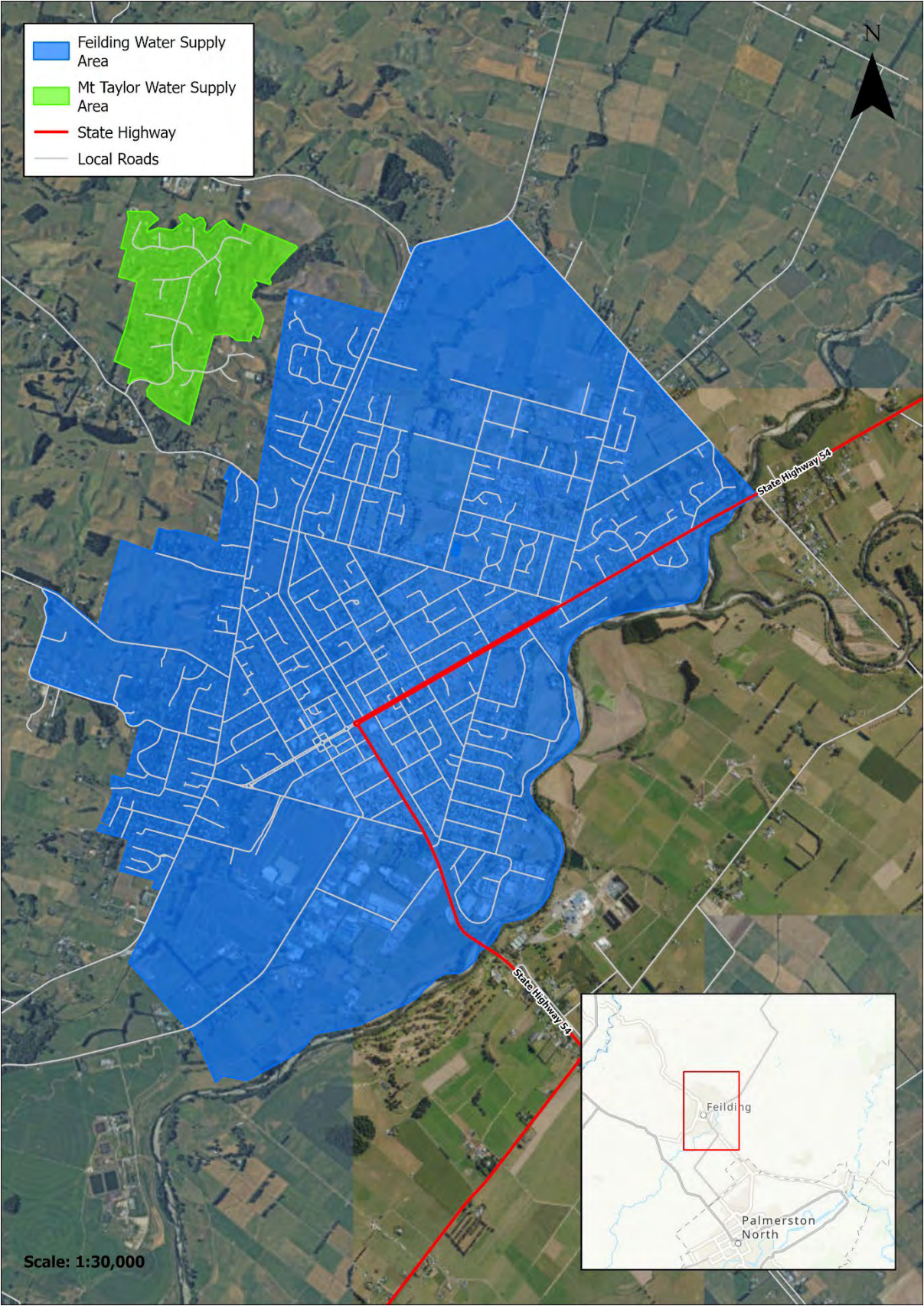
Monitoring the Water Service

The water supplies are continuously monitored by Council staff to ensure that they meet the relevant standards, this is done through:

- Testing of water quality
- Formal monthly audit of operations
- Ministry of Health audits
- Public Satisfaction Surveys conducted annually
- Water Safety Plans being prepared for each of the Council's water supply schemes that require them. These plans are reviewed a minimum of every five years or as required by changes to legislation.

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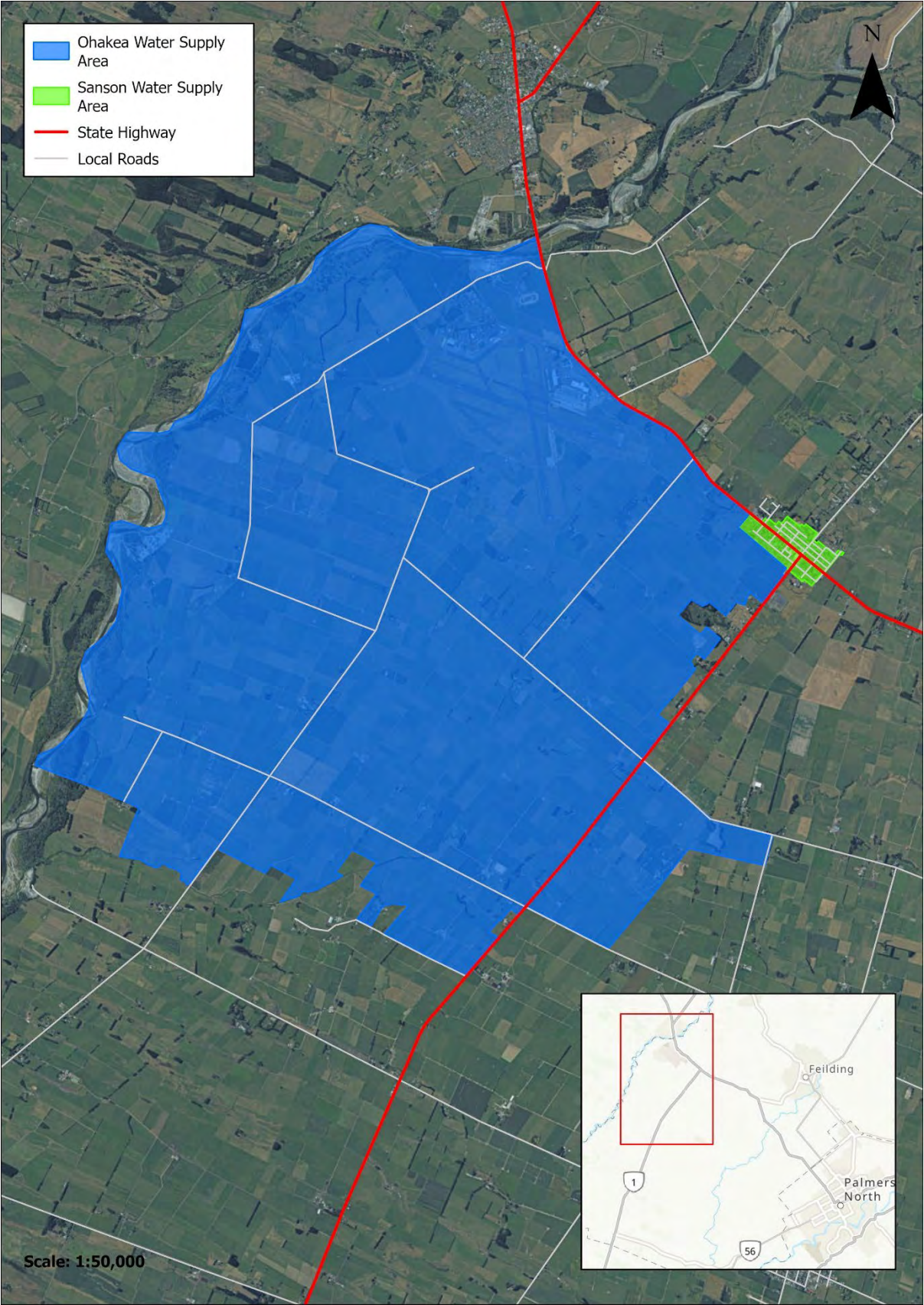
Water supply areas - Feilding



Water supply areas - Hīmatangi Beach



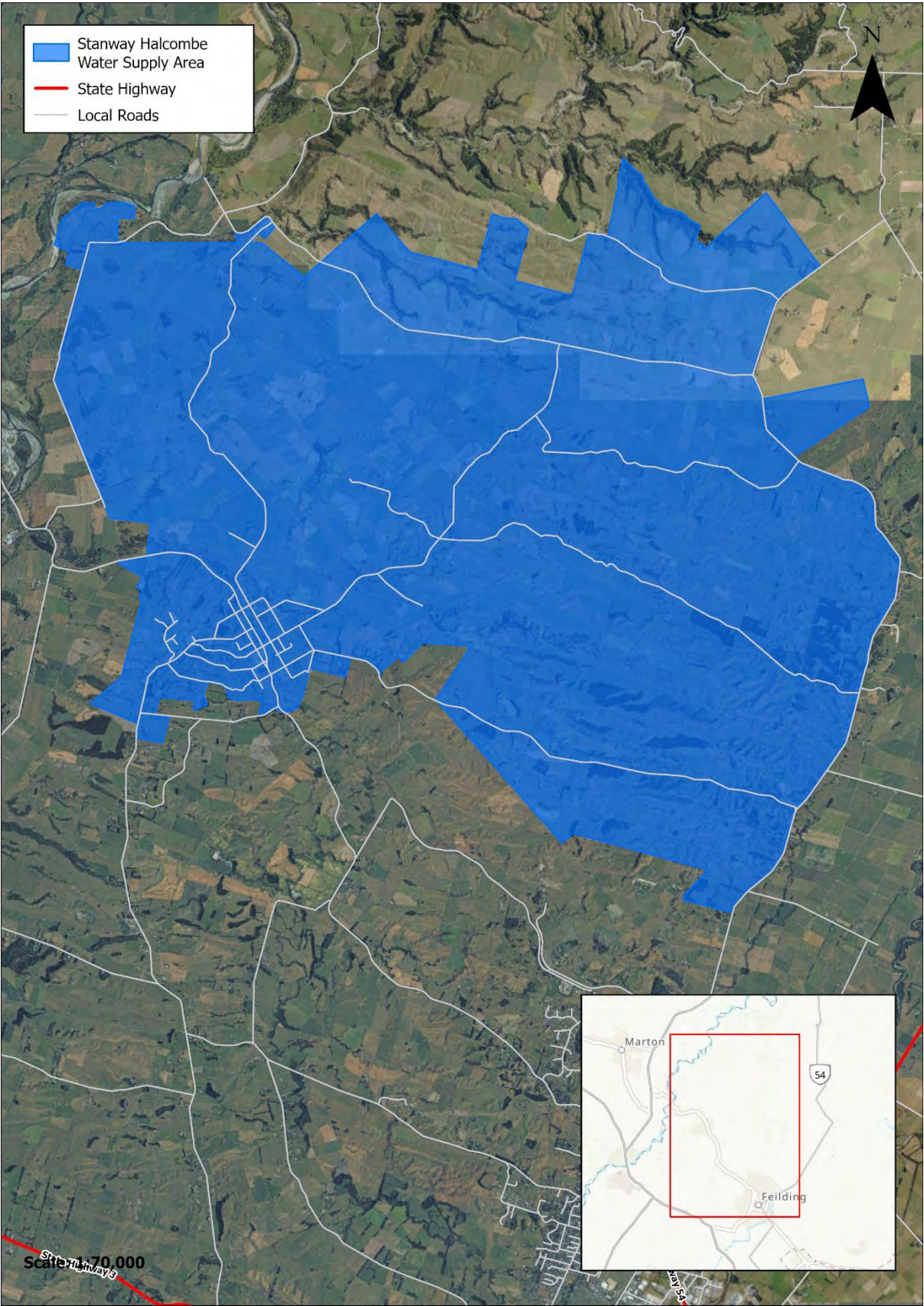
Water supply areas - Ohakea and Sanson



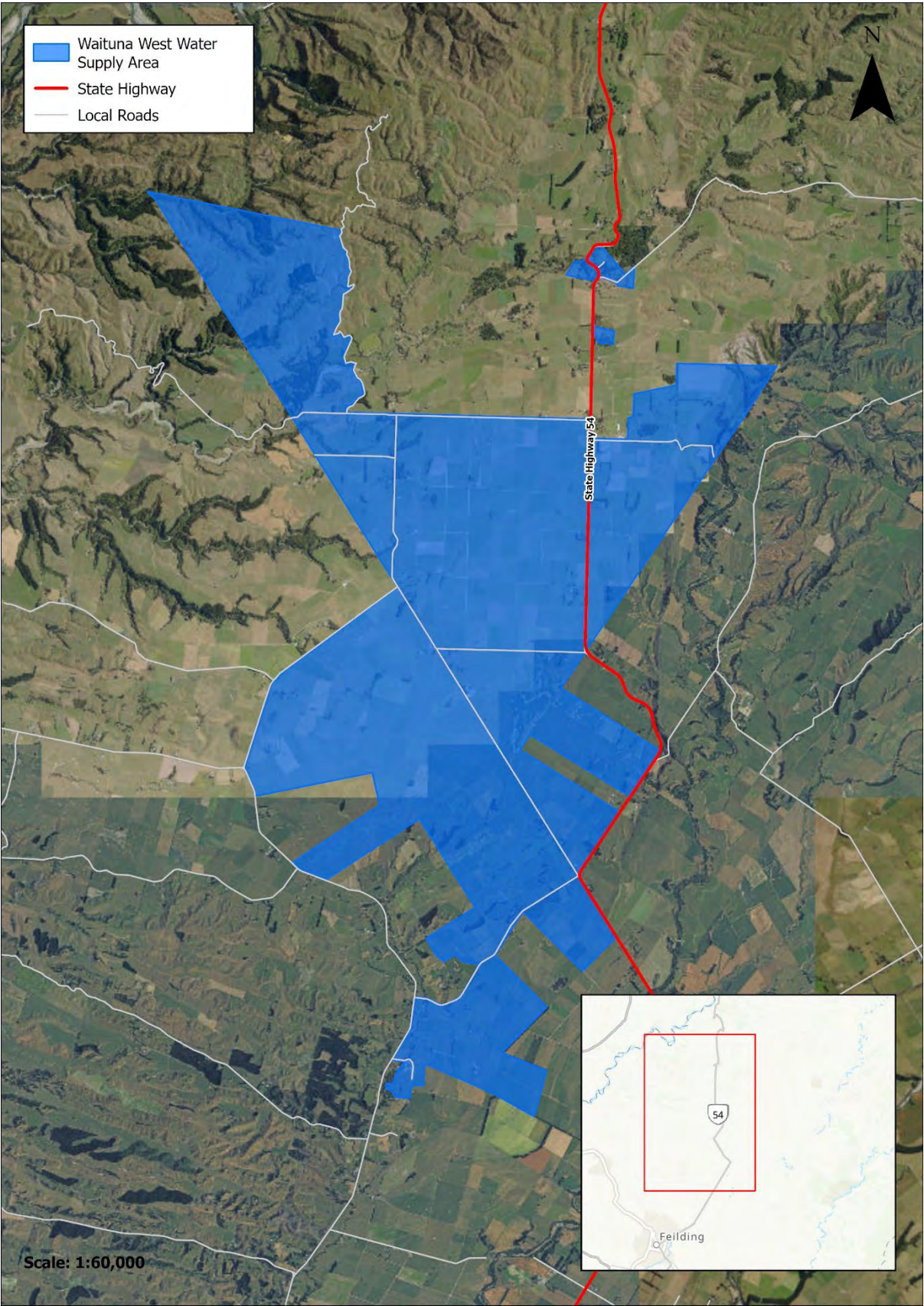
Water supply areas – Rongotea



Water supply area – Stanway-Halcombe



Water supply area – Waituna West

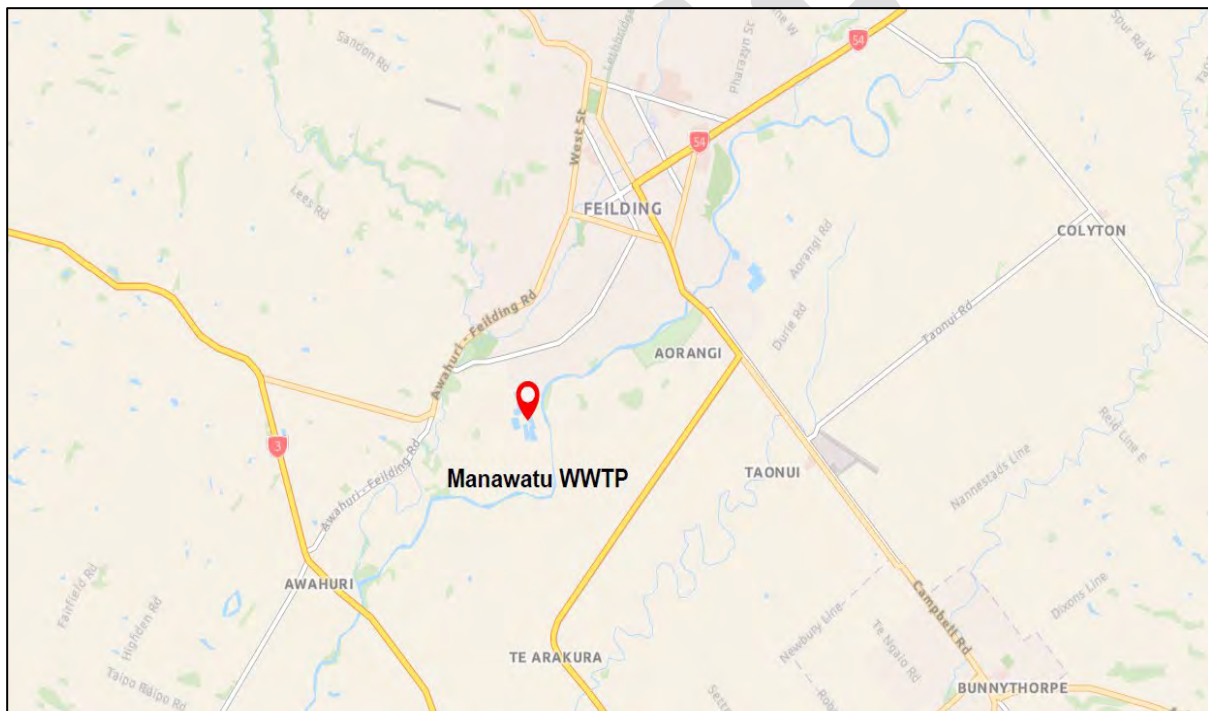


Wastewater supply areas

The Council's wastewater treatment plants play a critical role in maintaining public health and environmental sustainability across the District. Detailed descriptions of each of the Council's wastewater areas, along with the corresponding plant locations, are provided below.

Manawatū Wastewater Treatment Plant

The Manawatū Wastewater Treatment Plant is located on Kawakawa Road, Feilding and is a key strategic asset for the fulfilment of Council's legislative responsibilities for the treatment, management and disposal of wastewater. The Manawatū Wastewater Treatment Plant currently processes residential and industrial wastewater from Feilding, Sanson and RNZAF Base Ohakea. Once the Council's village wastewater centralisation programme is complete, the Manawatū Wastewater Treatment Plant will process wastewater from each of the village plants with the exception of Hīmatangi Beach.



Hīmatangi Beach Wastewater Treatment Plant

The Hīmatangi Beach Wastewater Treatment Plant is located at 469 Lake Road, Hīmatangi Beach. This plant consists of an oxidation pond with floating wetlands, with the irrigation land located on surrounding farmland. This Wastewater Treatment Plant has been operational and discharging 100% to land since 2014. Therefore, due to the discharge being 100% to land and ongoing compliance with consent conditions it is not proposed to include the Hīmatangi Wastewater Treatment Plant within the wastewater centralisation project.



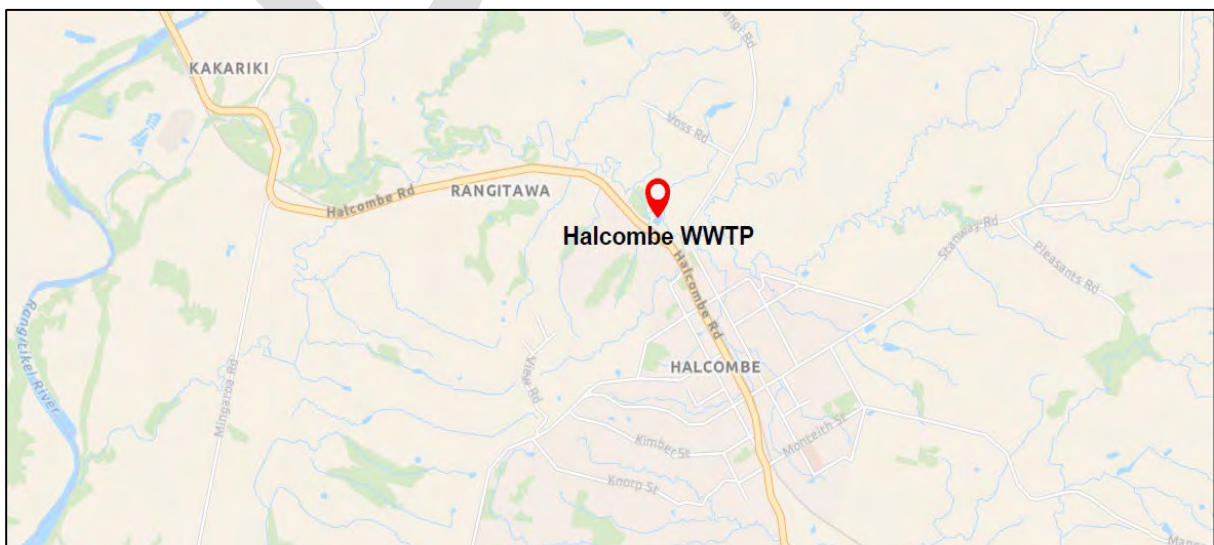
Kimbolton Wastewater Treatment Plant

The Kimbolton Wastewater Treatment Plant is located at 318 Terrace Road, Kimbolton. Wastewater from septic tanks from the Kimbolton township is reticulated to a single oxidation pond, once treatment has occurred the effluent is treated via UV disinfection and discharged to an overland flow wetland where it eventually discharges to an unnamed tributary of the Ōroua River approximately 1.1km downstream.



Halcombe Wastewater Treatment Plant

The Halcombe Wastewater Treatment Plant is located at 171 Tokorangi Road, Halcombe. The plant consists of a two stage oxidation pond system with effluent discharging from these via a pipe and concrete weir structure. The effluent is pumped to a land disposal area and then discharged via a drip irrigation system; this land discharge is controlled by a soil moisture probe that determines the suitability of the soil or irrigation. When the soil moisture level is determined to be too high, the pump will not operate, and wastewater is then stored in the oxidation ponds until either the soil moisture conditions improve, or the top water level of the pond is reached in which case discharge to the Rangitawa Stream occurs.



Rongotea Wastewater Treatment Plant

The Rongotea Wastewater Treatment Plant is located at 404 Rongotea Road, Rongotea. This plant consists of primary and secondary treatment ponds, a maturation pond and rock filter in which the effluent passes through prior to being discharged to water. The effluent is discharged to Campbells Drain - a highly modified watercourse that drains into Sluggish Creek, a tributary of the Ōroua River. The plant also contains twin wetlands however these are not currently utilised due to the generation of odour in the past. The plant is in the process of being centralised to the Manawatū Wastewater Treatment Plant in Feilding.



Cheltenham Wastewater Treatment Plant

The Cheltenham Wastewater Treatment Plant is located at 1468 Kimbolton Road, Feilding. The plant consists of a single oxidation pond which collects wastewater from on site septic tanks in Cheltenham then discharges to a drain and pipe eventually reaching the Ōroua River situated approximately 1.5km southeast. However, as the discharge rate is low at 48m³/day the discharge will often soak into the ground prior to reaching the river, with the exception being during heavy rainfall events where discharge would reach the river in a diluted state therefore not having a significant adverse effect being undetectable within the receiving environment.

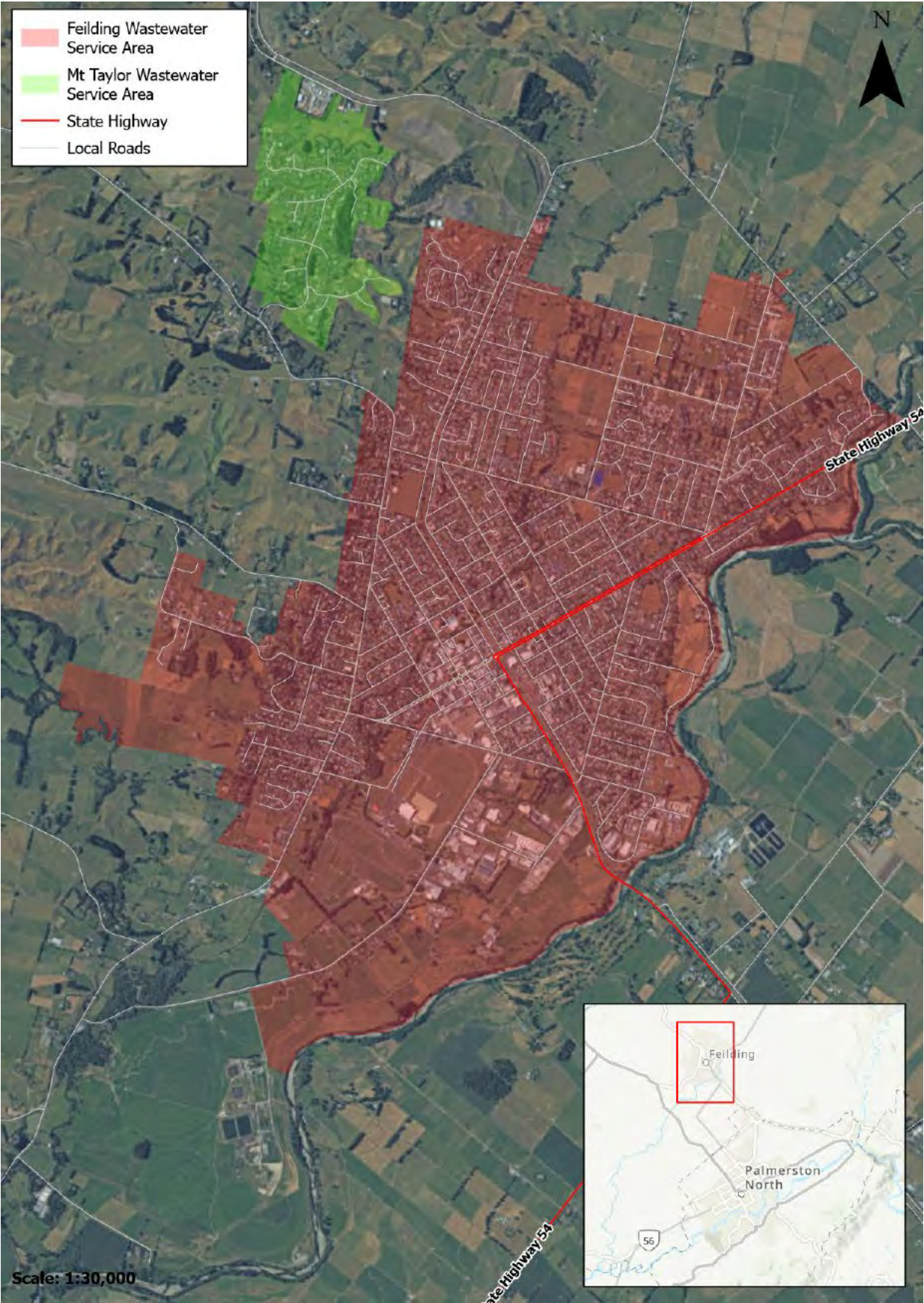


Awahuri Wastewater Treatment Plant

The Awahuri Wastewater Treatment Plant is located at 1275 Rangitikei Line, Awahuri. The plant consists of a single oxidation pond which provides treatment for waste from the septic tanks of 12 properties and site amenities at Triple R Engineering. The oxidation pond is designed primarily to treat cBOD₅ and faecal coliforms. The treated effluent is discharged via an outlet pipe to Bennetts Drain, which leads to the Taonui Stream.



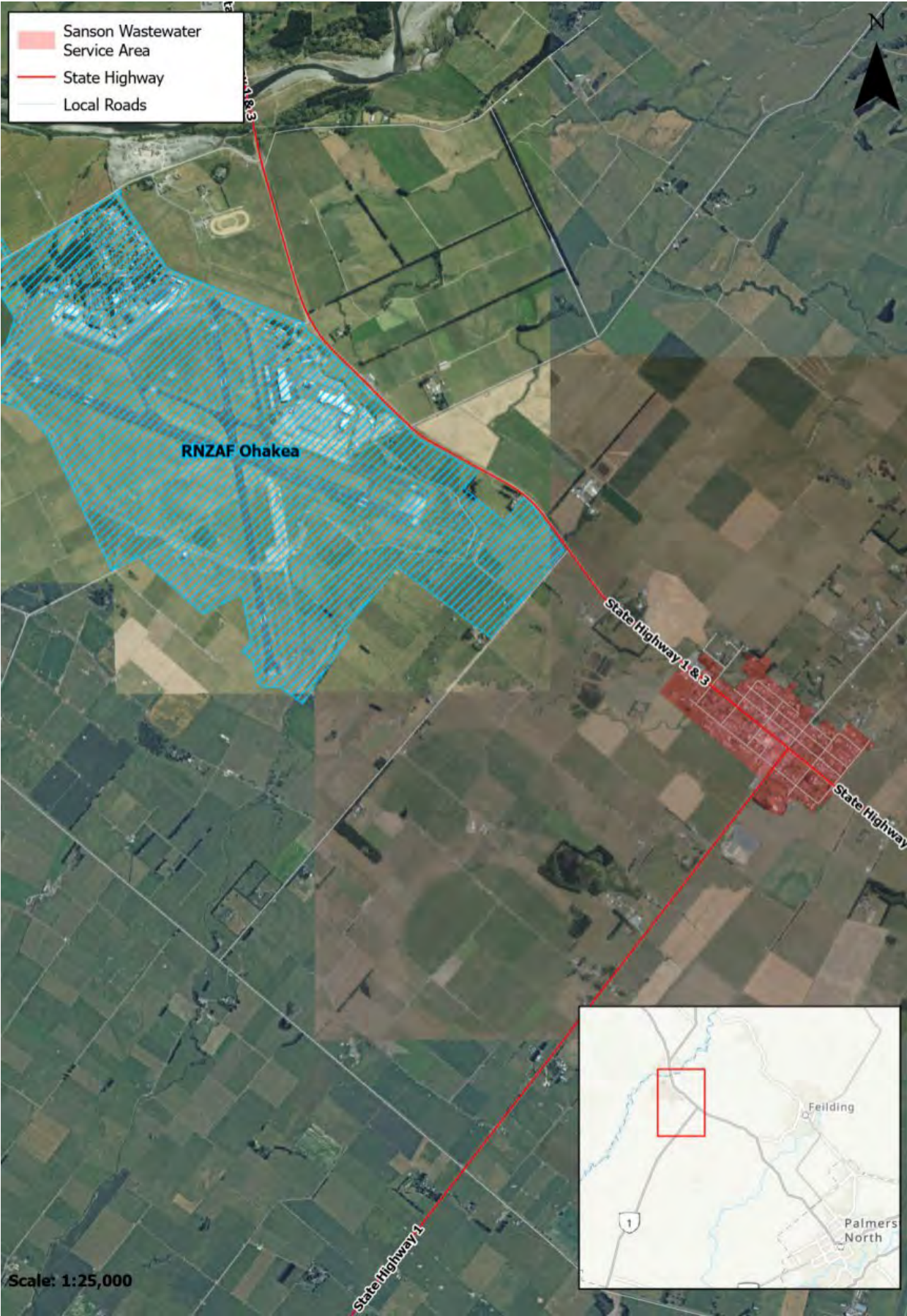
Wastewater supply areas – Feilding & Mt Taylor



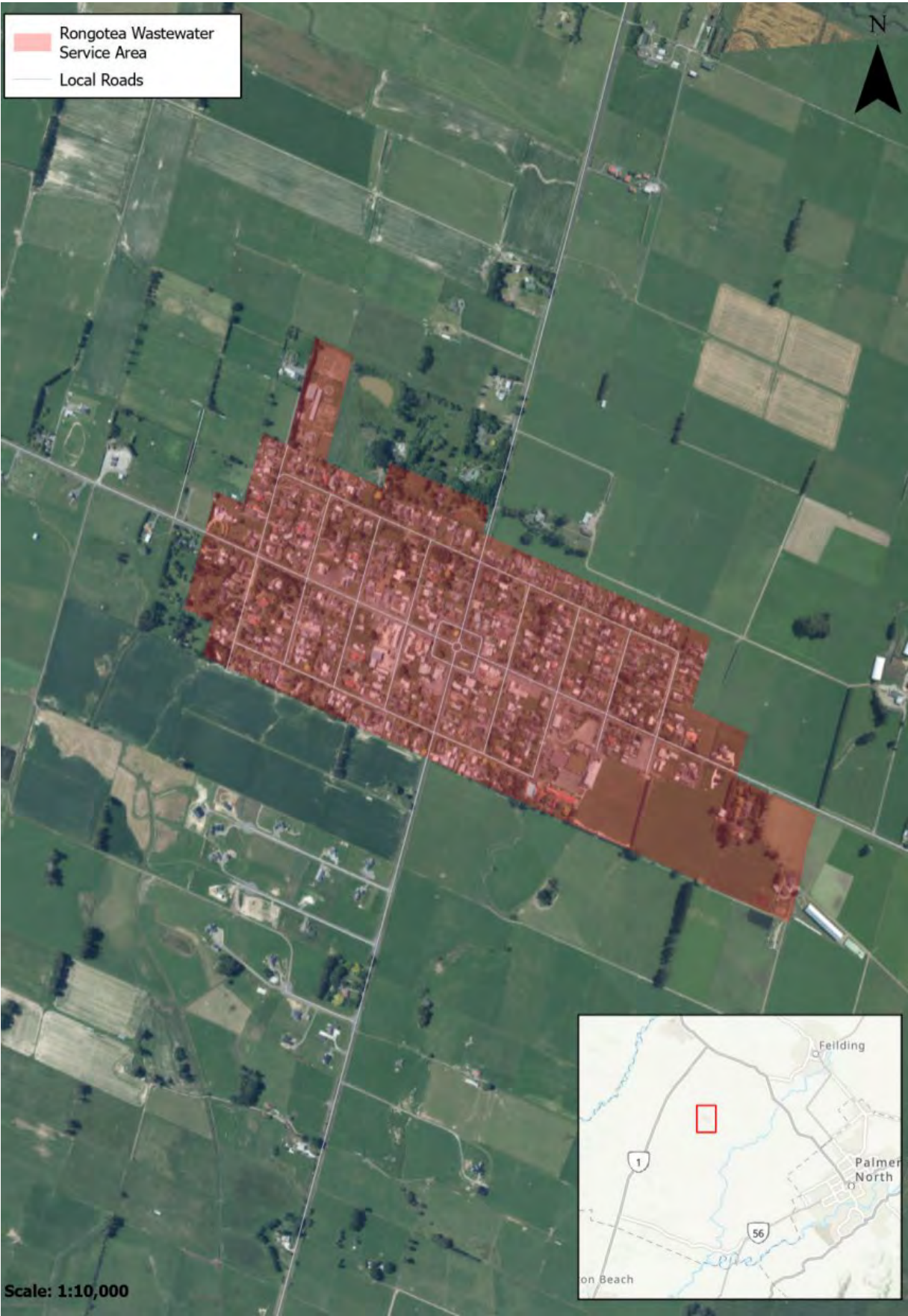
Wastewater supply area – Hīmatangi Beach



Wastewater supply area – Sanson



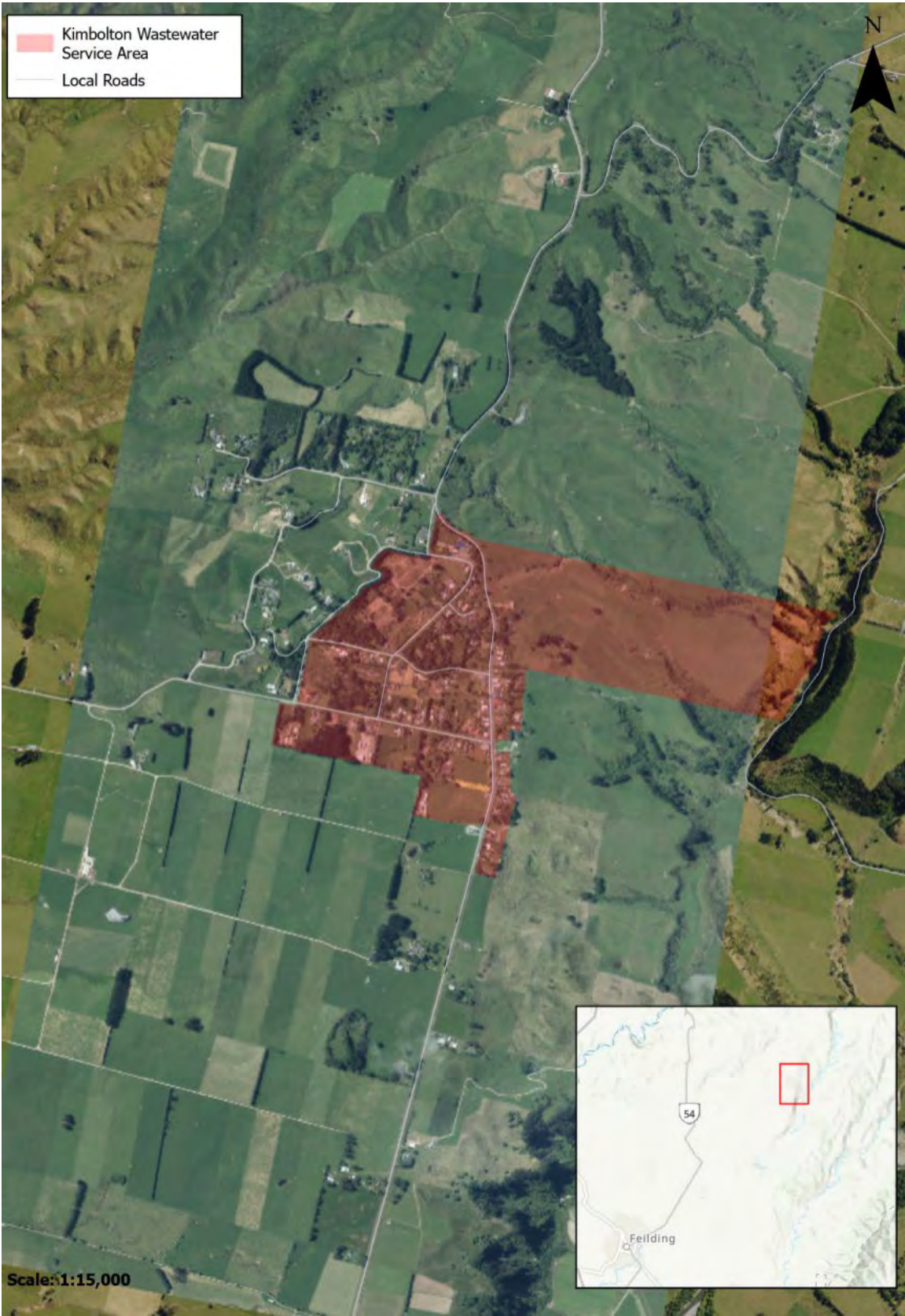
Wastewater supply area – Rongotea



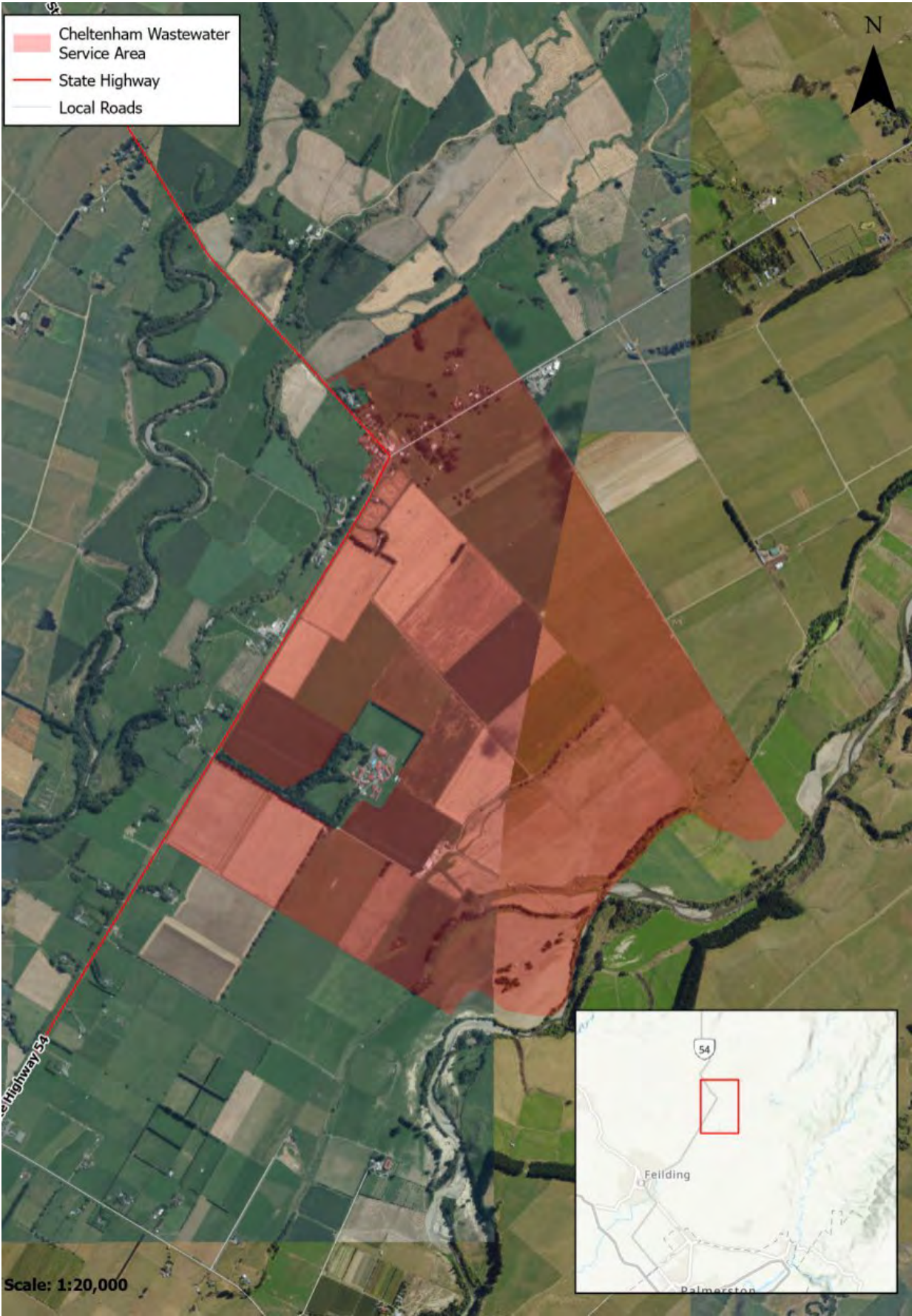
Wastewater supply area – Halcombe



Wastewater supply area – Kimbolton



Wastewater supply area – Cheltenham



Wastewater supply area – Awahuri



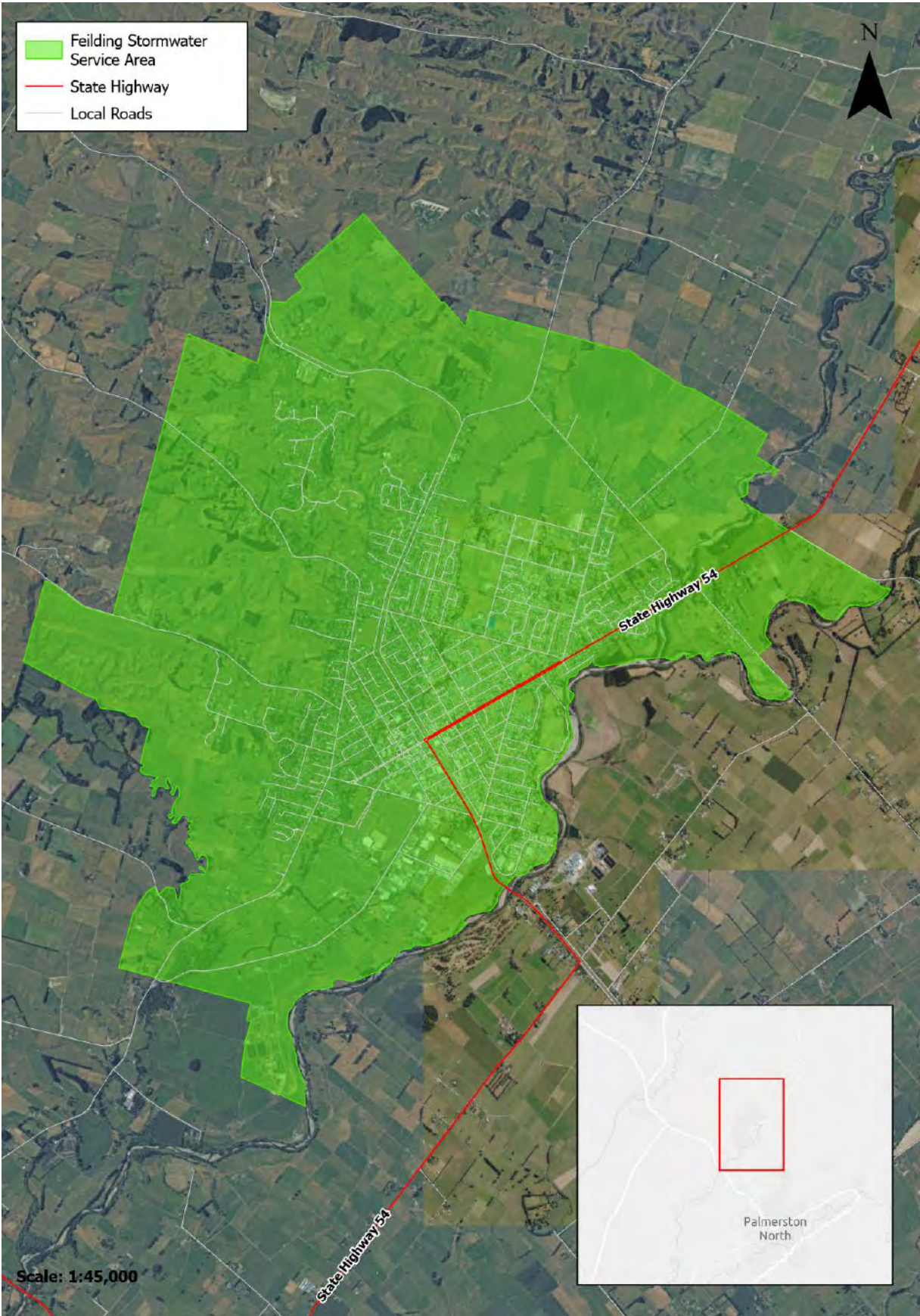
Stormwater supply areas

Council provides a network of stormwater systems throughout the District and maintains reticulated stormwater systems in Feilding, Rongotea, and Sanson, including inlets, pipes, open drains, and outlets to receiving environments. Council also maintains shared stormwater assets in Hīmatangi Beach, Halcombe, Kimbolton, Tangimoana, and Cheltenham, and carries out significant ongoing maintenance to the four rural drainage schemes: Bainesse, Maire, Makowhai, and Ōroua.

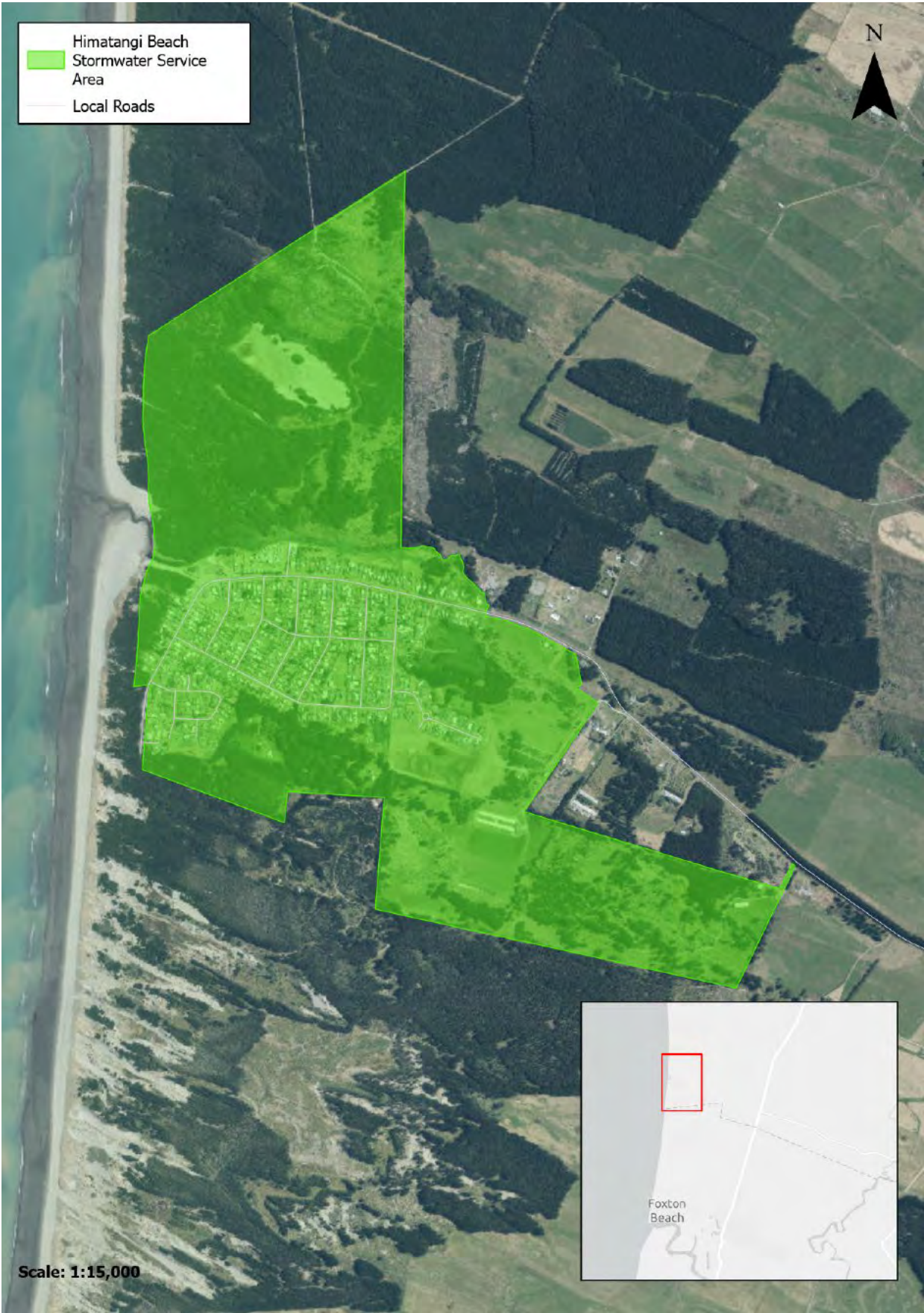
Maps of each of the Council stormwater areas are provided below.

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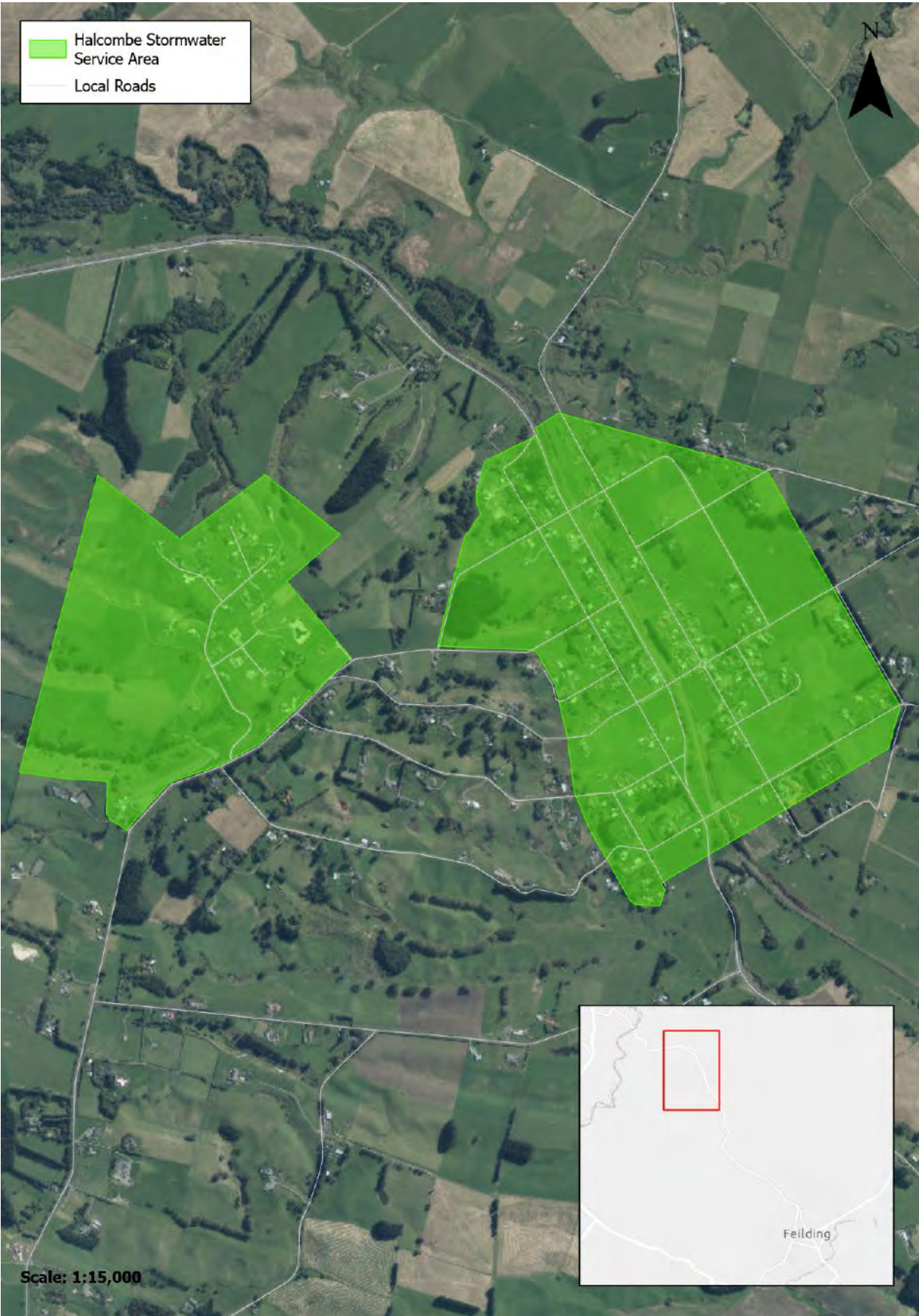
Stormwater serviced areas – Feilding



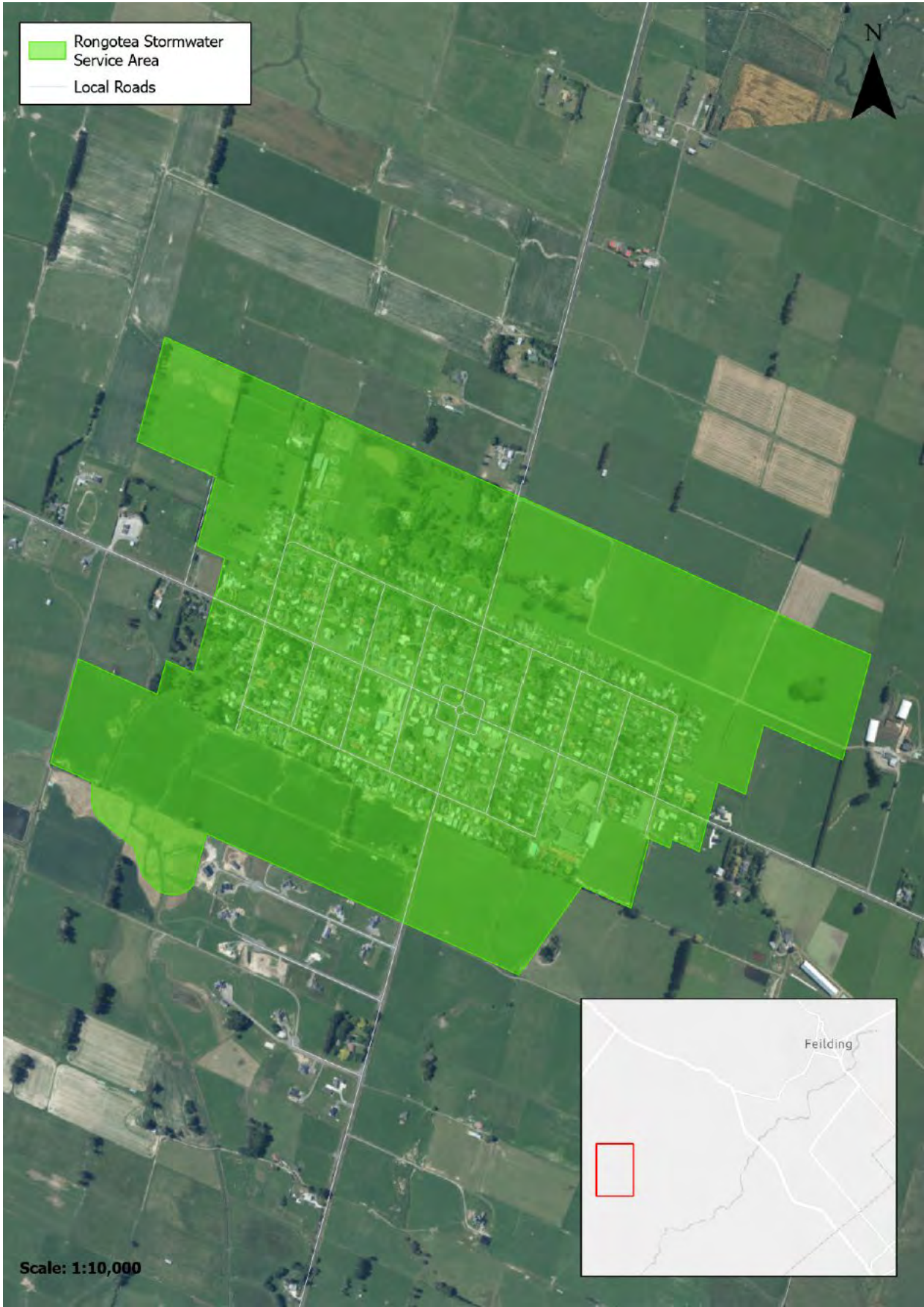
Stormwater serviced areas – Hīmatangi Beach



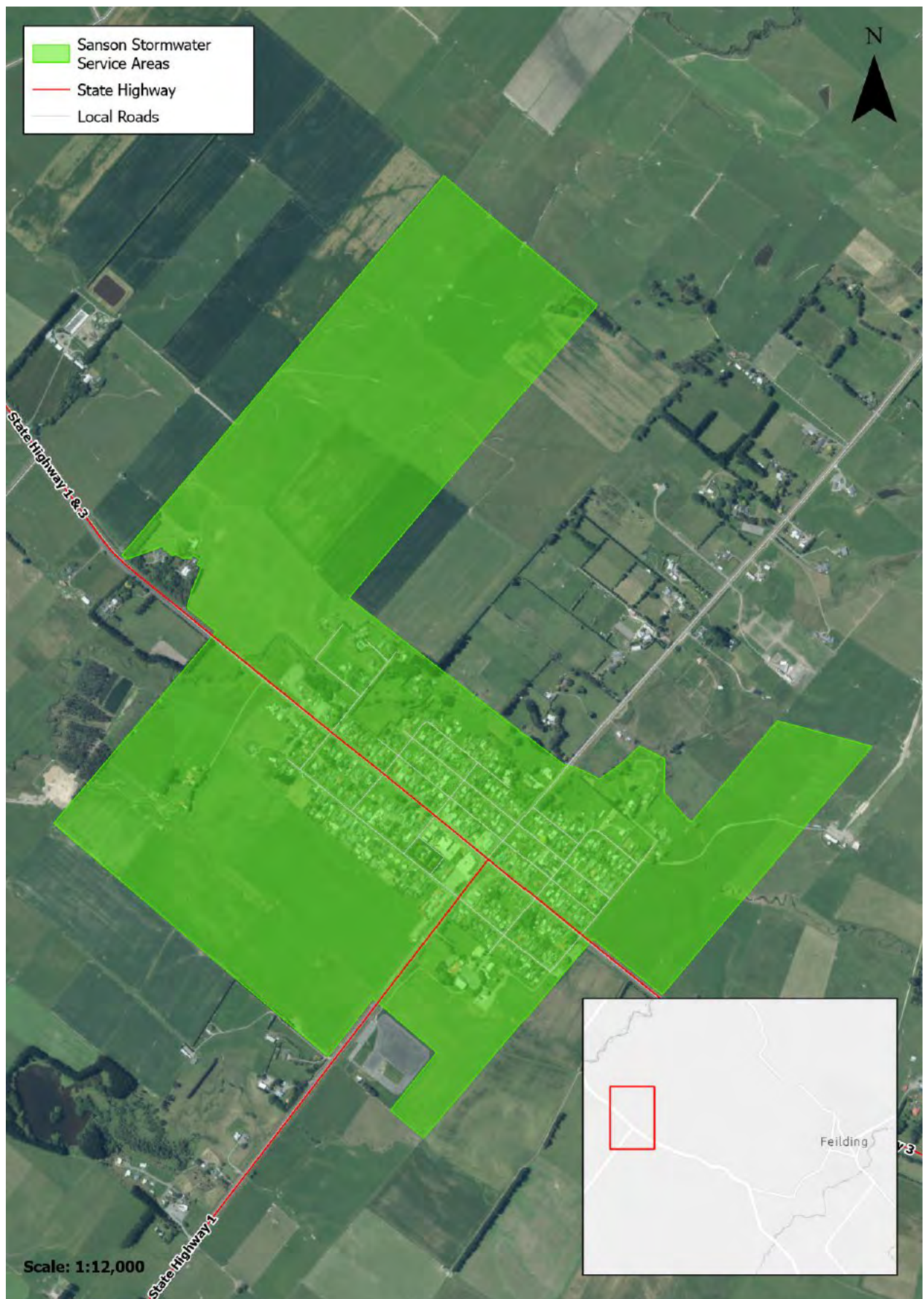
Stormwater serviced areas – Halcombe



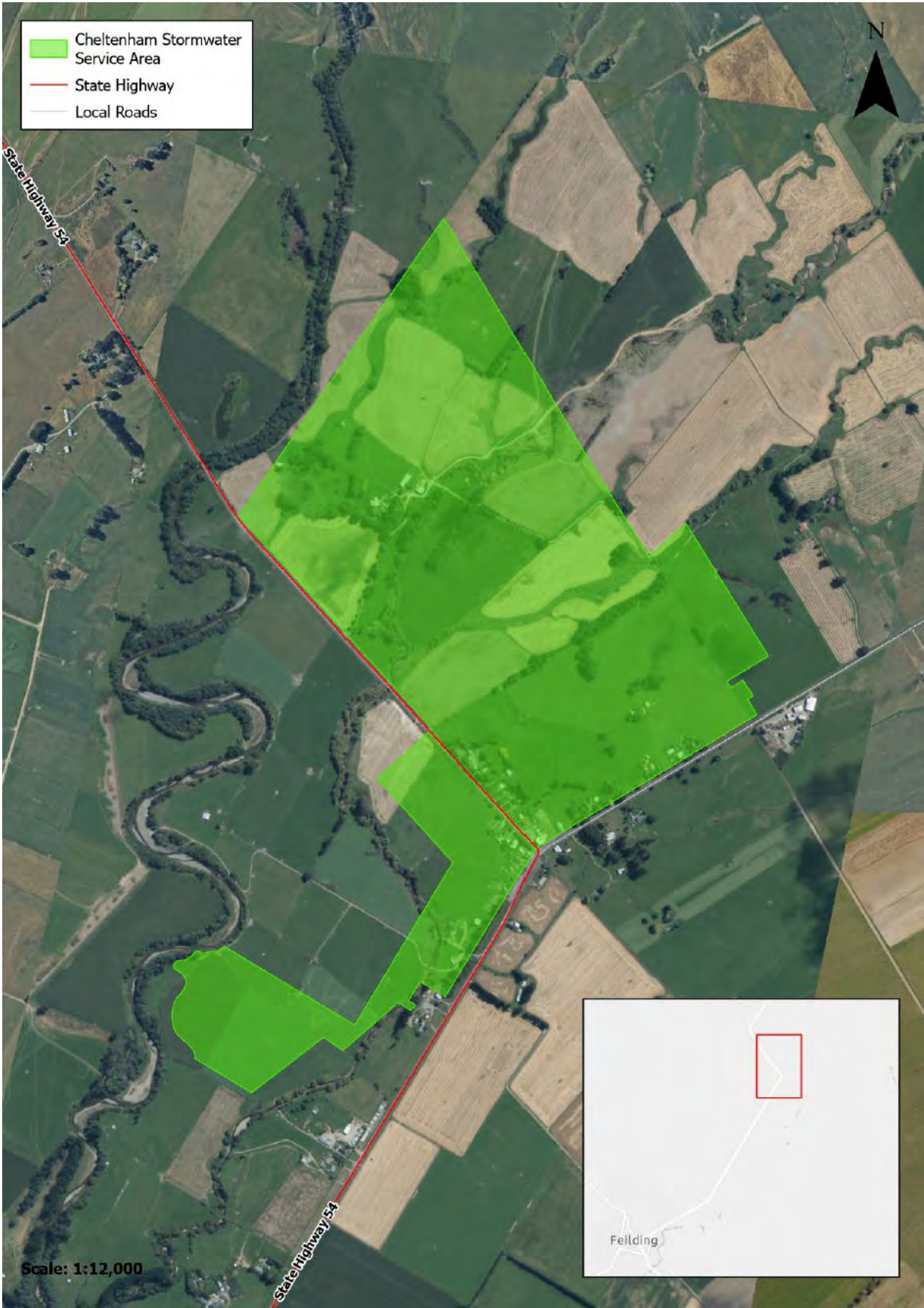
Stormwater serviced areas – Rongotea



Stormwater serviced areas – Sanson



Stormwater serviced areas – Cheltenham



Stormwater serviced areas – Tangimoana

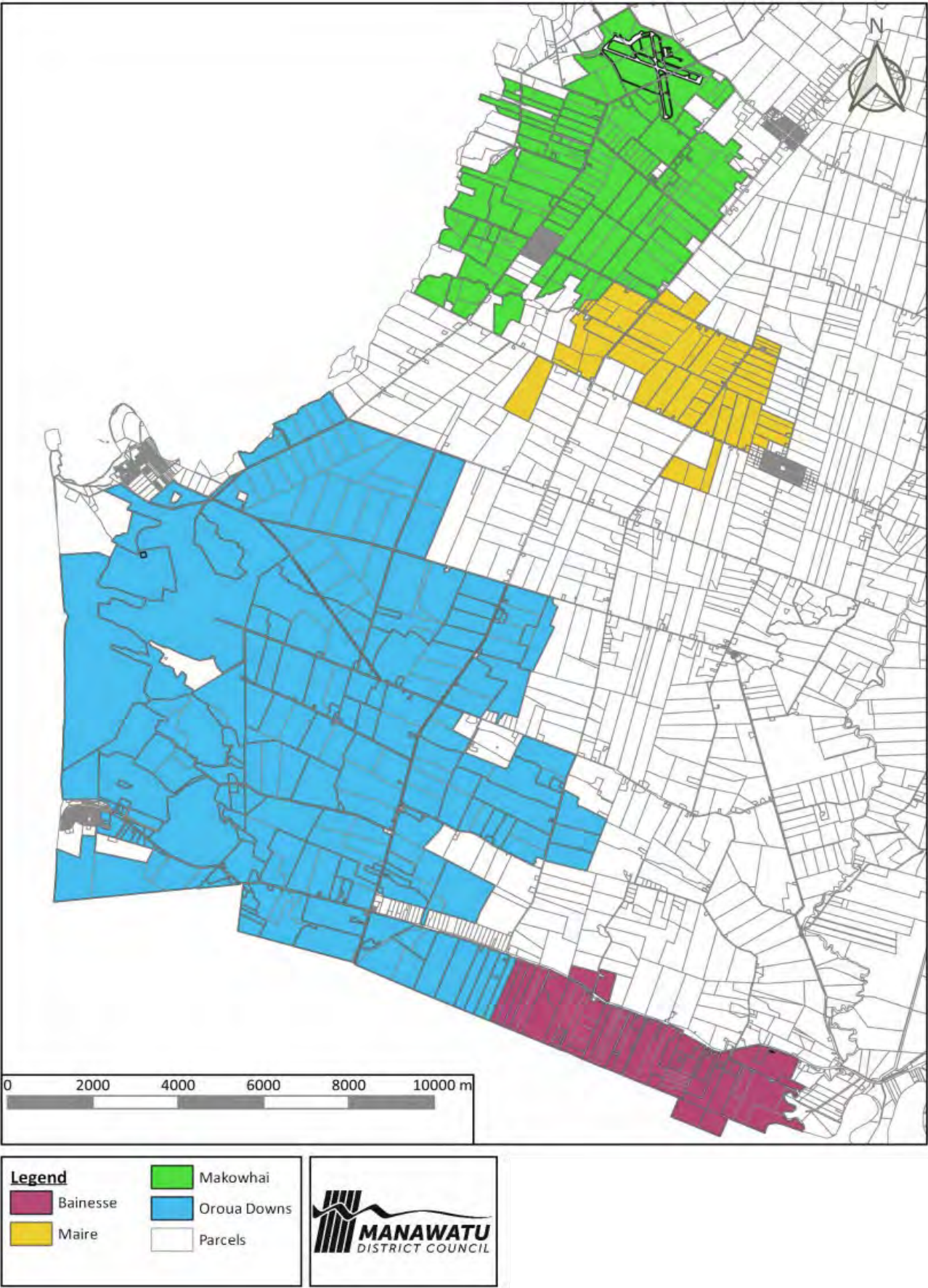


Rural drainage schemes

Council carries out significant ongoing maintenance to four rural drainage schemes - Bainesse, Maire, Makowhai and Ōroua Downs. These drainage schemes are 100% funded through a targeted rate that is scheme specific. 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. There are generally no significant issues with capacity or performance of these drainage schemes.

The maintenance, which includes drain clearing and spraying, is done on an as required basis, with no set programmes. In general, spraying is annual, and clearing is 5-yearly. Erosion protection works are also carried out at times. Each scheme has a committee, representing the properties served, which request the District Council to arrange maintenance works to be carried out, as necessary. Maintenance works are generally limited to funding available from each of the scheme accounts.

The greatest risk to the schemes and the land area they service is from delayed maintenance work or from work carried out to a poor standard. The committees that manage each of the schemes are well aware of the unique maintenance requirements that each scheme requires and generally restrict maintenance work to a small nucleus of contractors that have experience in each area.



(Rural drainage scheme billing areas)

Bainesse



Maire



Makowhai



Ōroua Downs



Current levels of services and performance relating to water services

The following outlines the current non-financial performance measures for water services, based on the DIA performance standards and the Council's own Levels of Service. These service levels are aligned with the Council's Community Outcomes, as defined in the 2024–34 Long Term Plan. The Community Outcomes are shown below.

Performance results for the 2023/24 financial year are presented for water supply, wastewater, and stormwater services. Additionally, a summary of progress against performance targets for the 2024/25 financial year to date is included.

Each service area includes a performance summary, detailing the key metrics being monitored. These include community satisfaction, response times, compliance with regulatory standards, and adherence to service deadlines.

Community Outcomes



Water Supply Levels of Service

Council ensures that there is a sufficient water supply for the Districts communities while undertaking water treatment to ensure it is safe to drink. Council work to maintain public health through the provision of water that meets the New Zealand Drinking Water Standards for New Zealand Regulations 2022 and foster development in the District by meeting the requirements for commercial premises or major industries.

Council provides water supplies to meet residential and industrial/commercial needs via the Districts four urban drinking water schemes: Feilding, Hīmatangi Beach, Sanson/Ohakea and Rongotea. Along with this Council provide rural water schemes in Stanway-Halcombe and Waituna West to meet residential and agricultural needs. There are two rural water supply schemes that are community operated (Kiwitea and Ōroua No. 1). This work involves maintaining Council's water treatment plants and water storage facilities, and maintaining and repairing Council's reticulation network system, as well as monitoring and managing the demand for water.

Water Supply – Levels of service, measures and performance for the 2023/2024 financial year

1. You can expect the provision of a safe water supply						
Measure	Link to community outcomes		Target 2024	Result 2022/23	Result 2023/24	Comments
The extent (% compliance) to which Council's drinking water supply complies with Part 4 of the NZ Drinking Water Standards (bacteria compliance criteria).	1 to 6	Feilding – Almadale	100%	100% Achieved	100% Achieved	
		Feilding – Awa Street	100%	0% Not Achieved	Not Achieved due to five connections prior to chlorination	Changes to compliance require Council to relocate the Awa Street chlorination plant to Campbell Road to ensure all connections receive chlorinated water (5 connections affected). Council working with Water Services Authority to agreed timeframes.
		Hīmatangi Beach	100%	77% Achieved	100% Achieved	
		Rongotea	100%	100% Achieved	100% Achieved	
		Sanson	100%	98% Not Achieved	100% Achieved	

		Stanway Halcombe	100%	85% Not Achieved	100% Achieved	
		Waituna West	100%	50% Not Achieved	100% Achieved	
		Ohakea	100%	100% Achieved	100% Achieved	
The extent (% compliance) to which Council’s drinking water supply complies with Part 5 of the NZ Drinking Water Standards. (protozoal compliance criteria).* #	1 to 6	Feilding – Almadale	100%	100% Achieved	100% Achieved	
		Feilding – Awa Street	100%	0% Not Achieved	100% Achieved	
		Hīmatangi Beach*	100%	100% Achieved	100% Achieved	
		Rongotea*	100%	100% Achieved	100% Achieved	
		Sanson*	100%	100% Achieved	100% Achieved	
		Stanway Halcombe	0%	0% Not Achieved	0% Target does not exist yet	Halcombe- Stanway will be compliant by 31 December 2024 when protozoa treatment will be installed in accordance with Water Services Authority agreed timeframe.
		Waituna West*	100%	100% Achieved	100% Achieved	
		Ohakea	100%	100% Achieved	100% Achieved	
* Schemes automatically comply with Protozoa compliance due to secure bore status (Hīmatangi Beach, Rongotea, Sanson, Stanway Halcombe, Waituna West)						
# Stanway Halcombe scheme upgrades are underway and are expected to be compliant in 2025						
2. You can expect the water reticulation network to be well maintained						
Measure	Link to community outcomes		Target 2024	Result 2022/23	Result 2023/24	Comments
	3, 4 & 6	Feilding	< 35%	12.1% Achieved	16% Achieved	
		Hīmatangi Beach	< 35%	38.5% Not Achieved	31% Achieved	

The estimated percentage of real water loss from Council's networked reticulation system using minimum night flow (MNF) analysis, measured per water supply scheme.		Rongotea	< 35%	18% Achieved	15% Achieved	
		Sanson	< 35%	-		Sanson now a zone of Ohakea – will be removed from report
		Stanway Halcombe	< 35%	24% Achieved	18% Achieved	
		Waituna West	< 35%	-	34% Achieved	
		Ohakea	< 35%		32% Achieved	First full year of operation also a rural scheme

3. You can expect faults to be responded to and resolved in a timely manner

Measure	Link to community outcomes	Target 2024	Result 2022/23	Result 2023/24	Comments
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Urgent callouts* to a fault or unplanned interruption to Council's networked reticulation system:

Median attendance time from the time the Council receives notification to the time that service personnel reach the site.	6	<2 hours	0.75 hours Achieved	0.26 hours Achieved	
Median resolution time from the time the Council receives notification to the time that service personnel confirm that the water supply has been reinstated.	6	<9 hours	3.02 hours Achieved	1.98 hours Achieved	

Non-urgent call outs to a fault or unplanned interruption to Council's networked reticulation system:

Median attendance time from the time the Council receives notification to the time that service personnel reach the site.	6	<5 working days	24 hours Achieved	2.1 hours Achieved	
Median resolution time from the time the Council receives notification to the time that service personnel confirm resolution of the fault or interruption	6	A further <5 working days	24 hours Achieved	14.6 hours Achieved	

Note: An "urgent" call-out is one in which there is a complete loss of water

4. You can expect satisfaction with the quality of water service

Measure	Link to community outcomes	Target 2024	Result 2022/23	Result 2023/24	Comments
Monitoring the total number of complaints received by Council about any of the following: • Drinking water clarity	1 to 6	<20	8.73 Achieved	3.6 Achieved	29 complaints: 16 Clarity, 1 Odour 12 Pressure or flow 10 continuity of supply 0 council response.

<ul style="list-style-type: none">• Drinking water taste• Drinking water odour• Drinking water pressure or flow• Continuity of supply• The local authority's response to any of these issues <p>Expressed per 1,000 connections to the Council's networked reticulation system</p>						3.6 complaints per 1000 connections
5. You can expect us to manage the demand for domestic water supply						
Measure	Link to community outcomes		Target 2024	Result 2022/23	Result 2023/24	Comments
The average consumption of drinking water per day, per resident within Council's authority area: (MEASURE: litres/person/day for domestic supply only)	2 & 6	Feilding 17,428	<300	192 Achieved	184 Achieved	
		Himatangi Beach 526	<1000	678 Achieved	590 Achieved	
		Rongotea 639	<300	108 Achieved	153 Achieved	
		Sanson 582	<300	202 Achieved	N/A	Included as part of Ohakea RWS below
		Stanway Halcombe 554	<1000	408 Achieved	294 Achieved	Domestic water consumption calculated after rural allocation removed.
		Waituna West 226	<1000	1370 Not Achieved	784 Achieved	Domestic water consumption calculated after rural allocation removed.
		Ohakea RWS	<1000	738 Achieved	330 Achieved	Includes Sanson and Ohakea Rural area Domestic water consumption calculated after rural allocation removed. Ohakea RWS was commissioned late July 2022, Sanson was added to this scheme on 19 June 2023
<ul style="list-style-type: none">• 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 Himatangi Beach scheme is significantly higher than the permanent population.• The Urban non holiday/rural schemes have been increased to 300 from 250 to reflect the targets set in the One Plan (Regional Council overarching plan)						

Summary 23/24 financial year for Water Levels of Service

In 2023/24, Council achieved full compliance with the New Zealand Drinking Water Standards for both bacteria and protozoa across all schemes, except for the Stanway-Halcombe Rural Water Supply Scheme. The scheme did not comply with the current Drinking Water Quality Assurance Rules 2022 for the removal of protozoa.

Work was budgeted for the upgrade of the Stanway-Halcombe Rural Water Supply and was completed on 17 February 2025. This was the last non-compliant water supply in the Manawātū District and the work completed allowed the removal of the boil water notice on 24 March 2025. Council is now compliant with the protozoa requirements of the Drinking Water Quality Assurance Rules.

Bacterial compliance was achieved for all schemes except for Feilding Awa Street due to changes to compliance requirements. Proposed upgrade work occurring at the Campbell Road Water Treatment Plant will see the chlorination and treatment of water abstracted from Campbell Road and Newbury Line bores being moved from its original location approximately 4km away in Awa Street to the additional land purchased around the Campbell Road bore site. This will ensure that the five connections (including one residential and four industrial) between the bores and existing Awa Street treatment plant will receive compliant chlorinated water. Council is working with the Water Services Authority to agreed timeframes.

Water loss targets were met in all measured areas, with notable improvements in previously underperforming schemes. Response times for both urgent and non-urgent faults significantly exceeded targets, ensuring timely service restoration. Customer satisfaction remained high, with a low complaint rate of 3.6 per 1,000 connections. Average daily water consumption met targets across all areas, reflecting effective demand management and adjustments for rural and seasonal usage.

How Council is tracking against the 24/25 financial year

Council is generally tracking well against its water level of service targets for the 2024/25 financial year, with solid performance in several key areas and improvements underway in others. Protozoa compliance is being consistently met across the schemes. The commissioning of the new Stanway-Halcombe water treatment plant as mentioned above in February 2025 has resolved previous issues in that area.

Fault response and resolution times remain well within target for both urgent and non-urgent callouts, reflecting strong operational performance. Real water loss is also being effectively managed, with most schemes either meeting targets or on track to do so once full-year data is available. Bacterial compliance continues to be a challenge in a few locations particularly at Feilding's Awa Street and Campbell Road sites upgrades are in progress and expected to bring these sites into compliance by September 2025. Water demand management is mixed, with some areas showing increased use during dry months, though many remain within acceptable limits. Customer satisfaction has improved, with complaint levels decreasing in Quarter 3 after a spike in Quarter 2. Overall, the Council is making steady progress and is well-positioned to meet its service targets by year-end.

Wastewater Group Levels of Service

Council collect, treat and dispose of wastewater, including domestic, commercial and industrial waste. This is done by maintaining reticulated wastewater systems in Feilding, Awahuri, Cheltenham, Halcombe, Kimbolton, Rongotea, Sanson and Himatangi Beach. Council aims to ensure compliance with resource consent requirements for the discharge of treated wastewater to either land or water from the District's Wastewater Treatment Plants and ensure that statutory obligations under the Local Government Act 2002, Health Act 1956, and Resource Management 1991 are being met.

Wastewater – Levels of service, measures and performance for the 2023/2024 financial year

1. You can expect us to effectively manage Councils reticulated wastewater system					
Measure	Link to community outcomes	Target 2024	Result 2022/23	Result 2023/24	Comments
Number of dry weather sewerage overflows from Council's sewerage system, expressed per 1000 SUIPs (separately used inhabited parts of a rating unit).	3, 4 & 6	<6	0.12 Achieved	2 Achieved	
2. You can expect compliance with the Council's resource consents for discharge from its treated wastewater system					
Measure	Link to community outcomes	Target 2024	Result 2022/23	Result 2023/24	Comments
The number of abatement notices advising or breaches of resource consent conditions per scheme.	3 & 6	<2	0 Achieved	1 Achieved	Abatement notice received for the Kimbolton Wastewater Treatment Plant
The number of infringement notices, enforcement orders, and convictions received by Council in relation to resource consent conditions per scheme	3 & 6	0	0 Achieved	0 Achieved	
3. You can expect timely response and resolution to faults or blockages					
Measure	Link to community outcomes	Target 2024	Result 2022/23	Result 2023/24	Comments
Median response time from the time the Council receives notification to the time that service personnel reach the site. (Urgent)	6	<2 hours	0.52 hours Achieved	0.25 hours Achieved	
Median response time from the time the Council receives notification to the time that service personnel reach the site. (Non-Urgent)	6	5 days	1.38 hours Achieved	0.9 hours Achieved	

Median response time from the time the Council receives notification to the time that service personnel reach the site. (Combined)	6	5 days	1.11 hours Achieved	0.6 hours Achieved	
Median resolution time: from the time Council receives notification to the time service personnel confirm resolution of the blockage or other fault. (Urgent)	6	< 5 hours	3.52 hours Achieved	1.82 hours Achieved	
Median resolution time: from the time Council receives notification to the time service personnel confirm resolution of the blockage or other fault. (Non-urgent)	6	10 days	4.33 hours Achieved	2.93 hours Achieved	
Median resolution time: from the time Council receives notification to the time service personnel confirm resolution of the blockage or other fault. (Combined)	6	10 days	4.33 hours Achieved	1.4 hours Achieved	
4. You can expect satisfaction with our service					
Measure	Link to community outcomes	Target 2024	2022/23 Result	Result 2023/24	Comments
The total number of complaints received by Council about the following: <ul style="list-style-type: none"> 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)*	4 & 6	<20	3.58 Achieved	4.2 Achieved	
<i>*excludes complaints that do not relate to the service council provide</i>					

Summary of 23/24 financial year for Wastewater Levels of Service

In 2023/24, Council met all wastewater level of services targets, reflecting strong performance in system management and customer responsiveness. The rate of dry weather overflows remained low at 2 per 1,000 connections, well within the target. Compliance with resource consent conditions was largely upheld, with only one abatement notice issued for the Kimbolton Wastewater Treatment Plant and no infringement notices or convictions recorded. A remediation plan has been prepared by Council for the E.coli and Dissolved Reactive Phosphorous (DRP) exceedances at the Kimbolton. This plan was discussed with the Regional Council who were happy with the approach Council were taking with remediating the issues. There is budget available in the 2025/26 financial year for Council to achieve compliance with the resource consent.

Fault response times improved significantly, with urgent issues attended to within a median time of 0.25 hours and resolved within 1.82 hours. Non-urgent matters also saw quick resolution. Customer satisfaction was maintained, with a low complaint rate of 4.2 per 1,000 connections, comfortably under the threshold.

How Council is tracking against the 24/25 financial year

The Council is tracking well to meet its wastewater service targets for the 2024/25 year. The number of dry weather sewer overflows stayed low, with just two incidents well under the target of fewer than six per 1,000 connected properties. Compliance with resource consent conditions also remains solid, with no enforcement actions issued to date. Response times to both urgent and non-urgent faults were well ahead of target, with urgent issues attended to in just 15 minutes on average. Resolution times were also quick, with most problems fixed within a few hours. Community feedback was positive too, with only 4.2 complaints per 1,000 connections received, well below the set limit. Overall, Council is delivering a reliable and responsive wastewater service and is on track heading into the next financial year.

Stormwater Group Levels of Service

Council provides a network of stormwater systems throughout the District and maintains reticulated stormwater systems in Feilding, Rongotea and Sanson including inlets, pipes, open drains, and outlets to receiving environments. Council also maintain shared stormwater assets in Hīmatangi Beach, Halcombe, Āpiti, Kimbolton, Pohangina, Rangiwahia and Cheltenham and carry out significant ongoing maintenance to the four rural drainage schemes: Bainesse, Maire, Makowhai and Ōroua.

Stormwater – Levels of service, measures and performance for the 2023/2024 financial year

1. You can expect the provision of an effective stormwater system					
Measure	Link to community outcomes	Target 2024	Result 2022/23	Result 2023/24	Comments
The number of flooding events in the District.*	2 & 4	0	1 Not Achieved	1 Not Achieved	Event in Hīmatangi April 2024. One habitable property flooded
The number of habitable floors affected during each flooding event. (Expressed per 1000 properties connected to Councils stormwater system)	2 & 4	<10	0.35 Achieved	0.01 Achieved	
* A flooding event is defined as an overflow of the urban stormwater system that enters a habitable floor					

2. You can expect us to comply with resource consent conditions for discharge from Council's stormwater systems					
Measure	Link to community outcomes	Target 2024	Result 2022/23	Result 2023/24	Comments
The number of: A. Abatement notices B. infringement notices C. enforcement orders D. successful prosecutions received in relation to those resource consents	3, 4 & 6	A. <2 B. 0 C. 0 D. 0	0 Achieved 0 Achieved 0 Achieved 0 Achieved	0 Achieved 1 Not Achieved 0 Achieved 0 Achieved	Infringement notice issued for Feilding stormwater
3. You can expect a timely response to flooding events					
Measure	Link to community outcomes	Target 2024	Result 2022/23	Result 2023/24	Comments
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	6	Within 2 hours	2.65 hour Not Achieved	N/A	
4. You can expect satisfaction with the performance of Council's reticulated stormwater system <i>*excludes complaints that do not relate to the service council provides</i>					
Measure	Link to community outcomes	Target 2024	Result 2022/23	Result 2023/24	Comments
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)*	2, 4 & 6	<20*	4.95 Achieved	3.96 Achieved	
*excludes complaints that do not relate to the service council provides					

Summary of 23/24 financial year for Stormwater Levels of Service

In 2023/24, Council continued to provide effective stormwater management, with only one flooding event recorded, affecting a single habitable property in Hīmatangi Beach. Despite this, the number of habitable floors impacted remained minimal and well within target levels. Compliance with stormwater discharge resource consents was mostly achieved, although one infringement notice was issued for Feilding. The infringement notice was subsequently cancelled after Council asked for a reconsideration of the matter from the Regional Council. No abatement notices, enforcement orders, or prosecutions were received. As no flooding events required a formal Council response, response time performance was not applicable. Customer satisfaction remained high, with only 3.96 complaints per 1,000 properties, well below the threshold.

How Council is tracking against the 24/25 financial year

Council is performing strongly against its stormwater levels of service targets for the 2024/25 financial year, with all key measures tracking on target to date. There have been no flooding events impacting habitable floors across the district in the first three quarters, indicating that the stormwater system is functioning effectively.

Compliance with resource consent conditions remains high, with no abatement notices issued. Response times for flooding events remain within target, though no events required activation. Customer satisfaction is also positive, with just 45 complaints received across 9,267 connected properties equating to only 4.8 complaints per 1,000 properties, well below the maximum threshold of 20. These results reflect a well-maintained and responsive stormwater network, with no current concerns or emerging risks identified.

Growth Areas

Background to Manawatū District Growth Framework 2025

Council formally adopted the Manawatū District Growth Framework (the Growth Framework) on 8 August 2025 (Appendix I). The Growth Framework sets out Council’s outcomes, priorities, aspirations, and identifies where future growth is likely to occur. The framework also aligns with the directives required by the National Policy Statement: Urban Development 2020. Specifically this means the Council is required to plan for growth in the short, medium and long-term, and ensure that sufficient development capacity exists to provide for future housing commercial growth.

The Growth Framework assumes a continuation of the trend where approximately 45% of new housing in the Manawatū District will be outside of Feilding, and 55% within the broader Feilding urban area.

Based on Infometrics New Zealand household projections, and accounting for the 15-20% competitiveness margin required by the National Policy Statement on Urban Development, forward projections of the additional housing that are expected to be required across the district are as follows:

Time Period	Additional houses required across rural areas and villages	Additional houses required for Feilding	Total additional houses required across the Manawatū District (cumulative)
In the next three years	245	303	548

Medium Term (years 3-10)	869	1,148	2,017
Long Term (years 10-30)	1,854	2,489	4,343

Noted: the reference in the table to villages refers to Sanson, Rongotea, Halcombe, Kimbolton, Apiti, Tangimoana, Cheltenham and Himatangi (which are zoned 'Village Zone' under the Manawatū District Plan).

Analysis of zoned land, and land carrying a deferred zoning (Precincts 1-3) indicate that Manawatū District will have more than sufficient capacity to accommodate expected demand. In summary, the analysis shows:

Time Period	Cumulative additional housing capacity for Feilding	Cumulative additional capacity for villages (not including rural land capacity)	Cumulative total across Feilding and the villages.
In the next three years	1,394	248	1,642
Medium Term (years 3-10)	2,618	248	2,866
Long Term (years 10-30)	7,127	393	7,520

The table above assumes:

The Maewa growth area will be developed in stages out to 15-20 years, with most of the new housing growth taking place between years 5 - 15. Taking into account development existing at the end of 2024, the remaining housing capacity in Maewa is estimated to be between 1,300 to 1,500 houses, assuming broadly similar densities to those which already exist in northern Feilding.

Growth Precincts 1-3 have Deferred Residential Zone status and are expected to be built out over years 10-30. This is because no infrastructure investment is budgeted for these precincts in the short-medium term and therefore the developer must pay for all necessary infrastructure extensions to connect to Council's roading, stormwater, wastewater and water supply network. This approach aligns well with the National Policy Statement on Urban Development, which requires that Council be open to out-of-sequence development.

The long-term village numbers also assume that a planned development area at Rongotea will be developed at some point after year 10. Based on the lot sizes specified in the Manawatū District Plan, the development area is expected to have a housing yield of up to 145 houses..

The table for Feilding itself also assumes vacant land in the town centre could accommodate up to 13 ground-level houses. However, the Manawatū District Plan also allows for apartments above ground level in the town centre. Assuming apartments sized at a minimum of 35m² of floor space each, then there is capacity for up to 150 apartments if all upper floor spaces in the town centre were converted to apartments.

The development of the Kawakawa Agribusiness and Industrial Park will provide an estimated 97 hectares of land for future industrial land use, with 24 hectares initially accessible from the planned Turners Road extension.

Precincts 6 and 7 were identified in the Feilding Framework Plan as possible future residential growth areas. These will be re-evaluated as part of the next future development strategy.

Funding of infrastructure to support growth

Infrastructure availability is a critical enabler of housing and urban development. The Council's current growth infrastructure programme is primarily focused on supporting development in Maewa and the Kawakawa Agribusiness and Industrial Park. Alongside this, Council has committed to a range of infrastructure renewal and upgrade projects through its 2024-34 Long Term Plan to ensure existing networks remain resilient and fit for purpose.

All network infrastructure within these developments is developer-led, delivered to approved Council engineering standards, and fully funded by the developers. At present, Council is able to recover infrastructure costs for developments that are planned, costed, and occur in sequence with strategic growth planning through development contributions. Given that growth, infrastructure construction, and related funding arrangements typically span many years and can extend across generations therefore it is essential that planning and investment decisions take a long-term view, looking ahead 30 years or more.

With the ongoing population and business growth across the Manawātū District the demand for new subdivisions and developments can increase pressure on the Council's infrastructure networks, necessitating significant investment in both new and upgraded assets to meet future needs. To support this, Council adopted an updated Development Contributions Policy on 17 April 2025, which took effect on 18 April 2025. This policy ensures that growth-related infrastructure costs are equitably shared between Council and developers, helping to fund the delivery of essential services.

On 5 March 2025, Housing Minister Chris Bishop introduced a comprehensive set of reforms designed to enhance New Zealand's infrastructure funding and financing tools in support of housing development. These changes are a central element of "Pillar 2" of the Government's broader *Going for Housing Growth* strategy, which aims to address enduring challenges to housing supply particularly around land availability, infrastructure delivery, and incentives for development.

A central proposal is the replacement of the current Development Contributions model with a more adaptable Development Levy system. This new framework will allow local councils greater flexibility to recover actual infrastructure costs, including for developments that occur in unanticipated sequences. The system will be governed by a transparent, structured approach to ensure that developers contribute a fair share of capital expenditure linked to growth. Regulatory mechanisms will be introduced to oversee the levy process, with goals of curbing unreasonable fees, standardising cost allocation methods, and guaranteeing effective investment in infrastructure that supports growth.

The proposed levy will be segmented by key infrastructure categories, including drinking water, wastewater, stormwater, reserves, community amenities, and transport. These levies will be uniform within each specified "levy zone" and will be calculated based on projected population and development growth as well as related infrastructure needs. Councils will retain the ability to apply additional fees in sub-zones where infrastructure costs are substantially higher than average.

Legislation to implement this new system the Local Government (Infrastructure Funding) Bill is scheduled for introduction in Parliament by September 2025, with passage expected by mid-2026. A phased rollout will follow, aiming for full adoption by 2027 to give councils and developers ample time

to adjust to the new system. Council will await the enactment of this legislation before making any changes to its current infrastructure funding approach, ensuring all updates align with the final legal framework established by the Government.

All treatment plants, reservoirs and other major network assets have capacity for planned growth. Councils Development Contribution Policy (Appendix E) outlines the proposed growth related capex spend over the next 20 years and the methodology for the recovery of the associated revenue (Development Contributions) required to fund the growth capex programme.

Developers Agreements

If large developers are committed to funding growth infrastructure for the region, the Council does have signed agreements to confirm this. For example, a Developer Agreement is in place for the up-front funding of a proportion of the lead infrastructure required in the early stages of a significant residential development in Maewa. Approved subdivision plans outline the scope and staging of work proposed for these developments. These plans show the network infrastructure within these developments are developer lead, delivered (to approved Council engineering standards) and funded.

Stormwater Level of Service Investment vs Asset Renewal Investment

The new level of service related capex expenditure for Stormwater Flooding New Works Feilding Flood Protection budgets (ST1031) is recognising the generational underinvestment in the stormwater networks across Feilding and a proactive response to future climate events. The 2024-34 Long Term Plan outlines the confirmed funding and total investment of \$23.8 million over 10 years. This new capex does address the renewal (and upgrade) of the Feilding urban stormwater network. The same applies for the urban villages as also outlined in the in the section above.

The completion of the stormwater investment in Feilding and the villages will reset the status of these stormwater networks and result in a full update of all network condition information.

Council considers the combination of new capex and renewal expenditure aligns with the current condition information of the piped network and is sufficient to provide for a resilient stormwater network across the district.

Asset management approach

Assessment of the current condition and lifespan of the water services network

Parameters	Drinking supply	Wastewater	Stormwater
Average age of Network Assets	30 years	34 years	51 years
Critical Assets	Identified	Identified	Not identified
Above ground assets			
Treatment plants	7	7	0
Percentage or number of above ground assets with a condition rating	100%	100%	100%
Percentage of above –ground assets in poor or very poor condition	44%	15%	0%
Below ground assets			
Total km of reticulation	378km	190km	91km
Percentage of network with condition grading	100%	100%	100%

Percentage of network in poor or very poor condition	14%	13%	29%
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Existing and proposed service delivery mechanisms

Councils’ future delivery of three waters services is underpinned by a comprehensive asset management approach that integrates capital, maintenance, and operational programmes. The region’s current service delivery model largely involves local council management, supported by external contractors where appropriate.

Existing and proposed asset management systems

Asset management systems in the Manawatū region have traditionally been managed through council-operated systems such as GIS databases, asset registers, and works management software. These systems support life-cycle management of assets, enabling condition assessments, renewal forecasts, and risk-based prioritisation. Proposed improvements include the adoption of more advanced digital platforms that support real-time monitoring, predictive analytics, and integration across the three waters network. The move to unified platforms is expected to enhance data accuracy, promote proactive maintenance, and improve decision-making capabilities for both local and regional water service authorities.

Supporting asset management policy or framework

The asset management approach is supported by robust framework structures, including alignment with the International Infrastructure Management Manual and the ISO 55000 standards for asset management. Council have adopted Asset Management Plans that outline strategic priorities, performance measures, and funding requirements.

Looking forward the framework will increasingly reflect national expectations under Local Water Done Well, focusing on environmental compliance, resilience to climate change, and equitable service delivery. Council will also update its policies to stay in step with government direction while continuing to put our communities first.

Asset Management Maturity

An asset management maturity assessment for the Manawatū three waters network highlights areas of both strength and opportunity. Current maturity levels generally reflect “core” status, with structured processes for planning and delivery, but limitations in system integration and strategic asset optimisation. As part of future readiness, councils are actively engaging in initiatives to elevate maturity to “intermediate” levels, particularly in quality management, asset condition assessment, decision making, operational planning and reporting, and maintenance planning. This transformation will be critical in supporting sustainable, efficient, and customer-focused water services over the coming decades.

Condition Assessment

Within the past three years, Council completed a desktop ‘age-based’ condition analysis. This is now being validated in greater detail through CCTV inspections of the sewer network, undertaken as part of a risk-based programme. CCTV inspections serve as one of the condition assessment methods for below-ground assets. Council has engaged a contractor to carry out a 3 year programme of inspection starting 2024/25. The contractor completed 14,600m of inspections last year. In addition, Council will begin assessing the water networks using the Pressure Pipe Inspection Manual released by Water New Zealand. However, as this guidance was only recently published, implementation will take some time.

For above ground assets. An audit will be conducted during the 2025/26 financial year to verify that the asset register accurately reflects existing equipment. Items that have been replaced will be formally retired, and a plan will be developed for conducting condition assessments.

Water network condition will be assessed this year with a more detailed geospatial study of reactive works and associated trends to validate the age-based assessments or provide a condition profile that matches field observations.

Renewals Programme

The Infrastructure Strategies prepared in support of Council's 2018-28 and 2021-31 Long Term Plans noted that Council made a deliberate decision 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. The 2024-54 Infrastructure Strategy prepared in support of Council's 2024-34 Long Term Plan highlighted Council's recommitment to its water and wastewater renewals programme, with scheduled renewals spread throughout the duration of the 30-year infrastructure period. Over the period from 2024 to 2054, Council expects to complete all previously deferred water and wastewater renewals, ensuring optimised water and wastewater networks that meet the needs of the Manawātū community.

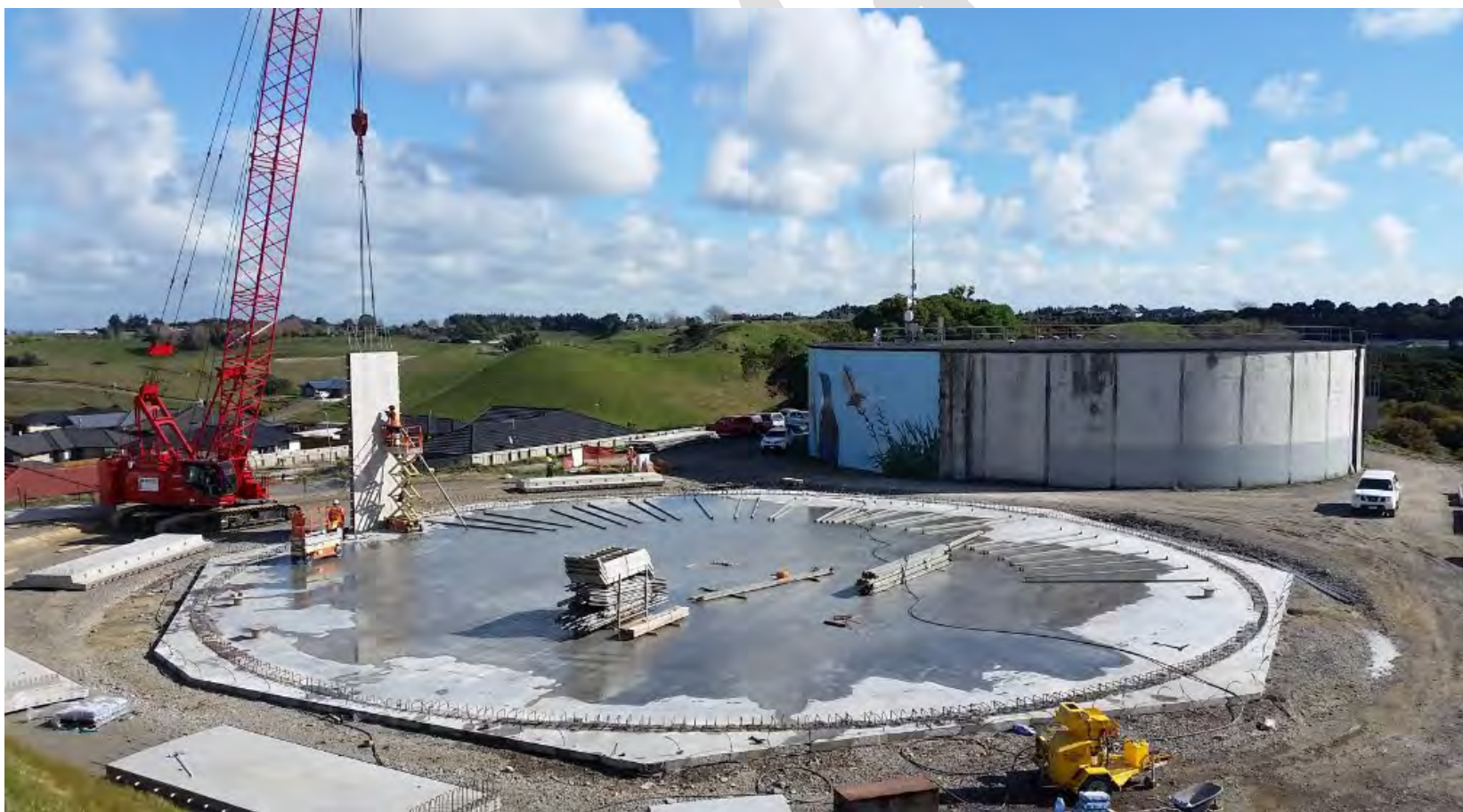
One of the key forecasting assumptions contained in Council's 2024-34 Long Term Plan is that Council's depreciation reserves are used as a total pool across all of Council's activities and will adequately fund the renewal of assets over the life of the Long Term Plan, and the longer term (to 2054). This assumption is built on the fact that since 2009, Council has built depreciation reserves to fund the long-term renewal of assets and that assets across Council contribute to the fund, but their renewal cycles differ.

However, with moving the waters activity into a ringfenced area of Council it has highlighted that the recent high level of renewals in the waters activities have depleted the waters portion of the renewal fund. The shortfall in the depreciation reserves will now be funded via a ringfenced increase in debt and an increase in water charges to service the debt. Critical infrastructure assets are prioritised for renewal over other assets of a similar age to increase network resilience and reduce Council's overall risk profile.

The lifecycle management plan for three waters assets details how Council plans to manage and operate the assets at 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 and operational network knowledge.

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 no 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.

Projected Capital expenditure on renewals (\$000)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Drinking Water	9,807	7,214	6,447	5,739	5,419	3,473	3,255	3,333	6,351	5,628
Wastewater	3,968	1,483	7,637	7,989	2,469	2,553	2,278	2,332	2,387	6,351
Stormwater	154	122	128	134	139	184	190	194	199	176
Total Capital expenditure on renewals	8,930	16,493	8,819	14,212	13,875	8,027	6,210	5,723	5,859	8,936



Statement of regulatory compliance

Compliance with regulatory requirements - Drinking Water

Statement of Compliance Reporting Periods: 1 July 2023 – 30 June 2024, with integration of July – December 2024 Interim Results

Council as a registered water supplier, underwent an independent assessment against the Drinking Water Quality Assurance Rules and the Drinking Water Standards regulatory requirements. This audit was carried out by Wai Comply Limited and includes evaluations across all Council operated Water Treatment Plants and distribution zones during the reporting period 2023-24 and July – December 2024.

Council proactively engaged Wai Comply to conduct an independent audit of existing systems. This was undertaken to independently assess current performance and identify opportunities for improvement. Following on from Wai Comply's findings, Council has since implemented a targeted improvement programme.

Regulatory Compliance Overview

Council has demonstrated partial compliance with the applicable drinking water regulatory requirements. While compliance was achieved in a number of operational areas and supplies, the assessments also identified multiple instances of technical/ administrative non-compliance, particularly in monitoring, infrastructure readiness, and data continuity.

Across both audit periods, no Maximum Acceptable Values (MAVs) for *E.coli* or chemical determinants were exceeded, confirming that drinking water remained microbiologically safe for consumers.

Key issues included the ongoing challenges with chlorine disinfection, specifically at Awa Street, Stanway-Halcombe, and Himatangi Beach where required C.t values and free available chlorine (FAC) levels were not consistently achieved due to insufficient contact time and infrastructure limitations. The absence of protozoal treatment barriers at Stanway-Halcombe and Waituna West Water Treatment Plants further contributed to non-compliance, alongside turbidity issues and inadequate UV treatment. The commissioning and completion of the new water treatment plant (as mentioned above) with full treatment and monitoring capabilities marks a significant step forward, as does the reconfiguration of chlorine dosing at Awa Street Water Treatment Plant. The decision to adopt a Level 3 compliance pathway for Waituna West based on its Class 1 deep bore has helped Council meet these requirements.

Monitoring and data management also presented gaps, with insufficient testing of source water at sites including the Ōroua River and Newbury bore, and lapses in microbiological and chlorine residual sampling across several zones. Manual data handling practices, including reliance on paper-based systems, raised risks of error and inconsistency. Organisationally, the lack of an up-to-date backflow prevention policy aligned with the Water Services Act 2021, and the absence of a centralised training framework and approved Standard Operating Procedures, highlighted further areas needing attention.

To support these improvements, a Compliance Officer has been appointed and is currently developing standard operating procedures for three waters. All audit findings have been addressed, closing previously identified gaps in monitoring and data management. A backflow prevention workshop is also being delivered to internal staff to improve and streamline the backflow prevention process.

Operationally, work is underway to standardise data recording in WaterOutlook, which will help reduce inconsistencies and enhance data traceability. Council has engaged Wai Comply to review the existing

WaterOutlook reports and provide a formal report identifying areas requiring correction or adjustment to meet industry best practices.

A training and competency framework is in development, and sampling protocols and standard operating procedures are being revised to comply with the Drinking Water Quality Assurance Rules. These coordinated efforts reflect a proactive and structured approach to enhancing service performance and ensuring full regulatory compliance.

Resource Consent Compliance – Water

The following provides an overview of the resource consents currently held by the Council.

Feilding groundwater - Newbury Line Bore

Council hold consent ATH-2001008223.01 to abstract a maximum of 6,000m³/day of water from the Newbury Line bore. The 2022-24 Horizons compliance report gave the Newbury Line bore an overall compliance grading of moderate risk non-compliance, this was due to the flow meter not being verified within the five year period between 2015 and 2020, instead this was completed in 2024 following request by Horizons. The report recommended that Council ensure the flow meter is verified every five years as required.

Council currently utilise the Newbury Line bore only in emergency situations where it provides a backup water source. Council plan to change this situation through the Feilding Integrated Abstraction consent application which is currently in progress of being submitted and will see the addition of the Roots Street Bore abstraction, reduction in reliance on the Ōroua River surface take, and changing the use of Campbell and Newbury bores to be more concurrent.

Feilding groundwater - Campbell Road Bore

Council hold consent ATH-2003009993.00 to abstract a maximum of 9,600m³/day of water from the Campbell Road bore. The 2022-24 Horizons compliance report gave the Campbell Road bore an overall compliance rating of low risk non-compliance due to static water level monitoring data not being forwarded to Horizons by the required date of September each year. The report recommended that static water levels be provided to Horizons by 1 September each year.

Feilding surface water - Ōroua River Intake

Council hold consent ATH-2006010907.01 to abstract a maximum of 9,000m³/day of water from the Ōroua River. The 2022-24 Horizons compliance report gave the Ōroua River intake an overall compliance grading of full compliance with no recommended actions. As mentioned above, Council plans to reduce the reliance on this surface water take through the use of the recently constructed Roots Street Bore, this is planned to be completed in three stages over the next ten years, details can be found within the Staged Barrows Road Abstraction Reduction Plan (Appendix F).

Feilding surface water – Water Treatment Plant back wash discharge

Council hold consent ATH-2008012284.00 to discharge settled filter backwash water from the Almadale Water Treatment Plant to an unnamed roadside drain on Kimbolton Road. A backwash The 2022-24 Horizons compliance report gave the backwash discharge an overall compliance rating of low risk non-compliance due to sampling data not being sent to Horizons by the required deadline of 31 December each year. This consent expires in August 2029.

Ohakea and Sanson

Council hold consent ATH-2022205284.01 to abstract a maximum of 2,774m³/day of water from the Ohakea bore. The bore supplies potable water to both Sanson, RNZAF Base Ohakea and surrounds. This consent expires in July 2057.

Hīmatangi Beach Bore

Council hold consent ATH-1999007894.03 to abstract a maximum of 1,200m³/day of water from the Hīmatangi Beach bore. This consent expired in April 2024, with Council submitting a renewal application in October 2023 to gain existing use rights. This consent renewal application is currently on hold with Council opting to limited notify this consent due to not receiving formal written approval from iwi Ngāti Raukawa.

Rongotea Bore

Council hold consent ATH-2014015552.00 to abstract a maximum of 800m³/day of water from the Rongotea bore. This consent expires in July 2029.

Stanway-Halcombe surface take

Council hold consent ATH-2012014491.00 to abstract a maximum of 2,000m³/day of surface water from the Rangitikei River via a riparian well. This consent expires in July 2027.

Waituna West Bore

Council hold consent ATH-2011014097.00 to abstract a maximum of 1,400m³/day of water from the Waituna West bore for municipal and stock water purposes. This consent expires in July 2027.

Future regulatory requirements - Water

There are upcoming changes to the Drinking Water Standards. The Water Services Authority is proposing updates to the Drinking Water Quality Assurance Rules supplies serving 500 or fewer people, with changes taking effect on January 1, 2025. Additionally, the Water Services Authority plans to consult on proposed changes for larger supplies (500+ people) by late 2025.

Fluoridation installation or associated upgrades, (under the Health Act 1956).

Currently the only water scheme that has fluoride added to the water within the Manawatū District is Feilding. In line with the Ministry of Health recommendations the Fluoride dosing rate in Feilding is retained between 0.7mg/l and 1mg/l with an average of approximately 0.85mg/l.

Since the changes to the Health Act in 2021, the Ministry of Health has been using the scheme size to prioritise which Council receives a letter requiring fluoride to be added. Manawatū District Council has not received any direction at this stage. It is noted that letters of this nature will not be sent to Councils who are already adding fluoride.

Conclusion

Council continues to deliver safe drinking water to its communities and remains committed to full compliance with Drinking Water Quality Assurance Rules and Drinking Water Standards requirements. While audit findings highlight areas requiring attention particularly in treatment barriers, sampling, and data systems, mitigation strategies are being implemented through infrastructure upgrades, regulatory pathway adjustments, and operational improvements. No exceedances of MAVs were recorded, underscoring the effectiveness of existing health protections even in the face of technical non-compliances.

Compliance with regulatory requirements – Wastewater

Council wastewater compliance has been assessed below for each wastewater treatment plant using the annual compliance reports supplied by Horizons Regional Council. Along with this an assessment has been undertaken against the proposed National Wastewater Environmental Performance Standards. The Water Services Authority is yet to define what the proposed limits will be for small wastewater discharges. In absence of this information Councils village wastewater sites have been assessed against the relevant standards for large discharges as a conservative approach. Rongotea has been excluded from this assessment due to the impending centralisation of its wastewater to the Manawatū Wastewater Treatment Plant.

Proposed Wastewater Environmental Performance Standards

Council has submitted feedback on the proposed wastewater environmental performance standards and is broadly supportive of the direction being taken as they will provide greater certainty, significantly lower consenting costs, streamline the re-consenting process, and enhance the quality of treated effluent. This could mean that Council resources could be more effectively directed toward initiatives that deliver improved environmental outcomes. Additionally, the creation of consistent benchmarks and simplified consent conditions will support national alignment and predictability in wastewater management practices.

However, Council has raised concerns in its submission regarding the separation of land and water discharge provisions within the proposed framework. This approach does not align well with the dual discharge system currently in place at the Manawatū Wastewater Treatment Plant, which has been operating successfully since 2018. Without clearer guidance and flexibility for dual discharge regimes, Council risks being excluded from the benefits of the proposed framework and may be compelled to follow a more complex Resource Management Act consenting pathway.

A further concern relates to the proposed exclusions for nitrogen and phosphorus discharges into hard-bottomed waterways. Council believes that, where periphyton levels are within national guideline thresholds, such exclusions are unnecessary and undermine the intent of achieving a consistent national approach.

Manawatū Wastewater Treatment Plant

Council holds six discharge consents for the Manawatū Wastewater Treatment Plant including discharge to water, discharge to groundwater, discharge to land (irrigation), discharge to land (groundwater), discharge to land (sludge), and discharge to air. The discharge to water consent is set to expire in November 2026 and therefore Council is currently undertaking the Manawatū Wastewater Treatment Plant re consenting project to prepare for this. The 2023/24 Horizons compliance report highlighted a key compliance issue at the Manawatū Wastewater Treatment Plant due to ongoing treated effluent quality exceedances of Soluble Inorganic Nitrogen (SIN) and ammonia concentrations when discharging to the Ōroua River. Council have commenced several projects to address these exceedances. The addition of the wetland and refinement of trickling filters has reduced the exceedances by approximately 50%.

As noted above, and with the exception of ammonia and total nitrogen, the treatment at the Manawatū Wastewater Treatment Plant exceeds the proposed wastewater standards. Based on the current discharge regime, the Manawatū Wastewater Treatment Plant river discharge fits into the low dilution criteria. With minor changes to the discharge regime, Council can change the dilution category to reduce or totally remove the need to improve treatment. These changes are currently being assessed as part of the re consenting project. Notwithstanding future changes, Council are confident that the Manawatū Wastewater Treatment Plant discharges will meet the relevant proposed wastewater standards.

Council have commenced a programme of works to reduce ammonia and total nitrogen concentrations in the effluent. As a result of the work completed to date the ammonia concentrations have reduced to approximately 15g/m³. With the renewal of the aeration and trade waste separation, concentrations are expected to be compliant with the proposed standards.

In addition to the work to reduce nitrogen concentrations, Council have commenced the procurement process to replace the UV system and therefore E. coli concentrations are expected to significantly decrease once this has been completed.

Parameter	Limit under proposed standards	Statistic	Wetland discharge quality
cBOD ₅	15mg/L	Median	3
TSS	15mg/L	Median	2
Total Nitrogen	10N/L	Median	30
Total Phosphorous	3P/L	Median	0.31
Ammonia	3N/L	90th per	22.6
E.coli	6,500cfu/100mL	90th per	5,790

Hīmatangi Beach Wastewater Treatment Plant

Council holds consent ATH-2012024060.00 for the Hīmatangi Beach Wastewater Treatment Plant to discharge treated wastewater to land via irrigation. This consent expired on 1 July 2025 however Council submitted a renewal application in March 2025 therefore obtaining existing use rights. The 2023-24 Horizons compliance report gave the plant an overall compliance rating of full compliance. The report states that the plant and irrigation fields are well maintained and the discharge is fully compliant.

Hīmatangi Beach Centralisation

Council do not plan to centralise the Hīmatangi Beach Wastewater Treatment Plant discharge to the Manawatū Wastewater Treatment Plant in Feilding given the discharge is fully compliant and 100% discharged to land.

Hīmatangi Beach vs. Proposed Wastewater Standards

Council submitted a consent renewal application for the Hīmatangi Beach Wastewater Treatment Plant in March 2025. This is currently on hold given the pending changes in how wastewater discharge applications will be processed as part of the proposed national wastewater standards. Once the standards have been finalised, a formal update will be provided to Horizons Regional Council demonstrating how the proposal fits within the national irrigation standards. However, based on proposed limits Council expect that the discharge regime will sit comfortably within the limits.

Kimbolton Wastewater Treatment Plant

Council hold consent ATH-2009011066.00 for the Kimbolton Wastewater Treatment Plant to discharge secondary treated wastewater to a tributary of the Ōroua River, this consent expired in 2019 and currently operates under existing use rights. The latest Horizons annual report for the 2023/24 period provides an assessment of compliance with consent conditions. A site visit was undertaken with Horizons Regional Council and Manawatū District Council officers and operators in December 2024. The result of the assessment and site visit was an overall grading of significant non-compliance due to continued exceedances on limits of E.coli, ammonia nitrogen and Dissolved Reactive Phosphorus in the treated wastewater.

Council received an abatement notice for the plant in July 2024 due to the exceedances being a continuation from the 2022/23 period. This abatement notice imposed conditions requiring Council to undertake an investigation into the reasons for the continued exceedances along with creating a remedial plan for the exceedance of E.coli and DRP along with a proposed timeline for implementation. This plan required additional funding to allow for the remediation to take place. Council is funding \$65,000 for renewals so that these issues can be resolved.

This funding was approved by Council for the 2025/26 financial year and includes:

- A SCADA upgrade to increase control of the plant to optimise nitrogen removal and alum proportional dosing
- Upgrade of the overland flow wetland
- Installation of a UVT meter
- Install an alum tank sensor alarm to provide low level notifications

Kimbolton Village Centralisation programme

Council is confident that the remedial work planned will ensure compliance with the current resource consent. While the Kimbolton centralisation programme will be considered during the Council's draft 2027-37 Long Term Planning process, its progression will depend on a cost-benefit analysis, as upgrading the existing plant to meet the proposed wastewater standards may prove more cost-effective. Additionally, Council has allocated a renewal budget to address any minor improvements as needed.

Kimbolton vs. Proposed Wastewater Standards

When assessed against the proposed national wastewater standards the Kimbolton Wastewater Treatment Plant would be excluded from the standards due to the size of the tributary it discharges into therefore the Kimbolton site will need to be piped a short distance to reach a waterway with a flow site. See the table below for a comparison of current limits vs proposed.

Parameter	Current consent limits	Limit under proposed wastewater standards	Statistics	Current discharge quality
cBOD ₅	20*	20	Median	3*
TSS	40	30	Median	6
Total nitrogen	N/A	35	Median	N/A
Total Phosphorus	2*	10	Median	2.5*
Ammonia	1	25	90 th percentile	19.36
E.coli	200	32500	90 th percentile	49

* Soluble cBOD₅

Rongotea Wastewater Treatment Plant

Council hold consent ATH-2002009784.01 for the Rongotea Wastewater Treatment Plant to discharge treated wastewater to Campbells Drain. This consent expired in 2017 and currently operates under existing use rights. The 2023/24 Horizons compliance report gave an overall compliance rating of moderate non-compliance due to exceedances in the daily discharge limit, TSS, cBOD₅, E.coli and DRP. No further actions were required from this other than providing updates to Horizons on the expected completion date of the Rongotea Village Centralisation programme and therefore ceasing discharge to the drain.

Rongotea Village Centralisation

All land tenure negotiations and easement arrangements have been finalised for the Rongotea main pump station, with the last easement agreement signed at the end of February 2025. The tender for pipework installation along Witham Street, Dee Street, and across private property where easements are in place has been awarded. Construction is scheduled to begin at the end of May 2025 and includes the installation of air valves and scour valves along the pipeline between Rongotea and the Manawātū Wastewater Treatment Plant. This work is expected to be completed by August 2025.

Construction of the access track to the pump station is well underway and on track for completion by the end of April 2025. In addition, the Notice of Requirement for the designation of the pump station was approved by Council on 13 August 2024, subject to conditions.

A resource consent was granted on 2 April 2025 by Councils Planning Department for the construction of an intermediate pump station within the road reserve outside 337 Green Road, Rongotea. Construction of the Intermediate Pump Station is scheduled to begin in June 2025, with completion targeted for November 2025.

Rongotea vs. Proposed Wastewater Standards

The Rongotea Wastewater Treatment Plant discharge has not been assessed against the standards due to ongoing progress in the Rongotea Village Centralisation programme.

Halcombe Wastewater Treatment Plant

Council hold consents ATH-2001008676.00 and ATH-2001008679.00 to discharge secondary treated wastewater to the Rangitawa Stream and to discharge secondary treated wastewater to land, respectively. These consents expired in 2016 and currently operate under existing use rights. The 2023-24 Horizons annual compliance report gave an overall compliance rating of moderate non-compliance for the discharge to water due to exceedances in flow and ammonia nitrogen. The discharge to land was given an overall compliance rating of low risk non-compliance due to minor exceedances of the daily discharge limit. No further actions were required from this other than for Council to continue advising Horizons on the progress on connecting the Halcombe Plant to the village wastewater centralisation programme.

Halcombe Village Centralisation programme

The contract for the construction of the pipework and confluence chamber from Mt Stewart (SH3) to Ngaio Road has been awarded. Work is scheduled to commence in May and is expected to be completed by July 2025.

Regarding the Halcombe design elements, the budget initially forecasted for the 2025/26 financial year has been reallocated to the current financial year. This adjustment allows work on the Halcombe pipeline to begin earlier, enabling completion within this year while the Rongotea pump stations remain in the design phase.

Halcombe vs. Proposed Wastewater Standards

When assessed against the proposed national wastewater standards the Halcombe Wastewater Treatment Plant would be excluded from the standards due to no flow site on the receiving environment. Based on the table below it is clear that Council will need to start analysing samples for TSS, TN and TP in order to gain an understanding of whether it will comply with the proposed standards for these parameters.

Parameter	Current consent limits	Limit under proposed wastewater standards	Statistics	Current discharge quality
cBOD ₅	N/A	20mg/L	Median	17
TSS	N/A	30mg/L	Median	N/A
Total Nitrogen	N/A	35mgN/L	Median	N/A
Total Phosphorus	N/A	10mgP/L	Median	N/A
Ammonia	N/A	25mgN/L	90 th percentile	24.02
E.coli	N/A	32,500cfu/100mL	90 th percentile	27,100

Awahuri Village Wastewater Treatment Plant

Council hold consent ATH-2006011372.00 to discharge secondary treated wastewater from 12 properties to a tributary of the Taonui Stream. The 2022-2024 Horizons compliance report gave the plant an overall compliance rating of moderate non-compliance due to exceedances in flow, cBOD₅, TSS and Ammonia-nitrogen. Due to Council's plans to include the Awahuri Wastewater Treatment Plant within the wastewater centralisation project in 2026 no further actions were required from these non-compliances. While Council has plans to centralise this plant the expected date of when this will be completed is uncertain.

Awahuri Village Centralisation programme

Council has rescoped the initial project to determine the feasibility to add additional connections between Awahuri and the intersection point of the Rongotea pipeline into Feilding. This will require a reassessment of pipe sizing and an evaluation of the capacity of the existing pipeline. Investigations

are ongoing to support these additional connections, including a review of design requirements, asset capacity, and the potential number of additional properties that can be accommodated.

The procurement process for the pressure main between the Kauwhata settlement and Awahuri Village did not yield a proposal that represented good value for money. As a result, alternative options are currently being reassessed. Despite this, Council remains committed to delivering a centralised wastewater system for the area, connecting to the Manawatū Wastewater Treatment Plant.

Awahuri vs. Proposed Wastewater Standards

When assessed against the proposed national wastewater standards the Awahuri Wastewater Treatment Plant would be excluded from the standards due to no flow site on the receiving environment. However, the table below has assessed the plant against the proposed standards for a high dilution river, demonstrating that additional treatment will be required to comply with the proposed wastewater standards including aeration and screening. This will require additional funding being required if the Awahuri Village Centralisation programme does not proceed.

Parameter	Current consent limit	Limit under proposed wastewater standards	Statistics	Current discharge quality
cBOD ₅	60	20mg/L	Median	23
TSS	115	30mg/L	Median	100
Total nitrogen	N/A	35mgN/L	Median	N/A
Total Phosphorus	N/A	10mgP/L	Median	N/A
Ammonia	30	25mgN/L	90 th percentile	37.4
E.coli	N/A	32,500cfu/100mL	90 th percentile	10,134

Cheltenham Wastewater Treatment Plant

Council hold consent ATH-2006010897.00 to discharge secondary treated wastewater to a land passage ground soakage drain at Cheltenham, this consent expired in July 2016 and operates under existing use rights. The 2023-24 Horizons compliance report gave the plant an overall compliance rating of significant non-compliance due to exceedances in the daily discharge limit, no data for TSS being provided, and high levels of cBOD₅, ammoniacal-nitrogen, DRP and E.coli, indicating poor treatment performance.

Cheltenham Village Centralisation programme

While the centralisation programme for Cheltenham will be considered during the Council's Long Term Planning process, its progression will depend on a cost-benefit analysis, as upgrading the existing plant to meet the proposed wastewater standards may prove more cost-effective. Additionally, Council has allocated a renewal budget to address any minor improvements as needed.

Cheltenham vs. Proposed Wastewater Standards

Based on the proposed national wastewater standards additional treatment will be required at Cheltenham Wastewater Treatment Plant, in order to achieve this power will need to be extended to the site. Aeration, Screening and UV treatment will likely be required to achieve the proposed standards.



(Visual clarity monitoring using black disk and wastewater sampling bottles)

Parameter	Current consent limits	Limit under proposed wastewater standards	Statistics	Current discharge quality
cBOD ₅	N/A	20mg/L	Median	29
TSS	N/A	30mg/L	Median	115
Total nitrogen	N/A	35mgN/L	Median	35
Total Phosphorus	N/A	10mgP/L	Median	7.2
Ammonia	N/A	25mgN/L	90 th percentile	50.84
E.coli	N/A	32,500cfu/100mL	90 th percentile	24,200*

Statement with regulatory requirements - Stormwater

Council hold a global stormwater consent for Feilding (ATH-2013012204.00) that permits the discharge of stormwater from catchments containing industrial and trade premises to water bodies at various locations around Feilding leading into the Ōroua River and Makino Stream.

The consented catchments total approximately 200ha in area and represent around 8% urban and surrounding rural areas. Wet weather and dry weather sampling are undertaken as required from seven sites located around Feilding to ensure that consent limits are not exceeded.

The 2023-24 Horizons compliance report gave an overall compliance rating of low risk non-compliance due to non-compliances with sampling and analysis requirements and failure to submit the updated stormwater management plan by the required date. A stormwater management plan is required as part of the consent conditions and requires updating annually in September to include details of any newly constructed industrial and trade areas within Feilding.



(Dry-weather
stormwater sampling
in the Oroua River)

Resource consent compliance – Drinking water supplies			
Feilding		Rongotea	
Bacterial compliance?	No (Awa St)	Bacterial compliance?	Yes
Protozoa compliance?	Yes	Protozoa compliance?	Yes
Chemical compliance?	Yes	Chemical compliance?	Yes
Boil water notices [# of notices in place for last 3 years]	0	Boil water notices [# of notices in place for last 3 years]	0
Fluoridation	Yes	Fluoridation	No
Average consumption	222L/person/day	Average consumption	290L/person/day
Water restrictions in place?	No	Water restrictions in place?	No
Firefighting sufficient?	Yes	Firefighting sufficient?	Yes
Hīmatangi Beach		Stanway-Halcombe	
Bacterial compliance?	Yes	Bacterial compliance?	Yes
Protozoa compliance?	Yes	Protozoa compliance?	Yes
Chemical compliance?	Yes	Chemical compliance?	Yes
Boil water notices [# of notices in place for last 3 years]	0	Boil water notices [# of notices in place for last 3 years]	1
Fluoridation	No	Fluoridation	No
Average consumption	428L/person/day	Average consumption	354L/person/day
Water restrictions in place?	No	Water restrictions in place?	No
Firefighting sufficient?	Yes	Firefighting sufficient?	Not required as part of scheme
Ohakea/Sanson		Waituna West	
Bacterial compliance?	Yes	Bacterial compliance?	Yes
Protozoa compliance?	Yes	Protozoa compliance?	Yes
Chemical compliance?	Yes	Chemical compliance?	Yes
Boil water notices [# of notices in place for last 3 years]	0	Boil water notices [# of notices in place for last 3 years]	0
Fluoridation	No	Fluoridation	No
Average consumption	158L/person/day	Average consumption	613L/person/day
Water restrictions in place?	No	Water restrictions in place?	No
Firefighting sufficient?	Yes	Firefighting sufficient?	Not required as part of scheme

Resource Management	Water	Wastewater	Stormwater
Significant consents (note if consent is expired and operating on s124)	<ul style="list-style-type: none"> ATH-2001008223.01 – Feilding Newbury Line bore abstraction – expired 2023 – s124 ATH-2003009993.00 – Feilding Campbell Road Bore abstraction – expired 2023 – s124 ATH-2006010907.01 – Feilding Ōroua River surface water abstraction – expired 2021 – s124 ATH-1999007894.03 – Hīmatangi Beach Bore abstraction – expired 2024 – s124 ATH-2011014097.00 – Waituna West bore abstraction ATH-2012014491.00 – Stanway Halcombe bore abstraction ATH-2014015552.00 – Rongotea bore abstraction ATH-2017201571.00 Ohakea bore abstraction ATH-2012014406.00 – Kiwitea surface abstraction 	<ul style="list-style-type: none"> ATH-2001008676.00 – Halcombe WWTP discharge to water – expired 2016 – s124 ATH-2001008679.00 – Halcombe WWTP discharge to land (irrigation) – expired 2016 – s124 ATH-2006010897.00 – Cheltenham WWTP discharge to water - expired 2016 – s124 ATH-2002009784.01 – Rongotea WWTP discharge to water – expired 2017 – s124 ATH-2002009787.00 – Rongotea WWTP discharge to land – expired 2017 – s124 ATH-2009011067.00 – Kimbolton WWTP discharge to land – expired 2019 – s124 ATH-2009011066.00 – Kimbolton WWTP discharge to water – expired 2019 – s124 ATH-2012014060.00 – Hīmatangi Beach WWTP discharge to land – Expires 2025 – s124 ATH-2006011372.00 – Awahuri WWTP discharge to water ATH-2013015214.01 – Manawatū WWTP discharge to water ATH-2008012504.01 – Manawatū WWTP discharge to land (sludge) ATH-2013015217.01 – Manawatū WWTP discharge to land (irrigation) ATH-2013015218.01 – Manawatū WWTP discharge to land (groundwater) ATH-2013015212.01 – Manawatū WWTP discharge to air ATH-2013015213.00 – Manawatū WWTP outlet maintenance – Expired 2025 – s124 	<ul style="list-style-type: none"> ATH-2013012204.00 – Feilding stormwater discharge to water
Expiring in the next 10 years	4 <ul style="list-style-type: none"> Waituna West – Expires 2027 Stanway-Halcombe – Expires 2027 Rongotea – Expires 2029 Kiwitea – Expires 2029 	2 <ul style="list-style-type: none"> Awahuri – Expires 2026 Manawatū WWTP discharge to water – Expires 2026 	1 <ul style="list-style-type: none"> Feilding stormwater – Expires 2029
Non-compliance: Significant risk non-compliance	1	1	0

Moderate risk non compliance	0	2	0
Low risk non-compliance	1	2	1
Active resource consent applications	<ul style="list-style-type: none"> Hīmatangi Beach bore abstraction consent renewal Feilding integrated abstraction consent – Addition of Roots Street bore alongside existing Campbell bore, Newbury bore and Ōroua surface abstractions – being drafted 	<ul style="list-style-type: none"> ATH-2013015213.00 – Outlet maintenance works renewal - On hold under Section 92 of RMA for iwi engagement ATH-2012014060.00 – Hīmatangi Beach WWTP discharge to land irrigation renewal – On hold 	0
Compliance actions (last 24 months)	Water	Wastewater	Stormwater
Warning	0	1	0
Abatement notice	0	3	1
Infringement notice	0	0	0
Enforcement order	0	0	0
Convictions	0	1	0

Notices of Requirement (Designations)

Council holds designations over all wastewater and water treatment plant sites within the district. These designations are critical planning tools under the Resource Management Act, enabling Council to undertake works associated with the ongoing operation, maintenance, and upgrading of these facilities without the need to obtain separate resource consents for activities covered by the designation purpose. By securing these designations, Council ensures it retains the necessary flexibility to carry out essential infrastructure work efficiently and in a timely manner. This includes responding to operational needs, implementing upgrades to meet regulatory requirements, and accommodating future growth or changes in service demand.

The designations support the long-term sustainability and resilience of the district's water services infrastructure and provide a clear statutory framework for managing land use activities in and around critical treatment plant sites. The table below shows all Councils designations relating to water, wastewater and stormwater.

Designation	Designation identifier	Activities	Conditions
Newbury Line Bore	MDC32	Water supply purposes	N/A
Awa Street Pump Station and Treatment Plant	MDC33	Water supply purposes	N/A
Campbell Road bore	MDC34	Water supply purposes	N/A
Rongotea WTP	MDC35	Water supply purposes	N/A
Hīmatangi Beach WWTP	MDC36	Sewage treatment purposes	N/A
Halcombe WWTP	MDC7	Sewage treatment purposes	N/A
Kimbolton WWTP	MDC14	Sewage treatment purposes	N/A
Sanson WWTP	MDC16	Sewage treatment purposes	N/A
Feilding WTP	MDC18	Water treatment purposes	N/A
Ōroua No. 1 Rural Water Supply Intake	MDC19	Water supply purposes	N/A
Cheltenham WWTP	MDC20	Sewage treatment purposes	N/A
Rongotea WWTP	MDC23	Sewage treatment purposes	N/A
Feilding WWTP	MDC25	Sewage treatment purposes	N/A
Feilding WWTP (Land Irrigation of Treated Wastewater)	MDC26	Sewage treatment purposes	Refer to DES-APP1 of the District Plan (Appendix G)
Awahuri STP	MDC27	Sewage treatment purposes	N/A
Hīmatangi Beach WTP	MDC4	Reservoir	N/A
MacDonald Heights Reservoirs	MDC2	Reservoir	N/A
Highfield Reservoir	MDC1	Reservoir	N/A
Barrows Road Water Supply		Water supply purposes	<ol style="list-style-type: none"> The Requiring Authority must prepare a <i>Sludge Management Plan and Methodology</i> designed to manage the potential adverse effects associated with the removal and spread of sludge from the settling ponds over the sludge paddock. This management plan must: <ol style="list-style-type: none"> Set out the methodology for the removal, stockpiling and spread of material; Ensure that sludge is contained within the identified sludge paddock and spread in thin layers; Appropriately control dust, sediment or silt-laden water in order to prevent material entering the Ōroua River; and Identify the anticipated time of year and estimated duration of when the material is to be spread within the sludge paddock to minimise the risk of this material being affected by a flood event; and optimise the settling of material and subsequent revegetation. The Management Plan required by condition 1 above must be implemented by the Requiring Authority during any occasion where sludge material is removed from the settling ponds and spread within the sludge paddock on site.

Makino Road Stanway – Halcombe Rural Water Supply Scheme	MDC31	Water Supply and Treatment purposes	<p>Planting and painting</p> <p>1. That the authority must, within three months of outline planning approval being provided, submit to Councils Compliance and Planning Manager for approval:</p> <p>a) A landscape plan showing the vegetation to be planted on the site, which is in general accordance with the site layout plans provided in notice of requirement reference NR11300</p> <p>b) The colour scheme in which the water tank(s) and other buildings on the site are to be painted</p> <p>2. That the planting plan referred to in condition 1(a) must be implemented within 12 months following the water tank(s) being located on the site.</p> <p>3. Once the landscaping plan approved under condition 1(a) has been implemented, the authority shall maintain the vegetation so that:</p> <p>a) The vegetation does not exceed a maximum height of four meters,</p> <p>b) Any damaged vegetation which may be hazardous be removed,</p> <p>c) Any vegetation which has died or has been removed be replaced with the same or similar species</p> <p>4. Any paint approved under condition 1(b) must be matte and not reflective. Note: to avoid confusion, planting is not required along the sites access leg.</p> <p>Noise</p> <p>5. That any activity on the site, except for construction, must comply with the following noise levels</p> <table><tr><th colspan="2">Condition 5 – Noise Requirements Table</th></tr><tr><th>Time period</th><th>Maximum noise level</th></tr><tr><td>7am – 7pm</td><td>55dB L_{Aeq} (15mins)</td></tr><tr><td>7pm-10pm</td><td>50dB L_{Aeq} (15 mins)</td></tr><tr><td rowspan="2">10pm-7am</td><td>40dB L_{Aeq} (15 mins)</td></tr><tr><td>70dB L_{Amax}</td></tr></table>	Condition 5 – Noise Requirements Table		Time period	Maximum noise level	7am – 7pm	55dB L _{Aeq} (15mins)	7pm-10pm	50dB L _{Aeq} (15 mins)	10pm-7am	40dB L _{Aeq} (15 mins)	70dB L _{Amax}
Condition 5 – Noise Requirements Table														
Time period	Maximum noise level													
7am – 7pm	55dB L _{Aeq} (15mins)													
7pm-10pm	50dB L _{Aeq} (15 mins)													
10pm-7am	40dB L _{Aeq} (15 mins)													
	70dB L _{Amax}													
Turners Road Reservoir	MDC38	Three waters purposes	N/A											

Roots Street Bore	NR11580	Water supply and treatment purposes	<p>Planting and Painting</p> <p>1. That the authority must, within three months of outline planning approval being provided, submit to Councils Compliance and Planning Manager for approval:</p> <p>a) A landscape plan showing the vegetation to be planted on the site, which is in general accordance with the site layout plans provided in notice of requirement NR11580</p> <p>b) The colour scheme in which the water tank and other buildings on the site are to be painted</p> <p>2. That the planting plan referred to in condition 1(a) must be implemented within 12 months following the water tank and pump house being located on the site.</p> <p>3. Once the landscaping plan approved under condition 1(a) has been implemented, the authority must maintain the vegetation so that:</p> <p>4. Any paint approved under condition 1(b) must be matte and not reflective</p> <p>Noise</p> <p>5. That any activity on the site, except for construction, must comply with the following noise levels, measured from any point within a site which adjoins the subject property:</p> <table><tr><th colspan="2">Condition 5 – Noise Requirements Table</th></tr><tr><th>Time period</th><th>Maximum noise level</th></tr><tr><td>7am – 10pm</td><td>45dB LAeq (15mins)</td></tr><tr><td>10pm-7am</td><td>35dB LAeq (15mins)</td></tr><tr><td></td><td>55dB LAmax</td></tr></table>	Condition 5 – Noise Requirements Table		Time period	Maximum noise level	7am – 10pm	45dB LAeq (15mins)	10pm-7am	35dB LAeq (15mins)		55dB LAmax
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Sanson Intermediate wastewater pump stations	NR11476	Wastewater purposes	<p>Landscaping</p> <p>1. That at all times, the sites must be landscaped in general accordance with the scheme plans held on Council file NR11476 and identified below, unless otherwise varied by the Senior Consents Planner. The landscaping must be capable of visually screening the bulk of the infrastructure to be located within the site.</p> <p>i. Drawing: “Land Agreement Plan – Pump Station 2”. Project: “Sanson to Mount Stewart Wastewater Centralisation”</p> <p>ii. Drawing: “Land Agreement Plan – Pump Station 3”. Project: “Sanson to Mount Stewart Wastewater Centralisation”</p> <p>Access</p> <p>2. Access to the Pump Station 2 site – Sec 1 SO 587595 must be restricted to left turn in and left turn out only movements</p> <p>3. Access to both sites must be formed to the specifications of Waka Kotahi NZ Transport Agency Diagram D – Special Use Access.</p> <p>Noise</p> <p>4. That at all times, any activity occurring at Sec 1 SO 587595 and Section 1 587500 must comply with the noise standards of the operative Manawatu District Plan, or any of its successors.</p>										

Rongotea wastewater pump station	NR11696	Wastewater purposes	<p>Planting and Painting</p> <ol style="list-style-type: none">That the authority must, within three months of outline planning approval being provided, submit to the Councils Compliance and Planning Manager for approval:<ol style="list-style-type: none">A landscape plan showing the vegetation to be planted on the site and the proposed fence. The plan must be in general accordance with the site layout plans provided in the notice of requirement reference NR11696 and utilise plants which are capable of growing to 1.8m high.The colour scheme in which any infrastructure on site is to be painted. Note that any scheme approved must be a recessive colour scheme and paint is to be matte and not reflective.That the painting plan referred to in condition 1(a) must be implemented within 12 months following the commencement of construction of any infrastructure on the site.Once the landscaping plan approved under condition 1(a) has been implemented, the authority must maintain the vegetation so that:<ol style="list-style-type: none">The vegetation along any boundary which is shared with a residentially developed property does not exceed a height which would cause shading on any part of an adjoining dwelling during winter between 10:00am and 4:00pm,The vegetation along any boundary which is not shared with a residentially developed property does not exceed a maximum height of three metres,Any damaged vegetation which may be hazardous be removed,Any vegetation which has died or has been removed must be replaced with the same or similar species <p>Noise</p> <ol style="list-style-type: none">Construction noise must be in accordance with New Zealand Standard NZS6803:1999 “Acoustics – Construction Noise”Following construction, any activity on the site, must comply with the following noise levels, measured from any point within a site which adjoins the subject property: <table><tr><th colspan="2">Condition 5 – Noise Requirements Table</th></tr><tr><th>Time period</th><th>Maximum noise level</th></tr><tr><td>7am – 10pm</td><td>45dB LAeq (15mins)</td></tr><tr><td rowspan="2">10pm-7am</td><td>35dB LAeq (15mins)</td></tr><tr><td>55dB LAmax</td></tr></table>	Condition 5 – Noise Requirements Table		Time period	Maximum noise level	7am – 10pm	45dB LAeq (15mins)	10pm-7am	35dB LAeq (15mins)	55dB LAmax
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Waituna West WTP	NR11895	Water supply and treatment purposes	N/A									
Ohakea WTP	NR12010	Water Supply and Treatment Purposes	N/A									

Significant Capital Projects – Drinking water

Feilding Drinking Water Supply Resilience

For many years Feilding has received a dependable supply of drinking water, due to considerable historic investment in water infrastructure. In the face of population and economic growth in the town, and with more frequent storm events, Council is focusing on improving the resilience of the water supply and ensuring compliance with the Drinking Water Quality Assurance Rules is achieved.

All drinking water supplies in the District are currently chlorinated. Council is assessing additional treatment options for schemes that utilise secure water (i.e., a water supply that meets the Drinking Water Standards) in anticipation of further strengthening of the Drinking Water Standards and associated treatment requirements as mentioned in previous sections.

The upgraded infrastructure will eventually replace Feilding’s supply and reservoir at Almadale and the trunk main into town, which are nearing the end of their useful lives. To help reduce reliance on the Ōroua river as a water source, a third bore has been constructed at Roots Street West in Feilding to supplement the existing Campbell Road and Newbury Line bores. Work is currently in progress to upgrade the water supply from the Campbell Road and Newbury Line bores with the construction of a new water treatment plant at Campbell Road to ensure these supplies meet the water regulations associated with the chlorination and fluoridation of water. In addition, a second reservoir at MacDonald Heights was constructed, while the existing reservoir was earthquake strengthened. This project was determined to be both the most cost-effective and resilient option for renewing Feilding’s water supply. Since the adoption of the 2018–28 Long Term Plan, an additional \$2.33 million has been budgeted for the upgrade of Feilding water supply networks. This additional budget will allow for the extension of the trunk main resilience in the town centre and projects in the Kawakawa Agribusiness and Industrial Park.

Another water treatment plant in the works is associated with the new Roots Street bore. This plant has an expected completion date of late 2025. As part of this a new Feilding Integrated abstraction consent will be sought covering all three bores and Council will consider the future of the Almadale Water Treatment Plant.



(Early construction stages of the Roots Street Bore storage and treatment plant)

Upgrade of the Stanway–Halcombe Rural Water Supply Scheme

The scheme did not comply with the current Drinking Water Quality Assurance Rules for the removal of protozoa as mentioned above. Council received central government stimulus funding for this project (\$750,000 in the 2020/21 financial year).

Impacts from Cyclone Gabrielle

Heavy rain experienced during Cyclone Gabrielle in February 2023 within the upper catchment of the Rangitīkei River caused approximately 100m of riverbank to wash away beside the water intake point. Due to the loss of filtration previously provided by the fine gravels within the bank, the raw water quality decreased therefore impacting Council's ability to effectively treat the water in accordance with Drinking Water Requirements and a boil water notice was required for the users of the scheme.

Council was successful in gaining \$1.675 million in Central Government funding from the Local Government Flood Resilience Co-Investment Fund to address the impacts to the water scheme from the riverbank collapse. Alongside Horizons Regional Council, Council have utilised this funding to construct a rock wall to protect the scheme's water intake point from further riverbank erosion causing increased turbidity levels. The funding has also enabled the construction of a new 4000m³ concrete reservoir to provide an additional buffer to maintain water supply to customers during periods of high turbidity that may exceed the treatment capability of the treatment plant.

Since Cyclone Gabrielle hit the district, the water supply within the Rangitīkei River has been turbid during high river flows. This means that Council have had to invest more in the water scheme to control the turbidity of the water. Within this investment, Council will make improvements across the water supply network to improve resilience.

The future investment in this scheme is \$528,900 for reticulation extensions and resilience. Council recognises the interests of iwi as part of the Stanway–Halcombe RWS Scheme and is currently in discussion with Māori land owners to ensure that their interests are managed appropriately. As part of these discussions, Council have also identified further opportunities associated with the provision of water to the wider valley area of Te Reureu. The overarching aspiration for both Council and iwi, is to serve the needs of the people, but also to help maintain the relationship and connection between mana whenua and the Rangitīkei River.

As of 17 February 2025 the new Stanway–Halcombe Water Treatment Plant became operational and was connected to the distribution network, allowing the removal of the boil water notice on 24 March 2025 and Council now complying with the protozoa requirements of the Drinking Water Quality Assurance Rules.



(Works and infrastructure associated with the upgrade of the Stanway-Halcombe water supply)

Campbell Road Water Treatment Plant

The Campbell Road Water Treatment Plant upgrade project will see the chlorination and treatment of water abstracted from Campbell Road and Newbury Line bores being moved from its original location approximately 4km away in Awa Street to the additional land purchased around the Campbell Road bore site.

Additional treatment to be provided by the plant consists of treating the bore water using greensand filters to remove dissolved manganese. The treated water will then undergo UV disinfection to provide an additional bacteria barrier as part of Councils multi barrier approach. These upgrades relate to resilience and best practice rather than being compliance driven. Consequently, there is no deadline for this work.

Design work began in 2023/24 for treatment and storage components. The stage one pipework installation and the chlorine shed is complete. Council are waiting on the cleaning of the trunk main which is schedule for September 2025 to be completed prior to commissioning the plant and supplying treated water from Campbell Road Water Treatment Plant. Council anticipates all works to be completed by December 2025 to enable to chlorine contact time compliance.



(Pipework and chlorine shed at Campbell Road WTP)

Turners Road Reservoir

Council awarded a contract in August 2024 for the construction of a 2,000m³ reservoir in Feilding's Kawakawa Agribusiness and Industrial Park in order to provide industrial firefighting capacity to both the industrial zone and the Manawatū Resource Recovery Park.

The existing water infrastructure within the Kawakawa Agribusiness and Industrial Park was sufficient to meet the peak day demand of the industrial area however, this could only provide a FW 4 fire water classification along Kawakawa Road and a FW 3 fire water classification along Darragh Road and Turners Road. Therefore, the existing infrastructure has to be upgraded to meet the domestic and industrial demand including the minimum fire flow requirements of FW 6 for any additional development within The Kawakawa Agribusiness and Industrial Park. This access to water is important for those who work within the industrial area as it is a critical resource that helps to ensure damage and fire spread are minimised in the event of a fire.

In order for this to occur Council purchased a vacant portion of the property at 7 Turners Road and designated the site for three waters purposes. The site comprised of vacant farmland along with an existing Council owned wastewater dump station. The designation of this site provides a strategic and futureproof location for the proposed and existing assets within the Feilding industrial area.

The water supply reservoir will be completed at 39 Turners Road in August/September 2025. However the need for a pump station is required to boost water pressure when high flow is required, predominantly for firefighting. Council will invest \$268,000 for the pump station, which will boost water pressure for Turners Road and the south Feilding area.

(Earthworks on site at 39 Turners Road preparing for reservoir foundation)



New Feilding Bore (Roots Street West)

A new bore for Feilding water supply has been constructed and tested. This new water source will ultimately reduce the existing Ōroua River surface water take as part of Council's commitment to the long-term health and wellbeing of the Ōroua River. The 400m deep bore will provide up to 60 litres per second of raw water that will be treated at a new water treatment plant that is planned to be constructed on the same site within Council's 2024–34 Long Term Plan.



(Roots Street Bore construction and WTP civil works)

Significant Capital Projects – Wastewater

Re-consenting of the Manawatū Wastewater Treatment Plant

The Manawatū Wastewater Treatment Plant 10 year river discharge consent expires in November 2026 and therefore Council must lodge a new consent application with Horizons Regional Council by May 2026. The budget includes \$1,767,569 spread across years 2 and 3 of the 2024-34 Long Term Plan for the re-consenting process. This budget does not include any additional expenditure that may be required to satisfy new requirements of the resource consent. This project will be funded from renewals.

Over the past 10 years, Council have greatly improved the quality of treated wastewater to comply with resource consent conditions. There has been significant investment in land and assets to use treated wastewater to irrigate land.

Council worked alongside Ngāti Kauwhata to develop a constructed wetland, which further improves the quality of the treated wastewater that flows into the Ōroua River. The long-term goal is to remove all direct discharges to the river except during emergency weather events and Council will include a second-stage wetland in the resource consent application to help achieve this goal. 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.

The Council's 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, the proposed national wastewater standards as well as factors like affordability and achievability.

Council has decided to wait for the National Wastewater Standards to be finalised (August 2025) prior to identifying preferred upgrade options for the Manawatū Wastewater Treatment Plant to ensure Council are in the best possible position to reconsult under the standards.



(Aerial image of the Manawatū WWTP)

Native Wetlands at the Manawatū Wastewater Treatment Plant

A major milestone for the future of the Manawatū Wastewater Treatment Plant was met in 2023/24 with the construction and planting of the native wetlands being completed. These wetlands are intended to improve the outcomes for the Ōroua River by adding an additional natural filter for treated wastewater via land passage through two bays of native plants before it is eventually released into the Ōroua River.

Successful functioning of the concrete inlet and outlet structures was demonstrated in February 2024 to fulfil their role of distributing 6,800m³ of treated wastewater per day. In May 2024, the planting of 4.3 hectares across both wetland bays was concluded, with a total number of 86,500 plants all sourced from Council's Nursery.

Since commissioning in August 2024, the 86,500 native plants grown by Council's native plant nursery and the 20,500m³ of flow capacity within the wetlands are achieving measurable results for treated wastewater with an average of 30% reduction in SIN, and a 25% reduction in Ammoniacal Nitrogen.

To recognise the importance of Ngāti Kauwhata to the inception of the Manawatū Wastewater Treatment Plant Native Plant Wetlands, Council engaged Te Whakahaumarū te Whenua (Jobs for Nature) to support the planting of the wetlands. Whakahaumarū Te Whenua was run by Ngā Kaitiaki o Ngāti Kauwhata Incorporated and employed local iwi members to restore and protect the Ōroua River and its tributaries through predator control and native plantings. Not only did this relationship provide resources towards the wetlands project, but it also upheld the Council's commitment to the Ōroua River Declaration and the cultural importance of the Ōroua River to Ngāti Kauwhata.

(Aerial view of Manawatū WWTP wetland)



(Manawatū WWTP wetland inlet)



Village Wastewater Centralisation Programme

The Manawatū Wastewater Centralisation Project commenced in 2018/19. The project involves the development of infrastructure to pipe untreated or pre-treated wastewater from each village (with the exception of Himatangi Beach) to the Manawatū Wastewater Treatment Plant for treatment and disposal. This programme required Council to embrace a higher risk appetite than many councils would typically accept. Despite facing high-value capital investment decisions and competing priorities, successive Elected Members have remained steadfast in their commitment to the long-term environmental and financial benefits of the programme.

In 2016 the Manawatū Wastewater Treatment Plant in Feilding was upgraded and reconsented, future growth in the number of residential properties and increased industrial trade waste volumes were foreseen and included in the long term utility planning.

Each village currently has its own wastewater treatment plant with discharge consents that have either expired or are due to expire over the coming years. All of the existing consents involve some allowance for the discharge of treated wastewater to a waterbody and obtaining new consents will be time-consuming, difficult and expensive. Council will therefore not be required to undertake the process of renewing these discharge consents once the plants have been centralised. The project will ensure that wastewater treatment across the district is consistently delivered through the upgraded Manawatū Wastewater Treatment Plant in Feilding to a high standard while minimising the environmental impact on the district.

Financially, centralisation of the village wastewater plants means that consenting, operations and maintenance costs will only be required at one treatment plant rather than multiple, small, older facilities across the district. Environmentally, centralising the process enables all wastewater to be consistently managed, treated and discharged to an equally high standard. The village plants will be decommissioned following centralisation.

To allow the centralisation project to be undertaken, the existing resource consents for the Manawatū Wastewater Treatment Plant have been varied to include the village wastewater. Council is awaiting the outcome of an additional consent process to extend the effluent irrigation to the additional land adjoining the Manawatū Wastewater Treatment Plant acquired by Council over the past few years.

Council wishes to improve the water quality in the Ōroua River by reducing the amount of treated wastewater discharged to the river. To do this, Council needs to separate trade waste from domestic wastewater, use more treated wastewater to irrigate land, and construct an additional wetland where wastewater can be treated and discharged to land.

The first village wastewater plant to be centralised was Sanson. This involved 13.7km of pipeline being laid, three pumpstations were required along with three 70m³ underground storage tanks. RNZAF Base Ohakea connected to the pipeline midway through the project timeline essentially doubling the size of the project. Sanson's centralisation was complete and officially had the 'first flush' in February 2024. The centralisation of Rongotea is currently underway with 14kms of pipeline in the ground. Rongotea is on track for completion in 2026 with Halcombe next up on the list.



(Sanson wastewater centralisation construction and official opening)

Trade waste separation

Council have committed to a long-term investment programme to separate trade waste streams in Feilding from domestic wastewater streams. The increased nutrients in trade waste make it increasingly difficult to treat and dispose of, placing an operational burden on the Manawātū Wastewater Treatment Plant.

Trade waste within the district is currently managed by individual producers with differing approaches to quality and volume. A commonality between management approaches is the nitrogen impact these discharges have on the ability of the Manawātū Wastewater Treatment Plant to effectively treat and manage nitrogen and achieve compliance with the conditions of the discharge consent. A nitrogen reduction strategy has been developed by Council to address this issue. One of the key elements of this approach is to separate trade waste discharges from the domestic wastewater that is received at the Manawātū Wastewater Treatment Plant and to manage these flows differently.

There are two options in which Council is considering for this treatment of trade waste, these include:

- Option One (Separate) – trucked and piped trade waste is to be processed and separated into liquid and solid portions with liquid going to land and the solid being fed into a dedicated trade waste digester. The effluent from this digester would then be separated with the solid portion going to land or compost and the liquid portion going to land. Alternatively, the total effluent could be applied directly to land or undergo further treatment.
- Option Two (Combined) – trucked and piped trade waste to be processed and fed into a Temperature Phased Anaerobic Digester (TPAD) operating at 55°C, along with sludge from the domestic waste stream. Effluent from the TPAD would then be thickened and the solids fed into a mesophilic digester. Effluent from the second digester could then be separated with the solid portion going to land or compost and the liquid portion going to land. Alternatively, the total effluent could be applied directly to land.

The driving factor behind this project is that the significant nutrient content of the trade waste can be largely diverted from the Ōroua River discharge by applying this nutrient to land for a large part of the year, if not all year round. This will reduce the nutrient levels in the treated effluent that is discharged to the Ōroua River and ensure full compliance with likely future consent conditions.

An additional benefit of the separation of trade waste is the ability for Council to support industrial trade waste customers in Feilding with their ongoing operations. Many of these customers operate site specific wastewater management solutions, however it is anticipated that increasing environmental compliance requirements will reduce the feasibility of these solutions in the future. Providing a council managed trade waste solution that meets environmental compliance requirements is therefore an enabler of economic development within the district.

Trade waste separation, dewatering and anaerobic digestion will enable biogas and digestate to be generated and used, enabling a circular economy for the trade waste produced in Feilding.

The trade waste separation project has seen Council partner with PowerCo to collaboratively investigate ways of upgrading the biogas produced by the Manawatū Wastewater Treatment Plant anaerobic digestion system to form renewable natural gas, a low-carbon, direct substitution for fossil fuel natural gas. Once the biogas is upgraded, the renewable natural gas will be injected into the local Feilding gas distribution network owned by PowerCo, providing the local community with renewable energy as well as Council with an additional revenue stream.



(Anaerobic digester at the Manawātū WWTP)



(Council partnership with PowerCo for the use of digester gas)

Significant Capital Projects – Stormwater

Stormwater Upgrades

With the increasing frequency of storms, Council will be upgrading the stormwater network across the District. Council doubled the investment in village stormwater upgrades to \$1 million per year as part of the 2024-34 Long Term Plan. Over the next 10 years Council will be prioritising stormwater upgrades in Hīmatangi Beach and Halcombe, followed by Sanson and Rongotea.

The 2024-34 Long Term Plan allocated \$20 million to upgrading Feilding's stormwater networks. This project consists of a number of short-term improvements and long-term projects. Council has completed some short-term improvement works in Glasgow Terrace and have more planned for Poplar Grove in 2025/26. Long-term projects will control stormwater runoff from the eastern hills into town and will provide long-term solutions to stormwater flooding issues in Osborne Terrace and Poplar Grove. Council is working on detailed designs and consenting so that upgrade work can commence in 2028/29.

Halcombe

The village of Halcombe sits within a small valley with tributary gullies and a modified drain running along the bottom of the valley serving as the main drainage channel feeding into the Rangitawa Stream, a tributary of the Rangitikei River. This often leads to ponding and inundation of low lying properties.

Key stormwater constraints within the Halcombe village zone include:

- Ponding between Ingham and Willoughby Streets caused by a combination of the culvert under Stanway Road restricting flows and the open drains in this area being undersized. The ability to increase conveyance capacity of the existing open drains is limited due to their position through private properties.
- Ponding occurs in the gullies and natural depression areas to the west of Halcombe Road and to the east of the railway, north of Levin Street. These areas sit within the Halcombe village zone but are currently undeveloped and this ponding will limit the development that can take place on these lots.
- The natural watercourse downstream of Stanway Road is undersized and is predicted to overtop into adjacent properties.

Council has completed a stormwater model for the Halcombe village to address the ongoing stormwater overland flow and ponding issues. Design has commenced on improvement projects using the evidence base from the stormwater model and will be constructed as budget provision allows within the 2024–34 Long Term Plan. Improvement projects include a mixture of attenuation ponds, open drain upgrades and pipe installations, work on this is being completed with the help of Wood & Partners Consultants Limited. The existing proposed budgets for stormwater (roughly \$1.2m per year for district-wide stormwater improvements) is sufficient to allow for the Halcombe works to occur over a period of time.

Hīmatangi Beach

Council is proposing to upgrade the existing stormwater infrastructure at Hīmatangi Beach. The existing stormwater pipe is no longer fit for purpose often experiencing maintenance issues, particularly in terms of blockages and insufficient volume of water flow.

Stormwater from the residential area of Hīmatangi Beach inevitably contains notable volumes of sand. On occasion, too much sand in the pipes, pumps and stormwater infrastructure leads to difficulties in transporting the water away from local residences and results in surface ponding and flooding. The proposed works will involve replacing the existing stormwater pipe that traverses through the sand dunes off Hunia Terrace. The intention is that the new stormwater pipe will improve water flow and thereby reduce the flooding experienced near the residences on Hunia Terrace. Although the volume of stormwater received from Hunia Terrace is not expected to change following the proposed works, the new pipe will provide for a faster flow rate.



(Flooding on Hunia Terrace, Hīmatangi Beach)

Stormwater attenuation in Precincts 1, 2 and 3 of Feilding - Long term



Precincts 1 and 2 are located immediately west and upstream of the existing residential area of Feilding. Precinct 1 surface runoff drains overland directly to the Mangaone West Stream, Precinct 2 surface runoff is conveyed through gullies into the network within the existing residential area and ultimately the Makino Stream. Council is developing concepts for damming the gullies to form upstream detention ponds for these areas. Precinct 3 is a future residential area where surface water is conveyed through gullies to multiple outfalls with a large portion draining directly to Maewa west. Council is working to size Precinct 3 detention areas to attenuate runoff and support growth in the western Maewa area.

Railway diversion Haybittle Street – Long term



This work aims to divert flows away from Haybittle Street where significant ponding has been observed and reported during large rainfall events, along with addressing ponding experienced in the Kawakawa Agribusiness and Industrial Park by cutting off existing flows under the railway. The target area to reduce ponding is on Haybittle Street extending this north along the railway line up to Kimbolton Road. This solution will require an additional stormwater outlet to the Ōroua River. This project has been budgeted across the 2028-29 and 2029-30 financial years.

Glasgow Terrace – Long term



Stormwater runoff from the catchment above Glasgow Terrace in Feilding has caused flooding to downstream properties on multiple occasions. Council have responded by constructing a short-term solution until the funding for a long term solution becomes available in the 2024 – 34 Long Term Plan.



A stormwater detention area has been constructed at the top of Glasgow Terrace to slow down the release of stormwater from the surrounding hills. As a second control, Council have also constructed a retaining wall which will slow down the stormwater flow further while directing it away from houses and into the road's piped stormwater system.

Osborne Terrace – Long term



Stormwater issues along Osborne Terrace include runoff from upslope driveways being uncontrolled and channelling into downslope properties. The stormwater pipe network within this area is surcharges and some spilling is predicted in the model for the 100 year and climate change flood event, indicating stormwater network capacity issues. Solution concept includes constructing a formal kerb and channel on the eastern side of Osborne Terrace and increasing sump capacity.

Poplar Grove retaining wall and detention area – Short term & long term



Identified the issue of the upper catchment impacting on the residential area downstream. The area of existing ponding has been identified as a good opportunity to better attenuate flows into the existing reticulation network. Council is currently working to gain easements to construct a retaining wall, and attenuate stormwater flows across a wider area for slower release to the network as a short term solution.

A longer term solution involves a concept to construct a new outfall pipe on Port Street West from the existing railway crossing downstream of Poplar Grove to the Makino Stream.

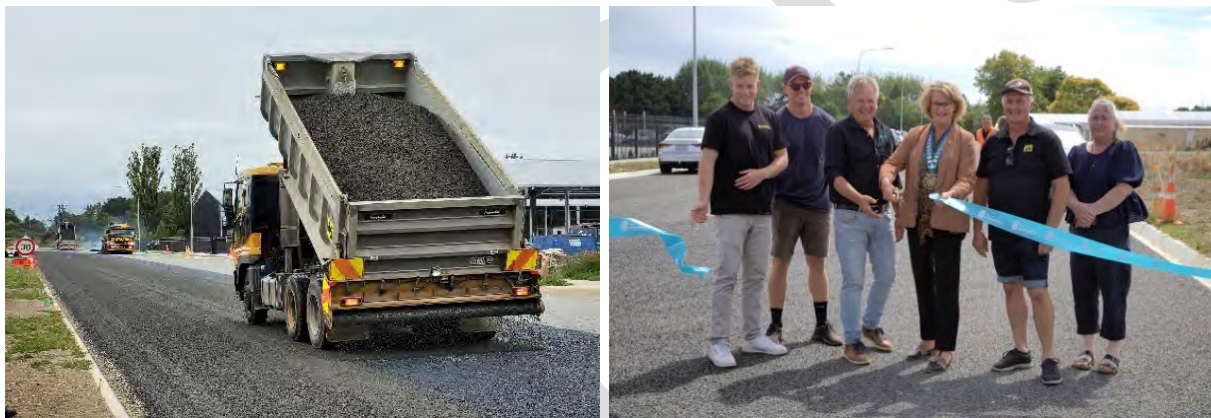
Significant Capital Projects – Growth

Turners Road Extension

In the 2021-31 Long Term Plan, Council committed to the Turners Road extension project, which will link the existing Turners Road to Kawakawa Road to help facilitate the development of industrial zoned land in this area. The completion of these works is projected to be in the 2030/31 year.

Council kicked off the first stage of the Turners Road extension in early 2023. February 2024 saw the completion of a new right turn bay on Kawakawa Road and the new portion of Turners Road from the Kawakawa Road intersection to the stormwater culvert. All three waters services have been installed within this completed stage, including a portion of separated trade waste line to support Council's long-term vision of separating industrial trade waste management at the Manawātū Wastewater Treatment Plant.

The Turners Road development will drive economic growth in the district. It will open up 24 hectares of high-quality industrial-zoned land and provide a trade waste line to the Manawātū Wastewater Treatment Plant. As Turners Road is developed, new businesses will 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 Council stay within required debt caps. Stages 2 and 3 of the project will be progressed within Council's 2024–34 Long Term Plan.



(Construction and opening of Turners Road upgrade)

Maewa growth works

Maewa is a large, 136-hectare residential development on the northern edge of Feilding. Eventually, it will see approximately 1,700 new houses built. Council is working with developers to ensure infrastructure is delivered to support Maewa as it is needed, investing only when required to reduce the burden on debt levels.

Council is installing new infrastructure to enable and support the residential growth in Maewa. This infrastructure includes roading, wastewater, water supply and stormwater networks, and is planned to be completed in stages. Although there is a planned schedule of works, Council is remaining adaptive to development activity and demand for services. Remaining adaptive to pressing major residential development on the eastern side of Maewa has led to prioritisation of two projects for the use of Council's growth budgets in the 2023/24 financial year. These include the Parakaraka stormwater detention ponds and Stage 1 of the Roots Street East upgrades.

Over 2025/26, Council will be working on staged development along Roots Street East.

Parakaraka – Maewa East stormwater detention ponds

In November 2023 Council applied to Horizons Regional Council for a resource consent to construct two stormwater detention ponds located adjacent to the Makino Stream, this consent was granted in September 2024. The purpose of these ponds is to allow for hydraulic neutrality via communal detention for the eastern area of Maewa. The water will then be discharged into the Makino Stream in a controlled manner to prevent flooding further downstream in Feilding, this is important due to this portion of the stream having a Horizons One Plan RP-SCHED2 value of flood control and drainage. Restorative landscape and riparian planting will be undertaken once the ponds have been constructed alongside a series of walkways and viewing platforms to provide an attractive, high amenity recreational environment for the community to utilise. The construction of the stormwater ponds commenced in January 2025 with completion expected mid 2025.



(Aerial view of the Maewa stormwater detention ponds during construction)

Other Specialised Development Projects

Vinegar Hill Rural Water Scheme

Council is working with rural landowners in the Vinegar Hill area to develop a feasibility assessment for a potential rural water scheme which could service up to 40,000 hectares of hill country farmland in the northern part of the district. Council staff are providing technical, engineering and administrative resources to progress the project, including the collection of financial contributions from the local farming community. If deemed feasible, the wider project team will seek external capital funding to construct the rural water scheme over the next few years.

Te Reureu Water Supply Scheme – extension to Stanway-Halcombe scheme

Council is working with local iwi representatives in the Te Reureu Valley on the eastern banks of the Rangitikei River north of Halcombe to develop a feasibility assessment for either a potential extension of the Stanway-Halcombe Rural Water Supply, a new standalone Te Reureu water scheme, or a combination of the two options. This initiative could service up to 1,200 hectares of fertile river terrace farmland in the western part of the district. Council staff are providing technical and engineering support to local iwi and if deemed feasible, the project team will seek external funding to construct the scheme over the next few years.



Projected investment requirements to deliver water services and ensure compliance with regulatory requirements

Summary of projected investment requirements

Projected investment in water services (\$000)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Drinking Water										
Capital expenditure - to meet additional demand	1,598	927	163	0	63	189	195	81	77	123
Capital expenditure - to improve levels of services	6,468	2,578	1,284	5,101	4,498	439	452	1,151	617	896
Capital expenditure - to replace existing assets	3,968	1,483	7,637	7,989	2,469	2,553	2,278	2,332	2,387	6,351
Total projected investment for drinking water	12,034	4,987	9,084	13,090	7,029	3,181	2,925	3,565	3,080	7,369
Wastewater										
Capital expenditure - to meet additional demand	227	1,453	231	0	127	328	451	381	123	364
Capital expenditure - to improve levels of services	1,741	1,317	4,086	2,297	1,109	4,609	6,153	2,725	896	539
Capital expenditure - to replace existing assets	9,807	7,214	6,447	5,739	5,419	3,473	3,255	3,333	6,351	5,628
Total projected investment for wastewater	11,775	9,984	10,764	8,036	6,655	8,410	9,860	6,439	7,369	6,531
Stormwater										
Capital expenditure - to meet additional demand	4,007	2,171	298	0	198	517	533	169	2,906	3,494
Capital expenditure - to improve levels of services	3,643	2,584	2,961	4,330	7,355	7,122	5,365	5,674	2,632	1,414
Capital expenditure - to replace existing assets	154	122	128	134	139	184	190	194	199	176
Total projected investment for stormwater	7,804	4,877	3,387	4,464	7,693	7,823	6,087	6,038	5,737	5,084
Total projected investment in water services	31,613	19,848	23,235	25,590	21,378	19,414	18,872	16,042	16,186	18,984

Committed Renewal Investment

Water

Water renewals in Feilding are captured in the Feilding WS Reticulation Renew budget (WS2002.076). The 2024-34 Long Term Plan outlines the confirmed funding and total investment of \$14.6 million over 10 years. These budgets are over and above the Feilding water resilience programme (\$19.6 million of confirmed funding and total investment over the 2024-34 Long Term Plan).

Urban water retic renewals across the villages are captured in the District Wide Reticulation Renewals budget (WS2002.002). The 2024-34 Long Term Plan outlines the confirmed funding and total investment of \$1.53 million over 10 years.

Urban water treatment plant renewals across the villages are captured in the District Wide Water Treatment Plant Renewals budget (WS2001). The 2024-34 Long Term Plan outlines the confirmed funding and total investment of \$580k over 10 years.

There are further renewals budgets for the rural water schemes which are sufficient.

Given the harmonised rating of the urban water networks, Council has the ability to move renewal funding between Feilding urban and village urban networks if required. Rural water schemes are ringfenced and separate from each other and the urban networks.

Stormwater – Feilding

Stormwater renewals in Feilding are captured in the Storm Water Renewals Feilding budget (ST1013.019). The 2024-34 Long Term Plan outlines the confirmed funding and total investment of \$760k over 10 years.

Stormwater renewals across Feilding have been supplemented by the Stormwater Flooding New Works Feilding Flood Protection budgets (ST1031). This is new capital investment recognising the generational underinvestment in the stormwater networks across Feilding and a proactive response to future climate events. The 2024-34 Long Term Plan outlines the confirmed funding and total investment of \$23.8 million over 10 years.

Stormwater – Villages

Stormwater renewals in the villages are captured in the District Wide Reticulation Renewals budget (ST1013.106). The 2024-34 Long Term Plan outlines the confirmed funding and total investment of \$647k over 10 years.

Stormwater renewals across the villages have been supplemented with the Districtwide Improvement programme. This is new capital investment recognising the generational underinvestment in the stormwater networks across the villages and a proactive response to future climate events. The 2024-34 Long Term Plan outlines the confirmed funding and total investment of \$11.8 million over 10 years.

Wastewater – Feilding

Wastewater retic renewals in Feilding are captured in the Feilding WW Retic Renewals budget (WW2003.030). The 2024-34 Long Term Plan outlines the confirmed funding and total investment of \$19.5 million over 10 years.

Wastewater treatment renewals in Feilding are captured in the Feilding Wastewater Treatment Plant Asset Renewal budget (WW2002.030). The 2024-34 Long Term Plan outlines the confirmed funding and total investment of \$13 million over 10 years.

Wastewater – Villages

Wastewater retic and treatment renewals in the villages are captured in the WW Renewals budgets (WW2002.510 and WW2003.005). The 2024-34 Long Term Plan outlines the confirmed funding and total investment of \$1.2 million over 10 years.

These wastewater budgets are over and above the Wastewater Centralisation Programme (\$15.6 million of confirmed funding and total investment over the 2024-34 Long Term Plan).

Summary

Council does not view its renewal programme as a backlog and maintains a proactive forward works programme to ensure network availability and delivery of the level of service outlined in the 2024-34 Long Term Plan.

Many of the Council Water and Wastewater assets have seen significant upgrade expenditure in the past 12 years.

Historical delivery against planned investment

To demonstrate delivery against planning investment, councils are requested to disclose historical actual investment spend on water services infrastructure against planned investment.

Delivery against planned investment	Renewals investment for water services				Total investment in water services			
	FY2024/25	FY21/22 - FY23/24	FY18/19 - FY20/21	Total	FY2024/25	FY21/22 - FY23/24	FY18/19 - FY20/21	Total
Total planned investment (set in relevant Long Term Plan)	13,929	12,117	20,369	46,415	18,747	37,042	30,758	86,547
Total actual investment*	12,610	16,885	14,620	44,116	25,422	42,582	30,910	98,915
Delivery against planned investment (%)	91%	139%	72%	95%	136%	115%	100%	114%

*Actuals for FY2024/25 are based on the actual spend to 30 June 2025 (draft financial results at 28 July 2025)

The level of investment that was delivered against what was provided for in the relevant Long-Term Plan

Council are delivering three key renewal programmes, Feilding water resilience, wastewater centralisation of the villages and asset renewals for the Manawatū Wastewater Treatment Plant in Feilding. A number of projects were started this financial year that will be completed next financial year. As of May 2025, the construction of the pump station at Rongotea has paused and will recommence in November due to winter shutdown works and the new UV unit required for the Manawatū Wastewater Treatment Plant is delayed due to the long lead time in ordering and delivery of this item.

Any constraints on delivery that impacted historical actual investment

- Winter (1 May – 30 October) shutdown effects projects with major earthworks
- Council has experienced delays to Feilding water resilience due to the time it has taken to gain a resource consent
- Council is currently undertaking three major programmes of work: the Manawatū Wastewater Treatment Plant renewals, Feilding water resilience improvements, and wastewater centralisation. Post-COVID, Council encountered significant budget constraints due to a sharp increase in prices, largely driven by offshore supply chain disruptions affecting materials and products. These challenges impacted the scope and timing of several projects. In response, the 2024-34 Long Term Plan has been updated to incorporate revised budgets and ensure the continued delivery of these essential programmes.

Any steps taken to improve future delivery against the Plan

Council is progressing steadily with its current programmes of work. Budgetary limitations have been proactively addressed through the most recent Long Term Plan, ensuring financial alignment with strategic priorities. In addition, Council teams are well-prepared and possess the technical capability required to successfully deliver the remaining projects.

Peaks in future years and approach to accommodate and deliver on the planned investment

Council has identified and prioritised a number of critical projects and programmes to be delivered over the next five years. These initiatives respond to pressing needs such as expiring resource consents and areas requiring strategic intervention.



Part C: Revenue and charging arrangements

Charging and billing arrangements

How water services are currently charged for each supply scheme/catchment

Water services are currently charged based on the structure and rates outlined in the tables below, which reflects the existing approach for each supply scheme or catchment.

This is consistent with the current Revenue and Financing Policy adopted by Council after consultation with the community as part of the 2024-34 Long Term Plan.

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.	20% - General Rate (CV) 80% - Uniform Targeted Rate
This activity is funded by a combination of the general rate (based on capital value with 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.	70%-80% -Targeted Rate (fixed) – connected, available, restricted 20%-30% - Trade waste fees, rental and lease fees
Capital Contribution Targeted Rate	
Capital contribution targets rates are assessed on rating units where ratepayers have signed an agreement to pay their capital contribution off over set terms (either 10 or 20 years) for the Hīmatangi Beach Wastewater Scheme, and the Rongotea Water Scheme. Those ratepayers in Hīmatangi Beach and Rongotea that have signed agreements with Council benefit financially from spreading their capital contribution costs over time.	100% Targeted Rate

Water

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 Meter Rate (volumetric)
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.

Water Rates to Water Services Charges

It is noted that the Water Services Legislation Bill 210–2 outlines the shift away from water rates to water service charges. The transition from rates to water charges is outlined in Council's Implementation Plan.

The intention is to continue to charge via a user based, targeted water service fee. Council recognises that there is a small portion (20%) of the stormwater rate that is recovered by capital value rating across all ratepayers, and this is not allowable under the new legislation, so changes will need to be considered to this rate. This will likely be a Universal Targeted Rate (UTR) with a set fee charged per property to replace the capital value based rate for this proportion of the stormwater rate.

How water services are proposed to be charged for each supply scheme/catchment

There are no proposed changes; water services will continue to be charged in accordance with the current structure outlined above.

Any changes between current and future charging mechanisms

There are no changes proposed in the current financial year (2025-26). The implementation plan outlines the timetable for shift from the existing charging mechanisms to the new water service fees/charges.

It is anticipated that the Revenue and Financing Policy will be reviewed and consulted on as part of the 2027-37 Long Term Planning process

How the revenue from water services will be separated from the council's other functions and activities

Revenue generated from water services will continue to be allocated to specific cost centres dedicated to water services. This coding system ensures that water-related income is clearly accounted for and remains distinct from the financial operations of the council's other functions and activities.

Water services revenue requirements and sources

Revenue requirements under the Plan

The required revenue is detailed in the tables found in Part E of this plan.

Sources of revenue – household charges and other revenue sources

Sources of revenue include rates, volumetric charges (water), trade waste charges (wastewater), capital contributions, development contributions, capital and operating grants and subsidies, user fees and charges for both capital and operating activities, as well as sundry income.

Charging and collection methodology – for residential and non-residential consumers

As outlined above, charges will be applied through the council's standard processes, including rating invoices and invoicing for other revenue sources. These processes ensure that all revenue is correctly coded to the appropriate water services cost centres. All charges will be applied in accordance with the council's Revenue and Financing Policy at the time and the adopted Fees and Charges, ensuring consistency, transparency, and compliance with regulatory and financial frameworks.

Council is aware of the legislative requirement to move away from water rates towards water service charges. The existing mechanisms within Council are a solid and robust starting point to make this change given use of targeted rates which are user and property specific, volumetric water charges and trade waste charges and agreement which are also user and property specific. The move from water rates to water service charges will be aligned to the legislative requirements when set and captured within the Implementation Plan. Council is aware that the 20% of stormwater rates being distributed via a capital value based rating charge will need to be revisited in the future.

Existing and projected commercial and industrial users' charges

Current charging and collection methodology for water services – for residential and non-residential consumers

As mentioned above the current charging and collection methodology for water services will be through charging/invoicing for rates and invoicing for other revenue sources. This will follow the normal council process which will ensure it is coded to the correct cost centre and charges are in line with the Revenue and Financing Policy of the time and adopted Fees and Charges.

Projected charges for residential households on average over the 10-year period

This information is presented in the table titled "Average Projected Charges for Water Services Over FY2024/25 to FY2033/34" located in Part D of the plan.

The affordability of projected water services charges for communities

Affordability considerations and constraints, including the community's ability to pay projected water services charges

Council's approach to affordability includes strategic use of its Long Term Plan and Annual Plan processes, where projected rates and charges are carefully reviewed. These processes include community engagement to ensure that changes in service levels and investment programmes reflect what the community is willing and able to pay. Council also applies a cost-recovery model that balances investment needs with ratepayer impacts and financial resilience.

In addition, Council recognises that regulatory compliance costs such as those associated with the Water Services Authority and the Commerce Commission are unavoidable. Therefore, by managing these costs locally under its own model, Council can better absorb or mitigate their impacts through targeted investment strategies, rather than being subject to shared governance structures where cost control is less predictable.

In conclusion, the in-house delivery model was selected in part because it provides the most affordable pathway for water services delivery, respects the community's ability to pay, and allows Council to retain control over the scale and timing of investment to meet local affordability while still complying with national water service standards.

Average water charges per connection as a percentage of median household income.

This information can be found in the table titled "Average Projected Charges for Water Services from FY2024/25 to FY2033/34" located in Part D.

Water services financing requirements and sources

Projected borrowing requirements over the 10-year period to deliver the level of investment required

This information is available under the section titled "Projected Borrowings for Water Services" in Part D.

Minimum cash and working capital requirements for the sustainable delivery of water services

Minimum cash and working capital requirements for the sustainable delivery of water services are considered as part of the process of balancing the funding impact statements. For further details, refer to the funding impact statements provided in Part E.

Borrowing limits for water services and all council business

Borrowing limits for water services and all council business are guided by the Local Government Funding Agency borrowing covenants which consist of four separate measures, the one that is triggered first is the limit applied, This ratio is the debt-to-revenue ratio, with a maximum allowable limit set at a combined entity level of 280% (this limit comes into service once Council receives a credit rating in the 2025/26 financial year).

Whether projected borrowings are within borrowing limits

When assessed in isolation, the projected borrowings for water services exceed the borrowing limits based solely on water services revenue. However, when considered within the context of the Council's overall financial position the projected borrowings remain within the established borrowing limits. This highlights one of the key advantages of retaining water services in-house, allowing for greater flexibility in managing debt across the council's broader operations.

Financial strategy for financing water services investment and operating expenditure

The financial strategy for funding water services investment and operating expenditure is outlined in the Council's two strategic documents being the Financial Strategy and the Revenue and Financing Policy, which was audited and adopted as part of the 2024–34 Long Term Plan.

Expected tenor of new borrowings and how interest rate and refinance risk will be managed

As per Councils Financial Strategy, the tenor of new borrowings is determined as being the life of the asset or 30 years, whichever is the lowest. The approach to managing interest rate and refinancing risk are supported through the use of an external debt management service (Bancorp). This service provides expert guidance to help mitigate and litigate financial risks.

Debt repayment strategy

Council's policy is to structure borrowings over a 30-year term or for the expected life of the asset being funded, whichever is shorter.

Internal borrowing arrangements

Any current internal borrowing arrangements between water services and other council business, including whether finance costs are charged on these arrangements and repayment mechanics

Council currently uses internal borrowing arrangements for all debt for water services. Council uses a mechanism which calculates the finance costs and principal repayments and charges them to the relevant water service to which the borrowings relate.

Internal borrowing arrangements

Council plans to continue using internal borrowing arrangements both up to and beyond 30 June 2028 as part of its approach to managing water services funding. This intention reflects a strategic decision to retain financial flexibility and efficiency within the in-house delivery model.

Internal borrowing enables Council to draw larger amounts at a lower cost from our external funder (LGFA) and then distribute this in smaller amounts as required via Councils treasury function to the activities that require the debt.

How internal borrowings will be managed to ensure compliance with ringfencing requirements.

Internal borrowings will continue to be managed using the existing Treasury function within Council which will ensure that all borrowings are accurately coded within the relevant water activity cost centres. This approach supports compliance with ringfencing requirements by maintaining clear financial separation between water services and other council activities.

Determination of debt attributed to water services

How debt allocated to water services on 30 June 2024 was determined

The allocation of debt to water services as at 30 June 2024 was based on debt directly attributed to and charged to the water service activities.

The total value of water services borrowings and the net debt to operating revenue calculation on 30 June 2024

As at 30 June 2024, the total value of water services borrowings was \$52.359 million and the net debt to operating ratio was 271% for waters using the LGFA calculation (which uses debt not net debt), and 154% for Council at a whole entity level.



Insurance arrangements

Confirmation that the asset owning organisation in the proposed service delivery arrangement will hold the necessary insurance policies

Council maintains insurance policies for the water services assets. Council currently self-insures the insurance deductible proportion of the water services assets. This deductible is funded via by a self-insurance reserve that Council has committed to building over the life of the 2024-34 Long Term Plan. Therefore, it is confirmed that Council holds the appropriate insurance policies and reserves to protect its assets.

Describe whether annual insurance risk assessments are undertaken – and if not annually, when the last review of insurance cover was completed

Insurance risk assessments are carried out regularly on an annual basis at time of policy renewal.

Insurance schedules are prepared annually in June/July for both the Manawatū-Whanganui Local Authority Shared Services (MWLASS) “60/40” policy providing coverage for horizontal (i.e. below-ground) infrastructure for natural disasters and the material damage policy for more comprehensive coverage for “above ground” (primarily for treatment plant, storage, and electromechanical assets). Starting in 2025 consideration will be given to the level of insurance required for assets that are planned for retirement in the near future and impaired assets, and the level of cover adjusted accordingly where the assets are not planned for renewal (e.g. coverage for treatment plants that are planned for obsolescence may receive coverage for indemnity and demolition only). Actuarial risk assessments are carried out by Councils insurance brokers and the final insurers.

Describe whether risk evaluation and assessment identifies probability of loss and cost under scenarios (distinguishing between above and below ground assets)

Insurance policy schedules are prepared internally by the Council asset engineering team and the policy is reviewed by the Chief Executive. Broadly, all “horizontal” (below ground) infrastructure is covered by the MWLASS “60/40” policy for natural disasters, while “above ground” (noting that this includes assets that may be below ground, but part of a vulnerable system, such as a treatment plant) assets are additionally insured for damage, loss, fire, and vandalism.

Level of insurance cover for the network, including the basis for valuation of water assets and how insurance cover is calculated for insurable water services assets.

The value of insurance is evaluated annually using the asset register as the asset basis, accounting for new assets acquired, old assets retired, and movements in the value due to inflation using the Capital Good Price Index (S611031B Systems for water & sewerage). The final amount also allows for inflationary movement during the period of coverage. Additionally, the sum insured makes allowance for demolition and professional services such as design, consenting, project management etc.

Part D: Financial sustainability assessment

Confirmation of financially sustainable delivery of water services

Confirmation of financially sustainable delivery of water services by 30 June 2028

Financial sustainability will be demonstrated through confirmation of revenue sufficiency, with sufficient income generated to cover the full costs of water service delivery, including debt servicing. It will also be evidenced by investment sufficiency, ensuring that projected investment levels are adequate to maintain agreed levels of service, comply with regulatory requirements, and accommodate future growth. In addition, financing sufficiency will be demonstrated through robust funding and financing arrangements that support the timely and effective delivery of required investments. Collectively, these components provide assurance that water services will be delivered in a sustainable and financially responsible manner.

To date the depreciation revenue from all Council activities has been pooled into a single depreciation reserve to fund renewal investment across all Council activities. Whilst each activity operates a 'separate fund' to account for each activity and its revenue source, the use of the wider cash reserve has been utilised as required to fund renewals rather than drawing down debt on an activity by activity basis and incurring additional financing costs.

The implementation of the in-house business unit for water services now includes a ring fencing provision to ensure that the business unit do not utilise cross subsidisation.

Council has now adjusted the budget to ensure that the deficit in the Water Services renewal reserve will now be funded via debt within the Water activities. This has in turn increased the fees to Water Service users but has meant that the cash position in the business unit is not in deficit.

Revenue sufficiency

Sufficient revenue will be available to cover the full costs of delivering water services, including debt servicing. For more information, refer to the section titled "Financially Sustainable Assessment – Revenue Sufficiency" beginning on page 124.

Investment sufficiency

Projected investment is sufficient to meet the required levels of service, comply with regulatory requirements, and accommodate future growth. For further details, refer to the section titled "Financially Sustainable Assessment – Investment Sufficiency" starting on page 129.

Regulatory Compliance – Budgets & Timing

Councils' plan for wastewater resource consent compliance is driven via the Wastewater Centralisation Programme which is fully funded in the 2024-34 Long Term Plan. Funding has also been allocated to the Cheltenham and Kimbolton Wastewater Treatment Plants for in-situ upgrades. The proposed national wastewater environmental performance standards will change the way compliance is assessed and measured. Council is confident that the Manawatū Wastewater Treatment Plants discharges will meet the new wastewater standards with minimal if any further capital investment in addition to what is committed in the 2024-34 Long Term Plan.

The stormwater investment programme is twofold with a village investment programme and Feilding centric investment programme. These programmes are both funded in the 2024-34 Long Term Plan. These stormwater capex programmes are in addition to the specific growth related capex programmes which are also funded. Stormwater discharge consenting is a normal part of any stormwater investment programme where new discharge points are required. Given the lead time for the significant investment, particularly in Feilding, there is sufficient time to work through the Resource Management Act process to obtain the necessary consents.

Financing sufficiency

Funding and financing arrangements are sufficient to meet the identified investment requirements. These are based around the agreed borrowing covenants from Local Government Funding Agency (Appendix H). The Local Government Funding Agency have confirmed Council borrowing policy is to stay within the LGFA borrowing covenants, these have been confirmed as being measured at a council position and not by activity. Appendix H confirms from Michael Butcher, Chief Executive of Local Government Funding Agency confirming their funding position for Manawatu District Council as a single entity and on the basis of an in-house business unit for the delivery of Water Services.

Waters does run far higher than the 280% of the Local Government Funding Agency covenant but when considered as part of Council's wider position it, it is well within the borrowing covenants of both Local Government Funding Agency and Council policy.

The MDC borrowing policy mirrors LGFA covenants with one exception that the overall borrowing must be \$5M less than the maximum allowed by Local Government Funding Agency.

For further details, refer to the section titled "Financially Sustainable Assessment – Financing Sufficiency" starting on page 133.

Actions required to achieve financially sustainable delivery of water services

Projected price path/revenue requirements – and how this ensures that water revenues cover the costs of service (including assumptions for recovery of depreciation)

The tables titled "Projected Operating Surpluses/Deficits for Water Services" and "Projected Operating Cash Surpluses for Water Services," found under the section "Financially Sustainable Assessment – Revenue Sufficiency," provide detailed information on how projected revenue will meet the costs of delivering water services.

The level of investment required over 10-years to meet levels of service, regulatory requirements and provide for growth

The graph titled "Financially Sustainable Assessment – Financing Sufficiency" illustrates the level of investment required over the 10-year period. Further details supporting this investment are provided in the Funding Impact Statements located in Part E.

How levels of borrowing will be managed within borrowing limits

The table "Borrowing Headroom/Shortfall for Water Services" illustrates how projected borrowings compare to borrowing limits specifically for water services. However, a limitation of the table is that it is treating the borrowing limits as being contained to water services only, however, Council can be considered as a whole. Therefore the table "Borrowing Headroom/Shortfall for Council" has been included to project the overall borrowing limits.

During the development of the 2024-34 Long Term Plan and 2025-26 Annual Plan, Council considered the borrowing limits, and the impact planned investment and revenue had on the borrowing limit. This was to ensure Council did not exceed the borrowing limit. Additionally, Council's financial strategy includes a self-imposed lower borrowing threshold to provide a prudent buffer, reducing the risk of exceeding the statutory borrowing limit.

During the 2025/26 Annual Plan process, council resolved to obtain a credit rating which allows further borrowing capacity at a reduced interest rate. This process is well under way.

Risks and constraints to achieving financially sustainable delivery of water services

No significant risks, constraints, or issues were identified through the financial sustainability assessments. The assessments indicate that one of the key advantages of retaining water services in-house is the greater flexibility it provides in managing debt across the Council’s broader financial operations. This is possible because borrowing limits are assessed in the context of the Council’s overall financial position rather than being constrained solely by water services revenue.

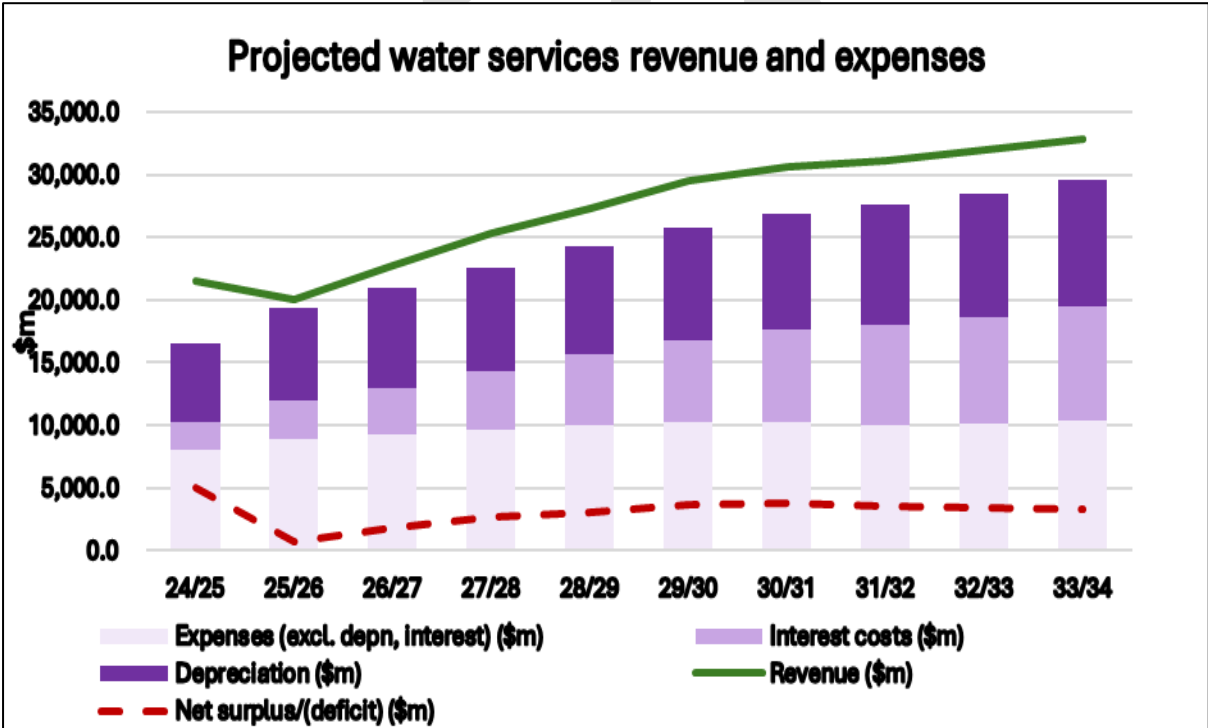
Risks and constraints to financial sustainability are addressed through the development and adoption of key Council strategies, policies, and plans. These include the Infrastructure Strategy, the Revenue and Financing Policy, and the 2024–34 Long-Term Plan. Each of these documents has been audited by Audit New Zealand and received an unmodified audit opinion, indicating their reliability. These documents will continue to remain effective with water services managed in-house.

Financially sustainable assessment - revenue sufficiency

Projected water services revenues cover the projected costs of delivering water services

Revenue is projected to be sufficient to cover the full cost of delivering water services, including operating expenses, depreciation, and interest, (excluding capital revenue) with an average surplus of \$1 million forecast per year over the ten-year period. Council rates are set to fund the operation of water services as well as the financial requirements needed to support the planned level of investment. Projected revenue has been assessed as meeting the 'revenue sufficiency' test. Further details are provided in the accompanying tables and explanatory notes below.

Projected water services revenue and expenses



Average projected charges for water services over FY2024/25 to FY2033/34

This section will provide a brief description of assumptions used in calculating projected median household charges inclusive of GST.

Average charge per connection including GST

The average charge per connection, including GST, has been calculated using the current rates requirement, multiplied by the % of rates attributed to residential connections (so removing the portion of the rates that is funded via rural water schemes, drainage schemes, and volumetric charging) then, divided by the estimated number of connections.

The formulae = *Total rates requirement inc GST * % attributed to residential customers / # of residential customer*

The estimated number of connections is based on the number of connections in 2024/25.

Projected average charge per connection / rating unit (including GST)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Drinking water	687	635	768	851	941	1,009	1,019	989	987	992
Wastewater	731	795	890	996	1,039	1,078	1,102	1,109	1,121	1,142
Stormwater	118	149	161	169	192	232	258	278	301	323
Average charge per connection / rating unit	1,536	1,578	1,819	2,016	2,172	2,319	2,380	2,376	2,409	2,457
Increase in average charge	3.1%	2.7%	15.3%	10.8%	7.7%	6.8%	2.6%	-0.2%	1.4%	2.0%
Water services charges as % of median household income	1.2%	1.2%	1.4%	1.5%	1.6%	1.7%	1.7%	1.6%	1.6%	1.6%

Projected median household income

The starting point of \$125,751 reflects the average household income in the Manawatū District as at March 2025, based on data from the Infometrics Regional Economic Profile. An annual increase of 1%-1.6% is applied thereafter in line with the Infometrics high population growth projection rates.

Projected operating surpluses/deficits for water services

Operating surpluses are projected over the 10 year periods. These surpluses will be applied to reduce debt or to reserves to help fund future deficits.

Council currently rates for depreciation on all three waters assets and uses that funding to form a renewal reserve, this reserve is used to fund the debt repayments and fund renewals. Council recognises that due to a high renewal program, the renewal reserve is pushed into a deficit position and therefore debt funding is required to be used to fund some of the renewal work. This in turn requires a higher loan repayment than is allowed for in the renewal reserve and has been factored into a higher rates requirement. The higher loan requirement due to debt funding some renewals is directly contributing around \$3 million to the operating surplus being projected over the 10 years, this would be used to directly repay debt.

Council has also recognised a portion of the development contribution funding out of capital funding into operating revenue (reflected as subsidies and grants for operating purposes in the funding impact statements) as this funds the interest portion of growth works which sits in operating expenditure.

The financial years 2024/25, 2025/26, and 2026/27 have a portion of rates reserve funding being used to reduce rates for some Wastewater Village Schemes, this was a strategic decision to reduce the rates increase by utilising some of the high reserve balances built up from previous surpluses.

Operating surplus ratio (whether revenues cover costs) (\$000)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Operating surplus/(deficit) excluding capital revenues – combined water services	1,445	(798)	244	893	1,164	1,585	1,691	1,531	1,517	1,623
Operating revenue – combined water services	17,949	18,608	21,175	23,416	25,390	27,371	28,557	29,104	29,987	31,167
Operating surplus ratio	8.1%	(4.3%)	1.2%	3.8%	4.6%	5.8%	5.9%	5.3%	5.1%	5.2%

Projected operating cash surpluses for water services

The table below demonstrates that, on average, for every \$1 of operating revenue received, between 52-67 cents is generated as an operating cashflow surplus. These cash surpluses are allocated towards repaying borrowings, covering interest expenses, and funding asset renewals. The projected operating

cashflows are sufficient to meet both renewal investment needs and scheduled debt repayments. This is confirmed through the financial assessments conducted by Council during the development of the 2024-34 Long Term Plan and 2025-26 Annual Plan.

Operating cash ratio (whether revenues cover costs) (\$000)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Operating surplus/(deficit) + depreciation + interest costs - capital revenues	9,968	9,687	11,920	13,807	15,433	17,168	18,359	19,104	19,868	20,847
Operating revenue – combined water services	17,949	18,608	21,175	23,416	25,390	27,371	28,557	29,104	29,987	31,167
Operating cash ratio	55.5%	52.1%	56.3%	59.0%	60.8%	62.7%	64.3%	65.6%	66.3%	66.9%

Financially sustainable assessment – Investment sufficiency

Projected water services investment is sufficient to meet levels of service, regulatory requirements and provide for growth

Proposed level of investment is sufficient to meet levels of service, regulatory requirements and provide for growth

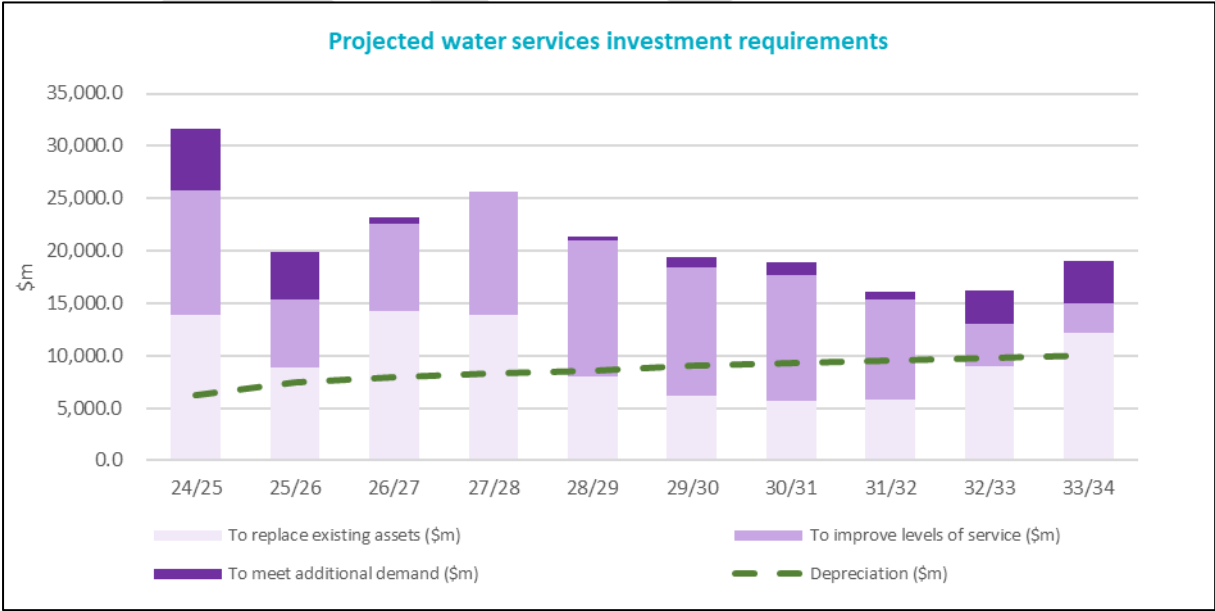
The level of investment required to meet levels of service, regulatory requirements and provide for growth is investigated and planned as part of the Infrastructure Strategy which is audited and adopted as part of the councils Long Term Plan (no issues noted in the 2024-34 Long Term Plan).

Proposed level of investment is fully funded by projected revenues and access to financing

The balanced funding impact statements in Part E of the plan demonstrate that the proposed level of investments are fully funded by projected revenues, which fund interest costs for borrowings on new and growth loans and depreciation which funds renewals. Keeping water services in-house also means the borrowing limits are considered within the context of the council’s overall financial position and not solely on water services revenue.

Projected levels of investment have been assessed as meeting the ‘investment sufficiency’ test.

Projected levels of investment have been assessed as meeting the ‘investment sufficiency’ test, for more details refer to the tables and notes below.



Renewals required for water services

Asset sustainability ratio (\$000)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Capital expenditure on renewals – all water services assets	13,929	8,819	14,212	13,862	8,027	6,210	5,723	5,859	8,936	12,155
Depreciation – all water services assets	6,246	7,423	7,931	8,258	8,574	8,998	9,237	9,519	9,815	10,052
Asset sustainability ratio	123.0%	18.8%	79.2%	67.9%	(6.4%)	(31.0%)	(38.0%)	(38.4%)	(8.9%)	20.9%

How the proposed renewals investment has been determined and how this is consistent with the long-term infrastructure strategy, asset management plan and/or other strategic documents relating to water services asset management

The proposed levels of renewals investment are determined through asset data including age, condition and criticality. Council have aging assets in the water and wastewater networks and have significant budget over the next Long Term Plan and within the infrastructure plans for these renewals.

The renewals programme also includes the Feilding Water Resilience project, ensuring that Councils water is compliant and there is a move away from reliance on a surface water take replacing this with groundwater. Council infrastructure at the Almadale Water Treatment Plant and trunk main is nearing the end of life, and rather than opting for a like for like replacement Council have decided on groundwater bore extraction and a new water treatment plant.

The Village Wastewater Centralisation project removes the need for consenting of each individual wastewater treatment plant and the need to undertake upgrades required to gain these consents. Piping wastewater to the Manawatū Wastewater Treatment Plant in Feilding enables Council to treat the wastewater at the largest wastewater treatment plant in the district where irrigation can occur during summer over 200ha of Council owned land.

This is consistent with the long-term infrastructure strategy, asset management plan and other strategic documents relating to water services asset management as Council have identified key projects that need to be addressed.

Where the projected levels of renewals investment is lower than projected depreciation, why this is appropriate.

The projected levels of renewal investment are high in the first five years with the planned works on the Village Wastewater Centralisation, Feilding Wastewater Treatment Plant Reconsenting and Feilding Water Resilience projects. This will deplete our depreciation reserves as we spend more than depreciation, therefore in the later years the projected levels of renewals investment is lower than projected depreciation to rebuild the reserves. Over the 10 year period, the total projected levels of renewals investment (\$111.65 million) is higher than projected depreciation (\$100.29 million).

Total water services investment required over 10 years

Asset investment ratio (\$'000)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Total capital expenditure – all water services assets	31,613	19,848	23,235	25,590	21,378	19,414	18,872	16,042	16,186	18,984
Depreciation – all water services assets	6,246	7,423	7,931	8,258	8,574	8,998	9,237	9,519	9,815	10,052
Asset investment ratio	406.1%	167.4%	193.0%	209.9%	149.3%	115.8%	104.3%	68.5%	64.9%	88.9%

How the proposed levels of investment have been determined and how this is consistent with the long-term infrastructure strategy, asset management plan and/or other strategic documents relating to water services asset management.

The proposed levels of investment is determined through asset data, age, condition and criticality. Council have aging assets in the water and wastewater networks and have significant budget over the next Long Term Plan and within the infrastructure plans for these renewals. This is consistent with the long-term infrastructure strategy, asset management plan and other strategic documents relating to water services asset management as Council have identified key projects that need to be addressed.

Average remaining useful life of network assets

Asset consumption ratio (\$000)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Book value of water infrastructure assets	363,008	383,057	406,788	432,663	454,120	473,165	491,790	507,657	523,166	541,515
Replacement value of water infrastructure assets	584,180	616,296	653,090	692,395	727,621	760,859	794,187	825,318	856,360	890,759
Asset consumption ratio	62.1%	62.2%	62.3%	62.5%	62.4%	62.2%	61.9%	61.5%	61.1%	60.8%

The impact that the proposed level of investment has on the average remaining useful life of network assets over the 10-year period

The proposed level of investment results in a consistent remaining useful life of network assets over the 10-year period. The table above shows that the asset consumption ratio remains within approximately 60% to 62% over the 10 years.

Where there is a material decrease in the asset consumption ratio over time, how investment beyond FY2033/34 will ensure that asset replacement requirements are delivered

Asset consumption ratio is consistent over the 10 year period, with no material decreases. All years remain within 1% of the average of 61.9%.

Financially sustainable assessment - Financing sufficiency

Whether projected total council borrowings are within council borrowing limits

The projected Council borrowings against borrowing limits graph below shows that the total council borrowings which peak in year 3 with a net debt to operating revenue percentage of 194% stay within councils borrowing limits of 280% over the ten year period.

Council opening cash balance has been updated to reflect the opening cash balance held in the self insurance reserve and resilience reserve which was not previously accounted for.

Total council debt position is now incorporated in the templates and reflects that the total position is well within the Local Government Funding Association and Councils borrowing covenants. Council notes that New Zealand Local Government Funding Agency covenants does not take into account 'net debt' but rather total debt, and the templates have been updated to align with the measures that both Council and Local Government Funding Association operate under.

Whether projected water services borrowings are within the council-determined limit for water services borrowing

Retaining water services in-house allows council to continue to use Council borrowing limit and we will not apply a council-determined limit for water services borrowings. Therefore, projected borrowings are within the borrowing limits.

The required levels of borrowings can be sourced

Yes, we can continue to source the required levels of borrowings. Council manages its borrowings in accordance with its funding and financial policies, which includes a Liability Management policy. These policies have been adopted as part of the Council's Long Term Plan and can be sourced from Council's public website (www.mdc.govt.nz).

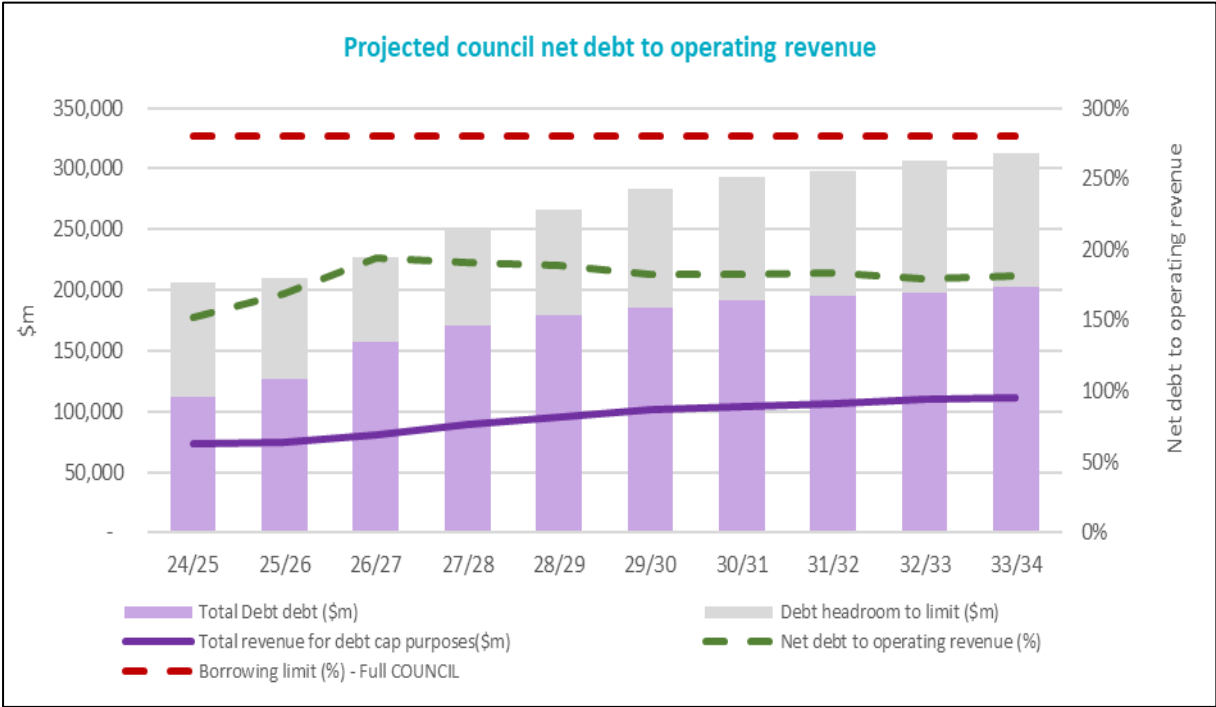
The Local Government Funding Agency has confirmed that borrowing for both Water Services and other Council activities can be sourced (reference Appendix H). The following graphs demonstrate that Council has sufficient debt head room within the 280% debt cap allowed for under the credit rating.

Council uses a debt management service to help us source the borrowings and is also a shareholder of the New Zealand Local Government Funding Agency and in the process of obtaining credit rate. Council plan to stay within the trustee covenants so that borrowings can continue to be sourced through Local Government Funding Association.

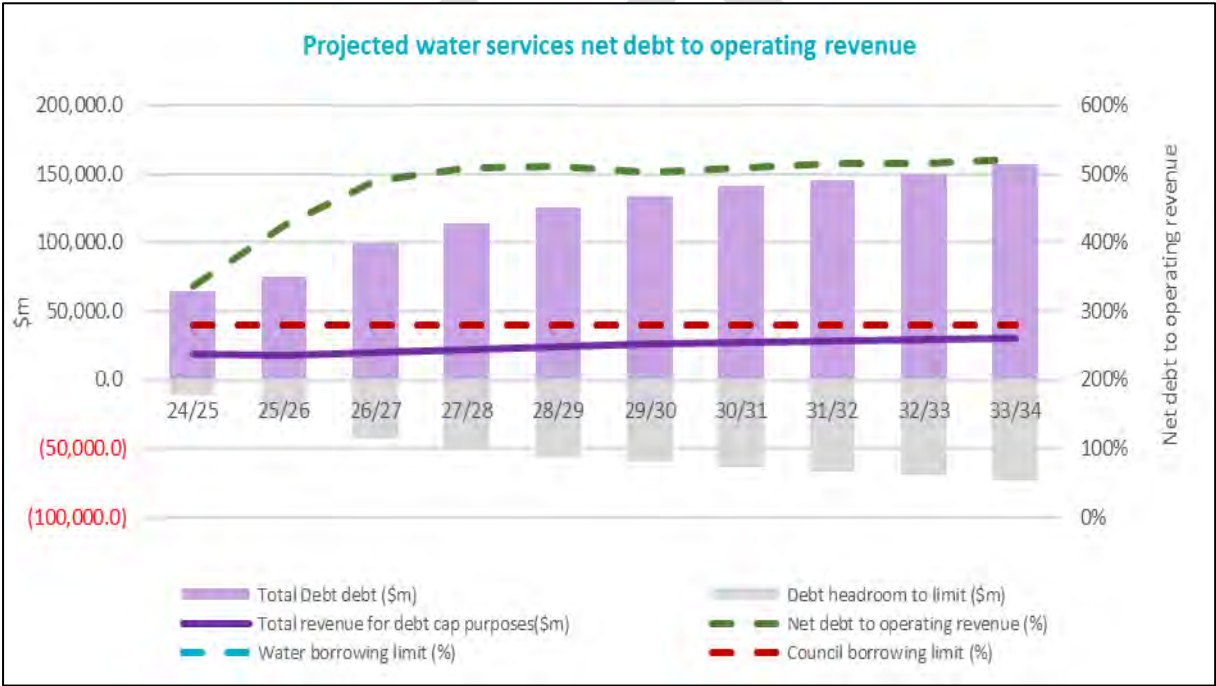
The Plan meets the 'financing sufficiency' test

In isolation, the water services borrowings exceed the borrowing limits based solely on water services revenue putting the plan at risk for meeting the 'financing sufficiency' test. However, retaining water services in-house allows the borrowing limits to be considered within the context of the council's overall financial position. As a result the projected borrowings remain within the established borrowing limits and the 'financing sufficiency' test is met for the plan.

Projected Council borrowings against borrowing limits



Projected water services borrowings against borrowing limits



Projected borrowings for water services*

Net debt to operating revenue (\$000)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Net debt attributed to water services (gross debt less cash)	68,554	80,301	93,834	108,426	118,115	124,843	130,703	133,661	136,565	142,246
Operating revenue – combined water services	17,949	18,608	21,175	23,416	25,390	27,371	28,557	29,104	29,987	31,167
Net debt to operating revenue %	382%	432%	443%	463%	465%	456%	458%	459%	455%	456%

*Note this table does not reflect the LGFA debt to operating ratio which Councils borrowing limits is based on. The LGFA formulae is based on total debt (not net debt) and uses total revenue (less DC, Vested assets, other gains/losses and one of revenue streams).

Borrowing headroom/shortfall for water services*

Borrowing headroom/(shortfall) against limit (\$000)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Operating revenue	17,949	18,608	21,175	23,416	25,390	27,371	28,557	29,104	29,987	31,167
Debt to revenue limit for water services (%)	280%	280%	280%	280%	280%	280%	280%	280%	280%	280%
Maximum allowable net debt at borrowing limit	50,257	52,102	59,289	65,566	71,092	76,640	79,960	81,492	83,964	87,268
Projected net debt attributed to water services	68,554	80,301	93,834	108,426	118,115	124,843	130,703	133,661	136,565	142,246
Borrowing headroom/(shortfall) against limit	(18,297)	(28,198)	(34,545)	(42,860)	(47,023)	(18,297)	(48,203)	(50,743)	(52,168)	(52,600)

Free funds from operations for water services

Free funds from operations (\$000)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Projected net debt attributed to water services	68,554	80,301	93,834	108,426	118,115	124,843	130,703	133,661	136,565	142,246
Projected free funds from operations – water services	7,691	6,624	8,175	9,151	9,738	10,583	10,928	11,050	11,331	11,675
Free funds from operations to net debt ratio	11.2%	8.2%	8.7%	8.4%	8.2%	8.5%	8.4%	8.3%	8.3%	8.2%

Projected borrowings (Borrowing headroom/shortfall) for full council entity including waters*

Debt to Revenue Ratio	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Total debt	112,165	127,015	157,035	170,575	179,654	184,981	191,361	194,716	197,084	202,356
Total revenue	78,282	78,949	85,164	93,702	100,029	106,264	109,577	111,307	114,624	116,442
less DC, Vested Assets, Other gains/losses	(4,459)	(3,775)	(4,075)	(4,446)	(4,730)	(4,973)	(5,043)	(5,053)	(4,927)	(4,640)
Total revenue for Debt cap purpose	73,823	75,174	81,089	89,256	95,298	101,292	104,534	106,254	109,697	111,802
Debt to total revenue ratio	152%	169%	194%	191%	189%	183%	183%	183%	180%	181%
Debt to revenue limit	280%	280%	280%	280%	280%	280%	280%	280%	280%	280%
Maximum allowable net debt	206,705	210,487	227,049	249,918	266,836	283,617	292,696	297,511	307,152	313,045
Borrowing headroom/ (shortfall) against limit	94,540	83,472	70,015	79,343	87,182	98,636	101,335	102,795	110,067	110,689

*Note this table reflects the Local Government Funding Agency debt to operating ratio which Councils borrowing limits is based on. The Local Government Funding Agency formulae is based on total debt (not net debt) and uses total revenue (less Development Contributions, Vested assets, other gains/losses and one of revenue streams).

Free funds from operations for full council entity including waters

Free funds from operations (\$000)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Projected net debt attributed to water services	92,769	103,954	132,555	144,984	142,959	134,931	124,634	107,825	96,892	65,943
Projected free funds from operations – water services	24,038	21,030	25,555	32,330	35,316	39,044	40,856	42,519	44,431	44,576
Free funds from operations to net debt ratio	25.9%	20.2%	19.3%	22.3%	24.7%	28.9%	32.8%	39.4%	45.9%	67.6%

Part E: Projected financial statements for water services

Projected financial statements – Water services

Projected funding impact statement - WATER SERVICES	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Sources of operating funding										
General rates	262	340	387	432	464	520	601	675	736	805
Targeted rates	14,127	15,050	17,303	19,460	21,294	23,145	24,142	24,512	25,271	26,207
Subsidies and grants for operating purposes	1,117	1,028	1,180	1,105	1,102	1,071	1,089	1,111	1,106	1,215
Fees and charges	572	201	212	222	232	242	250	257	264	269
Local authorities fuel tax, fines, infringement fees and other	1,871	1,988	2,093	2,197	2,298	2,394	2,475	2,549	2,610	2,670
Total sources of operating funding	17,949	18,608	21,175	23,416	25,390	27,371	28,557	29,104	29,987	31,167
Applications of operating funding										
Payments to staff and suppliers	4,460	5,039	5,313	5,459	5,826	5,990	6,150	6,298	6,432	6,571
Finance costs	2,277	3,062	3,745	4,656	5,695	6,585	7,431	8,054	8,537	9,171
Internal charges and overheads applied	3,521	3,882	3,941	4,150	4,132	4,214	4,049	3,703	3,686	3,750
Other operating funding applications	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	10,258	11,984	13,000	14,266	15,652	16,789	17,630	18,054	18,656	19,492
Surplus/(deficit) of operating funding	7,691	6,624	8,175	9,151	9,738	10,583	10,928	11,050	11,331	11,675
Source of capital funding										
Subsidies and grants for capital expenditure	2,292	194	203	211	220	228	235	241	246	252
Development and financial contributions	1,302	1,284	1,325	1,636	1,732	1,875	1,850	1,793	1,705	1,376
Increase/(decrease) in debt	14,090	13,147	25,811	18,377	14,632	11,212	10,665	7,769	7,945	10,827
Gross proceeds from sales of assets	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	17,684	14,624	27,338	20,224	16,583	13,314	12,749	9,803	9,896	12,454
Applications of capital funding										
Capital expenditure - to meet additional demand	5,832	4,551	692	0	388	1,034	1,179	632	3,106	3,981
Capital expenditure - to improve levels of services	11,852	6,479	8,332	11,728	12,962	12,170	11,970	9,550	4,144	2,849
Capital expenditure - to replace existing assets	13,929	8,819	14,212	13,862	8,027	6,210	5,723	5,859	8,936	12,155
Increase/(decrease) in reserves	(6,238)	1,400	12,278	3,785	4,943	4,483	4,805	4,812	5,041	5,145
Increase/(decrease) in investments	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	25,375	21,249	35,513	29,375	26,321	23,897	23,676	20,853	21,227	24,129
Surplus/(deficit) of capital funding	(5,308)	(5,507)	(6,150)	(7,250)	(7,360)	(7,795)	(8,061)	(8,404)	(8,727)	(8,880)
Funding balance	0	0	0	0	0	0	0	0	0	0

Projected financial statements – Water supply

Projected funding impact statement - WATER SUPPLY	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Sources of operating funding										
General rates										
Targeted rates	5,579	5,493	6,218	7,104	7,400	8,024	8,272	8,139	8,251	8,401
Subsidies and grants for operating purposes										
Fees and charges	5	5	5	5	5	5	5	6	6	6
Local authorities fuel tax, fines, infringement fees and other	0	11	11	11	11	12	12	12	12	13
Total sources of operating funding	5,584	5,508	6,234	7,120	7,417	8,041	8,290	8,157	8,269	8,419
Applications of operating funding										
Payments to staff and suppliers	1,570	1,435	1,518	1,557	1,593	1,615	1,650	1,682	1,715	1,751
Finance costs	364	551	626	707	766	1,002	1,222	1,230	1,229	1,256
Internal charges and overheads applied	1,571	1,727	1,846	1,912	1,997	2,116	2,021	1,728	1,714	1,720
Other operating funding applications										
Total applications of operating funding	3,505	3,714	3,991	4,175	4,355	4,733	4,893	4,640	4,658	4,727
Surplus/(deficit) of operating funding	2,079	1,795	2,243	2,945	3,062	3,308	3,396	3,517	3,611	3,692
Source of capital funding										
Subsidies and grants for capital expenditure	1,675									
Development and financial contributions	443	327	387	419	465	476	494	500	491	472
Increase/(decrease) in debt	5,638	4,011	2,779	713	1,734	(220)	(399)	(409)	(217)	(251)
Gross proceeds from sales of assets										
Other dedicated capital funding										
Total sources of capital funding	7,756	4,338	3,166	1,133	2,198	256	95	91	273	221
Applications of capital funding										
Capital expenditure - to meet additional demand	787	1,668	927	163	0	63	189	195	81	77
Capital expenditure - to improve levels of services	5,644	3,273	2,578	1,284	5,101	4,498	439	452	1,151	617
Capital expenditure - to replace existing assets	4,075	3,152	1,483	7,637	7,989	2,469	2,553	2,278	2,332	2,387
Increase/(decrease) in reserves	(671)	(1,961)	422	(5,007)	(7,830)	(3,465)	311	684	320	834
Increase/(decrease) in investments										
Total applications of capital funding	9,835	6,133	5,409	4,077	5,260	3,564	3,491	3,608	3,884	3,914
Surplus/(deficit) of capital funding	(7,691)	(6,624)	(8,175)	(9,151)	(9,738)	(10,583)	(10,928)	(11,050)	(11,331)	(11,675)
Funding balance	0	0	0	0	0	0	0	0	0	0

Projected financial statements – Wastewater

Projected funding impact statement - WASTEWATER	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Sources of operating funding										
General rates		0	0	0	0	0	0	0	0	0
Targeted rates	7,101	7,839	8,918	10,137	10,736	11,319	11,754	12,017	12,328	12,764
Subsidies and grants for operating purposes	250	223	273	257	257	252	260	273	280	280
Local authorities fuel tax, fines, infringement fees and other	391	183	192	202	211	220	228	235	240	246
Fees and charges	1,717	1,959	2,063	2,166	2,266	2,361	2,441	2,514	2,575	2,634
Total sources of operating funding	9,459	10,204	11,447	12,762	13,470	14,152	14,682	15,039	15,423	15,924
Applications of operating funding										
Payments to staff and suppliers	2,629	3,243	3,404	3,494	3,809	3,934	4,046	4,149	4,240	4,332
Finance costs	1,611	1,425	1,987	2,475	2,819	3,053	3,331	3,631	3,834	4,022
Internal charges and overheads applied	1,716	1,834	1,905	2,060	2,066	2,134	2,023	1,748	1,741	1,788
Other operating funding applications										
Total applications of operating funding	5,956	6,501	7,296	8,029	8,694	9,121	9,400	9,527	9,815	10,141
Surplus/(deficit) of operating funding	3,503	3,702	4,151	4,732	4,776	5,032	5,282	5,512	5,608	5,783
Source of capital funding										
Subsidies and grants for capital expenditure	245	128	134	141	147	154	159	164	168	171
Development and financial contributions	679	319	317	393	415	447	429	401	364	535
Increase/(decrease) in debt	1,043	7,026	15,008	4,890	3,705	4,988	6,302	2,839	3,787	2,660
Gross proceeds from sales of assets										
Other dedicated capital funding										
Total sources of capital funding	1,968	7,472	15,459	5,424	4,267	5,588	6,889	3,404	4,318	3,367
Capital expenditure - to meet additional demand	227	1,453	231	0	127	328	451	381	123	364
Capital expenditure - to improve levels of services	1,741	1,317	4,086	2,297	1,109	4,609	6,153	2,725	896	539
Capital expenditure - to replace existing assets	9,807	7,214	6,447	5,739	5,419	3,473	3,255	3,333	6,351	5,628
Increase/(decrease) in reserves	(6,305)	1,190	8,846	2,121	2,388	2,209	2,312	2,477	2,557	2,618
Increase/(decrease) in investments										
Total applications of capital funding	5,470	11,174	19,610	10,156	9,043	10,620	12,172	8,916	9,926	9,149
Surplus/(deficit) of capital funding	(3,503)	(3,702)	(4,151)	(4,732)	(4,776)	(5,032)	(5,282)	(5,512)	(5,608)	(5,783)
Funding balance	0	0	0	0	0	0	0	0	0	0

Projected financial statements – Stormwater

Projected funding impact statement - STORMWATER	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Sources of operating funding										
General rates	262	340	387	432	464	520	601	675	736	805
Targeted rates	1,172	1,498	1,639	1,727	2,026	2,534	2,856	3,103	3,418	3,725
Subsidies and grants for operating purposes	754	696	766	715	716	696	704	712	703	817
Fees and charges	176	13	14	15	16	16	17	17	18	18
Local authorities fuel tax, fines, infringement fees and other	177	13	14	15	16	16	17	17	18	18
Total sources of operating funding	2,541	2,561	2,820	2,904	3,238	3,782	4,195	4,524	4,892	5,382
Applications of operating funding										
Payments to staff and suppliers	312	361	391	408	424	440	454	466	477	488
Finance costs	483	960	1,130	1,138	1,396	1,739	2,091	2,409	2,679	3,056
Internal charges and overheads applied	194	321	309	363	338	352	299	228	218	235
Other operating funding applications										
Total applications of operating funding	989	1,642	1,830	1,909	2,159	2,532	2,844	3,104	3,374	3,779
Surplus/(deficit) of operating funding	1,552	919	989	996	1,079	1,250	1,351	1,421	1,518	1,603
Source of capital funding										
Subsidies and grants for capital expenditure	367	11	11	12	13	13	14	14	14	15
Development and financial contributions	162	744	788	971	1,030	1,120	1,109	1,092	1,058	959
Increase/(decrease) in debt	7,122	3,792	2,227	3,433	7,082	6,511	4,965	4,937	4,707	4,084
Gross proceeds from sales of assets										
Other dedicated capital funding										
Total sources of capital funding	7,650	4,548	3,026	4,416	8,125	7,644	6,088	6,042	5,780	5,058
Applications of capital funding										
Capital expenditure - to meet additional demand	4,007	2,171	298	0	198	517	533	169	2,906	3,494
Capital expenditure - to improve levels of services	3,643	2,584	2,961	4,330	7,355	7,122	5,365	5,674	2,632	1,414
Capital expenditure - to replace existing assets	154	122	128	134	139	184	190	194	199	176
Increase/(decrease) in reserves	1,399	589	628	947	1,511	1,071	1,351	1,425	1,561	1,577
Increase/(decrease) in investments										
Total applications of capital funding	9,203	5,466	4,015	5,411	9,204	8,894	7,439	7,463	7,298	6,661
Surplus/(deficit) of capital funding	(1,552)	(919)	(989)	(996)	(1,079)	(1,250)	(1,351)	(1,421)	(1,518)	(1,603)
Funding balance	(0)	(0)	0	0	0	0	0	0	0	0

Projected statement of comprehensive revenue and expense

Projected statement of profit and loss - water services	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Revenue										
Operating revenue	17,949	18,608	21,175	23,416	25,390	27,371	28,557	29,104	29,987	31,167
Other revenue	3,594	1,477	1,528	1,847	1,951	2,103	2,084	2,034	1,951	1,628
Total revenue	21,543	20,085	22,702	25,264	27,341	29,474	30,641	31,138	31,938	32,795
Expenses	4,460	5,039	5,313	5,459	5,826	5,990	6,150	6,298	6,432	6,571
Operating expenses	2,277	3,062	3,745	4,656	5,695	6,585	7,431	8,054	8,537	9,171
Finance costs	3,521	3,882	3,941	4,150	4,132	4,214	4,049	3,703	3,686	3,750
Overheads and support costs	6,246	7,423	7,931	8,258	8,574	8,998	9,237	9,519	9,815	10,052
Depreciation & amortisation	16,504	19,406	20,931	22,524	24,226	25,787	26,866	27,573	28,471	29,544
Total expenses	17,949	18,608	21,175	23,416	25,390	27,371	28,557	29,104	29,987	31,167
Net surplus/(deficit)	5,039	679	1,771	2,740	3,115	3,688	3,775	3,565	3,468	3,251
Revaluation of infrastructure assets	8,556	7,623	8,427	8,543	8,653	8,628	8,990	9,344	9,138	9,417
Total comprehensive income	13,596	8,302	10,198	11,283	11,768	12,316	12,765	12,909	12,606	12,668
Cash surplus/(deficit) from operations (ex non-cash items)	11,285	8,102	9,702	10,998	11,689	12,686	13,012	13,084	13,282	13,303

Projected statement of cashflows

Projected statement of cashflows - water services	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Cashflows from operating activities										
Cash surplus/(deficit) from operations	11,285	8,102	9,702	10,998	11,689	12,686	13,012	13,084	13,282	13,303
[Other items]										
Net cashflows from operating activities	11,285	8,102	9,702	10,998	11,689	12,686	13,012	13,084	13,282	13,303
Cashflows from investing activities										
Capital expenditure – infrastructure assets										
[Other items]	(31,613)	(19,848)	(23,235)	(25,590)	(21,378)	(19,414)	(18,872)	(16,042)	(16,186)	(18,984)
Net cashflows from investing activities	(31,613)	(19,848)	(23,235)	(25,590)	(21,378)	(19,414)	(18,872)	(16,042)	(16,186)	(18,984)
Cashflows from financing activities										
New borrowings	14,090	13,147	25,811	18,377	14,632	11,212	10,665	7,769	7,945	10,827
Repayment of borrowings	(2,000)	(2,199)	(2,350)	(2,892)	(3,780)	(2,898)	(3,114)	(3,280)	(3,524)	(3,522)
Net cashflows from financing activities	12,090	10,948	23,461	15,485	10,852	8,313	7,551	4,489	4,420	7,304
Net increase/(decrease) in cash and cash equivalents	(8,238)	(798)	9,928	893	1,164	1,585	1,691	1,531	1,517	1,623
Cash and cash equivalents at beginning of year	4,133	(4,105)	(4,903)	5,024	5,917	7,081	8,666	10,357	11,888	13,405
Cash and cash equivalents at end of year	(4,105)	(4,903)	5,024	5,917	7,081	8,666	10,357	11,888	13,405	15,027

Projected statement of financial position

Projected statement of financial position	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Assets										
Cash and cash equivalents	3,472	2,517	4,840	5,075	5,638	6,360	7,020	7,449	7,891	8,360
Other current assets										
Infrastructure assets	129,616	134,462	143,445	156,361	163,199	165,900	168,343	171,417	173,820	180,497
Other non-current assets										
Total assets	133,088	136,979	148,285	161,436	168,837	172,260	175,363	178,866	181,710	188,857
Liabilities										
Borrowings – current portion										
Other current liabilities										
Borrowings – non-current portion	11,016	12,864	20,959	30,532	33,896	33,127	32,044	31,556	30,526	34,127
Other non-current liabilities										
Total liabilities	11,016	12,864	20,959	30,532	33,896	33,127	32,044	31,556	30,526	34,127
Net assets	122,072	124,115	127,326	130,904	134,941	139,133	143,319	147,310	151,185	154,730
Equity										
Revaluation reserves	66,399	69,121	72,079	75,091	78,219	81,319	84,471	87,670	90,755	93,884
Other reserves	55,673	54,994	55,247	55,813	56,723	57,814	58,848	59,640	60,429	60,846
Total equity	122,072	124,115	127,326	130,904	134,941	139,133	143,319	147,310	151,185	154,730

Part F: Water Services Delivery Plan: Additional information

Significant capital projects – Drinking water

Significant capital projects – drinking water	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Projects to meet additional demand										
Turners Road Extension stages 2 and 3	773,841	382,611	648,472							
Maewa Growth Works	1,227,380	71,447	278,241	162,879		63,107	189,339	195,083	81,421	76,776
Total investment to meet additional demand	2,001,221	454,058	926,713	162,879	0	63,107	189,339	195,083	81,421	76,776
Projects to improve levels of services										
Stanway-Halcombe Rural Water Scheme Upgrade	5,057,309									
Turners and Maewa Works		234,229	163,537	28,743	0	147,250	33,413	34,427	189,982	179,145
Total investment to meet improve levels of services	5,057,309	234,229	163,537	28,743	0	147,250	33,413	34,427	189,982	179,145
Projects to replace existing assets										
Feilding Water Resilience	4,229,196	900,843		5,371,950	5,619,750					
Total investment to replace existing assets	4,229,196	900,843	0	5,371,950	5,619,750	0	0	0	0	0
Total investment in drinking water assets	11,287,726	1,589,130	1,090,250	5,563,571	5,619,750	210,357	222,753	229,510	271,404	255,921

Significant capital projects – Wastewater

Significant capital projects – wastewater	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Projects to meet additional demand										
Turners Road Extension stages 2 and 3	6,767	290,567	1,160,778							
Maewa Growth Works	308,122	123,404	292,045	231,082	0	126,672	328,154	451,082	381,450	123,195
Total investment to meet additional demand	314,889	413,971	1,452,823	231,082	0	126,672	328,154	451,082	381,450	123,195
Projects to improve levels of services										
Turners and Maewa Works		274,314	298,586	40,779	0	295,566	330,174	679,323	1,048,344	287,457
Total investment to meet improve levels of services	0	274,314	298,586	40,779	0	295,566	330,174	679,323	1,048,344	287,457
Projects to replace existing assets										
Wastewater Centralisation	6,173,949	5,357,631	2,141,693	2,269,545	2,638,669	2,454,703	407,514	96,954	99,258	101,597
Feilding WWTP Reconsenting	2,267,265	1,317,600	1,156,000				3,420,000	5,083,654	1,596,978	
Total investment to replace existing assets	8,441,214	6,675,231	3,297,693	2,269,545	2,638,669	2,454,703	3,827,514	5,180,607	1,696,236	101,597
Total investment in wastewater assets	8,756,103	7,363,516	5,049,102	2,541,407	2,638,669	2,876,942	4,485,842	6,311,012	3,126,030	512,249

Significant capital projects – Stormwater

Significant capital projects – stormwater	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Projects to meet additional demand										
Turners Road Extension stages 2 and 3	35,467	1,443,107	1,801,979							
Maewa Growth Works	4,315,826	3,214,351	3,075,440	3,387,265	4,476,750	7,693,245	7,823,313	6,087,343	6,038,036	5,736,678
Total investment to meet additional demand	4,351,293	4,657,458	4,877,418	3,387,265	4,476,750	7,693,245	7,823,313	6,087,343	6,038,036	5,736,678
Projects to improve levels of services										
Feilding Stormwater Upgrades	981,565	669,202	704,552	740,003	3,060,139	5,436,945	5,581,886	3,777,920	3,723,410	118,642
Village Stormwater Upgrades	1,605,656	1,098,000	1,156,000	2,122,072	1,270,000	1,323,000	1,368,000	1,409,500	1,443,000	1,477,000
Turners and Maewa Works		1,118,719	723,720	99,295	0	595,350	172,298	177,525	507,968	1,036,492
Total investment to meet improve levels of services	2,587,221	2,885,922	2,584,272	2,961,371	4,330,139	7,355,295	7,122,184	5,364,945	5,674,378	2,632,134
Projects to replace existing assets										
N/A										
Total investment to replace existing assets	0	0	0	0	0	0	0	0	0	0
Total investment in stormwater assets	6,938,514	7,543,380	7,461,690	6,348,636	8,806,889	15,048,540	14,945,497	11,452,288	11,712,414	8,368,812

Risks and assumptions

Disclosure of risks and material assumptions for water services delivery

Parameters	Drinking supply	Wastewater	Stormwater
Key Risks <ul style="list-style-type: none"> Future water service delivery Network performance Regulatory compliance Delivery of Capital Programme Organisational capacity Long term issues e.g. providing for growth, climate change 	<ul style="list-style-type: none"> Failure to deliver upgrade programme due to insufficient funds and/or resources Consent conditions not met 	<ul style="list-style-type: none"> Failure to deliver renewals programme due to insufficient funds and/or resources Failure to deliver upgrade programme due to insufficient funds and/or resources Consent conditions not met 	<ul style="list-style-type: none"> Failure to deliver renewals programme due to insufficient funds and/or resources Failure to deliver upgrade programme due to insufficient funds and/or resources Damage to roads from mains failures Consent conditions not met
Significant assumptions <ul style="list-style-type: none"> Future water service delivery Network performance Regulatory compliance Delivery of Capital Programme Organisational capacity Long term issues e.g. providing for growth, climate change 	<ul style="list-style-type: none"> That Council will not have the resources available to achieve 85% to 105% of its annual capital works programme over the life of the 2024-34 Long Term Plan. That the changes to the drinking water regulations and the delivery model are greater than expected 	<ul style="list-style-type: none"> That Council will not have the resources available to achieve 85% to 105% of its annual capital works programme over the life of the 2024-34 Long Term Plan. 	<ul style="list-style-type: none"> That Council will not have the resources available to achieve 85% to 105% of its annual capital works programme over the life of the 2024-34 Long Term Plan.

Appendix A: Council report 15 May 2025

Draft

Appendix B: Morrison Low Report

Draft

Appendix C: Local Water Done Well consultation document

Draft

Appendix D: Council resolution – Adoption of Water Services Delivery Plan

Draft

Appendix E: Councils Development Contribution Policy

Draft

Appendix F: Staged Barrows Road abstraction reduction plan

Draft

Appendix G: DES-APP1 Manawatū Wastewater Treatment Plant designation conditions

Draft

Appendix H: Letter from LGFA July 2025

Draft

Appendix I: Adopted framework plan

Draft

Appendix J: Legal compliance review – Simpson Grierson

Draft

Report Cover Sheet (not for publication)

Report Title:	Hearings and Deliberations for Local Water Done Well	Committee Name:	Council		
		Meeting date:	15/05/2025	Report completion deadline:	04/05/2025

Sign-offs	Name/Position	Description	Date
Author	Lisa Thomas Strategy Manager		
Chief Financial Officer		<i>The Chief Financial Officer must be consulted with if the report has significant or unplanned financial implications</i>	
Manager		<i>For review</i>	
General Manager	Hamish Waugh GM Infrastructure	<i>All reports require GM approval</i>	06/05/25
Other		<i>If the report has implications for another team or department, it is advisable that an appropriate person (subject matter expert, manager or GM) peer review it.</i>	
Governance and Assurance Team	Ash Garstang – Governance & Assurance Manager	<i>All reports undergo a final review from the GA team. The team will check formatting, recommendations and delegations for Council/Committees.</i>	09 May 25

Council

Meeting of 15 May 2025

Business Unit: People and Corporate

Date Created: 31 January 2025

Decision on Local Water Done Well

Purpose Te Aronga o te Pūrongo

To present Council's preferred option for Local Water Done Well for adoption. The decision Council makes today will inform the preparation of Council's Water Services Delivery Plan.

Recommendations Ngā Tūtohunga

1. That the Council adopt Option 1 – Status quo in-house stand-alone model as its preferred model for the delivery of water services in the Manawātū District.
2. That Council approve the responses to issues and concerns raised in submissions on Local Water Done Well (Annex A) for distribution.

Note: The Water Services Delivery Plan will be developed based on the preferred option and will be presented to Council for adoption and approval for submission to the Department of Internal Affairs at the 24 July 2025 Council meeting or before if possible.

Report prepared by:
Lisa Thomas
Strategy Manager

Approved for submission by:
Hamish Waugh
General Manager – Infrastructure

1 Background Ngā Kōrero o Muri

- 1.1 Council has been working through the Local Water Done Well programme over the past 12 months.
- 1.2 Under the Local Government (Water Services Preliminary Arrangements) Act 2024, Council has a choice about how water services are delivered in the future so long as it meets new rules for investment, borrowing and pricing. There will also be a new regulator overseeing compliance with these rules.
- 1.3 The decision that Council makes around the preferred option for the delivery of water services will need to be documented in a Water Services Delivery Plan.
- 1.4 The content of the Water Services Delivery Plan and the consultative requirements are prescribed in the Local Government (Water Services Preliminary Arrangements) Act 2024. The Department of Internal Affairs has developed a template Water Services Delivery Plan document.
- 1.5 Over the past year, Council has participated in a regional options appraisal project with all of the Councils within the Manawatū–Whanganui region.
- 1.6 The Councils within the Manawatū–Whanganui region are:
 - Manawatū District Council
 - Palmerston North City Council
 - Tararua District Council
 - Horowhenua District Council
 - Rangitīkei District Council
 - Whanganui District Council
 - Ruapehu District Council
- 1.7 The regional options appraisal project looked at a multi-council Water Service Council Controlled Organisation and concluded that the seven council arrangement was not financially beneficial for Manawatū ratepayers, with Manawatū District Council providing cross-subsidisation to most of the other councils within the region throughout the entirety of the 30 year period that was modelled.
- 1.8 On 7 November 2024, Council resolved to discontinue further work on a multi-council Water Service Council Controlled Organisation involving all seven councils and resolved the following:
 - 1.8.1 To consider the development of a Water Service Delivery Plan on the basis of an in-house, stand-alone model (the status quo).
 - 1.8.2 To continue further work on the viability of a single-council (Manawatū District Council) Water Service Council Controlled Organisation.

- 1.8.3 To continue further work on the viability of a multi-council Water Service Council Controlled Organisation between Manawatū District Council and Palmerston North City Council.
- 1.8.4 To continue further work on the viability of a multi-council Water Service Council Controlled Organisation between Manawatū District Council, Palmerston North City Council, Horowhenua District Council and Kapiti Coast District Council.
- 1.9 Council has also continued to assess the full impact of moving water services into a Water Services Council Controlled Organisation with particular reference to the impact of stranded overheads¹ on the residual organisation should water services be separated out from Council's operations.
- 1.10 Council engaged Morrison Low (an independent advisory / consultancy company) to compare and contrast the various Water Service Council Controlled Organisation options referred to in paragraph 3.1 of this report.
- 1.11 The considerations around the impact of stranded overheads on the residual organisation should water services be separated out from Council's operations applies differently in each Water Service Council Controlled Organisation scenario.
- 1.12 On 19 December 2024, Council resolved to discontinue further work on a single-council MDC Water Service Council Controlled Organisation and resolved the following:
 - 1.12.1 That Council publicly consult on an in-house, stand-alone model (the status quo) for the delivery of water services in the Manawatū district and that this option would be Council's preferred option.
 - 1.12.2 That Council publicly consult on a multi-council Water Services Council Controlled Organisation jointly between Manawatū District Council and Palmerston North City Council for the delivery of water services in the Manawatū district.
 - 1.12.3 That Council publicly consult on a multi-council Water Services Council Controlled Organisation jointly between Manawatū District Council, Palmerston North City Council, Horowhenua District Council and Kapiti Coast District Council for the delivery of water services in the Manawatū district.
- 1.13 Council adopted the Consultation Document for Local Water Done Well at the 21 February 2025 Council meeting. The public consultation period was from 10 March 2025 until 5pm, Friday 11 April. A total of 505 submissions were received. Ten submitters spoke to their submissions at the Hearing on 1 May 2025.
- 1.14 To meet the statutory deadline for submission of the Water Services Delivery Plan, Council will have to adopt a Water Services Delivery Plan by way of Council resolution and submit the adopted Water Services Delivery Plan to the Department of Internal Affairs before 6 September 2025. The adoption of Council's Water Services Delivery Plan is scheduled for the 19 June 2025 Council meeting.

¹ Forming a Council Controlled Organisation means that some fixed costs — such as office expenses, IT systems, and certain corporate staff — remain with the Council, while the revenue previously used to fund these overheads is no longer available.

2 Strategic Fit Te Tautika ki te Rautaki

- 2.1 This report and the decision sought aligns with Council's strategic priority of "A future planned together." Council consulted with the Manawātū community to obtain feedback on which of the three options consulted on was most preferred. Council deliberated on all feedback received at the 1 May 2025 Council meeting. This feedback has helped inform the decision that Council is making today with respect to the future ownership, management and delivery of water services for the Manawātū District.
- 2.2 Council's strategic priority of "An Environment to be proud of" is relevant to Council's decision-making with respect to the future ownership, management and delivery of water services. Council is committed to ensuring that water services are managed in a way that protects the Manawātū District's natural and physical resources now, and into the future.
- 2.3 This report and the decision sought aligns with Council's strategic priority of "Infrastructure fit for future" as the purpose of this work is to ensure that the water services of the Manawātū are delivered in a way that meets the need of the Manawātū District's community now, and into the future.
- 2.4 Council's strategic priority of "value for money and excellence in local government" is also relevant to this report as, through consulting with the community, Council is focussed on doing what is best for the Manawātū District. Council has carried out extensive financial modelling to evaluate the feasibility of each option.

3 Discussion and Options Considered Ngā Matapakinga me ngā Kōwhiringa i Wānangahia

- 3.1 There are three reasonably practical options being evaluated by Council for the ownership, management and delivery of water services in the Manawātū District. These options are described as follows:
- Option 1 – Status quo with changes (preferred option).
 - Option 2 – 'the Two' – A multi-council Water Services Council Controlled Organisation jointly owned by Manawātū District Council and Palmerston North City Council.
 - Option 3 – 'the Four' - A multi-council Water Services Council Controlled Organisation jointly owned by Horowhenua District Council, Kāpiti Coast District Council, Palmerston North City Council and Manawātū District Council.
- 3.2 The Local Water Done Well for Manawātū District Consultation Document 2025 asked submitters to select their preferred option. Of the 505 submissions received, 487 (96.4%) selected Option 1 as their preferred option, five (1%) selected Option 2, and 13 (2.6%) selected Option 3.
- 3.3 The most common reasons for support of Option 1 were that Council has invested in three waters infrastructure and are managing the process well (222), a desire to keep local control (137) and that merging with other Councils would mean that MDC ratepayers would be subsidising those Councils that have under invested in three waters infrastructure (85).
- 3.4 The five submitters that selected Option 2 as their preferred option gave the reason that MDC and PNCC should combine and share resources.

- 3.5 The 13 submitters that selected Option 3 as their preferred noted potential benefits in combining to reduce overlap in services, reduce costs, and spread risk. Other reasons for support included independent management, greater ability to stand up to central government authority, and concerns with MDC's prior planning and decision-making.
- 3.6 Council deliberated on all feedback received through oral and written submissions at the 1 May 2025 Council meeting. At this meeting, Councillors gave officers clear direction that of the three options consulted on, Option 1 (status quo with changes) has the most support and is therefore Council's preferred option.
- 3.7 During consultation on Local Water Done Well, submitters were given the opportunity to share any other issues or concerns that they have with three waters services. These concerns have been grouped by topic and submission number, with officer responses in a table. This table is attached as Annex A to this report. It is our intention to send these submitters the responses to the matters raised in their submissions, as soon as practicable following this meeting. Those submitters who did not raise additional issues will still receive an email confirming Council's final decisions on Local Water Done Well.

4 Risk Assessment Te Arotake Tūraru

- 4.1 The Hearings and Deliberations Report on Local Water Done Well, presented at the 1 May 2025 Council meeting, identified the following potential risks:
- **Strategic risk** – there is potential for further government reform that might mean that MDC is required to deliver water services as part of a joint CCO with other Councils, even if this is not Council's preferred model. The likelihood of this is considered low given that there is nothing within the current legislation that would enable this to happen.
 - **Economic Regulation** – The Commerce Commission will be the economic regulator under the Government's Local Water Done Well regime. It is possible that the economic regulator could use revenue thresholds or price-quality regulations to set revenue levels for the delivery of water services that are below what is necessary to maintain current levels of service. The Commerce Commission will start implementing the economic regulation regime after the Local Government (Water Services) Bill is enacted. It is therefore too early to say how the economic regulation of water services will impact on funding for the delivery of water services in the Manawatū District.
 - **Privatisation** – the Local Government (Water Services) Bill outlines the different structure and delivery arrangements that water organisations may use to deliver water services. Concerns have been expressed that the arrangements for council-controlled organisations more readily lend themselves to privatisation than current in-house delivery of water services. However, the risk of privatisation of water services is considered low as the current legislation does not provide for this.
 - **Accuracy of cost forecasting** – the financial impact on ratepayers for each of the options is based on modelling undertaken by Morrison Low. This modelling includes a number of assumptions and forecasts. The accuracy of the cost forecasts are therefore dependent on the accuracy of the assumptions and forecasts on which they are based. The model was developed using the best available information from all Councils. In addition, all of the options being considered by the Manawatū District Council, Palmerston North City Council, Horowhenua District Council and Kapiti Coast District Council are based on the same modelling approach and assumptions so that all four consultation documents are consistent in the information

presented. Sensitivity analysis was used to highlight which assumptions that modelling outcomes are most sensitive to changes in.

- 4.2 These risks were discussed at the 1 May 2025 Council meeting during the deliberations on submissions received. These risks are noted and no additional risks have been identified.

5 Engagement Te Whakapānga

Significance of Decision

- 5.1 Councils' decisions with respect to who should own, manage and deliver water services for the Manawatū District was deemed 'significant' in accordance with the following criteria from section 4.2 of the Significance and Engagement Policy 2020:
- The level of financial consequences of the proposal or decision,
 - The number of residents or ratepayers affected and the degree to which they are affected by the decision or proposal,
 - The likely impact on Māori and mana whenua cultural values and their relationship to land and water and taonga,
 - The level of community interest,
 - Whether the decision, or something similar to it, has a history of, or is known to be, controversial.
- 5.2 Council therefore resolved to consult with the community in accordance with the requirements set out in section 83 of the Local Government Act 2002. A summary of the consultation undertaken is included in paragraph 5.8 of this report.

Māori and Cultural Engagement

- 5.3 The Mayoral Forum from across the Manawatu-Whanganui region met on 12 November 2024 to commence initial and high-level regional engagement with iwi.
- 5.4 A meeting was held at Te Āhuru Mōwai on 27 March 2025 with members of Te Kōtui Reo. There was positive feedback from attendees, and a request to hold a further meeting on the 7th of April for more iwi members to attend. The purpose of these meetings was to gain better understanding of what the options were, and the reasons for the preferred option.

Community Engagement

- 5.5 The Local Government (Water Services Preliminary Arrangements) Act 2024 outlines the community engagement requirements of the Local Water Done Well policy.
- 5.6 Council adopted the Manawatū District Council Consultation Document for the Local Water Done Well public consultation at the 6 March 2025 Council meeting. This document presented three options for the delivery of water services, including the advantages and disadvantages of each option.

5.7 Council consulted with the community over the period from 10 March to 11 April 2025.

5.8 The following public engagement events were held during the submissions period:

- Feilding Market: March 14
- Family Fun Day: March 16
- Pop Up Engagement at the Hub: March 21, 12.30-1.30pm
- Public Meeting: Feilding, March 25 at 7pm
- Pop Up Engagement at the Hub: March 26, 10-11am
- Public Meeting: Kimbolton, March 27 at 7pm
- Te Kōtui Reo Taumata: March 27
- Feilding Market: March 28
- Public Meeting: Rongotea, March 31 at 7pm
- Pop Up Engagement at the Hub: April 3, 2.30pm-3.30pm
- LWDW Hui: Feilding, April 7 at 6pm

6 Operational Implications Te Whai Pānga Atu ki ngā Kaupapa Mahi

6.1 As outlined in the Hearings and Deliberations report, presented at the 1 May 2025 Council meeting, the operational implications for the delivery of water services differ depending on which of the three options Council adopts.

6.2 If Council confirms its previous direction that its preferred option is to develop a Water Service Delivery Plan on the basis of an in-house, stand-alone model (the status quo), then the operational implications will be minimal. These implications will include additional reporting requirements and some changes to financial reporting to comply with the new ringfencing requirements.

6.3 If the final decision is a departure from the preferred option (the status quo) and requires the development of a Water Service Delivery Plan on the basis of a multi-council Water Services Council Controlled Organisation, there will be significant operational implications. This will include the legal establishment of a Water Services Council Controlled Organisation and the development of an Implementation Plan for the Water Services Council Controlled Organisation including the transfer of staff, assets and IT systems etc. from Council to the Water Services Council Controlled Organisation. The implementation of a Water Services Council Controlled Organisation may be spread over a number of years.

6.4 Notwithstanding the outcome, there will be new requirements of the Water Services Authority that all future water service delivery providers will need to adhere to. These include:

- 6.4.1 Statement of Expectations – which is issued to a water service providers by its owner(s) and sets out the strategic and performance expectations for the organisation. Each

water service provider will be required to give effect to the statement of expectations, including in its water services strategy.

6.4.2 Water Services Strategy – which is prepared by all water service providers for the water services they are responsible for delivering. This is each provider’s primary strategic, financial, and infrastructure planning and accountability document. Owners will be able to determine the nature of their involvement in the process for preparing their water organisation’s water services strategy.

6.4.3 Water Services Annual Report – prepared by water service providers to provide transparency about their performance over the preceding financial year, and detailed financial statements relating to water services.

7 Financial implications Te Whai Pānga Atu ki ngā Kaupapa Ahumoni

7.1 If the decision is to develop a Water Service Delivery Plan on the basis of an in-house, stand-alone model (the status quo) then there will be no direct financial implications relating to that decision.

7.2 If the final decision is a departure from the preferred option (the status quo) and requires the development of a Water Service Delivery Plan on the basis of a multi-council Water Services Council Controlled Organisation, there will be significant financial implications.

7.3 The size and nature of the financial implications of selecting a multi-council Water Services Council Controlled Organisation will depend on which multi-council Water Services Council Controlled Organisation is chosen. The Consultation Document outlined the financial impact of both of the multi-council Water Services Council Controlled Organisation options.

7.4 Regardless of the option chosen – status quo or multi-council Water Services Council Controlled Organisation, there will be additional costs for all water service providers relating to the Water Services Authority reporting requirements and Economic Regulator levies. The cost of these levies is estimated to be \$187,000 per year. The levies will be recovered in the same way that the rest of the water activity costs are recovered, which is a combination of targeted rates and user fees to those that are connected or able to connect to the services, with a small portion recovered via the general rate in the stormwater activity.

8 Statutory Requirements Ngā Here ā-Ture

8.1 The Local Government (Water Services Preliminary Arrangements) Act 2024 requires Council to prepare Water Services Delivery Plan that:

8.1.1 Identifies the current state of the authority’s water services; and

8.1.2 Demonstrates publicly its commitment to deliver water services in a way that:

8.1.3 Ensures that the territorial authority will meet all relevant regulatory quality standards for its water services; and

8.1.4 Is financially sustainable for the territorial authority; and

8.1.5 Ensures that the territorial authority will meet all drinking water quality standards; and

8.1.6 Supports the territorial authority's housing growth and urban development, as specified in the territorial authority's long-term plan.

8.2 It is noted that while this report and the recommendations contained therein are not statutory requirements in their own right, they are part of Councils process to prepare a Water Services Delivery Plan which is a statutory requirement.

9 Next Steps Te Kokenga

9.1 The Water Services Delivery Plan will be developed based on the decision Council makes today, and will be presented to Council for adoption and approval for submission to the Department of Internal Affairs at the 19 June 2025 Council meeting.

10 Attachments Ngā Āpitihanga

- Annex A – Officer responses to issues and concerns raised through submissions on Local Water Done Well



Updated Local Water Done Well Modelling

Horowhenua, Kāpiti Coast and Manawatū District and
Palmerston North City councils

February 2025

Document status

Job #	Version	Written	Reviewed	Approved	Report Date
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Introduction

Purpose of this report

In late 2024 Morrison Low provided support and advice to Palmerston North City and Manawātū, Horowhenua and Kāpiti District councils (referred to as the “Group of Four”) relating to Local Water Done Well. Prior to Christmas 2024 each of the Councils individually identified a four-council water CCO as one of the options they would consult with their community on under Local Water Done Well. Each Council also has other options identified for consultation.

This report summarises recent financial modelling work commissioned by the Group of Four councils to update and review the data collected and analysed in previous studies.

The intention was to update data and make adjustments to the modelling approach and assumptions for all of the options being considered by the four councils so that all four consultation documents are consistent in the information presented and the basis on which the information has been developed.

This report sets that out in the following structure.

- The main report ‘Regional Results’ sets out a comparison of each Council’s base case with the four council CCO including providing updated information around capital programmes, debt profiles, the impacts of economic and price regulation, impacts on commercial customers and introduces some scenarios for changing the time frame for harmonising prices or not harmonising prices at all.
- Sensitivity analysis is set out in **Appendix One**.
- Detailed financial modelling assumptions are outlined in **Appendix Two**.
- Comparison of modelling approaches between Morrison Low and the Department of Internal Affairs is set out in **Appendix Three**.
- Alternative scenarios (that do not apply to all of the councils) are set out in **Appendix Four**.
- A data sheet providing all of the outputs as data is provided in **Appendix Five**.

This updated report introduces new harmonisation scenarios in the main report. Specifically:

- Price harmonisation starting in year 10 and taking 3 years
- Price harmonisation starting in year 5 and taking 5 years, and
- Scenarios where all council household charges are at or less than the Council Base Case price path creating a scenario where all households can benefit from a regional water CCO.

This report shows that regionalising costs for three waters under a combined CCO covering all four councils immediately would mean that the costs of that service would increase in some areas and reduce in others. The report provides examples of ways in which this impact can be reduced by harmonising prices over time and/or using the savings created by a water CCO for the benefit of all customers of three waters services. The report demonstrates that should the four councils determine that a combined water CCO is the preferred delivery model for three waters services then there is opportunity to establish the CCO in a way that benefits all customers.

Economic and price regulation

The requirement on councils to develop Water Services Delivery Plans is part of the transitional arrangements (under The Local Government (Water Services Preliminary Arrangements) Act 2004). This information will then be shared with the Commerce Commission as it works towards implementing the indicated economic regulation regime.

The economic regulation regime is proposed under the Local Government (Water Services) Bill (Bill 3) currently before Parliament. This is expected to come into effect by mid-2025 and other aspects from 2026 (revenue thresholds, quality regulation, performance, price quality).

The settings for economic regulation are aimed at Water Service Providers (WSPs), including councils and water organisations, who are responsible for making core decisions about capital and operating expenditure, revenue recovery, and charging levels.

The aim is to address water infrastructural challenges through influencing price and quality, protecting both consumer interests and promoting sufficient revenue recovery for investment and maintenance of water infrastructure.

This will apply firstly to all local government drinking water and wastewater services, with some flexibility on stormwater to be added at a later date.

This model is the extension of the existing economic regulation regime (which currently applies to electricity lines services, gas pipeline services, and airport services) in the Commerce Act 1986 to water services. The Commerce Commission (the Commission) will therefore be tasked with overseeing the economic regulation and consumer protection regime.

The Commission will be provided with a range of tools (enforcement and regulation-making) to ensure that WSPs providers collect sufficient revenue and make efficient investment decisions to maintain and develop infrastructure.

The Commerce Commission will have a number of options:

- Information disclosure: local government water services providers must disclose information to promote transparency and inform the need for further regulatory intervention based on performance.
- Revenue thresholds: revenue thresholds can be set by the Commission to ensure that WSPs collect enough revenue to operate, maintain and develop water infrastructure.
- Quality standards: the Commission can set specific standards and performance requirements for WSPs aimed at quality improvements.
- Price-quality regulation: a maximum or minimum revenue or pricing levels that WSPs can collect may be set ensuring that water services are delivered at a quality that communities expect.

The Commission will also enforce financial “ringfencing” where revenue collected for regulated water services (initially drinking and wastewater) must be spent on water services along with financial penalties available if breached. Noting the ringfencing is not by type of water, it is the waters package.

In support of this economic regime, the proposed consumer protection regime will require the Commission to monitor the treatment of consumers by WSPs. Where there are existing issues revealed in information disclosures a range of additional regulations on complaints, dispute resolution may be deployed alongside, service quality guidelines and mandated service quality codes.

Regional results

The following section presents the impact of creating a four-council water CCO on households that receive three waters services. All charts and figures are presented as nominal (or inflated) and as an average household charge excluding GST¹. References to years are to LTP years unless otherwise stated.

Modelling projections of future household costs over 30 years has an inherent and increased uncertainty over the long term. Sensitivity analysis is contained in Appendix 1 to highlight which assumptions the modelling outcomes are most sensitive to changes in.

A number of scenarios are also shown to demonstrate a range of possible outcomes that could be achieved. Results are shown in this report for:

- A base case for each Council which assumes three waters services continue to be provided by each Council.
- A regional household cost based on harmonising prices at the creation of the water CCO.
- Scenarios where household costs for three waters are harmonised in the future using different timeframes.
- Scenarios where household costs for three waters are harmonised based on no community paying more than the base case (i.e. so no community is financially disadvantaged).
- A scenario where household costs for three waters are never harmonised and continue to be different in each council area in perpetuity.

Ultimately how the CCO charges for three waters and how the financial benefits of the CCO model are shared will be a matter for the Councils (as owners to guide), the CCO itself and overseen by the Commerce Commission (economic regulator).

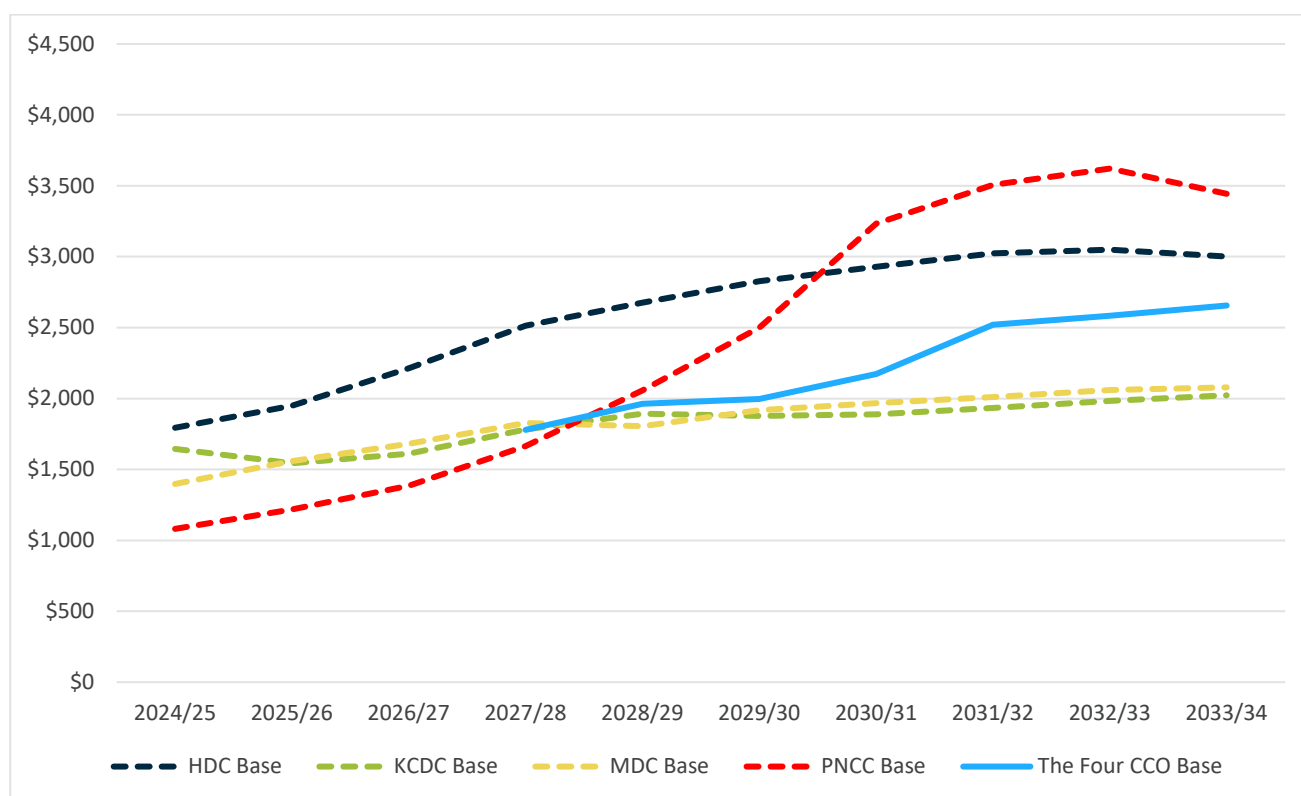
¹ In previous reports household charges have been expressed as Real (uninflated) and including GST

Three waters charges are harmonised at the start of the CCO

The charts below presents the base case for each council against the average combined regional charge for the four council CCO.

Figure 1 shows the average household charges across the ten-year 2024/25 Long Term Plan cycle and Figure 2 across thirty years to 2053/54. In both cases household costs are assumed to be regionalised from the start of the CCO.

Figure 1: Three waters household charges - base cases versus water service entity across 10 years



The chart above shows most 58% of water consumers are likely to experience lower water bills under the four council CCO in 2028.

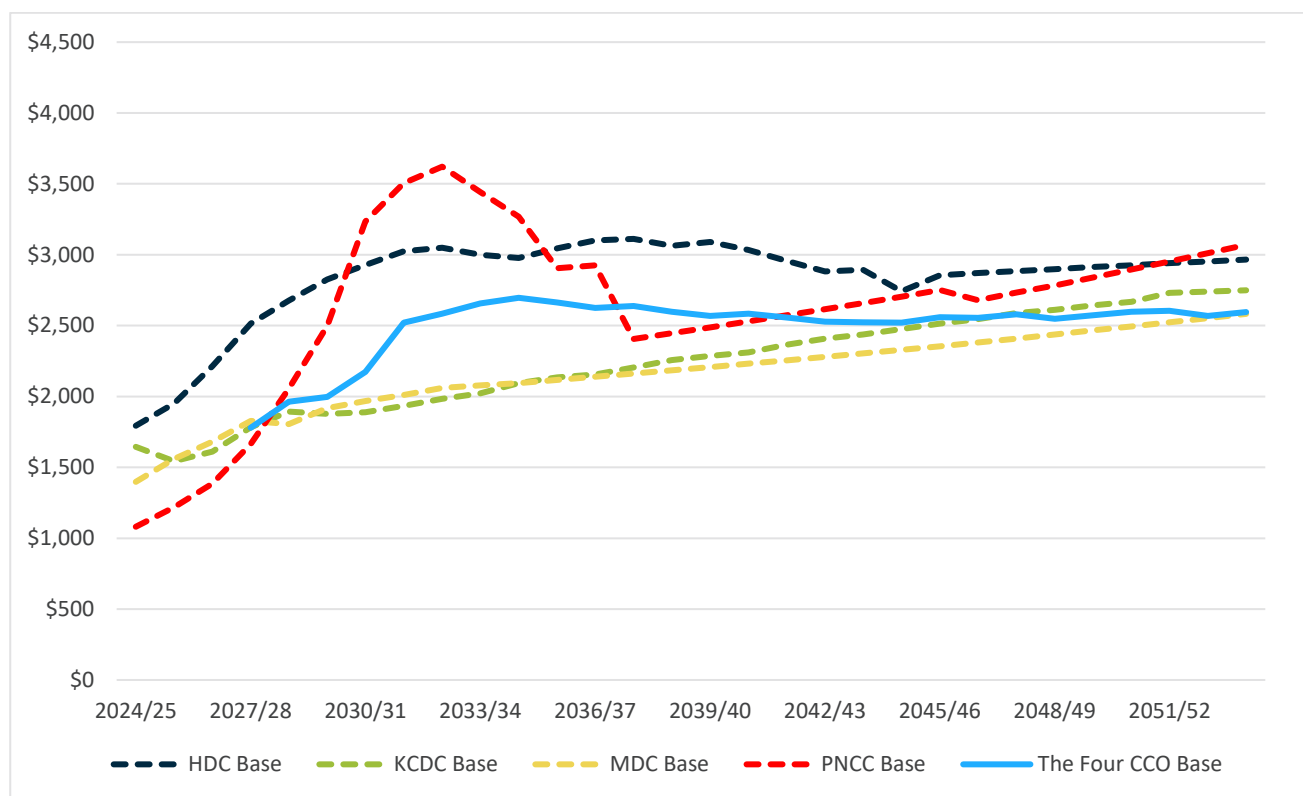
For Horowhenua households the CCO represents a 29% decrease in charges on establishment, or an average of 21% across the seven years.

Average household charges for Palmerston North City Council households reach the highest average increase in year 2032/33 with a 235% increase on 2024/25 charges. Across the seven years from CCO establishment the average household charges are 22% higher than under the CCO model.

Manawatū District Council households are projected to have higher charges under the CCO model, averaging 14% over the seven years from CCO establishment.

Kāpiti Coast District Council households are also projected to have higher household costs under the CCO model during the initial 10 years averaging 17% over the seven years from CCO establishment.

Figure 2: Three waters household charges - base cases versus water service entity across 30 years



By 2052 all councils would have water charges that are the same or higher than the average household for the four council CCO.

The chart above shows most 89% of water consumers are likely to experience lower water bills under the four council CCO in 2048.

Kāpiti and Manawatū have charges that are below the average household for the four council CCO. This changes by 2046 for Kāpiti and by 2052 for Manawatū.

Modelling over 30 years shows that the entity is likely to remain more affordable for the majority of water consumers over the long term.

Three waters charges are harmonised using specific years as a target

While the four council CCO price path is presented as an average charge across the combined regions in the Figures above, we note that this price path could instead be regionalised, or 'harmonised' over time (or not at all).

In exploring this, each council's base case for average household charges is compared against the four Council CCO:

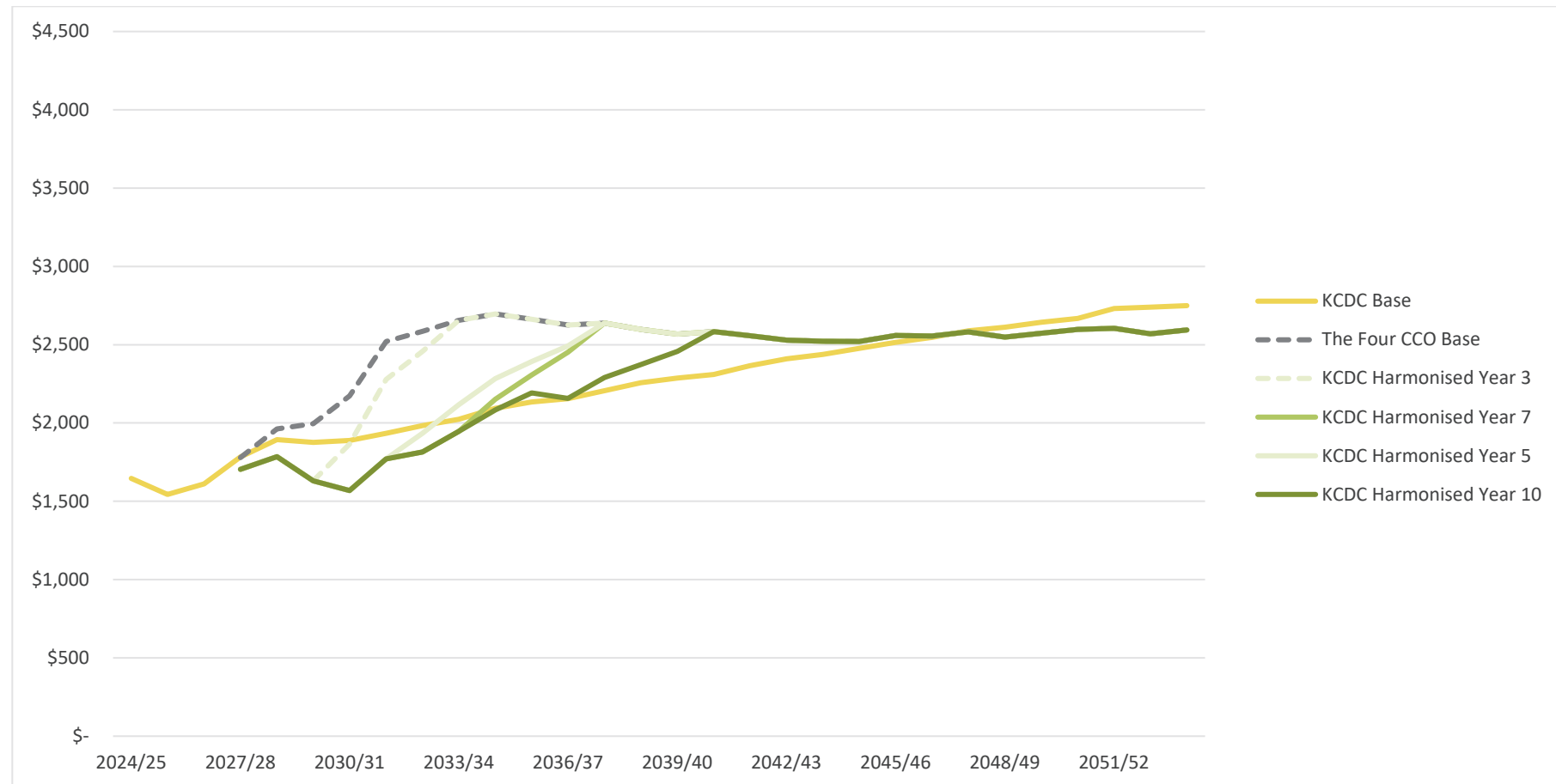
- Base case.
- Price harmonisation for the respective council starting in year three of the CCO (2029/30) and taking three years to harmonise.
- Price harmonisation for the respective council starting in year seven of the CCO (2033/34) and taking three years to harmonise.
- Price harmonisation for the respective council starting in year ten of the CCO (2029/30) and taking three years to harmonise.
- Price harmonisation for the respective council starting in year five of the CCO (2033/34) and taking five years to harmonise.

They are presented to test whether altering the timeframe or 'flatten' the curve makes a difference to the outcome. They introduce a complexity that does not exist under the simple regionalised cost scenario but they are presented to demonstrate that different outcomes can be achieved with different approaches to pricing.

The initial reduction in household charges under the harmonisation scenarios when compared to the base cases is driven in part by the reduction in total revenue required under the CCO model and the modelling approach which apportions revenue requirements to each council area and then to households, as opposed to the regionalising of costs where the revenue requirement is shared across all households equally regardless of location.

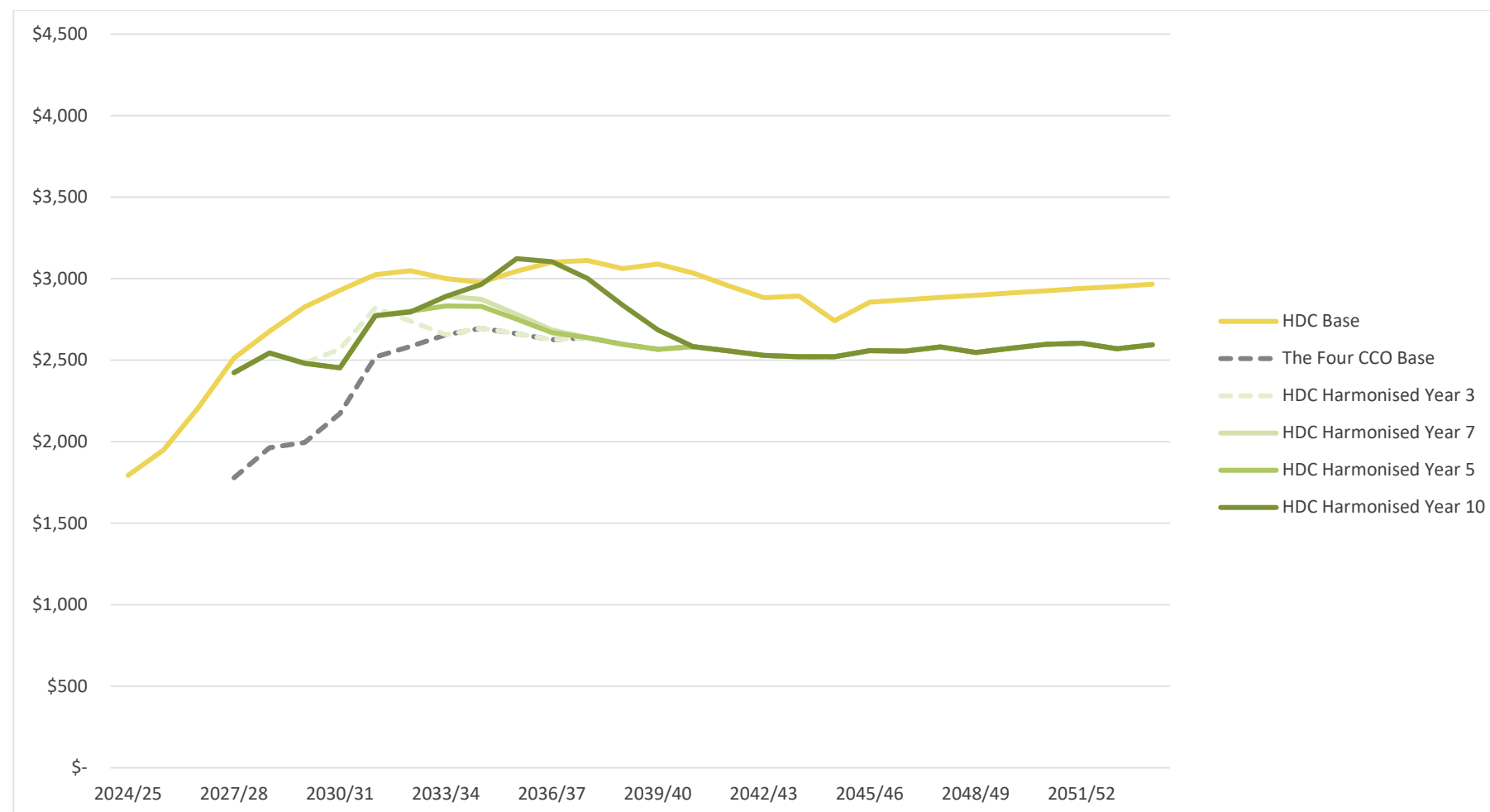
Kāpiti Coast District Council (KCDC)

Figure 3: Kāpiti Coast average household charges – base case compared to three CCO scenarios



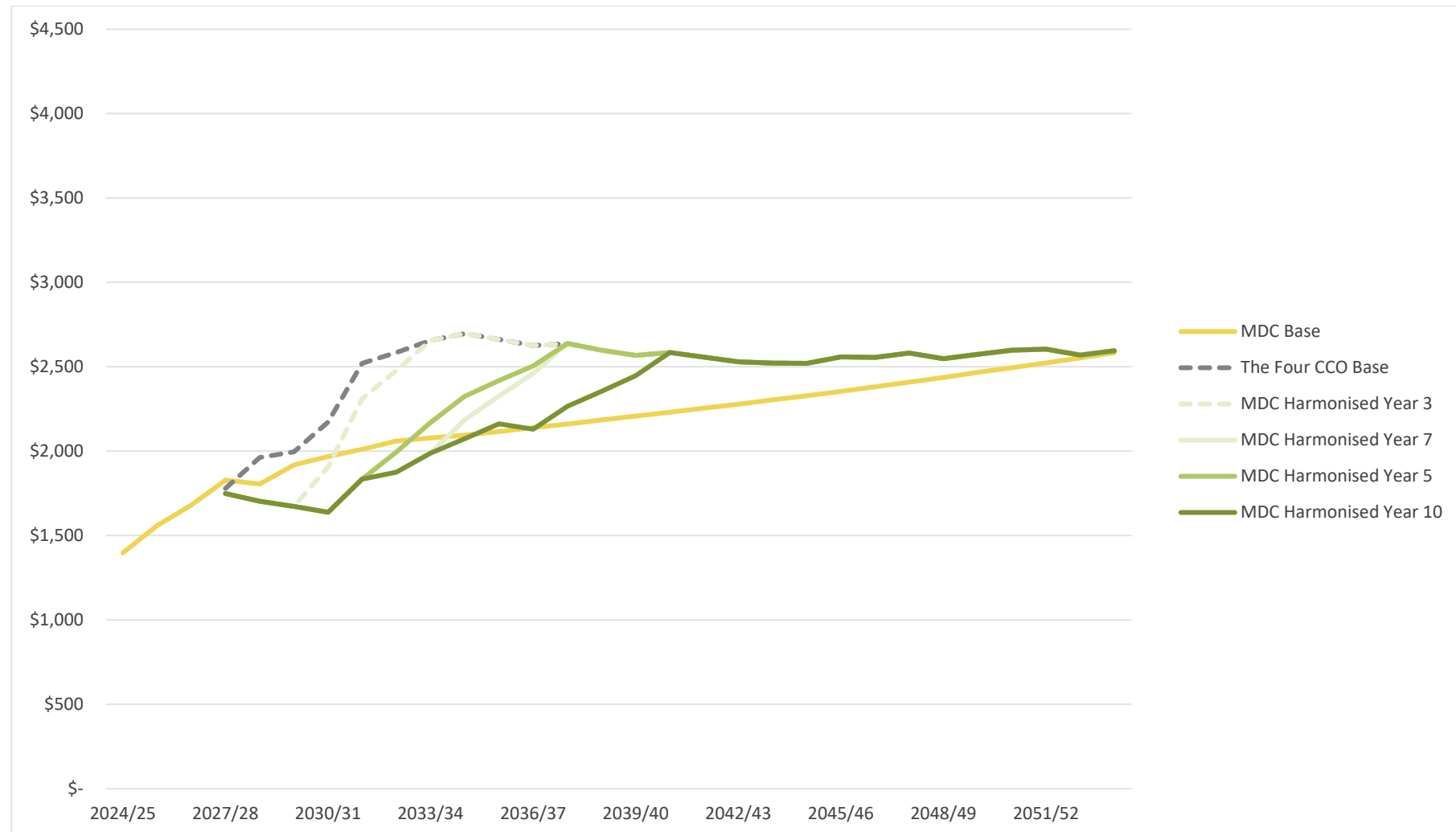
Horowhenua District Council (HDC)

Figure 4: Horowhenua average household charges - base case compared to three CCO scenarios



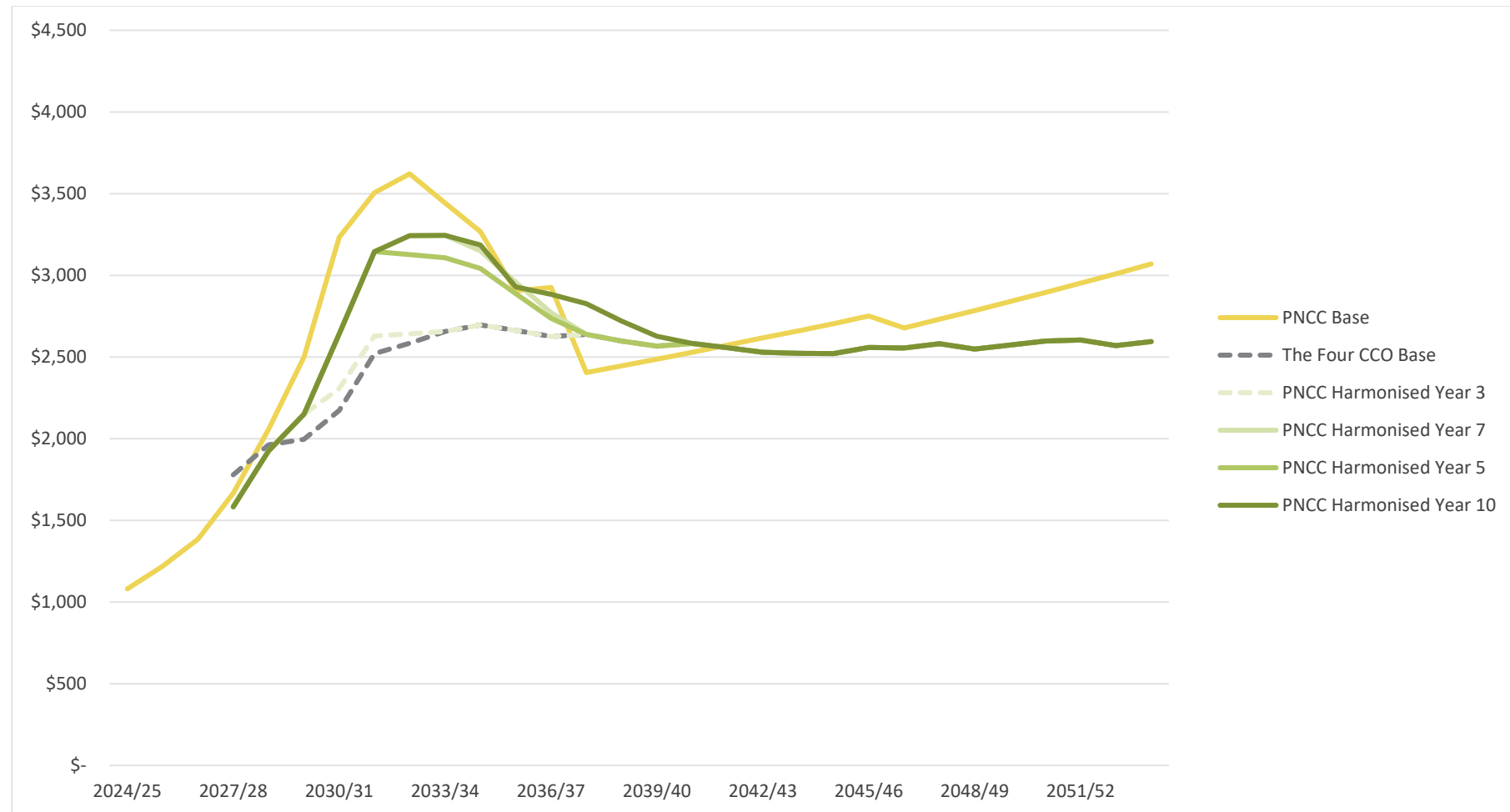
Manawatū District Council (MDC)

Figure 5: Manawatū average household charges - base case compared to three CCO scenarios



Palmerston North City Council (PNCC)

Figure 6: Palmerston North average household charges - base case compared to three CCO scenarios

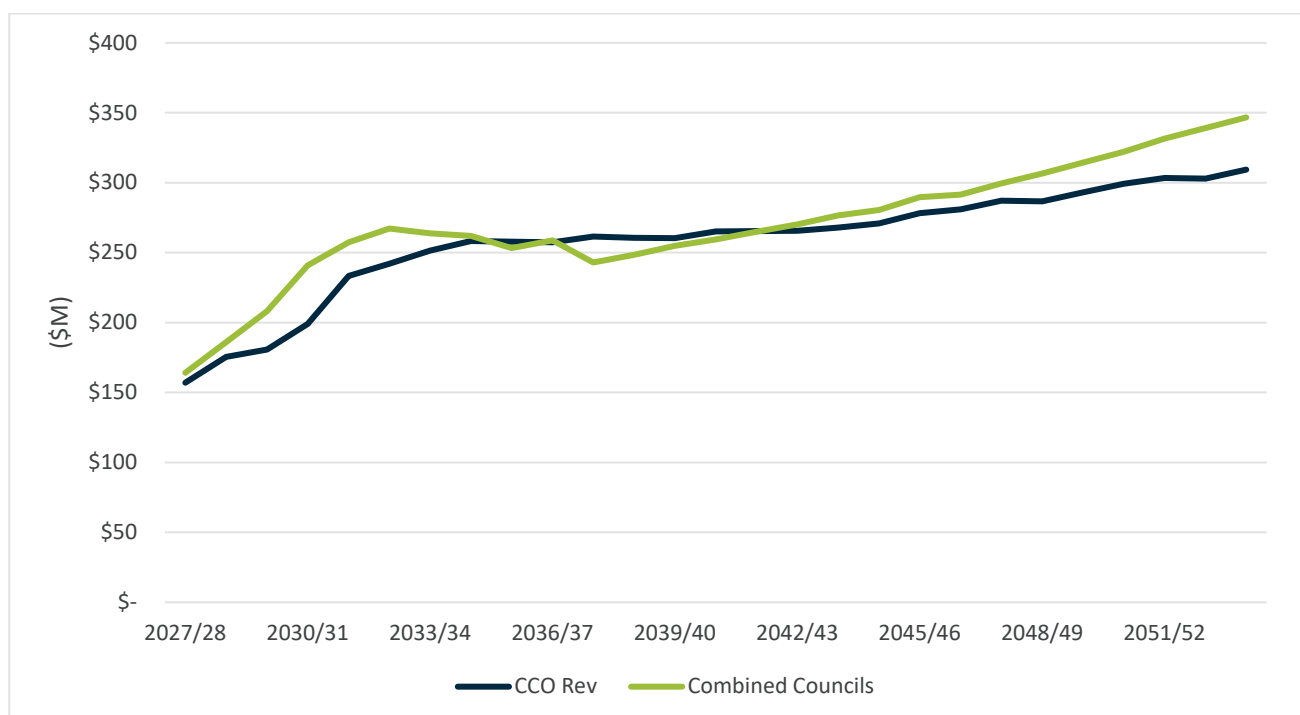


Harmonisation so households pay no more than base case

Another approach is to harmonise the household charges over time and to use the financial benefits created by the CCO to mitigate cost increases so that households do not pay more than they otherwise would under each councils' base case. Again, this adds complexity to the operations of the water CCO but is used to demonstrate that different outcomes can be achieved.

The chart below demonstrates that over time the CCO is expected to be a lower cost model for delivery three waters services than the individual councils combined. Initially there is an impact from financing efficiency that reduces the revenue required to support the combined debt. Operationally the CCO becomes more efficient and is more efficient at delivering capital and over time those efficiencies translate into lower operating costs than the individual councils combined. Over 30 years this is estimated at a total of \$330M. It is this regional financial benefit that is shared across all council areas to the point of harmonisation.

Figure 7: Comparison of annual revenue requirements 'CCO v combined Councils'



Results of smoothing the harmonisation price path

In these charts the council household cost price path for each council under a CCO scenario, until the point of harmonisation, is no more than that council base case. This example, which is simply one way in which this could be achieved, demonstrates that it is possible for a regional water CCO to deliver three waters services in a way that means no council customers pay more than they otherwise would.

Scenarios based on a 20 and 30 year path to a regional price have been shown.

Figure 8: Smoothed price path over 20 year v base case

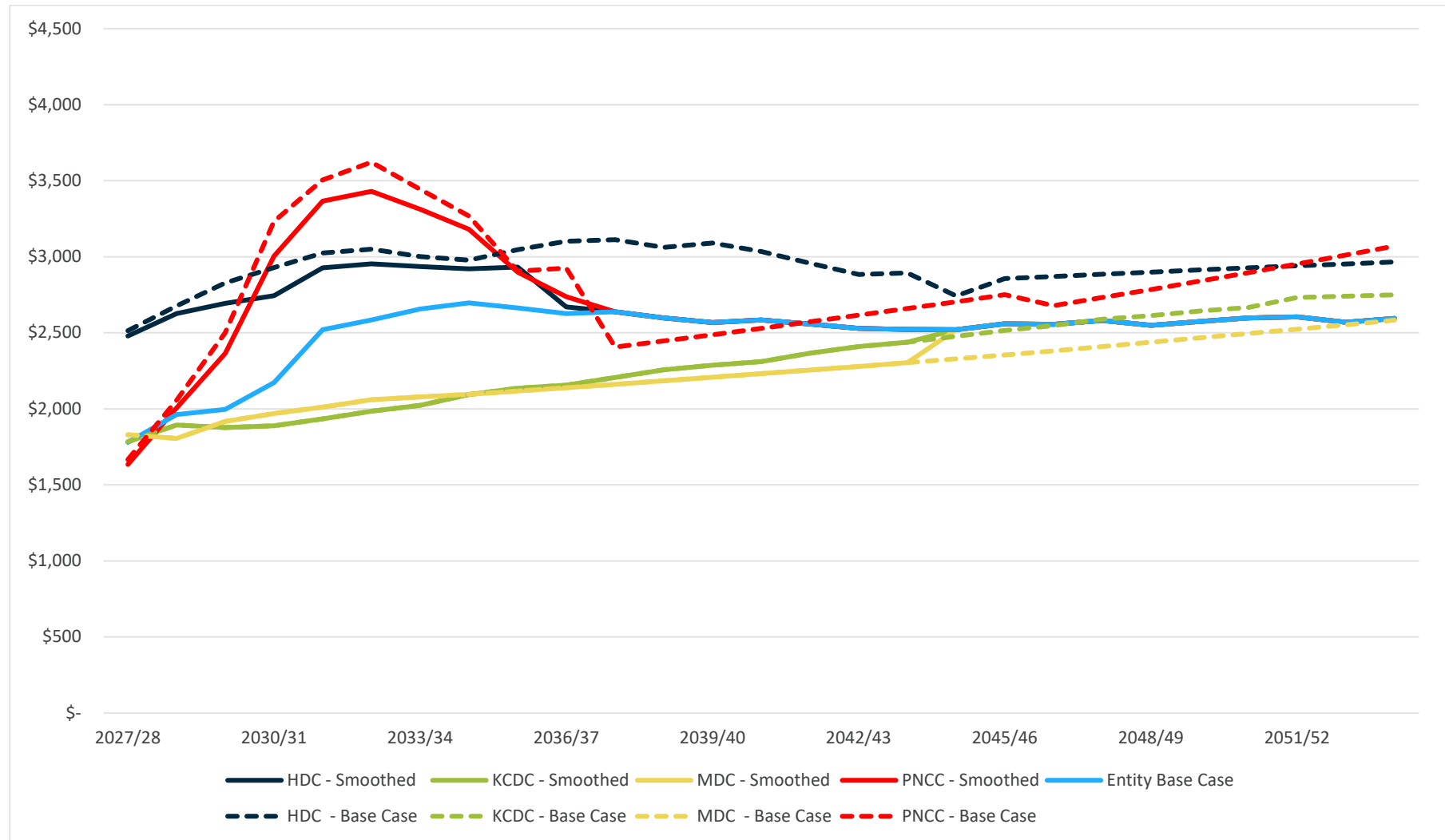


Figure 9: Smooth price path over 20 years

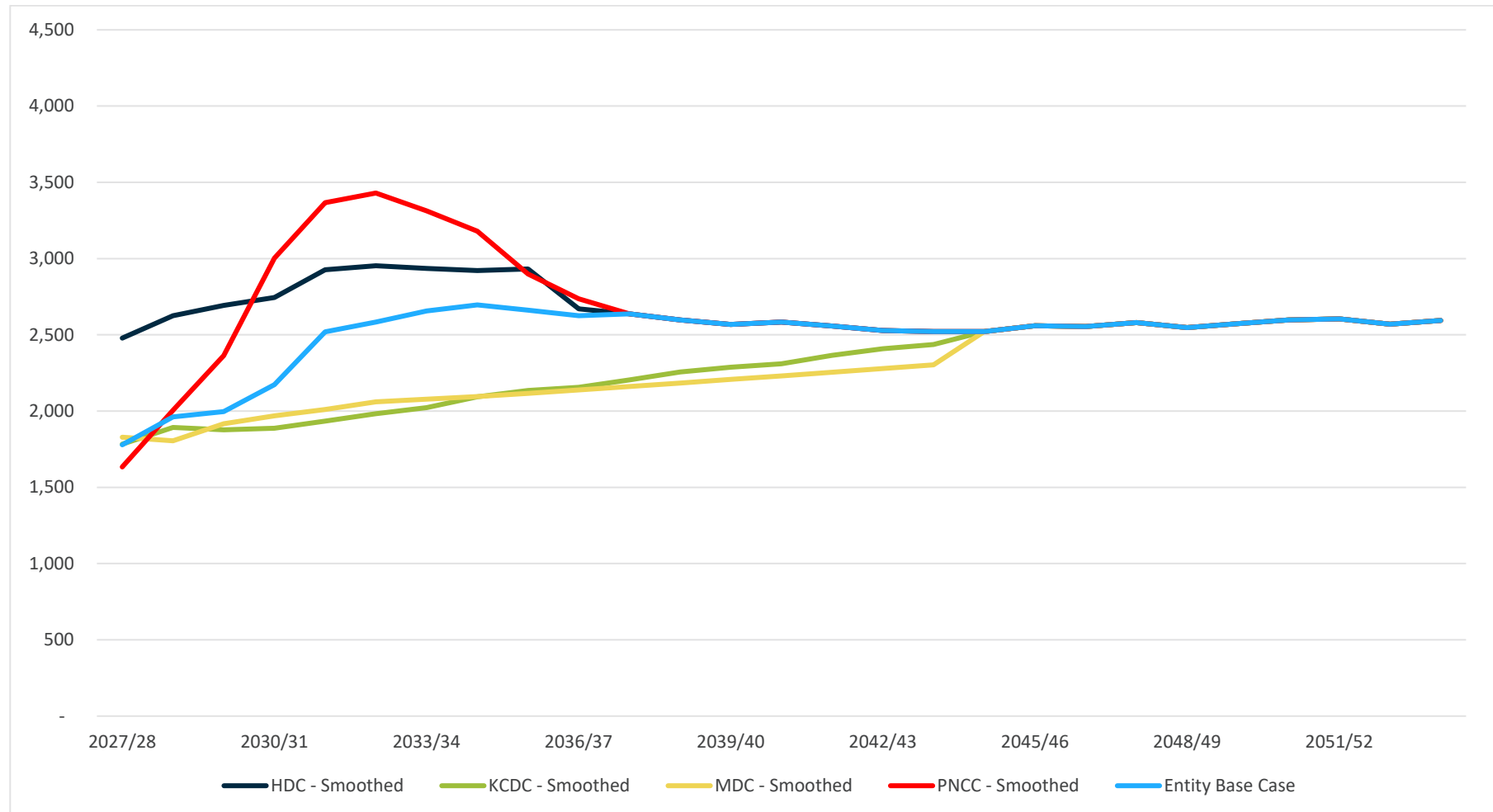


Figure 10: Smoothed price path over 30 year v base case

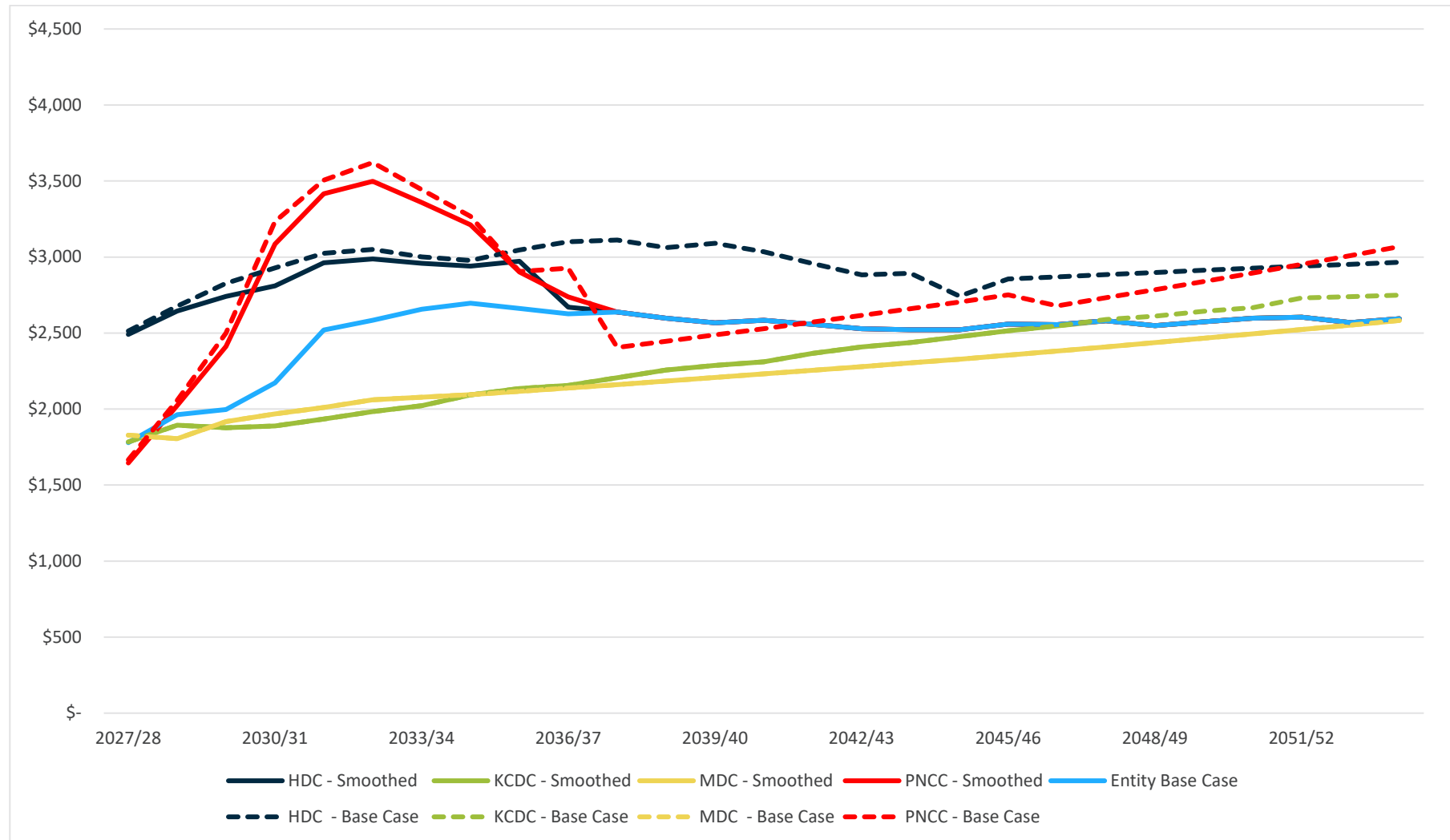
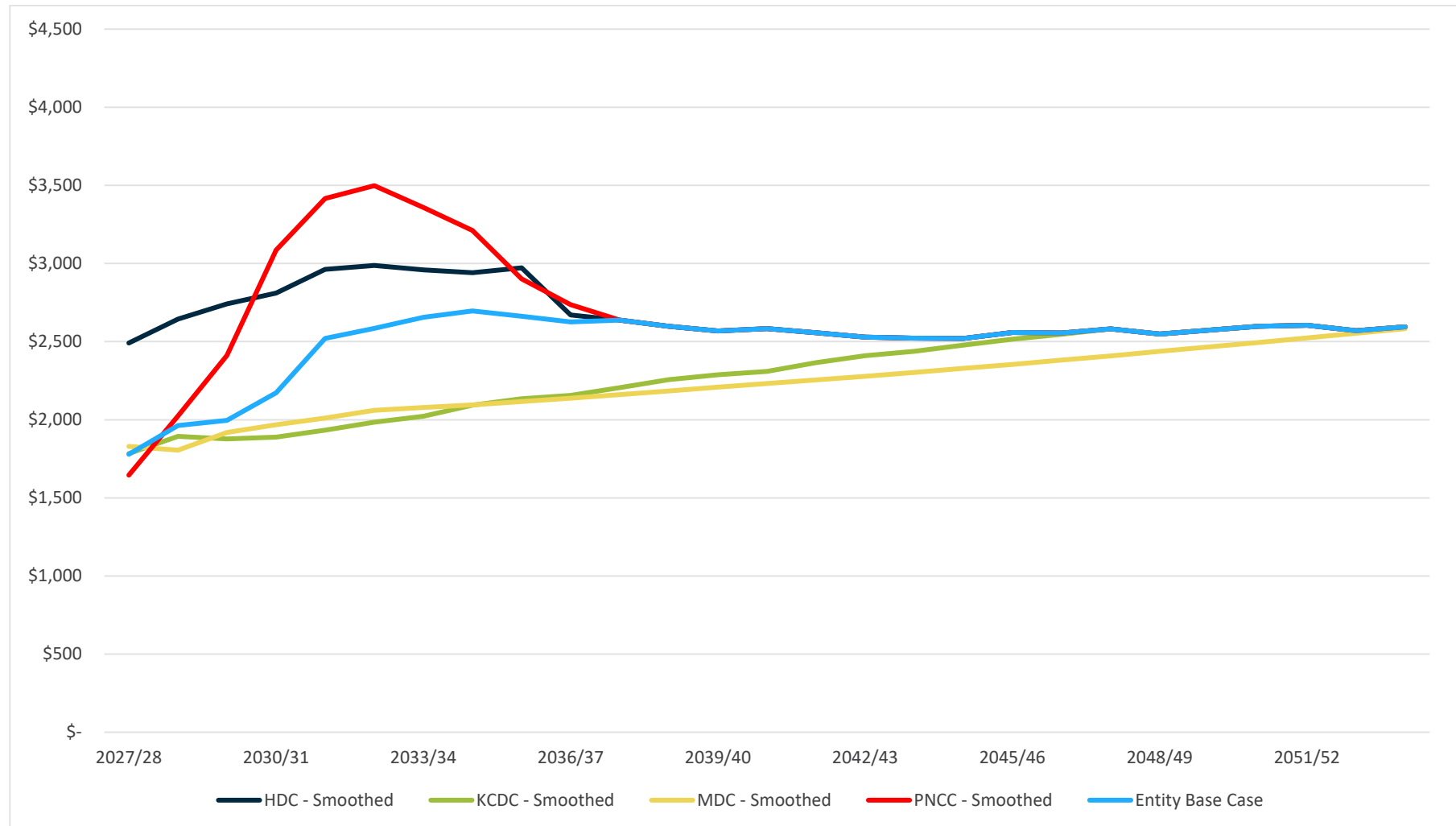


Figure 11: Smoothed price path over 30 year

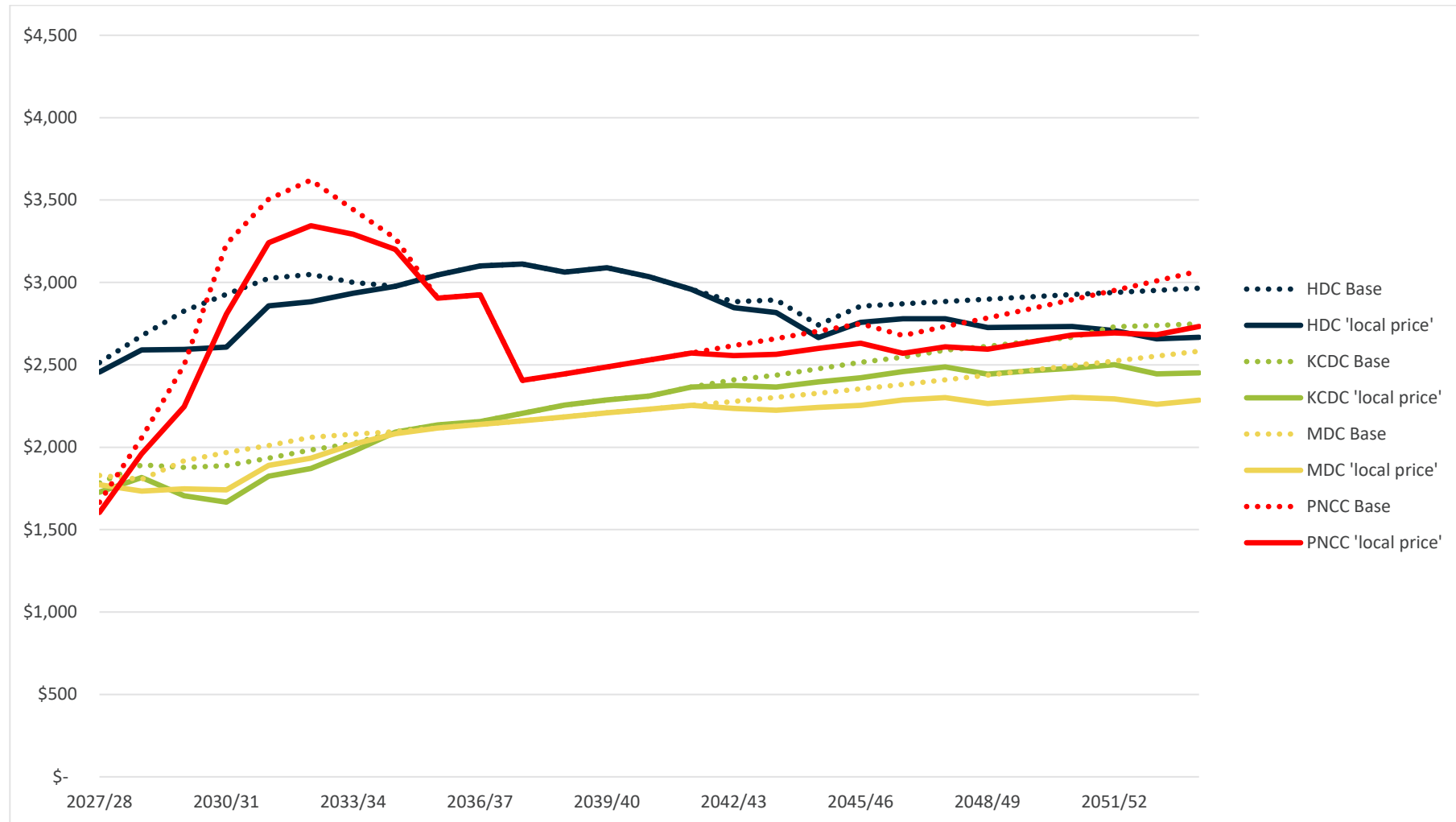


Three waters charges are never harmonised

This scenario assumes household cost are never harmonised. Like the previous scenario this chart demonstrates that over time the CCO is expected to be a lower cost model for delivery three waters services than the individual councils combined, and this regional financial benefit is shared across all council areas to achieve a lower household cost for all councils.

This scenario would add complexity to the operations of the CCO and there is significant uncertainty over whether a Water CCO could and would operate with such an approach to pricing over the long term but it does demonstrate that lower household costs for three waters can be achieved for all households. In year 10 household costs are projected to be lower in all council areas by between 2 and 4% and by year 30 that increases. Three waters household costs are lower in all council areas by between 10 – 12%.

Figure 12: Base Case v no harmonisation in perpetuity

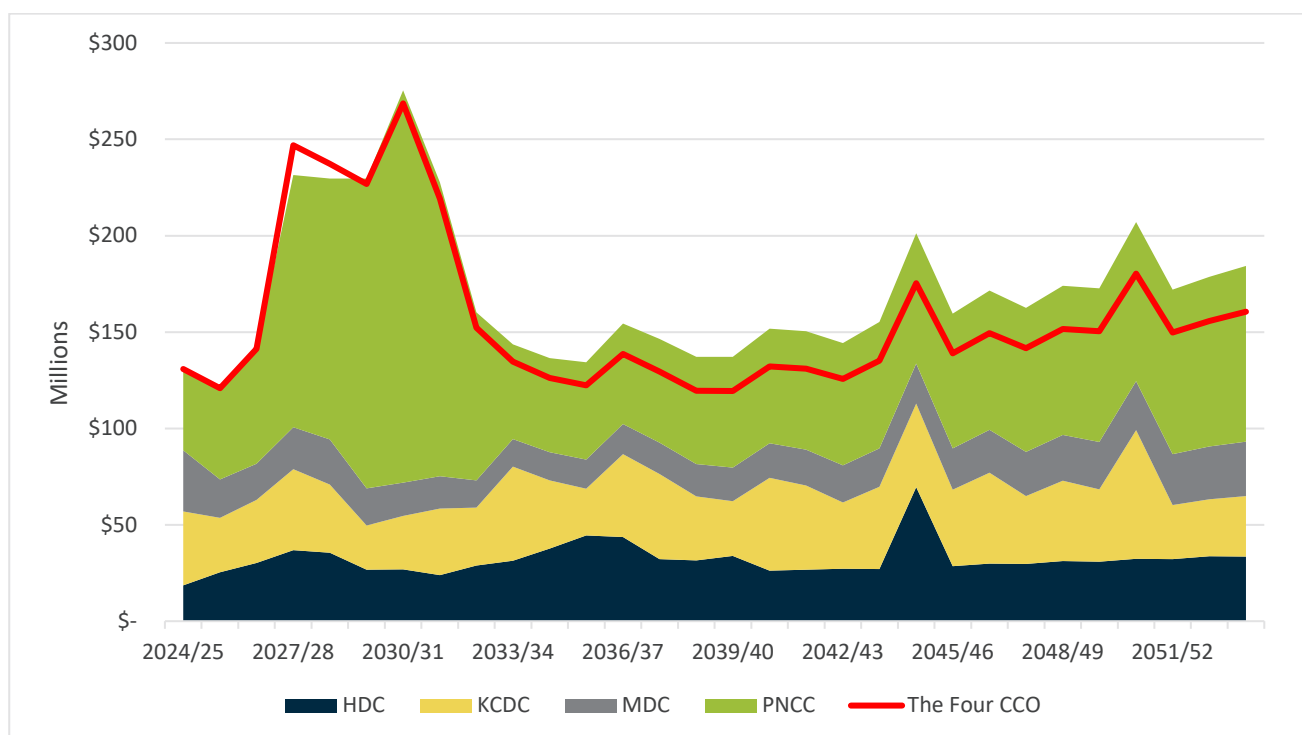


Capital expenditure

The chart below shows each councils' capital expenditure under the base case compared to the CCO. In the short term the capital expenditure is higher as a result of initial establishment costs but over time the capital efficiencies reduce the value of the programme.

The large peak of investment in the initial ten years is largely driven by the PNCC Nature Calls project.

Figure 13: Total Capex - CCO versus councils' base cases



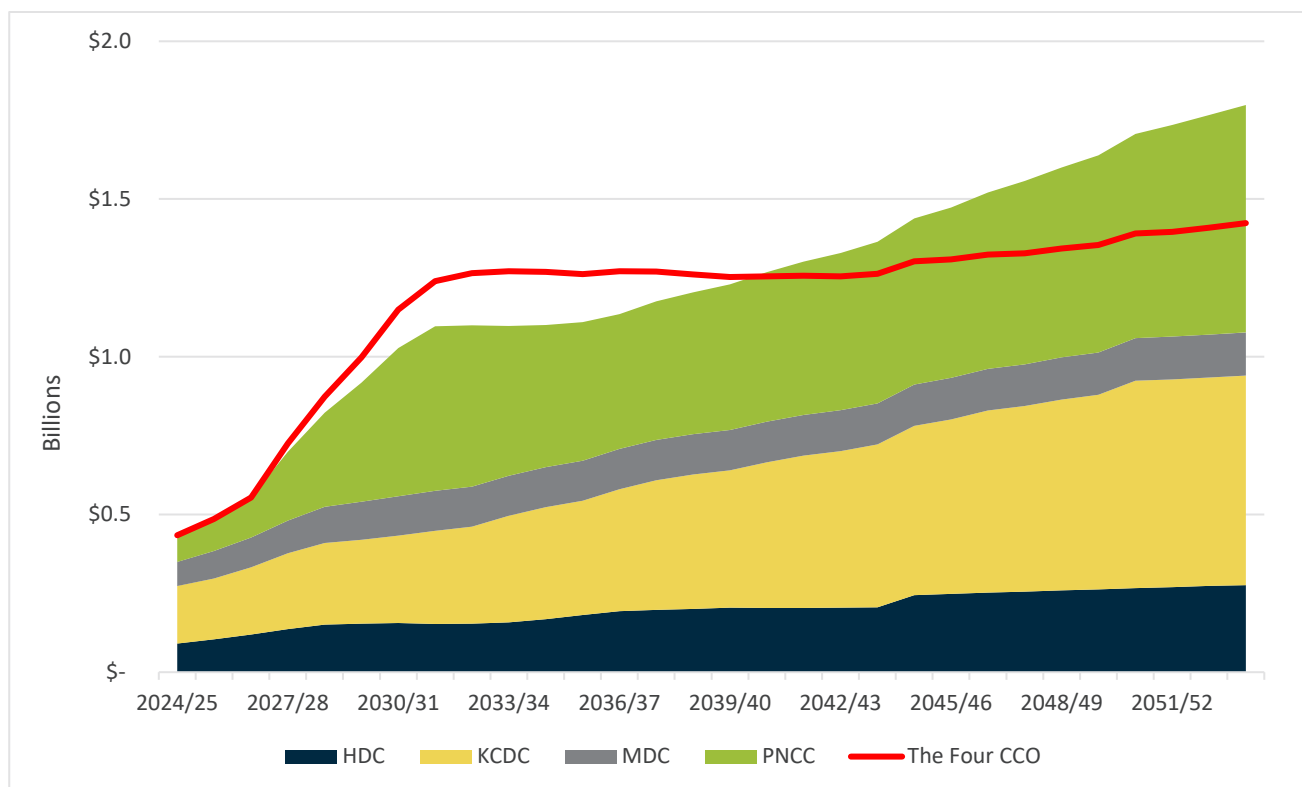
The charts shows some large peaks of expenditure for a number of councils over this period. These represent significant renewal, replacement and/or upgrade projects:

- Horowhenua District Council – Growth related upgrades to the Levin Wastewater Treatment Plant and renewals for the Shannon, Foxton and Waitare Beach Wastewater Treatment Plants in 2044/2045.
- Kāpiti District Council – A new water storage dam in 2050 through 2052.
- Palmerston North City Council – The 'Nature Calls' project to upgrade the Palmerston North City wastewater treatment system.
- Manawatu District Council – has recently undertaken major upgrade projects so no further peaks show over this period.

Debt

The chart below shows each councils' debt under the base case compared to the CCO. In the short term the debt is higher as a result of initial establishment costs and the CCO being more highly leveraged but over time the debt under the CCO is lower as a result of both capital efficiencies and lower borrowing costs.

Figure 14: Total debt - CCO versus councils' base cases



Debt is assumed to be used to fund capital projects not otherwise funded by depreciation or development contributions as well as CCO establishment costs.

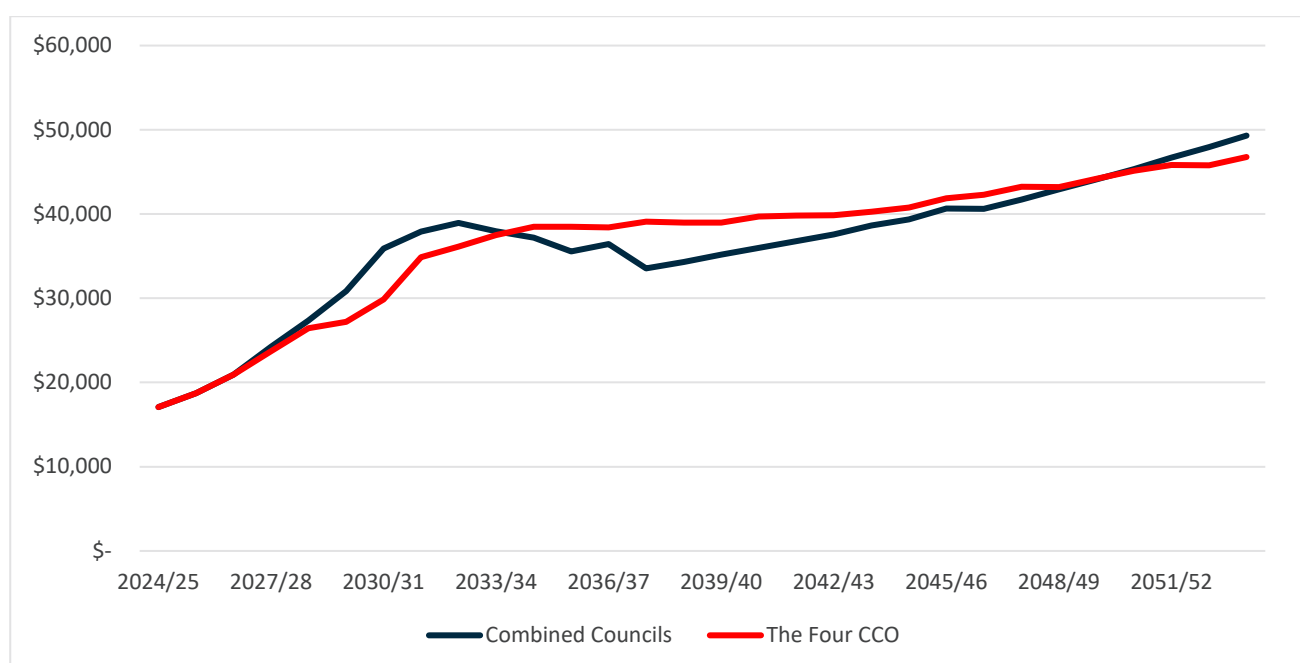
All models are based on fully funding the depreciation charge and a break even accounting surplus. Cash flow from operations (effectively depreciation) is applied first to capital expenditure requirements and secondly to debt repayment. No specific rate is levied for debt repayment. If operating cash flows are insufficient to fund capital expenditure, borrowings are increased. Debt is managed against debt to revenue or FFO ratios as relevant.

Impact on commercial customers

Morrison Low's approach focussed on the impact of residential consumers, expressing the impact through an average household cost. While commercial revenue only accounts for approximately 15% of the total revenue of the CCO, it is still important to show the likely impact on commercial users.

Commercial customers can vary significantly in size and scale and the associated cost for three waters varies accordingly. As a result we cannot simply express an average commercial charge, instead the chart below shows the impact on commercial customers by reference to the change in total revenue requirement from commercial customers over the 30 year period. This is then expressed as a likely change in % of commercial charges at the key years of year 10 and year 30. Implied in this is that the relative proportion of income from commercial customers remains similar, although any decisions like this would be made by the CCO.

Figure 15: Movement in commercial users revenue (\$000)



Likely movement in commercial charges	% Movement	
	Yr1 to Yr10	Yr1 to Yr30
Combined councils	122%	189%
The Four CCO	120%	174%

Appendix One – Sensitivity testing

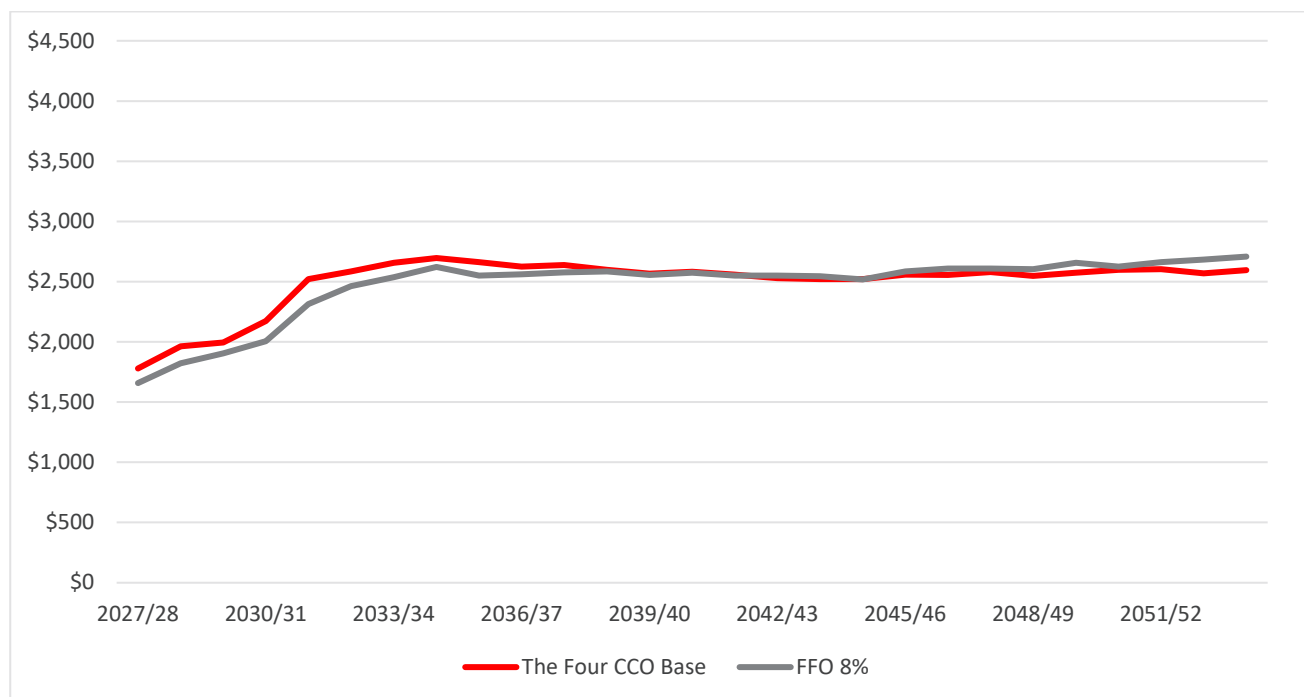
A number of scenarios have been modelled for the four council CCO to test the sensitivity to various assumptions used. These are:

- FFO to debt ratio² at 8 %
- Interest rate changes
- Capital investment
- Efficiencies

FFO to debt ratio at 8 %

Our base case modelling uses a conservative FFO ratio of 10%. This scenario tests the impact of using a more aggressive FFO ratio of 8% (still within the guidance as to what would be available to a combined council water CCO) on household costs.

Figure 16: Impact of changing FFO percentage on CCO base case

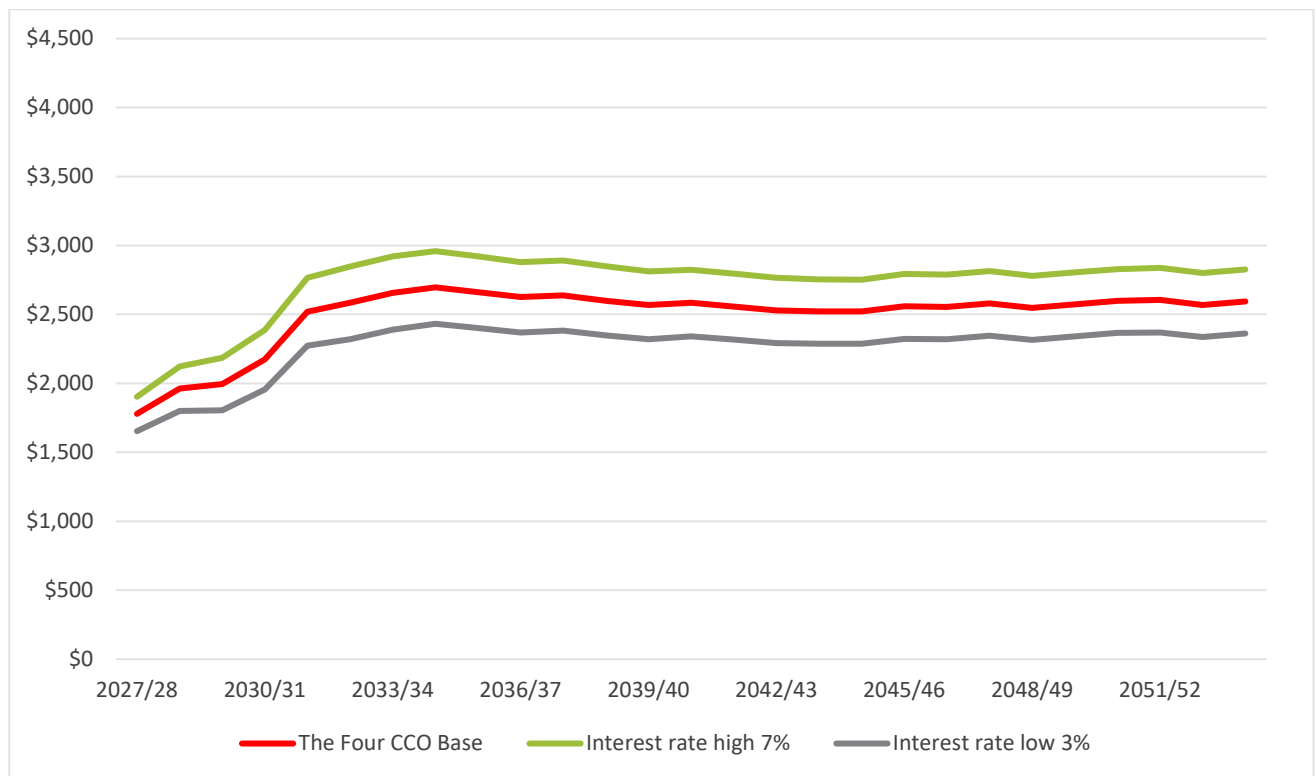


² 'Funds from Operations to debt' is the covenant that LGFA has indicated will apply to jointly owned council water CCOs rather than debt to revenue which has commonly been applied to all of council debt

Interest rate changes

Our base case modelling uses a long-term interest rate of 5%. Two scenarios have been modelled to test the sensitivity of higher (7%) or lower (3%) interest rates on household costs.

Figure 17: Impact of changing interest rates on CCO base case



Capital investment

Overall changes in size and scale of capital programme

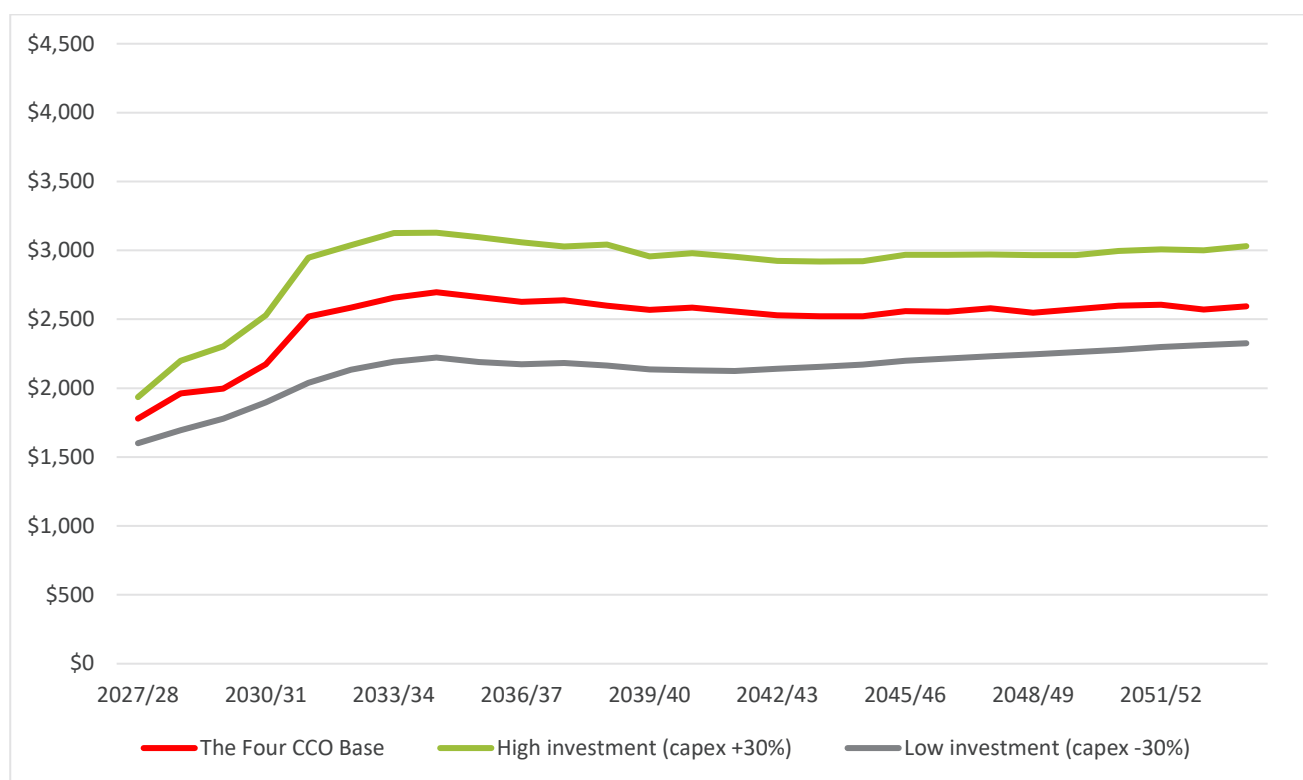
Our base case modelling uses the best available data for the council capital programmes. LTP's and Infrastructure Strategies are the base with each Council given opportunity to update and adjust to reflect changes or additional investment not factored in at the time.

Two scenarios have been modelled to test the sensitivity of higher (+30%) or lower (-30%) capital programmes.

These results show the significant impact that the capital investment programmes have on household costs.

The +30% scenario sees household costs increase by an average of 15% over the base case in the first ten years of the CCO and the -30% investment sees household costs being on average 15% less over the first ten years.

Figure 18: Impact of changing investment on CCO base case

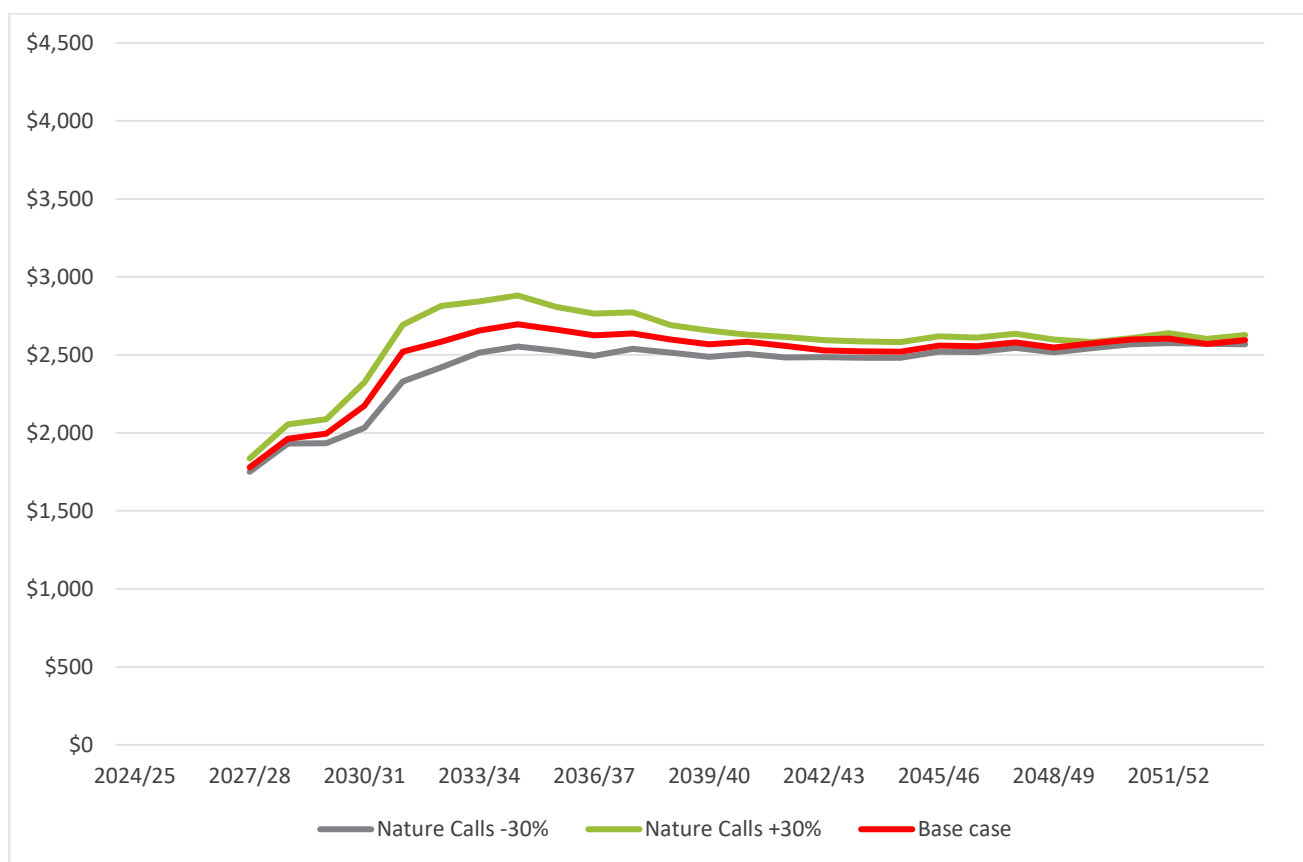


Change in size and scale of specific project

The Nature Calls project is significant. Its scale dwarfs any other projects in the individual or combined capital programmes. Two scenarios have been modelled to test the sensitivity of this one project being more expensive (+30%) or less expensive (-30%) than expected.

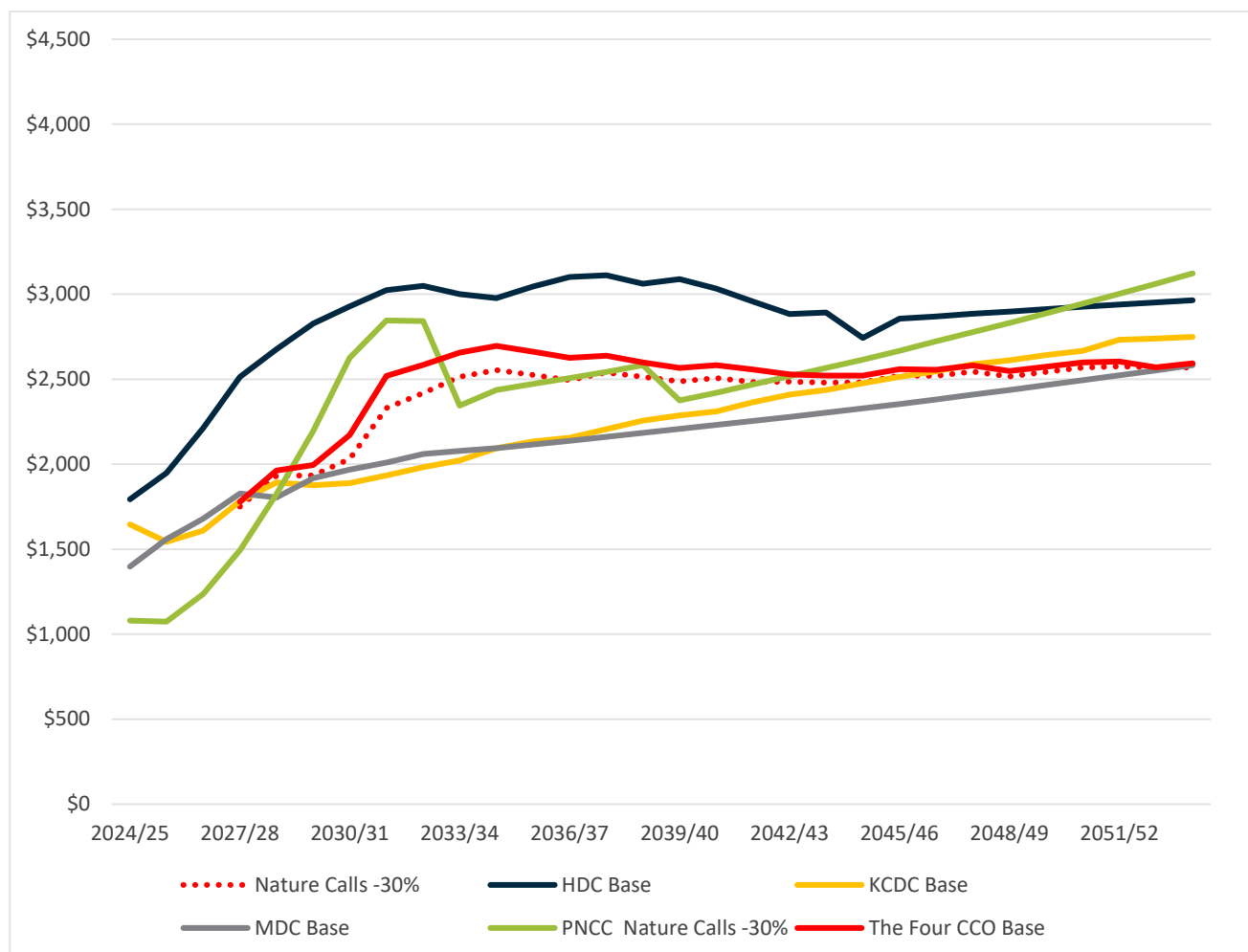
The results show how significant this single project is. The -30% scenario sees household costs reduce by an average of 5% over the first 10 years of the CCO and +30% sees costs increase by an average of 6% over the first 10 years.

Figure 19: Impact of changes in costs of Nature Calls



The -30% nature calls scenario has been compared with the councils' base cases in the Chart below including the impact on the PNCC base case of that scenario. This demonstrates the scale of the impact on PNCC as well as on the CCO.

Figure 20: Impact of Nature calls at -30% including changes in PNCC base case

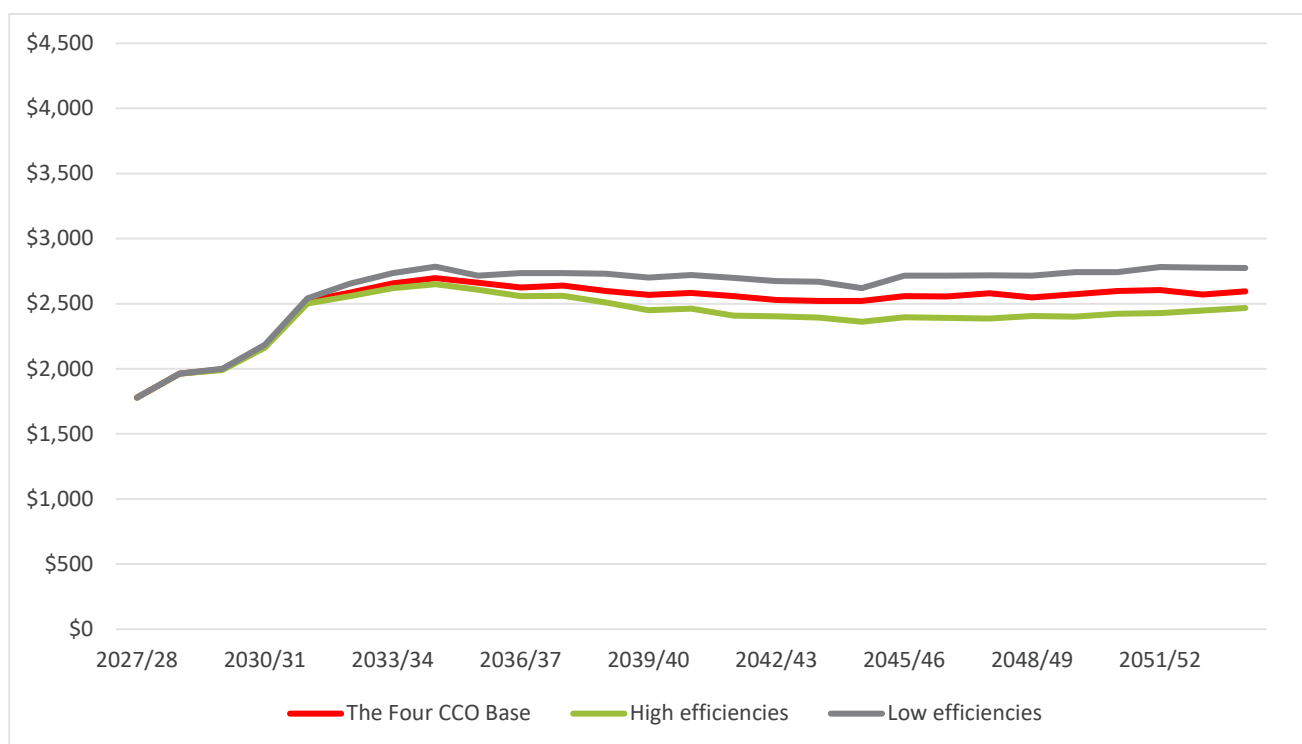


Efficiencies

Our base case modelling assumes that efficiency can be generated from the creation of four council CCO. 14% capital and 13% operational are assumed to be achieved, introduced progressively from year 3.

Two scenarios have been modelled to test the impact of achieving greater (150%) or lesser (50%) efficiencies on household costs.

Figure 21: Impact of cost efficiencies on CCO base case



Appendix Two – Modelling assumptions

Assumptions applied to ‘Base Case’ scenarios

In order to enable a like for like comparison between regional delivery options and the existing delivery model, we have made adjustments to financial and capital investment programmes provided by each council as the ‘status quo’. These adjustments ensure that differences between regional delivery models are not purely the result of a different approach to managing revenue, debt and expenditure, or differences to underlying assumptions across the individual models.

It is also important to note that this also means that the comparator scenarios presented in our modelling may not mirror an individual councils’ current long term plan projections and some changes in household costs may be solely the result of the changes we have made to standardise the models.

We have endeavoured to ensure that our approach aligns with the requirements of a water services delivery plan. This means that some councils may wish to use the comparator case from this modelling as a starting point for a water services delivery plan (WSDP) for in-house delivery. This is however a “best endeavours” approach, and councils may further refine capital programmes before preparing their WSDP.

Where councils are undertaking detailed asset and investment planning work this should then be used to inform their WSDP.

To assist councils in understanding the alignment of our comparator case with their own WSDP or LTP work, we have outlined the key adjustments and changes we have made below.

Operating expenditure

Our modelling of the comparator case scenarios for operating expenditure predominantly relies on each council’s own operating budgets, as provided through our information request. Adjustments have been made to:

- Reverse the impact of any internal transfers or overhead activities that occur between water, wastewater and stormwater activities. We have retained overhead allocations from other council activities to/from each of the waters activities.
- Recalculate interest costs based on any amendments made to the capital works programme (refer below) and any additional revenue generated in order to stay within borrowing limits.
- Recalculate interest rates using a common interest rate across all councils. The rate used will be the weighted average interest rate across the councils currently. We have applied an interest rate of 5% in our modelling. Interest is calculated off the previous year’s closing balance, meaning the effective interest rate is slightly lower than this when current year movements are considered.
- Recalculate depreciation based on any amendments made to the capital works programme. The depreciation rate applied to the recalculation is based on each council’s average depreciation rate. Depreciation rates are set at 1.48% for water supply, 1.62% for wastewater, and 1.32% for stormwater.
- Assets are revalued at 2% per annum and depreciation recalculated based off revalued asset base (including additions).
- Inflation is modelled at 2% per annum for years 11 – 30.

Capital expenditure

Our modelling of the base case scenarios for capital expenditure focuses on ensuring that each council's comparator case is able to meet the requirements of a water services delivery plan, being:

- The requirement to meet all relevant regulatory quality standards for its water services.
- The requirement to meet all drinking water quality standards.
- Supports the territorial authority's housing growth and urban development, as specified in the territorial authority's long-term plan.
- The need to demonstrate financial sustainability through:
 - generating sufficient revenue to ensure long term investment in delivering water services.
 - being financially able to meet all regulatory standards and requirements for the delivery of water services.

All Councils have reviewed the capital programmes and made adjustments from the initial LTP and Infrastructure Strategy programmes.

Renewals

Water Services Delivery Plan templates indicate some of the key measures that DIA expect to be reported in relation to these tests, and therefore what may be expected by the Department. In particular:

- The need to report on combined capital expenditure versus depreciation, indicating a desire from the Department for capex to exceed depreciation. We don't anticipate this being an issue for any councils over the ten year period.
- The need to report on an "asset sustainability index" which compares renewals expenditure with depreciation, and notably, where renewals expenditure is not equal to depreciation, why that approach is appropriate.
- The need to report on an asset consumption ratio, and note why that ratio may deteriorate over time (if it does). This is unlikely to be a problem for councils that are spending more than their depreciation on capital investment each year. This ratio again is intended to ensure their adequacy of a renewals programme.

All Councils have reviewed the renewal programmes and confirmed them as appropriate.

No other changes have been made to renewals programmes in our base case other than changes applied through sensitivity testing.

Upgrades

Councils are also required to demonstrate and assert that their WSDPs contain sufficient investment to meet regulatory requirements and respond to growth.

For all Councils our approach to reviewing this and making revisions to the status quo was to check with each council that:

- Investment is provided for any drinking water treatment plants that are not currently compliant with Drinking water standards. We did not identify any significant missing expenditure through this process.

- Investment is provided for any wastewater treatment plants that have consents expiring during the period. We did not identify any significant missing expenditure through this process.
- Any upgrade projects that have been deferred beyond the 10 year LTP period. Where these are identified, we will confirm whether these should be moved back into the 10 year planning period.
- In the case of KCDC additional upgrades were identified through a capex workshop that also identified additional opex that was added into the modelling.

Growth

For all Councils:

- We sought confirmation that the growth investment proposed in the LTP responds to the WSDP requirements, and for any significant projects to be identified if they are not already identified in AMPs/LTPs.
- We have not included any sensitivity testing on increased/decreased growth rates, however our model does allow for this to be completed if needed. In our model, sensitivity testing of growth assumes planned capex scales proportionally to the change in the number of new properties being connected.
- Scaling is applied to original growth capital expenditure forecasts at the same rate as the uplift or decrease in connections on an annual basis. The cumulative impact of this is that if sensitivity testing results in 20% more properties over 10 years, the total capital expenditure will have been increased by 10%.
- It is recognised that growth projects do not neatly scale in real life. The scaling recognises that there is likely to be some uplift, or advancement of timing, and that, at the least, increased or decreased rates of growth impact the capacity life of infrastructure.

Revenue

Water Services Delivery Plan templates indicate some of the key measures that DIA expect to be reported in relation to these tests, and therefore what may be expected by the Department. In particular:

- A chart demonstrating projected revenue versus projected costs including depreciation, and net operating surplus or loss. We anticipate that DIA are expecting revenue to at least equal total expenditure including depreciation based on the examples provided.
- An operating surplus ratio. DIA guidance notes that “Where this ratio percentage is negative, this represents the percentage increase required for revenues to cover costs”. Costs in this ratio include depreciation.

Based on these questions, and additional commentary within the WSDP templates, we intend to model status quo arrangements to be fully funding depreciation from the 2028 financial year onwards. Councils that are not currently fully funding depreciation will be modelled to move to a fully funded scenario evenly over the remaining years.

In addition, from 2028 and beyond:

- Revenue has been modelled to “break even” before accounting for development contributions, vested assets and grants and subsidies.

- Additional revenue has been calculated to ensure that the council remains in borrowing limits. This revenue line is recovered through water/wastewater/stormwater charges and is calculated to be no more than the amount needed to remain within agreed debt caps.
- The additional debt repayment/control revenue is modelled to ensure that debt caps are not breached over the life of the modelling period, however the additional revenue is modelled over the entire modelling period, meaning revenue is collected in anticipation of debt otherwise exceeding limits. This will impact price paths, where councils may have otherwise deferred increases in revenue to a later year than our modelling. Our modelling smooths the impact of this increase.
- Development contribution revenue has been modelled to scale proportionally with changes in growth capital expenditure. Scaling is completed annually.

Debt and borrowing costs

Revisions to capital works programmes, revenue, and expenditure all impact the amount of debt required by councils to fund their three waters activity. Our modelling recalculates three waters debt under the base case scenarios to ensure comparability with regional delivery models.

To calculate debt, we have:

- Assumed each councils' starting debt position is correct.
- Identified the cash surplus available from operations, development contribution receipts, and capital and operating subsidies.
- Subtracted the cost of capital works from the cash surplus.
- Identified ongoing working capital requirements and any shortfalls in cash balances to meet those requirements.
- Where this value is negative, we have increased borrowings to fund the difference.
- Where this value is positive, we have modelled a debt repayment.

We have not assumed any "regular" debt repayments under a table loan facility. Council's typically borrow through bond issues that are repaid on maturity date. Our modelling effectively assumes that these bonds are renewed if needed. Our modelling also assumes that in any given year there will be sufficient bonds expiring that council will have the opportunity to repay debt if it holds surplus cash.

Assumptions applied to base data

We've also made the following minor additional assumptions to base data provided by Councils. These adjustments impact projections in the "status quo" modelling.

- The percentage of water, wastewater and stormwater revenue received from residential customers is assumed to be consistent with the percentage split across these activities as provided to WICS in their RFI of 2021.
- Where specific projections of the number of connections has not been provided, we've assumed connection growth continues at the rate of growth in rateable units.
- We've assumed the proportion of residential to non-residential customers is consistent with WICS RFI where detailed breakdown of these projections has not been provided.
- In all models, we have assumed that council revenue and debt relating to non-three waters activities is unchanged under all investment scenarios. That is, even where three waters investment, charges,

or debt increase, we have assumed that there is no consequential or offsetting reduction in the corresponding expenditure/charge for non-three waters activities.

- In 30 years modelling, we have relied on capital programmes from infrastructure strategies or long term capital works plans provided to us by participating councils as the initial base. Each Council has reviewed and adjusted those based on changes since those estimates were made or confirmed them as still valid. In the case of HDC the 30 year projections showed a considerable drop off in investment beyond year 10. Years 11 – 20 contain a total investment of 20% less than the first 10, and years 21 -30 represented a further 30% drop. To mitigate this we have modelled HDC annual capital investment over years 11 – 30 based on the mid-point between the original projections (low) and the average annual investment over years 1 – 10 (high).
- Corporate costs, as provided, have been retained in the base case. Some of these costs may represent “stranded overhead” in individual councils, however we note that the amount of cost allocated varies greatly across councils, and assessment of the amount of stranded overhead in each council would not be possible without a detailed assessment of the cost allocation and apportionment approaches used by each council.

Harmonisation over time

Under the scenarios where harmonisation occurs over time the following approach has been used

- **Period where household charges are not harmonised:** Costs are initially apportioned to each council area in proportion to their share of the total revenue on Day 1 of the CCO, that amount is then apportioned across the number of connections in that Council area.
- **Period where all household charges are harmonised:** Costs are apportioned based on the number of connections across the entire region.
- **Transitional period:** Transition between the two different approaches as shown in the graphic below.

Before Harmonisation	Year 1 of harmonisation	Year 2 of harmonisation	Year 3 of harmonisation	After harmonisation
No charges harmonised	1/3 of charges harmonised	1/3 of charges harmonised	1/3 of charges harmonised	All charges harmonised
	2/3 of charges not harmonised	2/3 of charges harmonised	2/3 of charges harmonised	
	2/3 of charges not harmonised	1/3 of charges not harmonised	3/3 of charges not harmonised	

CCO assumptions

To create the CCO options we have modelled transitional and organisational costs based on a ground up approach. The full details of costs included in our model are outlined below.

Operating and capital efficiencies

Efficiencies have been modelled using the efficiency data produced by the Water Industry Commission of Scotland (WICS) for the Department of Internal Affairs (DIA) as a base case, noting the following adjustments:

- The total achievable efficiency identified by WICS were scaled back by 75% and this was compared to our bottom-up estimates of potential efficiencies for multiple council CCOs. These two approaches produced similar outcomes. Using that, Morrison Low then developed a population based scale for efficiencies using the logarithmic scale of connections approach of WICS, but not based on their estimated efficiencies. This allows for cost effective and efficient estimates for indicative modelling such as that used in this report³.
 - KCDC, HDC, MDC & PNCC CCO: 14% capital and 13% operating efficiencies.
- We've assumed that these efficiencies are achievable over a 10 year period, commencing two years after the establishment of the entity.
- Efficiencies are assumed to arise from:
 - Ability to employ specialists that are otherwise contracted out at an individual level
 - Limited opportunities to combine networks
 - Spend to save investment due to increased borrowing capacity and improved asset management focus
 - Bundled procurement and panel arrangements. We have examples of where this approach has resulted in significant reduction of costs
 - Decreased competition for resources between councils
 - Increased market attractiveness
 - Reduction of duplicated systems, processes and roles
 - Streamlined investment decision making due to dedicated focus on three waters services
- Efficiencies are less than the rate of inflation. Inflation (2%) is applied to all costs before any efficiencies are applied in the modelling. Efficiencies are applied at a compounding 1.21 capex and 1.28 opex until they reach 14% and 13% respectively.
- Sensitivity testing has been undertaken with 50% and 150% of the expected efficiencies being able to be realised.

Borrowing

The Government and the Local Government Funding Agency (LGFA) jointly announced that water entities would be able to borrow up to a 500% debt to revenue ratio. The fine print of that announcement noted that entities will actually be measured based on an FFO to debt ratio, with the intention that lending covenants would be set at such a level that the entity could maintain an "investor grade" credit rating.

³ These are rounded in the description below

Our modelling adopts the Moody's credit rating approach, with non-financial components being set based on Moody's assessment of water entities in the United Kingdom, and based on their published guidance.

The result of the credit rating approach is that it is likely that the CCOs considered would be able to maintain an investment grade credit rating with an FFO to debt ratio of 10% or higher. Our modelling assumes a 10% minimum threshold and includes additional modelled revenue, where necessary, to support that.

Sensitivity testing has been undertaken using an 8% ratio as well.

Costs of change

Corporate overhead from each council has been replaced with costs for the CCO, and transition costs have been included as set out in the tables that follow:

- Transitional costs to establish the CCO (assumed to be borne by the CCO).
- Increased compliance costs associated with regulatory reforms (recognising the role and requirements to report to both a service and economic regulator) has been applied to base cases and any options modelled.
- Any change is assumed for modelling purposes to take place on 1 July 2026/7.
- Costs have been indexed using BERL inflation rates for water services through 2034, and 2% per annum thereafter.

Transitional costs to establish a CCO

Item	Value (\$000)	Rationale
Transition team	\$ 2,325	Develop initial transition plan, implement & resource it. Transition lead, 6 workstream leads (7 x \$150K, plus \$500K of resources). Full time for one year, part time for one year.
New entity set up	\$ 785	Established and resourced. Set up shell CCO with CEO, Tier 2 and Board appointed six months ahead of operations (CEO remuneration based on Tier 2 of Wellington Water, Directors at 70% of that x 6 months), plus Board (5 Dir, Ave of WWL and Watercare \$40K pa, Chair gets double x 6 months).
Business process	\$ 500	Transformation costs for merging staff from several organisations together and designing a new operating model with associated structure.
Comms and engagement	\$ 500	Additional engagement with stakeholders throughout process.
Rebrand	\$ 200	New logo and brand creation in different formats.
Restructuring costs	\$ 650	Assume existing three waters staff and support roles to be similar enough to transfer to new organisation, allow for some restructuring costs as some staff may choose not to transfer. 10% of existing staff at avg \$100K at 6 months.
Finance & funding	\$ 500	Establish new entity financial structure, balance sheet, debt arrangements, charging and pricing etc.
Legal & compliance	\$ 500	Transfer of all titles, duties, rights & obligations.
ICT systems, process & data migration	\$ 7,000	Consolidation of the multiple systems will be required. CCOs will be required or will choose to purchase their own corporate (GL, billing, payroll etc), asset management, CRM and customer service. Process redesign and data migration. Estimate uses the average of two NZ Council ERP implementation processes - differences in scale, complexity of system but offset by complexity in multiple councils. 50% of costs incurred in set up, rest in year 1.
Office set up	\$ 1,230	Floor area based on 15m ² per staff member x state service guide fitout allowance of \$600 per m ² .
Total	\$ 14,190	

Additional ongoing CCO Costs

Item	Value (\$000)	Rationale
Governance	\$ 180	Five Directors including Chair. Director fees based on avg of WWL and Watercare \$40K pa, Chair gets double.
Stakeholder governance	\$ 300	Costs of supporting shareholder Councils & Māori to develop and implement accountability framework.
Executive team costs	\$ 1,350	CEO & Four Directors – CEO remuneration based on Tier 2 of Wellington Water, Directors at 70% of that.
IT infrastructure & systems	\$ 7,773	Uses Watercare IT budget as the basis and scaled based on population served.
Auditor costs	\$ 200	Additional costs for audit.
Council rates	\$ 1,521	The cost of paying rates to councils for water assets located on council land.
Additional resources	\$ 1,536	Additional staff to create support structure. Includes HR, IT, Finance, health and safety and customer service + operational staff where required. Based on 12% of additional roles created in the organisational structure developed for Hawke's Bay Water CCO x \$100K per additional staff member.
Accommodation - office rent	\$ 645	15m ² per staff member based on reviewing average office rental in Provincial centres (\$250m ²) used. Allowance for all staff to have office space provides for costs of multiple locations.
Office overheads	\$ 65	10% of office Accommodation cost for insurance, electricity etc.
Regulatory compliance	\$ 1,711	Budget of Taumata Arowai (\$19M) doubled to represent economic regulation to represent levies (apportioned by population served) and includes a further allowance for additional internal costs for meeting compliance reporting. [Exists in comparator case as well]
Total costs	\$ 15,281	

Sensitivity to key assumptions

The table below sets out some of the key assumptions contained in our modelling, and highlights the risk of the assumption being incorrect and its likely impact.

Assumption	Risk	Likely impact
Capital investment included within long term plans and infrastructure strategies is sufficient to meet future regulatory standards.	Medium - High All Council programmes have been reviewed and updated. Future standards are unknown.	High High and Low capex scenarios have been modelled as part of sensitivity testing.
Disposal of treated wastewater to land will not be required and that costs savings are available as a result. That small schemes will be able to generate cost savings due to standardised design.	Medium Government information releases strongly indicate that requirement to dispose of treated wastewater to land will be relaxed. Costs savings of some scale should be available.	Moderate Any changes would be consistent across all scenarios. High and Low capex scenarios have been modelled as part of sensitivity testing.
Depreciation rates used in modelling are accurate and reflective of true economic depreciation.	Low Depreciation rates are based on weighted average rates across the combined regions, reducing the impact of any one council having rates that are too high or low.	Minor Any changes to depreciation rates would be consistent across all scenarios and would be reflected in changing debt profiles and funding requirements.
Interest rates used in modelling are accurate and reflective of likely future borrowing costs.	Moderate Interest rates are difficult to predict and are based on a range of external economic circumstances.	Minor High and Low interest rate scenarios have been modelled as part of sensitivity testing.
Operating and capital efficiencies included in our modelling can be achieved.	Moderate The extent to which any CCO is able to achieve efficiencies will only be known in the event that it is established.	Minor Efficiencies contained in modelling are modest compared to those suggested by analysis undertaken for the Department of Internal Affairs by the Water Industry Commission of Scotland. High and Low efficiency scenarios have been modelled as part of sensitivity testing.
Establishment and operating costs for a CCO are reflective of likely true costs.	Moderate Establishment and ongoing costs have been re-estimated using a ground up approach and benchmarking with established entities and establishment processes, reducing these from earlier reports.	Minor Further refinement of costs and sensitivity testing can be undertaken once options are narrowed down.

Assumption	Risk	Likely impact
A CCO will be able to leverage debt up to an FFO ratio of 10% or higher.	Low The 10% FFO ratio used has been determined based on a review of Moody's credit rating matrix for water services utilities. The ratio is more conservative than ratios actually applied by international water utilities in many jurisdictions.	Major If a CCO is unable to borrow to the extent included in our modelling then charges will need to be substantially higher and its overall viability would likely be undermined. An 8% FFO scenario has been modelled as part of sensitivity testing.

Approach to Smoothing the Harmonisation Path

Step one

Base case price path = Council IBU

CCO price path = The Four, base case

Harmonised Price Path = start at Year 7, take 3 years

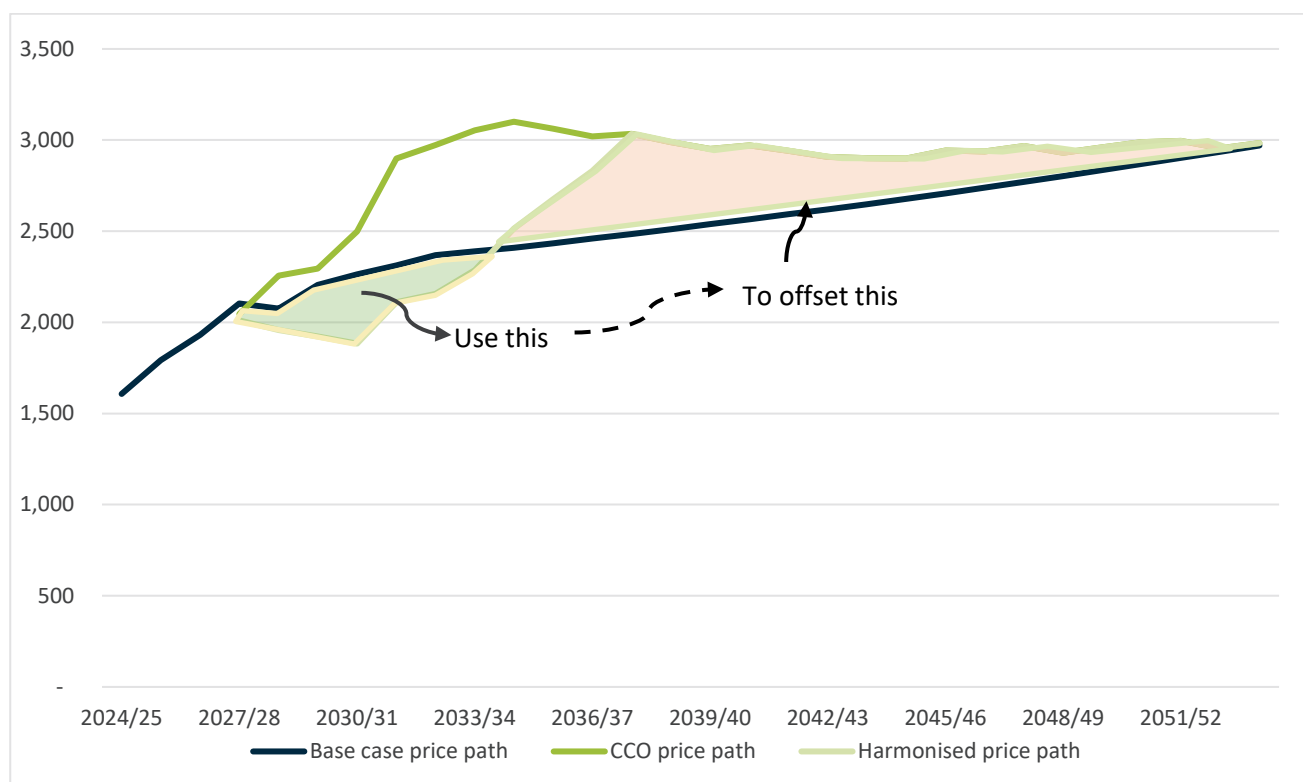
Benefits = the period of time when the Harmonised Price Path is less than the Base Case Price Path

Costs = the period of time when the Harmonised Price Path is higher than the Base Case Price Path

Approach is to use the value of the benefits to offset the costs for each council individually by smoothing the price path:

- Quantify the respective values of the area on the chart both above and below the Base Case price path and Harmonised Price Path for MDC and KCDC (PNCC and HDC do not experience years with costs).
- Smooth the Harmonised price path so that the line mirrors the base case.
- Use the early benefits to offset the later costs until Base Case Price Path and CCO Price Path intersect.
- If there is no intersection point, move to step 2.

Figure 22: Illustrative example of Step 1 of smoothing the price path



Step two

Contributor = Where a Base Case household cost is less than the CCO Household Cost

Beneficiary = Where a Base Case household cost is greater than the CCO Household Cost

Smooth CCO Price Path = Modified Price Path for the CCO with different Household Cost for each Council, smoothed and intersecting at a Regional Cost at some point

Approach is to net off the value of Contributors and Beneficiaries where that is necessary so that each Council's household cost under the CCO is no more than the Base Case Price Path:

- Quantify the respective value of Contributors and Beneficiaries over time.
- Offset Contributors with Beneficiaries so that the CCO Price Path line mirrors the base case.
- When Beneficiaries offset contributors over time, seek every council better scenario.

The chart below demonstrates that generally, and over time the CCO is a lower cost model for three waters delivery services than the individual councils combined. Initially there is an impact from financing efficiency that reduces the revenue required to support the combined debt. Operationally the CCO becomes more efficient over time and is more efficient at delivering capital. Over 30 years this is estimated at a total of \$330M. It is this regional financial benefit that is shared across all council areas to the point of harmonisation.

Figure 23: Comparison of revenue requirements CCO v combined Councils

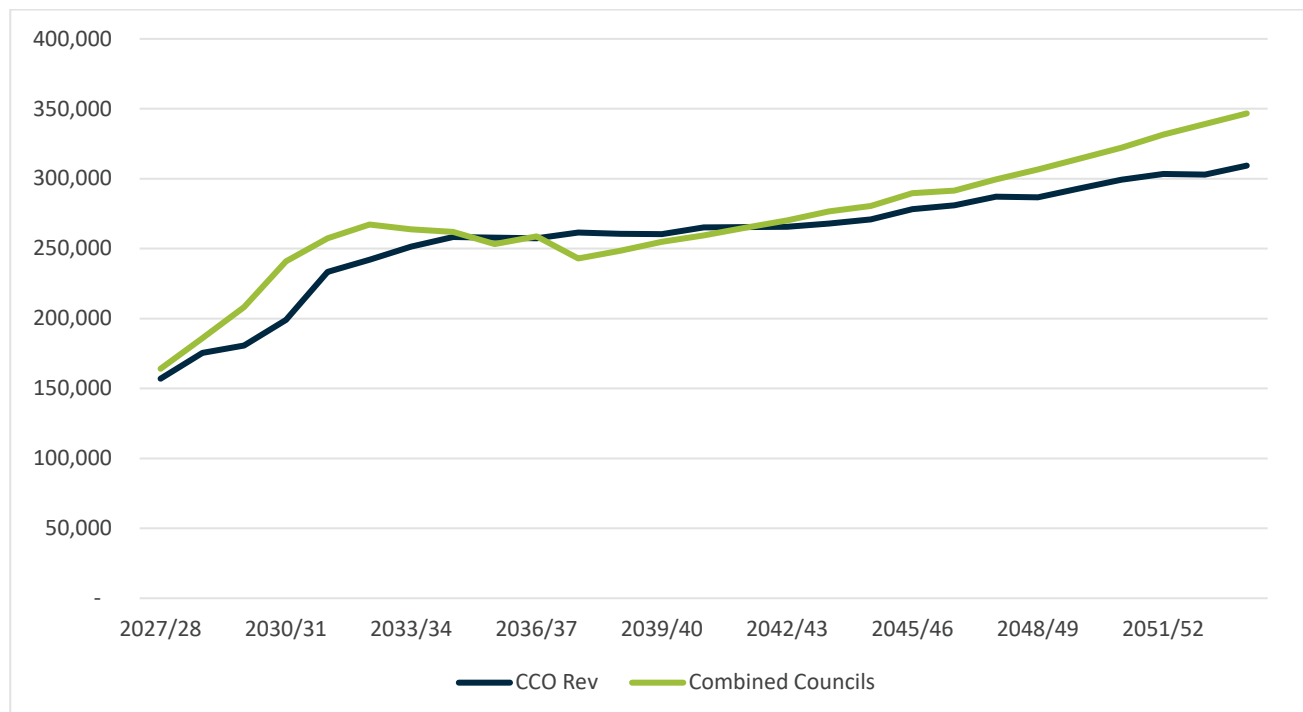
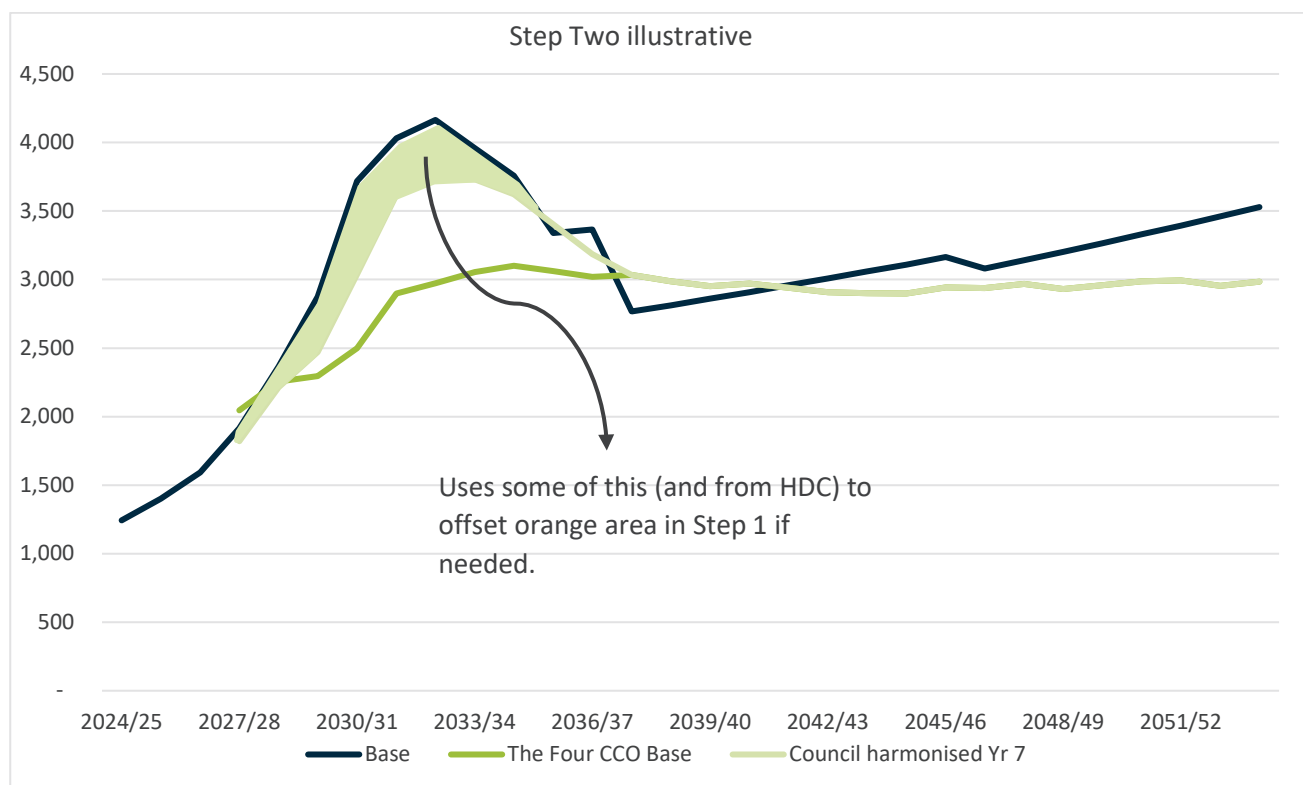


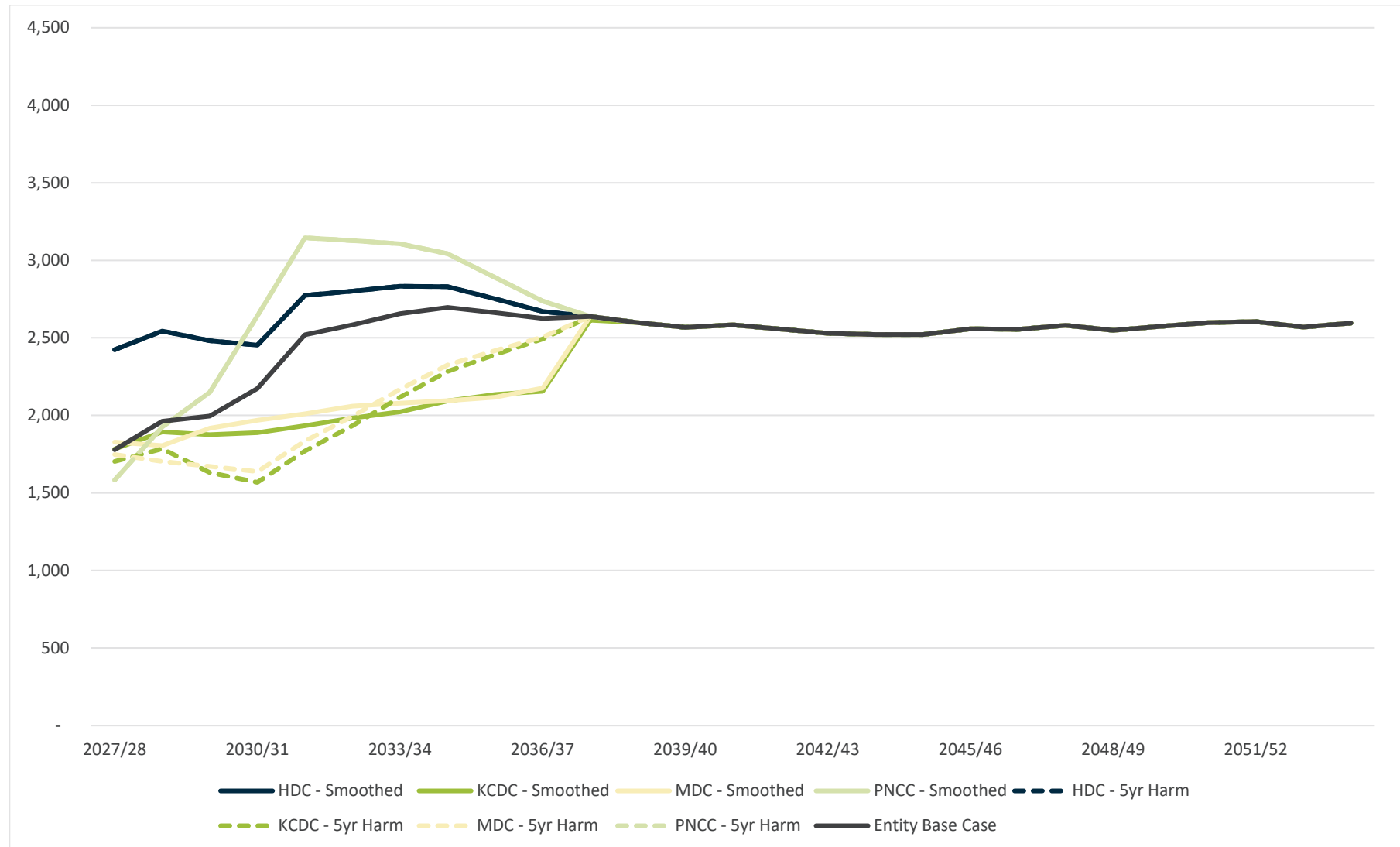
Figure 24: Illustrative example of Step 2 of smoothing the harmonisation path (PNCC)



The following chart shows how step one would function for the four councils. As anticipated it shows that not all councils 'can pay no more' if only the savings accumulated by that council area are used to offset additional costs.

As a result the smoothing requires the financial benefits from the creation of the CCO to achieve the desired outcome of 'no group of customers paying more' than they otherwise would. That is step two described above under smoothing.

Figure 25: Household charges smoothing using own accumulated savings only



Appendix Three – Comparison of modelling approach with DIA

Comparison of the approach used between Morrison Low and Department of Internal Affairs.

The following table compares key aspects of the modelling undertaken by Morrison Low and the Department of Internal Affairs for the four councils. It is intended to be an objective comparison and not a critique. Both provide useful information for the Councils but the extent of the differences in what they are intended to show, the approach used and what they represent means the results are not directly comparable but nor should they be read as being inconsistent with each other.

Aspect of Model	Morrison Low	Department of Internal Affairs	Impact of Difference	Materiality															
Timeframe	30 Years	10 Years	ML model uses 30 years as there is often investment beyond the LTP period that should be considered.	Minor - Moderate															
Base Data	LTPs as adjusted by each Council & infrastructure strategies	Council LTPs	ML model includes additional capital investment for all Councils over both the initial 10 year period and years 11 – 30. For example additional investment for Councils is: <table><tr><th>Council</th><th>LTP period</th><th>Years 11 - 30</th></tr><tr><td>HDC</td><td>\$0</td><td>\$147M</td></tr><tr><td>KCDC</td><td>\$27M</td><td>\$0</td></tr><tr><td>MDC</td><td>\$11M</td><td>\$0</td></tr><tr><td>PNCC</td><td>\$41M</td><td>\$0</td></tr></table>	Council	LTP period	Years 11 - 30	HDC	\$0	\$147M	KCDC	\$27M	\$0	MDC	\$11M	\$0	PNCC	\$41M	\$0	Major - Significant
Council	LTP period	Years 11 - 30																	
HDC	\$0	\$147M																	
KCDC	\$27M	\$0																	
MDC	\$11M	\$0																	
PNCC	\$41M	\$0																	
Approach to debt in the base case IBU option	250% of total Council debt/revenue	FFO ring fenced for three waters – variable	As most of the borrowing for Councils is in three waters, ring fencing the debt like this will increase the revenue required to support existing and projected debt and therefore costs to consumers. This approach makes the IBU option more comparable to the individual Council CCO. The current advice from LGFA is that under the IBU option Councils will continue to be able to borrow as a consolidated Council using current borrowing covenants based on total council debt/revenue.	Significant															
Approach to debt in the CCO Options	FFO ring fenced for three waters – 10%	FFO ring fenced for three waters - variable	Same approach is used, except to note that DIA adjust the FFO ration depending on the size of the CCO. ML produces sensitivity analysis to show this impact.	Minor															
Basis of projected costs/charges	Average three waters household charge. (inflated, excl GST)	Cost per connection (inflated, excl GST)	ML figure excludes both commercial revenue and commercial customers to focus on impact on households. Including both commercial revenue and customers is likely to show a higher cost as there is a small number of commercial customers who typically pay a much higher charge than a residential property.	Minor															
What is the basis of the Regional CCO	All three waters services of all Councils combined together into consolidated programme, standardised and adjusted for costs and benefits of change.	Each council three waters services as per the base case IBU options recalculated using a lower FFO ratio achievable with a regional CCO.	Means that the projections are very different and are intended to be different. DIA projections are intended to show the financing efficiency available under a CCO, which they do. ML projections are intended to show the estimated impact on customers of a change in delivery model and all that that entails – costs and benefits.	Significant															
Harmonisation of charges of regional CCO	Base case harmonises on Day 1 with sensitivity analysis to shows impact of harmonising over 3 year period starting in Year 3 and year 7 respectively.	None	Means that the projections are very different and are intended to be different. DIA projections are intended to show the financing efficiency available under a CCO, which they do. ML projections show the impact of harmonising charges should the CCO (and the Council owners) choose to do that. Noting that there is no requirement to, but historically within Councils and following mergers the trend is for that to occur over time.	Significant															

Aspect of Model	Morrison Low	Department of Internal Affairs	Impact of Difference	Materiality
Costs of change	Additional costs are estimated for transition and for operation of new CCOs including levies for regulators.	Not included	ML model does include costs (\$14M for establishment) and additional ongoing costs associated with CCO. These costs are however minor in comparison to the capital investment programmes and associated debt, and the impact they have on cost projections.	Minor – Moderate (has more impact for smaller CCOs and in particular individual council CCOs)
Efficiencies/Benefits	Efficiencies and cost savings are estimated for CCOs and introduced progressively.	Not included	ML model does include cost savings from the commercial model and from regionalisation of the service. However, these costs are modest in comparison to the capital investment programmes and associated debt, and the impact they have on cost projections.	Minor
Reconciliation of different approaches and assumptions in each Council e.g. depreciation, renewals, opex	Standardised in all options	Assumptions remain as set out in Council LTPs	ML standardises these so that any differences between the base case IBU option and the CCO are not the result of different assumptions about how the CCO would operate.	Moderate
Nature calls	Costs includes as per LTP, funded in each case by debt and costs met by customers of the Council or CCO.	Costs includes as per LTP, funded by IFF	Means the costs of servicing the debt for Nature Calls are show in the ML model (both for PNCC ratepayers in the base case IBU option and all households in the CCOs) but are not shown in the DIA model.	Significant
Changes in assumptions	Sensitivity testing for different <ul style="list-style-type: none"> Interest rates FFO ratio Investment scenarios Efficiencies 	Assumptions remain as set out in Council LTPs	The DIA model is not intended to use the LTP base data and apply as few assumptions as possible whereas ML is approach intended to highlight which assumptions have the greatest impact the projected outcomes and therefore areas of risk.	Minor

Appendix Four - Alternative scenarios

In addition to the base case Group of Four CCO, we have also completed updated modelling for three additional scenarios. These scenarios were those identified by the respective councils as options for consultation under LWDW.

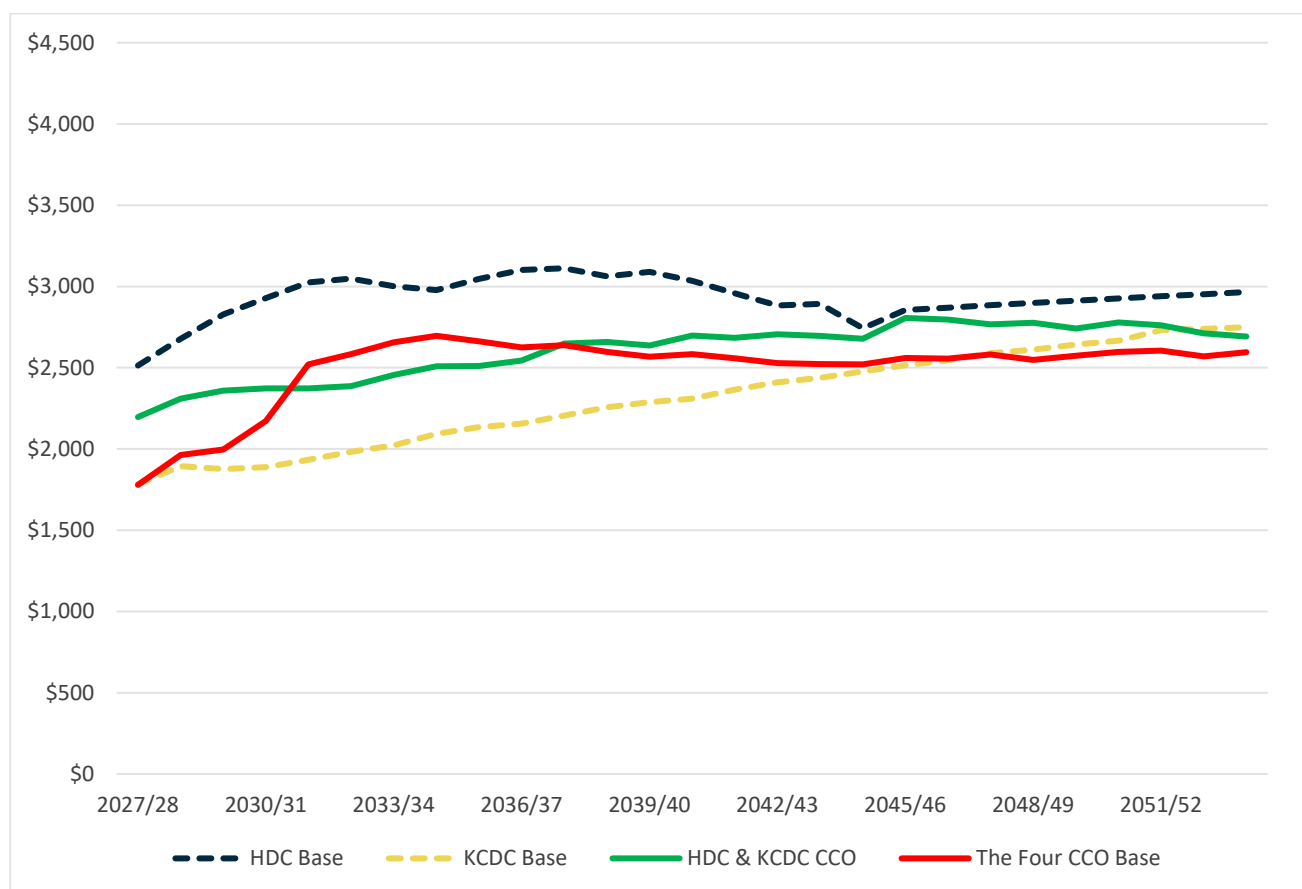
We have used a consistent approach to modelling these alternative scenarios as for the base cases for each council and the four council CCO. The alternative scenarios are:

- Horowhenua and Kāpiti Coast CCO
 - HDC & KCDC CCO: 4% capital and 4% operating efficiencies
 - Establishment cost : \$8.8M
- Manawatū and Palmerston North CCO
 - MDC & PNCC CCO : 6% capital and 7% operating efficiencies
 - Establishment cost : \$8.9M
- Manawatū - Whanganui CCO (Horowhenua, Manawatū, Palmerston North with Whanganui, Rangitikei, Ruapehu and Taranaki)
 - MDC & PNCC CCO : 14% capital and 14% operating efficiencies
 - Establishment cost : \$22.7M

Horowhenua and Kāpiti Coast CCO

The modelling below shows that for the vast majority of the time the lower cost CCO is the larger group of four CCO. The only period where this does not occur is in line with the peak investment for the four council CCO. While over the long term the projections show lower household costs for both KCDC and HDC households under either CCO model it does take almost 20 years for KCDC households to have lower costs under a CCO. Further sensitivity testing, particularly around timing of price harmonisation may change this.

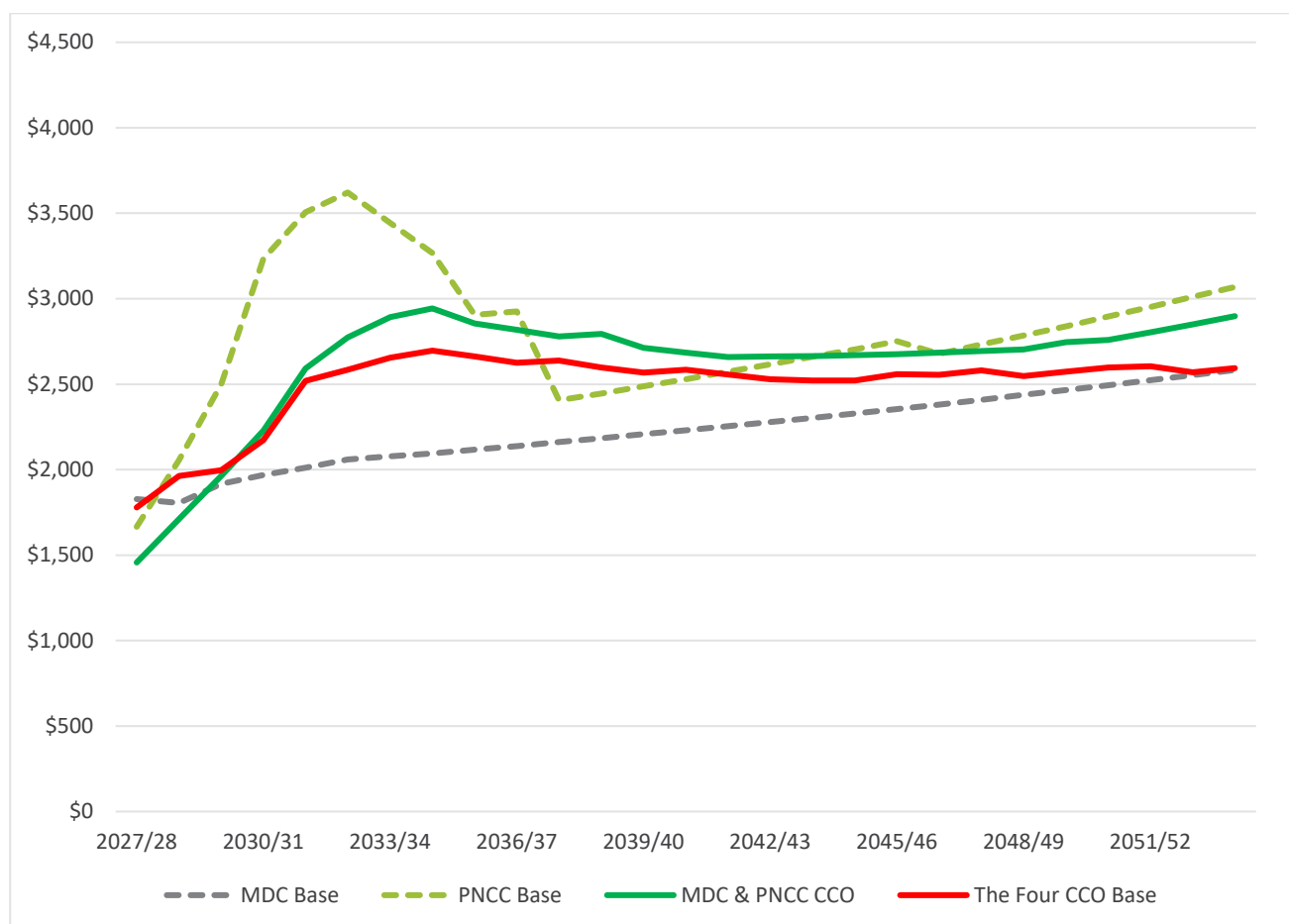
Figure 26: Horowhenua and Kāpiti Coast CCO compared with base scenarios



Manawatū and Palmerston North CCO

The modelling below shows that for the almost the entire 30 years the lower cost CCO is the larger group of four CCO. While over the long term the projections eventually show lower household costs for both MDC and PNCC households under the larger four council CCO it does take almost the entire 30 years for MDC households to have lower costs under a CCO. Further sensitivity testing, particularly around timing of price harmonisation may change this.

Figure 27: Manawatū and Palmerston North CCO compared with base scenarios



The Manawātū – Whanganui CCO

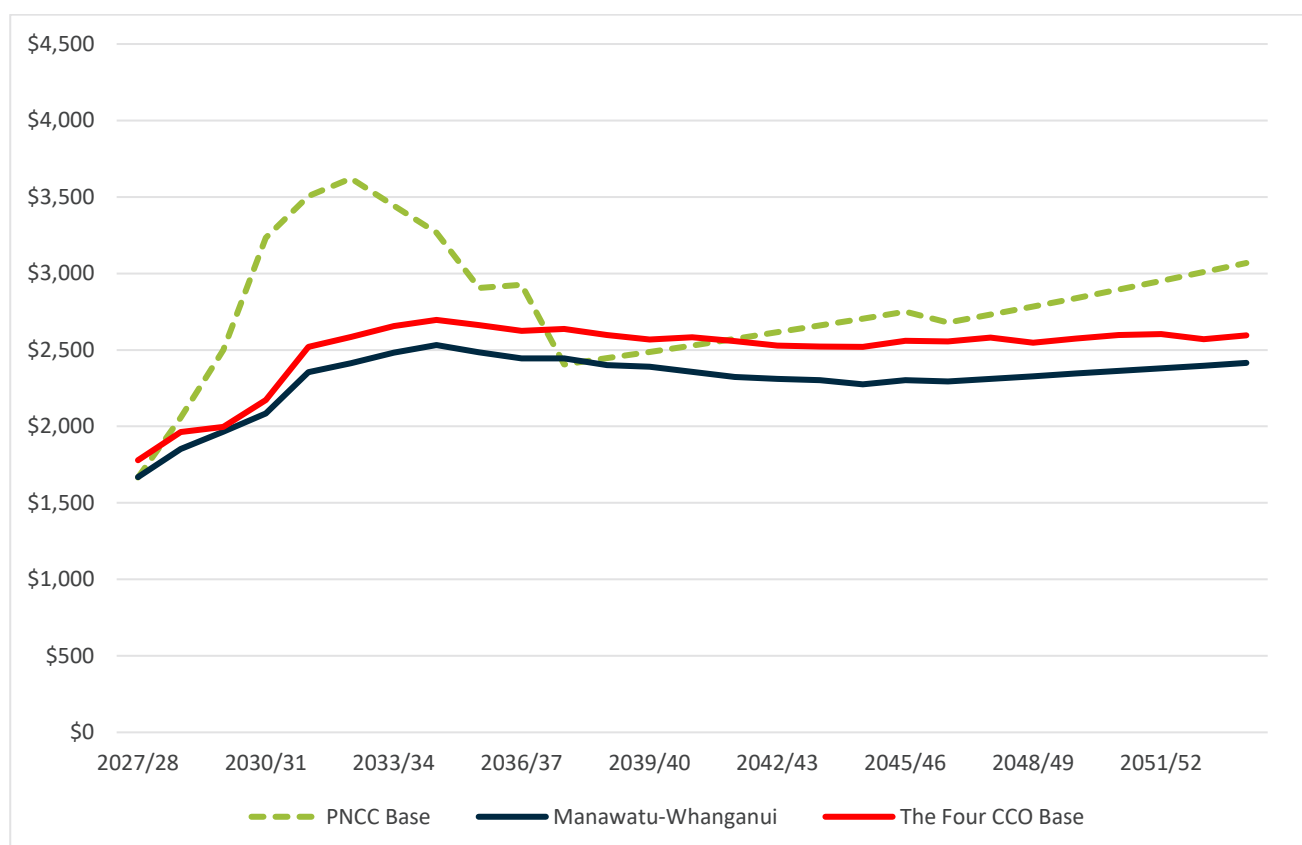
This option includes the following seven councils: Palmerston North City and Horowhenua, Manawātū, Whanganui, Rangitikei, Ruapehu and Tararua District councils.

The change of approach when Morrison Low has modelled this group using the same assumptions and approach has resulted in a changed forecast of household cost over the longer term than was previously advised.

There are many factors creating the different projections including how debt is treated, the investment scenarios used, household costs v connections but a significant amount of the difference is how the financial modelling has been undertaken.

As a result of this change in approach household costs are now projected to be lower under the Manawātū-Whanganui CCO than under the four council CCO.

Figure 28: Manawātū-Whanganui CCO compared with base case scenarios



Appendix Five – Data sheet

Part A : All figures are inflated (nominal) and exclude GST

Entity	Scenario	Metric	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
HDC Base	Base	HH Charges	1,794	1,949	2,214	2,514	2,677	2,827	2,929	3,025	3,049
KCDC Base	Base	HH Charges	1,645	1,544	1,610	1,783	1,893	1,877	1,888	1,934	1,984
MDC Base	Base	HH Charges	1,398	1,559	1,680	1,829	1,805	1,918	1,968	2,011	2,060
PNCC Base	Base	HH Charges	1,081	1,219	1,386	1,666	2,057	2,500	3,234	3,506	3,621
MDC & PNCC CCO	Base	HH Charges	#N/A	#N/A	#N/A	1,457	1,710	1,963	2,229	2,592	2,774
HDC & KCDC CCO	Base	HH Charges	#N/A	#N/A	#N/A	2,197	2,311	2,359	2,372	2,372	2,386
The Four CCO Base	Base	HH Charges	#N/A	#N/A	#N/A	1,779	1,963	1,996	2,173	2,520	2,584
The Four CCO	FFO 8%	HH Charges	#N/A	#N/A	#N/A	1,907	2,095	2,191	2,306	2,660	2,831
The Four CCO	High investment (capex +30%)	HH Charges	#N/A	#N/A	#N/A	2,225	2,529	2,650	2,909	3,389	3,493
The Four CCO	Low investment (capex -30%)	HH Charges	#N/A	#N/A	#N/A	1,840	1,950	2,045	2,180	2,344	2,453
The Four CCO	High efficiencies	HH Charges	#N/A	#N/A	#N/A	2,046	2,257	2,290	2,486	2,877	2,941
The Four CCO	Low efficiencies	HH Charges	#N/A	#N/A	#N/A	2,046	2,257	2,301	2,512	2,922	3,052
The Four CCO	Interest rate high 7%	HH Charges	#N/A	#N/A	#N/A	2,188	2,441	2,514	2,746	3,181	3,273
The Four CCO	Interest rate low 3%	HH Charges	#N/A	#N/A	#N/A	1,901	2,071	2,074	2,249	2,614	2,669
Nature Calls Scenarios						1,547	1,707	1,736	1,889	2,192	2,247
PNCC	Nature Calls -30%	HH Charges	\$ 1,081	\$ 1,074	\$ 1,238	\$ 1,495	\$ 1,825	\$ 2,196	\$ 2,626	\$ 2,846	\$ 2,842
PNCC	Nature Calls +30%	HH Charges	\$ 1,081	\$ 1,078	\$ 1,245	\$ 1,817	\$ 2,519	\$ 3,058	\$ 3,941	\$ 4,127	\$ 4,051
The Four CCO	Nature Calls -30%	HH Charges	#N/A	#N/A	#N/A	\$ 1,751	\$ 1,932	\$ 1,933	\$ 2,032	\$ 2,331	\$ 2,419
The Four CCO	Nature Calls +30%	HH Charges	#N/A	#N/A	#N/A	\$ 1,836	\$ 2,055	\$ 2,087	\$ 2,323	\$ 2,693	\$ 2,814
Harmonise											
HDC Harmonised Year 3	HDC	Consol	#N/A	#N/A	#N/A	\$ 2,424	\$ 2,545	\$ 2,481	\$ 2,568	\$ 2,821	\$ 2,739
KCDC Harmonised Year 3	KCDC	Consol	#N/A	#N/A	#N/A	\$ 1,704	\$ 1,785	\$ 1,631	\$ 1,865	\$ 2,278	\$ 2,458
MDC Harmonised Year 3	MDC	Consol	#N/A	#N/A	#N/A	\$ 1,748	\$ 1,703	\$ 1,672	\$ 1,907	\$ 2,312	\$ 2,478
PNCC Harmonised Year 3	PNCC	Consol	#N/A	#N/A	#N/A	\$ 1,583	\$ 1,925	\$ 2,149	\$ 2,306	\$ 2,629	\$ 2,641
HDC Harmonised Year 7	HDC	Consol	#N/A	#N/A	#N/A	\$ 2,424	\$ 2,545	\$ 2,481	\$ 2,453	\$ 2,774	\$ 2,796
KCDC Harmonised Year 7	KCDC	Consol	#N/A	#N/A	#N/A	\$ 1,704	\$ 1,785	\$ 1,631	\$ 1,568	\$ 1,770	\$ 1,815
MDC Harmonised Year 7	MDC	Consol	#N/A	#N/A	#N/A	\$ 1,748	\$ 1,703	\$ 1,672	\$ 1,638	\$ 1,835	\$ 1,876
PNCC Harmonised Year 7	PNCC	Consol	#N/A	#N/A	#N/A	\$ 1,583	\$ 1,925	\$ 2,149	\$ 2,642	\$ 3,145	\$ 3,244
HDC Harmonised Year 10	HDC	Consol	#N/A	#N/A	#N/A	\$ 2,424	\$ 2,545	\$ 2,481	\$ 2,453	\$ 2,774	\$ 2,796
KCDC Harmonised Year 10	KCDC	Consol	#N/A	#N/A	#N/A	\$ 1,704	\$ 1,785	\$ 1,631	\$ 1,568	\$ 1,770	\$ 1,815
MDC Harmonised Year 10	MDC	Consol	#N/A	#N/A	#N/A	\$ 1,748	\$ 1,703	\$ 1,672	\$ 1,638	\$ 1,835	\$ 1,876
PNCC Harmonised Year 10	PNCC	Consol	#N/A	#N/A	#N/A	\$ 1,583	\$ 1,925	\$ 2,149	\$ 2,642	\$ 3,145	\$ 3,244
HDC Harmonised Year 5	HDC	Consol	#N/A	#N/A	#N/A	\$ 2,424	\$ 2,545	\$ 2,481	\$ 2,453	\$ 2,774	\$ 2,801
KCDC Harmonised Year 5	KCDC	Consol	#N/A	#N/A	#N/A	\$ 1,704	\$ 1,785	\$ 1,631	\$ 1,568	\$ 1,770	\$ 1,933
MDC Harmonised Year 5	MDC	Consol	#N/A	#N/A	#N/A	\$ 1,748	\$ 1,703	\$ 1,672	\$ 1,638	\$ 1,835	\$ 1,994
PNCC Harmonised Year 5	PNCC	Consol	#N/A	#N/A	#N/A	\$ 1,583	\$ 1,925	\$ 2,149	\$ 2,642	\$ 3,145	\$ 3,128
HDC 'Pay no more' 20 years	HDC	HH Charges	#N/A	#N/A	#N/A	\$ 2,479	\$ 2,626	\$ 2,693	\$ 2,744	\$ 2,927	\$ 2,953
KCDC 'Pay no more' 20 years	KCDC	HH Charges	#N/A	#N/A	#N/A	\$ 1,783	\$ 1,893	\$ 1,877	\$ 1,888	\$ 1,934	\$ 1,984
MDC 'Pay no more' 20 years	MDC	HH Charges	#N/A	#N/A	#N/A	\$ 1,829	\$ 1,805	\$ 1,918	\$ 1,968	\$ 2,011	\$ 2,060
PNCC 'Pay no more' 20 years	PNCC	HH Charges	#N/A	#N/A	#N/A	\$ 1,634	\$ 2,006	\$ 2,364	\$ 3,004	\$ 3,366	\$ 3,430
HDC 'Pay no more' 30 years	HDC	HH Charges	#N/A	#N/A	#N/A	\$ 2,491	\$ 2,644	\$ 2,741	\$ 2,810	\$ 2,962	\$ 2,987
KCDC 'Pay no more' 30 years	KCDC	HH Charges	#N/A	#N/A	#N/A	\$ 1,783	\$ 1,893	\$ 1,877	\$ 1,888	\$ 1,934	\$ 1,984
MDC 'Pay no more' 30 years	MDC	HH Charges	#N/A	#N/A	#N/A	\$ 1,829	\$ 1,805	\$ 1,918	\$ 1,968	\$ 2,011	\$ 2,060
PNCC 'Pay no more' 30 years	PNCC	HH Charges	#N/A	#N/A	#N/A	\$ 1,645	\$ 2,024	\$ 2,412	\$ 3,086	\$ 3,416	\$ 3,498
HDC 'local price'		HH Charges	#N/A	#N/A	#N/A	\$ 2,456	\$ 2,591	\$ 2,594	\$ 2,607	\$ 2,859	\$ 2,883
KCDC 'local price'		HH Charges	#N/A	#N/A	#N/A	\$ 1,727	\$ 1,817	\$ 1,705	\$ 1,667	\$ 1,824	\$ 1,871
MDC 'local price'		HH Charges	#N/A	#N/A	#N/A	\$ 1,772	\$ 1,734	\$ 1,748	\$ 1,741	\$ 1,891	\$ 1,934
PNCC 'local price'		HH Charges	#N/A	#N/A	#N/A	\$ 1,605	\$ 1,960	\$ 2,247	\$ 2,807	\$ 3,242	\$ 3,344
Manwatu-Whanganui	Base	HH Charges	#N/A	#N/A	#N/A	\$ 1,669	\$ 1,852	\$ 1,966	\$ 2,085	\$ 2,354	\$ 2,414

Entity	Scenario	Metric	2033/34	2034/35	2035/36	2036/37	2037/38	2038/39	2039/40	2040/41	2041/42	2042/43	2043/44
HDC Base	Base	HH Charges	3,001	2,977	3,046	3,101	3,112	3,062	3,090	3,034	2,957	2,883	2,893
KCDC Base	Base	HH Charges	2,023	2,094	2,135	2,155	2,205	2,256	2,287	2,310	2,366	2,409	2,437
MDC Base	Base	HH Charges	2,078	2,095	2,117	2,138	2,161	2,184	2,208	2,231	2,255	2,279	2,303
PNCC Base	Base	HH Charges	3,442	3,268	2,905	2,926	2,406	2,446	2,487	2,529	2,573	2,617	2,660
MDC & PNCC CCO	Base	HH Charges	2,892	2,943	2,855	2,817	2,780	2,794	2,713	2,685	2,660	2,662	2,665
HDC & KCDC CCO	Base	HH Charges	2,456	2,510	2,510	2,543	2,649	2,658	2,637	2,698	2,684	2,706	2,696
e	Base	HH Charges	2,656	2,696	2,662	2,626	2,638	2,598	2,567	2,584	2,557	2,529	2,522
The Four CCO	FFO 8%	HH Charges	2,917	3,017	2,932	2,945	2,963	2,974	2,941	2,961	2,934	2,932	2,926
The Four CCO	High investment (capex +30%)	HH Charges	3,594	3,598	3,561	3,519	3,483	3,499	3,400	3,425	3,396	3,363	3,357
The Four CCO	Low investment (capex -30%)	HH Charges	2,520	2,556	2,518	2,500	2,509	2,488	2,456	2,448	2,444	2,463	2,478
The Four CCO	High efficiencies	HH Charges	3,012	3,047	2,997	2,943	2,944	2,885	2,818	2,832	2,770	2,763	2,751
The Four CCO	Low efficiencies	HH Charges	3,145	3,202	3,123	3,144	3,145	3,139	3,107	3,130	3,103	3,074	3,069
The Four CCO	Interest rate high 7%	HH Charges	3,358	3,403	3,360	3,312	3,325	3,276	3,235	3,248	3,215	3,179	3,168
The Four CCO	Interest rate low 3%	HH Charges	2,749	2,797	2,762	2,725	2,741	2,699	2,669	2,693	2,665	2,635	2,631
Nature Calls Scenarios			2,309	2,345	2,315	2,283	2,294	2,259	2,233	2,247			
PNCC	Nature Calls -30%	HH Charges	\$ 2,345	\$ 2,438	\$ 2,472	\$ 2,508	\$ 2,544	\$ 2,582	\$ 2,375	\$ 2,421	\$ 2,469	\$ 2,518	\$ 2,566
PNCC	Nature Calls +30%	HH Charges	\$ 3,306	\$ 3,255	\$ 2,995	\$ 3,015	\$ 2,895	\$ 2,922	\$ 2,660	\$ 2,697	\$ 2,737	\$ 2,623	\$ 2,667
The Four CCO	Nature Calls -30%	HH Charges	\$ 2,513	\$ 2,554	\$ 2,526	\$ 2,494	\$ 2,539	\$ 2,515	\$ 2,488	\$ 2,506	\$ 2,484	\$ 2,485	\$ 2,481
The Four CCO	Nature Calls +30%	HH Charges	\$ 2,842	\$ 2,881	\$ 2,808	\$ 2,765	\$ 2,774	\$ 2,691	\$ 2,656	\$ 2,629	\$ 2,616	\$ 2,595	\$ 2,586
Harmonise													
HDC Harmonised Year 3	HDC	Consol	\$ 2,656	\$ 2,696	\$ 2,662	\$ 2,626	\$ 2,638	\$ 2,598	\$ 2,567	\$ 2,584	\$ 2,557	\$ 2,529	\$ 2,522
KCDC Harmonised Year 3	KCDC	Consol	\$ 2,656	\$ 2,696	\$ 2,662	\$ 2,626	\$ 2,638	\$ 2,598	\$ 2,567	\$ 2,584	\$ 2,557	\$ 2,529	\$ 2,522
MDC Harmonised Year 3	MDC	Consol	\$ 2,656	\$ 2,696	\$ 2,662	\$ 2,626	\$ 2,638	\$ 2,598	\$ 2,567	\$ 2,584	\$ 2,557	\$ 2,529	\$ 2,522
PNCC Harmonised Year 3	PNCC	Consol	\$ 2,656	\$ 2,696	\$ 2,662	\$ 2,626	\$ 2,638	\$ 2,598	\$ 2,567	\$ 2,584	\$ 2,557	\$ 2,529	\$ 2,522
HDC Harmonised Year 7	HDC	Consol	\$ 2,892	\$ 2,874	\$ 2,781	\$ 2,685	\$ 2,638	\$ 2,598	\$ 2,567	\$ 2,584	\$ 2,557	\$ 2,529	\$ 2,522
KCDC Harmonised Year 7	KCDC	Consol	\$ 1,946	\$ 2,152	\$ 2,306	\$ 2,451	\$ 2,638	\$ 2,598	\$ 2,567	\$ 2,584	\$ 2,557	\$ 2,529	\$ 2,522
MDC Harmonised Year 7	MDC	Consol	\$ 1,989	\$ 2,186	\$ 2,327	\$ 2,461	\$ 2,638	\$ 2,598	\$ 2,567	\$ 2,584	\$ 2,557	\$ 2,529	\$ 2,522
PNCC Harmonised Year 7	PNCC	Consol	\$ 3,245	\$ 3,149	\$ 2,959	\$ 2,771	\$ 2,638	\$ 2,598	\$ 2,567	\$ 2,584	\$ 2,557	\$ 2,529	\$ 2,522
HDC Harmonised Year 10	HDC	Consol	\$ 2,892	\$ 2,965	\$ 3,123	\$ 3,105	\$ 3,002	\$ 2,838	\$ 2,686	\$ 2,584	\$ 2,557	\$ 2,529	\$ 2,522
KCDC Harmonised Year 10	KCDC	Consol	\$ 1,946	\$ 2,083	\$ 2,192	\$ 2,157	\$ 2,291	\$ 2,372	\$ 2,457	\$ 2,584	\$ 2,557	\$ 2,529	\$ 2,522
MDC Harmonised Year 10	MDC	Consol	\$ 1,989	\$ 2,073	\$ 2,161	\$ 2,129	\$ 2,266	\$ 2,354	\$ 2,447	\$ 2,584	\$ 2,557	\$ 2,529	\$ 2,522
PNCC Harmonised Year 10	PNCC	Consol	\$ 3,245	\$ 3,187	\$ 2,930	\$ 2,883	\$ 2,826	\$ 2,720	\$ 2,627	\$ 2,584	\$ 2,557	\$ 2,529	\$ 2,522
HDC Harmonised Year 5	HDC	Consol	\$ 2,833	\$ 2,831	\$ 2,752	\$ 2,670	\$ 2,638	\$ 2,598	\$ 2,567	\$ 2,584	\$ 2,557	\$ 2,529	\$ 2,522
KCDC Harmonised Year 5	KCDC	Consol	\$ 2,116	\$ 2,284	\$ 2,392	\$ 2,493	\$ 2,638	\$ 2,598	\$ 2,567	\$ 2,584	\$ 2,557	\$ 2,529	\$ 2,522
MDC Harmonised Year 5	MDC	Consol	\$ 2,169	\$ 2,324	\$ 2,418	\$ 2,505	\$ 2,638	\$ 2,598	\$ 2,567	\$ 2,584	\$ 2,557	\$ 2,529	\$ 2,522
PNCC Harmonised Year 5	PNCC	Consol	\$ 3,107	\$ 3,042	\$ 2,889	\$ 2,737	\$ 2,638	\$ 2,598	\$ 2,567	\$ 2,584	\$ 2,557	\$ 2,529	\$ 2,522
HDC 'Pay no more' 20 years	HDC	HH Charges	\$ 2,936	\$ 2,921	\$ 2,932	\$ 2,670	\$ 2,638	\$ 2,598	\$ 2,567	\$ 2,584	\$ 2,557	\$ 2,529	\$ 2,522
KCDC 'Pay no more' 20 years	KCDC	HH Charges	\$ 2,023	\$ 2,094	\$ 2,135	\$ 2,155	\$ 2,205	\$ 2,256	\$ 2,287	\$ 2,310	\$ 2,366	\$ 2,409	\$ 2,437
MDC 'Pay no more' 20 years	MDC	HH Charges	\$ 2,078	\$ 2,095	\$ 2,117	\$ 2,138	\$ 2,161	\$ 2,184	\$ 2,208	\$ 2,231	\$ 2,255	\$ 2,279	\$ 2,303
PNCC 'Pay no more' 20 years	PNCC	HH Charges	\$ 3,312	\$ 3,180	\$ 2,899	\$ 2,737	\$ 2,638	\$ 2,598	\$ 2,567	\$ 2,584	\$ 2,557	\$ 2,529	\$ 2,522
HDC 'Pay no more' 30 years	HDC	HH Charges	\$ 2,959	\$ 2,941	\$ 2,973	\$ 2,670	\$ 2,638	\$ 2,598	\$ 2,567	\$ 2,584	\$ 2,557	\$ 2,529	\$ 2,522
KCDC 'Pay no more' 30 years	KCDC	HH Charges	\$ 2,023	\$ 2,094	\$ 2,135	\$ 2,155	\$ 2,205	\$ 2,256	\$ 2,287	\$ 2,310	\$ 2,366	\$ 2,409	\$ 2,437
MDC 'Pay no more' 30 years	MDC	HH Charges	\$ 2,078	\$ 2,095	\$ 2,117	\$ 2,138	\$ 2,161	\$ 2,184	\$ 2,208	\$ 2,231	\$ 2,255	\$ 2,279	\$ 2,303
PNCC 'Pay no more' 30 years	PNCC	HH Charges	\$ 3,359	\$ 3,211	\$ 2,901	\$ 2,737	\$ 2,638	\$ 2,598	\$ 2,567	\$ 2,584	\$ 2,557	\$ 2,529	\$ 2,522
HDC 'local price'		HH Charges	\$ 2,934	\$ 2,977	\$ 3,046	\$ 3,101	\$ 3,112	\$ 3,062	\$ 3,090	\$ 3,034	\$ 2,957	\$ 2,847	\$ 2,818
KCDC 'local price'		HH Charges	\$ 1,975	\$ 2,092	\$ 2,135	\$ 2,155	\$ 2,205	\$ 2,256	\$ 2,287	\$ 2,310	\$ 2,366	\$ 2,374	\$ 2,365
MDC 'local price'		HH Charges	\$ 2,018	\$ 2,082	\$ 2,117	\$ 2,138	\$ 2,161	\$ 2,184	\$ 2,208	\$ 2,231	\$ 2,255	\$ 2,235	\$ 2,225
PNCC 'local price'		HH Charges	\$ 3,292	\$ 3,200	\$ 2,905	\$ 2,926	\$ 2,406	\$ 2,446	\$ 2,487	\$ 2,529	\$ 2,573	\$ 2,557	\$ 2,563
Manwatu-Whanganui	Base	HH Charges	\$ 2,482	\$ 2,532	\$ 2,485	\$ 2,445	\$ 2,445	\$ 2,401	\$ 2,390	\$ 2,356	\$ 2,322	\$ 2,312	\$ 2,302

Entity	Scenario	Metric	2044/45	2045/46	2046/47	2047/48	2048/49	2049/50	2050/51	2051/52	2052/53	2053/54
HDC Base	Base	HH Charges	2,743	2,856	2,870	2,885	2,899	2,913	2,926	2,940	2,952	2,966
KCDC Base	Base	HH Charges	2,477	2,515	2,547	2,589	2,612	2,643	2,667	2,732	2,740	2,749
MDC Base	Base	HH Charges	2,328	2,355	2,381	2,409	2,437	2,466	2,495	2,523	2,553	2,583
PNCC Base	Base	HH Charges	2,704	2,751	2,678	2,732	2,784	2,839	2,895	2,951	3,010	3,069
MDC & PNCC CCO	Base	HH Charges	2,669	2,676	2,685	2,694	2,704	2,746	2,759	2,803	2,850	2,898
HDC & KCDC CCO	Base	HH Charges	2,678	2,806	2,795	2,766	2,776	2,740	2,779	2,762	2,712	2,691
The Four CCO Base	Base	HH Charges	2,521	2,559	2,555	2,581	2,548	2,574	2,598	2,604	2,570	2,594
The Four CCO	FFO 8%	HH Charges	2,896	2,972	2,999	2,999	2,994	3,056	3,019	3,061	3,087	3,114
The Four CCO	High investment (capex +30%)	HH Charges	3,361	3,414	3,413	3,415	3,410	3,410	3,446	3,459	3,451	3,485
The Four CCO	Low investment (capex -30%)	HH Charges	2,497	2,530	2,547	2,567	2,583	2,601	2,618	2,644	2,659	2,675
The Four CCO	High efficiencies	HH Charges	2,717	2,756	2,749	2,745	2,767	2,762	2,787	2,791	2,813	2,837
The Four CCO	Low efficiencies	HH Charges	3,012	3,124	3,122	3,125	3,122	3,155	3,154	3,199	3,193	3,190
The Four CCO	Interest rate high 7%	HH Charges	3,165	3,214	3,207	3,237	3,197	3,226	3,253	3,264	3,222	3,250
The Four CCO	Interest rate low 3%	HH Charges	2,632	2,670	2,668	2,697	2,662	2,692	2,721	2,725	2,687	2,716
Nature Calls Scenarios												
PNCC	Nature Calls -30%	HH Charges	\$ 2,615	\$ 2,667	\$ 2,723	\$ 2,778	\$ 2,831	\$ 2,887	\$ 2,945	\$ 3,003	\$ 3,062	\$ 3,123
PNCC	Nature Calls +30%	HH Charges	\$ 2,712	\$ 2,759	\$ 2,811	\$ 2,863	\$ 2,912	\$ 2,963	\$ 3,017	\$ 3,071	\$ 3,127	\$ 3,183
The Four CCO	Nature Calls -30%	HH Charges	\$ 2,482	\$ 2,521	\$ 2,519	\$ 2,546	\$ 2,516	\$ 2,542	\$ 2,568	\$ 2,576	\$ 2,571	\$ 2,568
The Four CCO	Nature Calls +30%	HH Charges	\$ 2,582	\$ 2,618	\$ 2,611	\$ 2,635	\$ 2,599	\$ 2,582	\$ 2,606	\$ 2,641	\$ 2,603	\$ 2,627
Harmonise												
HDC Harmonised Year 3	HDC	Consol	\$ 2,521	\$ 2,559	\$ 2,555	\$ 2,581	\$ 2,548	\$ 2,574	\$ 2,598	\$ 2,604	\$ 2,570	\$ 2,594
KCDC Harmonised Year 3	KCDC	Consol	\$ 2,521	\$ 2,559	\$ 2,555	\$ 2,581	\$ 2,548	\$ 2,574	\$ 2,598	\$ 2,604	\$ 2,570	\$ 2,594
MDC Harmonised Year 3	MDC	Consol	\$ 2,521	\$ 2,559	\$ 2,555	\$ 2,581	\$ 2,548	\$ 2,574	\$ 2,598	\$ 2,604	\$ 2,570	\$ 2,594
PNCC Harmonised Year 3	PNCC	Consol	\$ 2,521	\$ 2,559	\$ 2,555	\$ 2,581	\$ 2,548	\$ 2,574	\$ 2,598	\$ 2,604	\$ 2,570	\$ 2,594
HDC Harmonised Year 7	HDC	Consol	\$ 2,521	\$ 2,559	\$ 2,555	\$ 2,581	\$ 2,548	\$ 2,574	\$ 2,598	\$ 2,604	\$ 2,570	\$ 2,594
KCDC Harmonised Year 7	KCDC	Consol	\$ 2,521	\$ 2,559	\$ 2,555	\$ 2,581	\$ 2,548	\$ 2,574	\$ 2,598	\$ 2,604	\$ 2,570	\$ 2,594
MDC Harmonised Year 7	MDC	Consol	\$ 2,521	\$ 2,559	\$ 2,555	\$ 2,581	\$ 2,548	\$ 2,574	\$ 2,598	\$ 2,604	\$ 2,570	\$ 2,594
PNCC Harmonised Year 7	PNCC	Consol	\$ 2,521	\$ 2,559	\$ 2,555	\$ 2,581	\$ 2,548	\$ 2,574	\$ 2,598	\$ 2,604	\$ 2,570	\$ 2,594
HDC Harmonised Year 10	HDC	Consol	\$ 2,521	\$ 2,559	\$ 2,555	\$ 2,581	\$ 2,548	\$ 2,574	\$ 2,598	\$ 2,604	\$ 2,570	\$ 2,594
KCDC Harmonised Year 10	KCDC	Consol	\$ 2,521	\$ 2,559	\$ 2,555	\$ 2,581	\$ 2,548	\$ 2,574	\$ 2,598	\$ 2,604	\$ 2,570	\$ 2,594
MDC Harmonised Year 10	MDC	Consol	\$ 2,521	\$ 2,559	\$ 2,555	\$ 2,581	\$ 2,548	\$ 2,574	\$ 2,598	\$ 2,604	\$ 2,570	\$ 2,594
PNCC Harmonised Year 10	PNCC	Consol	\$ 2,521	\$ 2,559	\$ 2,555	\$ 2,581	\$ 2,548	\$ 2,574	\$ 2,598	\$ 2,604	\$ 2,570	\$ 2,594
HDC Harmonised Year 5	HDC	Consol	\$ 2,521	\$ 2,559	\$ 2,555	\$ 2,581	\$ 2,548	\$ 2,574	\$ 2,598	\$ 2,604	\$ 2,570	\$ 2,594
KCDC Harmonised Year 5	KCDC	Consol	\$ 2,521	\$ 2,559	\$ 2,555	\$ 2,581	\$ 2,548	\$ 2,574	\$ 2,598	\$ 2,604	\$ 2,570	\$ 2,594
MDC Harmonised Year 5	MDC	Consol	\$ 2,521	\$ 2,559	\$ 2,555	\$ 2,581	\$ 2,548	\$ 2,574	\$ 2,598	\$ 2,604	\$ 2,570	\$ 2,594
PNCC Harmonised Year 5	PNCC	Consol	\$ 2,521	\$ 2,559	\$ 2,555	\$ 2,581	\$ 2,548	\$ 2,574	\$ 2,598	\$ 2,604	\$ 2,570	\$ 2,594
HDC 'Pay no more' 20 years	HDC	HH Charges	\$ 2,521	\$ 2,559	\$ 2,555	\$ 2,581	\$ 2,548	\$ 2,574	\$ 2,598	\$ 2,604	\$ 2,570	\$ 2,594
KCDC 'Pay no more' 20 years	KCDC	HH Charges	\$ 2,521	\$ 2,559	\$ 2,555	\$ 2,581	\$ 2,548	\$ 2,574	\$ 2,598	\$ 2,604	\$ 2,570	\$ 2,594
MDC 'Pay no more' 20 years	MDC	HH Charges	\$ 2,521	\$ 2,559	\$ 2,555	\$ 2,581	\$ 2,548	\$ 2,574	\$ 2,598	\$ 2,604	\$ 2,570	\$ 2,594
PNCC 'Pay no more' 20 years	PNCC	HH Charges	\$ 2,521	\$ 2,559	\$ 2,555	\$ 2,581	\$ 2,548	\$ 2,574	\$ 2,598	\$ 2,604	\$ 2,570	\$ 2,594
HDC 'Pay no more' 30 years	HDC	HH Charges	\$ 2,521	\$ 2,559	\$ 2,555	\$ 2,581	\$ 2,548	\$ 2,574	\$ 2,598	\$ 2,604	\$ 2,570	\$ 2,594
KCDC 'Pay no more' 30 years	KCDC	HH Charges	\$ 2,477	\$ 2,515	\$ 2,547	\$ 2,581	\$ 2,548	\$ 2,574	\$ 2,598	\$ 2,604	\$ 2,570	\$ 2,594
MDC 'Pay no more' 30 years	MDC	HH Charges	\$ 2,328	\$ 2,355	\$ 2,381	\$ 2,409	\$ 2,437	\$ 2,466	\$ 2,495	\$ 2,523	\$ 2,553	\$ 2,583
PNCC 'Pay no more' 30 years	PNCC	HH Charges	\$ 2,521	\$ 2,559	\$ 2,555	\$ 2,581	\$ 2,548	\$ 2,574	\$ 2,598	\$ 2,604	\$ 2,570	\$ 2,594
HDC 'local price'		HH Charges	\$ 2,666	\$ 2,758	\$ 2,779	\$ 2,779	\$ 2,727	\$ 2,730	\$ 2,734	\$ 2,707	\$ 2,658	\$ 2,667
KCDC 'local price'		HH Charges	\$ 2,397	\$ 2,421	\$ 2,459	\$ 2,487	\$ 2,444	\$ 2,464	\$ 2,479	\$ 2,501	\$ 2,445	\$ 2,451
MDC 'local price'		HH Charges	\$ 2,242	\$ 2,254	\$ 2,287	\$ 2,301	\$ 2,266	\$ 2,285	\$ 2,303	\$ 2,294	\$ 2,261	\$ 2,285
PNCC 'local price'		HH Charges	\$ 2,600	\$ 2,631	\$ 2,571	\$ 2,609	\$ 2,595	\$ 2,637	\$ 2,681	\$ 2,694	\$ 2,684	\$ 2,733
Manwatu-Whanganui	Base	HH Charges	\$ 2,275	\$ 2,302	\$ 2,294	\$ 2,310	\$ 2,327	\$ 2,346	\$ 2,362	\$ 2,379	\$ 2,397	\$ 2,416

Part B : All figures are deflated (real) and exclude GST

Entity	Scenario	Metric	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Inflation Index			1.00	1.03	1.05	1.08	1.11	1.13	1.16	1.18	1.21	1.23
HDC Base	Base	HH Charges	\$ 1,794	\$ 1,901	\$ 2,103	\$ 2,327	\$ 2,418	\$ 2,496	\$ 2,528	\$ 2,554	\$ 2,522	\$ 2,431
KCDC Base	Base	HH Charges	\$ 1,645	\$ 1,506	\$ 1,530	\$ 1,651	\$ 1,710	\$ 1,657	\$ 1,630	\$ 1,633	\$ 1,641	\$ 1,639
MDC Base	Base	HH Charges	\$ 1,398	\$ 1,521	\$ 1,596	\$ 1,693	\$ 1,631	\$ 1,693	\$ 1,699	\$ 1,698	\$ 1,704	\$ 1,684
PNCC Base	Base	HH Charges	\$ 1,081	\$ 1,189	\$ 1,317	\$ 1,543	\$ 1,858	\$ 2,207	\$ 2,791	\$ 2,961	\$ 2,996	\$ 2,789
MDC & PNCC CCO	Base	HH Charges	#N/A	#N/A	#N/A	\$ 1,349	\$ 1,545	\$ 1,734	\$ 1,924	\$ 2,189	\$ 2,294	\$ 2,343
HDC & KCDC CCO	Base	HH Charges	#N/A	#N/A	#N/A	\$ 2,034	\$ 2,087	\$ 2,083	\$ 2,048	\$ 2,003	\$ 1,973	\$ 1,990
The Four CCO Base	Base	HH Charges	#N/A	#N/A	#N/A	\$ 1,647	\$ 1,817	\$ 1,848	\$ 2,012	\$ 2,334	\$ 2,393	\$ 2,459
The Four CCO	FFO 8%	HH Charges	#N/A	#N/A	#N/A	\$ 1,765	\$ 1,893	\$ 1,935	\$ 1,990	\$ 2,246	\$ 2,342	\$ 2,363
The Four CCO	High investment (capex +30%)	HH Charges	#N/A	#N/A	#N/A	\$ 2,060	\$ 2,285	\$ 2,340	\$ 2,511	\$ 2,862	\$ 2,889	\$ 2,912
The Four CCO	Low investment (capex -30%)	HH Charges	#N/A	#N/A	#N/A	\$ 1,704	\$ 1,761	\$ 1,806	\$ 1,882	\$ 1,980	\$ 2,029	\$ 2,041
The Four CCO	High efficiencies	HH Charges	#N/A	#N/A	#N/A	\$ 1,894	\$ 2,039	\$ 2,022	\$ 2,146	\$ 2,430	\$ 2,433	\$ 2,440
The Four CCO	Low efficiencies	HH Charges	#N/A	#N/A	#N/A	\$ 1,894	\$ 2,039	\$ 2,032	\$ 2,168	\$ 2,467	\$ 2,525	\$ 2,548
The Four CCO	Interest rate high 7%	HH Charges	#N/A	#N/A	#N/A	\$ 2,026	\$ 2,205	\$ 2,220	\$ 2,371	\$ 2,686	\$ 2,708	\$ 2,721
The Four CCO	Interest rate low 3%	HH Charges	#N/A	#N/A	#N/A	\$ 1,761	\$ 1,871	\$ 1,832	\$ 1,941	\$ 2,208	\$ 2,208	\$ 2,227
Nature Calls Scenarios												
PNCC	Nature Calls -30%	HH Charges	\$ 1,081	\$ 1,048	\$ 1,176	\$ 1,384	\$ 1,648	\$ 1,939	\$ 2,267	\$ 2,403	\$ 2,351	\$ 1,900
PNCC	Nature Calls +30%	HH Charges	\$ 1,081	\$ 1,051	\$ 1,183	\$ 1,682	\$ 2,275	\$ 2,700	\$ 3,401	\$ 3,486	\$ 3,351	\$ 2,678
The Four CCO	Nature Calls -30%	HH Charges	#N/A	#N/A	#N/A	\$ 1,621	\$ 1,745	\$ 1,707	\$ 1,754	\$ 1,968	\$ 2,001	\$ 2,036
The Four CCO	Nature Calls +30%	HH Charges	#N/A	#N/A	#N/A	\$ 1,700	\$ 1,856	\$ 1,843	\$ 2,005	\$ 2,274	\$ 2,327	\$ 2,303
Harmonise												
HDC Harmonised Year 3	HDC	Consol	#N/A	#N/A	#N/A	\$ 2,244	\$ 2,299	\$ 2,191	\$ 2,216	\$ 2,383	\$ 2,266	\$ 2,152
KCDC Harmonised Year 3	KCDC	Consol	#N/A	#N/A	#N/A	\$ 1,577	\$ 1,612	\$ 1,440	\$ 1,610	\$ 1,924	\$ 2,033	\$ 2,152
MDC Harmonised Year 3	MDC	Consol	#N/A	#N/A	#N/A	\$ 1,619	\$ 1,538	\$ 1,476	\$ 1,646	\$ 1,953	\$ 2,049	\$ 2,152
PNCC Harmonised Year 3	PNCC	Consol	#N/A	#N/A	#N/A	\$ 1,466	\$ 1,739	\$ 1,898	\$ 1,991	\$ 2,220	\$ 2,185	\$ 2,152
HDC Harmonised Year 7	HDC	Consol	#N/A	#N/A	#N/A	\$ 2,244	\$ 2,299	\$ 2,191	\$ 2,118	\$ 2,343	\$ 2,313	\$ 2,343
KCDC Harmonised Year 7	KCDC	Consol	#N/A	#N/A	#N/A	\$ 1,577	\$ 1,612	\$ 1,440	\$ 1,354	\$ 1,495	\$ 1,501	\$ 1,577
MDC Harmonised Year 7	MDC	Consol	#N/A	#N/A	#N/A	\$ 1,619	\$ 1,538	\$ 1,476	\$ 1,414	\$ 1,549	\$ 1,552	\$ 1,611
PNCC Harmonised Year 7	PNCC	Consol	#N/A	#N/A	#N/A	\$ 1,466	\$ 1,739	\$ 1,898	\$ 2,280	\$ 2,656	\$ 2,683	\$ 2,629
HDC Harmonised Year 10	HDC	Consol	#N/A	#N/A	#N/A	\$ 2,244	\$ 2,299	\$ 2,191	\$ 2,118	\$ 2,343	\$ 2,313	\$ 2,343
KCDC Harmonised Year 10	KCDC	Consol	#N/A	#N/A	#N/A	\$ 1,577	\$ 1,612	\$ 1,440	\$ 1,354	\$ 1,495	\$ 1,501	\$ 1,577
MDC Harmonised Year 10	MDC	Consol	#N/A	#N/A	#N/A	\$ 1,619	\$ 1,538	\$ 1,476	\$ 1,414	\$ 1,549	\$ 1,552	\$ 1,611
PNCC Harmonised Year 10	PNCC	Consol	#N/A	#N/A	#N/A	\$ 1,466	\$ 1,739	\$ 1,898	\$ 2,280	\$ 2,656	\$ 2,683	\$ 2,629
HDC Harmonised Year 5	HDC	Consol	#N/A	#N/A	#N/A	\$ 2,244	\$ 2,299	\$ 2,191	\$ 2,118	\$ 2,343	\$ 2,317	\$ 2,295
KCDC Harmonised Year 5	KCDC	Consol	#N/A	#N/A	#N/A	\$ 1,577	\$ 1,612	\$ 1,440	\$ 1,354	\$ 1,495	\$ 1,599	\$ 1,715
MDC Harmonised Year 5	MDC	Consol	#N/A	#N/A	#N/A	\$ 1,619	\$ 1,538	\$ 1,476	\$ 1,414	\$ 1,549	\$ 1,650	\$ 1,757
PNCC Harmonised Year 5	PNCC	Consol	#N/A	#N/A	#N/A	\$ 1,466	\$ 1,739	\$ 1,898	\$ 2,280	\$ 2,656	\$ 2,587	\$ 2,517
HDC 'Pay no more' 20 years	HDC	HH Charges	#N/A	#N/A	#N/A	\$ 2,295	\$ 2,372	\$ 2,378	\$ 2,369	\$ 2,472	\$ 2,443	\$ 2,379
KCDC 'Pay no more' 20 years	KCDC	HH Charges	#N/A	#N/A	#N/A	\$ 1,651	\$ 1,710	\$ 1,657	\$ 1,630	\$ 1,633	\$ 1,641	\$ 1,639
MDC 'Pay no more' 20 years	MDC	HH Charges	#N/A	#N/A	#N/A	\$ 1,693	\$ 1,631	\$ 1,693	\$ 1,699	\$ 1,698	\$ 1,704	\$ 1,684
PNCC 'Pay no more' 20 years	PNCC	HH Charges	#N/A	#N/A	#N/A	\$ 1,513	\$ 1,812	\$ 2,087	\$ 2,593	\$ 2,843	\$ 2,837	\$ 2,684
HDC 'Pay no more' 30 years	HDC	HH Charges	#N/A	#N/A	#N/A	\$ 2,306	\$ 2,388	\$ 2,420	\$ 2,425	\$ 2,502	\$ 2,471	\$ 2,397
KCDC 'Pay no more' 30 years	KCDC	HH Charges	#N/A	#N/A	#N/A	\$ 1,651	\$ 1,710	\$ 1,657	\$ 1,630	\$ 1,633	\$ 1,641	\$ 1,639
MDC 'Pay no more' 30 years	MDC	HH Charges	#N/A	#N/A	#N/A	\$ 1,693	\$ 1,631	\$ 1,693	\$ 1,699	\$ 1,698	\$ 1,704	\$ 1,684
PNCC 'Pay no more' 30 years	PNCC	HH Charges	#N/A	#N/A	#N/A	\$ 1,523	\$ 1,828	\$ 2,130	\$ 2,663	\$ 2,885	\$ 2,894	\$ 2,721
HDC 'local price'		HH Charges	#N/A	#N/A	#N/A	\$ 2,274	\$ 2,340	\$ 2,290	\$ 2,250	\$ 2,414	\$ 2,384	\$ 2,377
KCDC 'local price'		HH Charges	#N/A	#N/A	#N/A	\$ 1,599	\$ 1,641	\$ 1,505	\$ 1,439	\$ 1,541	\$ 1,548	\$ 1,600
MDC 'local price'		HH Charges	#N/A	#N/A	#N/A	\$ 1,641	\$ 1,566	\$ 1,543	\$ 1,502	\$ 1,597	\$ 1,600	\$ 1,635
PNCC 'local price'		HH Charges	#N/A	#N/A	#N/A	\$ 1,486	\$ 1,770	\$ 1,984	\$ 2,423	\$ 2,738	\$ 2,766	\$ 2,667
Manwatu-Whanganui	Base	HH Charges	#N/A	#N/A	#N/A	\$ 1,545	\$ 1,673	\$ 1,736	\$ 1,800	\$ 1,988	\$ 1,997	\$ 2,011

Entity	Scenario	Metric	2034/35	2035/36	2036/37	2037/38	2038/39	2039/40	2040/41	2041/42	2042/43	2043/44
Inflation Index			1.26	1.28	1.31	1.34	1.36	1.39	1.42	1.45	1.48	1.50
HDC Base	Base	HH Charges	\$ 2,365	\$ 2,372	\$ 2,368	\$ 2,329	\$ 2,247	\$ 2,223	\$ 2,140	\$ 2,045	\$ 1,954	\$ 1,923
KCDC Base	Base	HH Charges	\$ 1,663	\$ 1,662	\$ 1,645	\$ 1,651	\$ 1,656	\$ 1,645	\$ 1,629	\$ 1,636	\$ 1,633	\$ 1,620
MDC Base	Base	HH Charges	\$ 1,664	\$ 1,648	\$ 1,633	\$ 1,617	\$ 1,603	\$ 1,589	\$ 1,574	\$ 1,559	\$ 1,545	\$ 1,531
PNCC Base	Base	HH Charges	\$ 2,595	\$ 2,262	\$ 2,234	\$ 1,801	\$ 1,795	\$ 1,789	\$ 1,784	\$ 1,779	\$ 1,774	\$ 1,768
MDC & PNCC CCO	Base	HH Charges	\$ 2,338	\$ 2,224	\$ 2,151	\$ 2,081	\$ 2,050	\$ 1,952	\$ 1,894	\$ 1,839	\$ 1,805	\$ 1,771
HDC & KCDC CCO	Base	HH Charges	\$ 1,993	\$ 1,955	\$ 1,942	\$ 1,983	\$ 1,951	\$ 1,897	\$ 1,903	\$ 1,856	\$ 1,835	\$ 1,792
The Four CCO Base	Base	HH Charges	\$ 2,496	\$ 2,465	\$ 2,431	\$ 2,443	\$ 2,406	\$ 2,377	\$ 2,392	\$ 2,368	\$ 2,341	\$ 2,335
The Four CCO	FFO 8%	HH Charges	\$ 2,396	\$ 2,283	\$ 2,248	\$ 2,217	\$ 2,182	\$ 2,115	\$ 2,089	\$ 2,028	\$ 1,987	\$ 1,944
The Four CCO	High investment (capex +30%)	HH Charges	\$ 2,858	\$ 2,773	\$ 2,686	\$ 2,607	\$ 2,567	\$ 2,446	\$ 2,416	\$ 2,348	\$ 2,280	\$ 2,231
The Four CCO	Low investment (capex -30%)	HH Charges	\$ 2,030	\$ 1,961	\$ 1,909	\$ 1,878	\$ 1,826	\$ 1,767	\$ 1,727	\$ 1,690	\$ 1,670	\$ 1,647
The Four CCO	High efficiencies	HH Charges	\$ 2,420	\$ 2,334	\$ 2,247	\$ 2,204	\$ 2,117	\$ 2,027	\$ 1,997	\$ 1,916	\$ 1,873	\$ 1,828
The Four CCO	Low efficiencies	HH Charges	\$ 2,543	\$ 2,432	\$ 2,400	\$ 2,354	\$ 2,303	\$ 2,235	\$ 2,207	\$ 2,146	\$ 2,084	\$ 2,040
The Four CCO	Interest rate high 7%	HH Charges	\$ 2,703	\$ 2,616	\$ 2,529	\$ 2,489	\$ 2,404	\$ 2,327	\$ 2,291	\$ 2,223	\$ 2,155	\$ 2,105
The Four CCO	Interest rate low 3%	HH Charges	\$ 2,222	\$ 2,151	\$ 2,080	\$ 2,052	\$ 1,980	\$ 1,920	\$ 1,899	\$ 1,843	\$ 1,787	\$ 1,749
Nature Calls Scenarios												
PNCC	Nature Calls -30%	HH Charges	\$ 1,936	\$ 1,925	\$ 1,914	\$ 1,904	\$ 1,895	\$ 1,708	\$ 1,708	\$ 1,708	\$ 1,707	\$ 1,706
PNCC	Nature Calls +30%	HH Charges	\$ 2,585	\$ 2,332	\$ 2,301	\$ 2,167	\$ 2,144	\$ 1,913	\$ 1,903	\$ 1,892	\$ 1,778	\$ 1,773
The Four CCO	Nature Calls -30%	HH Charges	\$ 2,029	\$ 1,967	\$ 1,904	\$ 1,900	\$ 1,845	\$ 1,790	\$ 1,768	\$ 1,718	\$ 1,685	\$ 1,649
The Four CCO	Nature Calls +30%	HH Charges	\$ 2,288	\$ 2,186	\$ 2,111	\$ 2,076	\$ 1,975	\$ 1,911	\$ 1,854	\$ 1,809	\$ 1,759	\$ 1,719
Harmonise												
HDC Harmonised Year 3	HDC	Consol	\$ 2,142	\$ 2,073	\$ 2,004	\$ 1,975	\$ 1,907	\$ 1,847	\$ 1,822	\$ 1,768	\$ 1,714	\$ 1,676
KCDC Harmonised Year 3	KCDC	Consol	\$ 2,142	\$ 2,073	\$ 2,004	\$ 1,975	\$ 1,907	\$ 1,847	\$ 1,822	\$ 1,768	\$ 1,714	\$ 1,676
MDC Harmonised Year 3	MDC	Consol	\$ 2,142	\$ 2,073	\$ 2,004	\$ 1,975	\$ 1,907	\$ 1,847	\$ 1,822	\$ 1,768	\$ 1,714	\$ 1,676
PNCC Harmonised Year 3	PNCC	Consol	\$ 2,142	\$ 2,073	\$ 2,004	\$ 1,975	\$ 1,907	\$ 1,847	\$ 1,822	\$ 1,768	\$ 1,714	\$ 1,676
HDC Harmonised Year 7	HDC	Consol	\$ 2,283	\$ 2,166	\$ 2,050	\$ 1,975	\$ 1,907	\$ 1,847	\$ 1,822	\$ 1,768	\$ 1,714	\$ 1,676
KCDC Harmonised Year 7	KCDC	Consol	\$ 1,709	\$ 1,796	\$ 1,871	\$ 1,975	\$ 1,907	\$ 1,847	\$ 1,822	\$ 1,768	\$ 1,714	\$ 1,676
MDC Harmonised Year 7	MDC	Consol	\$ 1,736	\$ 1,812	\$ 1,879	\$ 1,975	\$ 1,907	\$ 1,847	\$ 1,822	\$ 1,768	\$ 1,714	\$ 1,676
PNCC Harmonised Year 7	PNCC	Consol	\$ 2,501	\$ 2,304	\$ 2,115	\$ 1,975	\$ 1,907	\$ 1,847	\$ 1,822	\$ 1,768	\$ 1,714	\$ 1,676
HDC Harmonised Year 10	HDC	Consol	\$ 2,355	\$ 2,432	\$ 2,370	\$ 2,247	\$ 2,083	\$ 1,933	\$ 1,822	\$ 1,768	\$ 1,714	\$ 1,676
KCDC Harmonised Year 10	KCDC	Consol	\$ 1,654	\$ 1,707	\$ 1,647	\$ 1,715	\$ 1,741	\$ 1,767	\$ 1,822	\$ 1,768	\$ 1,714	\$ 1,676
MDC Harmonised Year 10	MDC	Consol	\$ 1,646	\$ 1,683	\$ 1,626	\$ 1,696	\$ 1,728	\$ 1,760	\$ 1,822	\$ 1,768	\$ 1,714	\$ 1,676
PNCC Harmonised Year 10	PNCC	Consol	\$ 2,531	\$ 2,281	\$ 2,201	\$ 2,115	\$ 1,996	\$ 1,890	\$ 1,822	\$ 1,768	\$ 1,714	\$ 1,676
HDC Harmonised Year 5	HDC	Consol	\$ 2,248	\$ 2,143	\$ 2,038	\$ 1,975	\$ 1,907	\$ 1,847	\$ 1,822	\$ 1,768	\$ 1,714	\$ 1,676
KCDC Harmonised Year 5	KCDC	Consol	\$ 1,814	\$ 1,863	\$ 1,903	\$ 1,975	\$ 1,907	\$ 1,847	\$ 1,822	\$ 1,768	\$ 1,714	\$ 1,676
MDC Harmonised Year 5	MDC	Consol	\$ 1,846	\$ 1,883	\$ 1,913	\$ 1,975	\$ 1,907	\$ 1,847	\$ 1,822	\$ 1,768	\$ 1,714	\$ 1,676
PNCC Harmonised Year 5	PNCC	Consol	\$ 2,416	\$ 2,250	\$ 2,090	\$ 1,975	\$ 1,907	\$ 1,847	\$ 1,822	\$ 1,768	\$ 1,714	\$ 1,676
HDC 'Pay no more' 20 years	HDC	HH Charges	\$ 2,320	\$ 2,283	\$ 2,038	\$ 1,975	\$ 1,907	\$ 1,847	\$ 1,822	\$ 1,768	\$ 1,714	\$ 1,676
KCDC 'Pay no more' 20 years	KCDC	HH Charges	\$ 1,663	\$ 1,662	\$ 1,645	\$ 1,651	\$ 1,656	\$ 1,645	\$ 1,629	\$ 1,636	\$ 1,633	\$ 1,620
MDC 'Pay no more' 20 years	MDC	HH Charges	\$ 1,664	\$ 1,648	\$ 1,633	\$ 1,617	\$ 1,603	\$ 1,589	\$ 1,574	\$ 1,559	\$ 1,545	\$ 1,531
PNCC 'Pay no more' 20 years	PNCC	HH Charges	\$ 2,526	\$ 2,257	\$ 2,090	\$ 1,975	\$ 1,907	\$ 1,847	\$ 1,822	\$ 1,768	\$ 1,714	\$ 1,676
HDC 'Pay no more' 30 years	HDC	HH Charges	\$ 2,336	\$ 2,315	\$ 2,038	\$ 1,975	\$ 1,907	\$ 1,847	\$ 1,822	\$ 1,768	\$ 1,714	\$ 1,676
KCDC 'Pay no more' 30 years	KCDC	HH Charges	\$ 1,663	\$ 1,662	\$ 1,645	\$ 1,651	\$ 1,656	\$ 1,645	\$ 1,629	\$ 1,636	\$ 1,633	\$ 1,620
MDC 'Pay no more' 30 years	MDC	HH Charges	\$ 1,664	\$ 1,648	\$ 1,633	\$ 1,617	\$ 1,603	\$ 1,589	\$ 1,574	\$ 1,559	\$ 1,545	\$ 1,531
PNCC 'Pay no more' 30 years	PNCC	HH Charges	\$ 2,551	\$ 2,259	\$ 2,090	\$ 1,975	\$ 1,907	\$ 1,847	\$ 1,822	\$ 1,768	\$ 1,714	\$ 1,676
HDC 'local price'		HH Charges	\$ 2,365	\$ 2,372	\$ 2,368	\$ 2,329	\$ 2,247	\$ 2,223	\$ 2,140	\$ 2,045	\$ 1,930	\$ 1,873
KCDC 'local price'		HH Charges	\$ 1,661	\$ 1,662	\$ 1,645	\$ 1,651	\$ 1,656	\$ 1,645	\$ 1,629	\$ 1,636	\$ 1,610	\$ 1,572
MDC 'local price'		HH Charges	\$ 1,654	\$ 1,648	\$ 1,633	\$ 1,617	\$ 1,603	\$ 1,589	\$ 1,574	\$ 1,559	\$ 1,515	\$ 1,479
PNCC 'local price'		HH Charges	\$ 2,542	\$ 2,262	\$ 2,234	\$ 1,801	\$ 1,795	\$ 1,789	\$ 1,784	\$ 1,779	\$ 1,733	\$ 1,704
Manwatu-Whanganui	Base	HH Charges	\$ 2,011	\$ 1,935	\$ 1,867	\$ 1,830	\$ 1,762	\$ 1,719	\$ 1,662	\$ 1,606	\$ 1,567	\$ 1,530

Entity	Scenario	Metric	2044/45	2045/46	2046/47	2047/48	2048/49	2049/50	2050/51	2051/52	2052/53	2053/54
Inflation Index			1.53	1.57	1.60	1.63	1.66	1.69	1.73	1.76	1.80	1.83
HDC Base	Base	HH Charges	\$ 1,787	\$ 1,824	\$ 1,798	\$ 1,772	\$ 1,745	\$ 1,719	\$ 1,693	\$ 1,668	\$ 1,642	\$ 1,617
KCDC Base	Base	HH Charges	\$ 1,614	\$ 1,607	\$ 1,595	\$ 1,590	\$ 1,572	\$ 1,560	\$ 1,543	\$ 1,549	\$ 1,524	\$ 1,499
MDC Base	Base	HH Charges	\$ 1,517	\$ 1,504	\$ 1,491	\$ 1,479	\$ 1,467	\$ 1,456	\$ 1,443	\$ 1,431	\$ 1,420	\$ 1,408
PNCC Base	Base	HH Charges	\$ 1,762	\$ 1,757	\$ 1,677	\$ 1,678	\$ 1,676	\$ 1,675	\$ 1,675	\$ 1,674	\$ 1,674	\$ 1,673
MDC & PNCC CCO	Base	HH Charges	\$ 1,739	\$ 1,709	\$ 1,681	\$ 1,654	\$ 1,628	\$ 1,621	\$ 1,596	\$ 1,590	\$ 1,585	\$ 1,580
HDC & KCDC CCO	Base	HH Charges	\$ 1,745	\$ 1,792	\$ 1,751	\$ 1,699	\$ 1,671	\$ 1,617	\$ 1,608	\$ 1,567	\$ 1,508	\$ 1,467
The Four CCO Base	Base	HH Charges	\$ 2,334	\$ 2,369	\$ 2,366	\$ 2,390	\$ 2,359	\$ 2,383	\$ 2,406	\$ 2,411	\$ 2,379	\$ 2,402
The Four CCO	FFO 8%	HH Charges	\$ 1,887	\$ 1,899	\$ 1,878	\$ 1,841	\$ 1,802	\$ 1,803	\$ 1,747	\$ 1,736	\$ 1,717	\$ 1,698
The Four CCO	High investment (capex +30%)	HH Charges	\$ 2,190	\$ 2,181	\$ 2,137	\$ 2,097	\$ 2,053	\$ 2,012	\$ 1,994	\$ 1,962	\$ 1,919	\$ 1,900
The Four CCO	Low investment (capex -30%)	HH Charges	\$ 1,627	\$ 1,616	\$ 1,595	\$ 1,576	\$ 1,555	\$ 1,535	\$ 1,515	\$ 1,500	\$ 1,479	\$ 1,458
The Four CCO	High efficiencies	HH Charges	\$ 1,770	\$ 1,761	\$ 1,722	\$ 1,686	\$ 1,666	\$ 1,630	\$ 1,612	\$ 1,583	\$ 1,565	\$ 1,547
The Four CCO	Low efficiencies	HH Charges	\$ 1,963	\$ 1,995	\$ 1,955	\$ 1,919	\$ 1,879	\$ 1,862	\$ 1,825	\$ 1,815	\$ 1,776	\$ 1,739
The Four CCO	Interest rate high 7%	HH Charges	\$ 2,062	\$ 2,053	\$ 2,009	\$ 1,987	\$ 1,924	\$ 1,904	\$ 1,882	\$ 1,851	\$ 1,792	\$ 1,772
The Four CCO	Interest rate low 3%	HH Charges	\$ 1,715	\$ 1,706	\$ 1,671	\$ 1,656	\$ 1,603	\$ 1,589	\$ 1,574	\$ 1,546	\$ 1,494	\$ 1,481
Nature Calls Scenarios												
PNCC	Nature Calls -30%	HH Charges	\$ 1,704	\$ 1,704	\$ 1,705	\$ 1,706	\$ 1,704	\$ 1,704	\$ 1,704	\$ 1,703	\$ 1,703	\$ 1,703
PNCC	Nature Calls +30%	HH Charges	\$ 1,767	\$ 1,763	\$ 1,761	\$ 1,758	\$ 1,753	\$ 1,749	\$ 1,746	\$ 1,742	\$ 1,739	\$ 1,735
The Four CCO	Nature Calls -30%	HH Charges	\$ 1,617	\$ 1,610	\$ 1,578	\$ 1,563	\$ 1,514	\$ 1,500	\$ 1,486	\$ 1,461	\$ 1,430	\$ 1,400
The Four CCO	Nature Calls +30%	HH Charges	\$ 1,682	\$ 1,672	\$ 1,635	\$ 1,618	\$ 1,565	\$ 1,524	\$ 1,508	\$ 1,498	\$ 1,447	\$ 1,432
Harmonise												
HDC Harmonised Year 3	HDC	Consol	\$ 1,643	\$ 1,635	\$ 1,600	\$ 1,585	\$ 1,534	\$ 1,519	\$ 1,503	\$ 1,477	\$ 1,429	\$ 1,415
KCDC Harmonised Year 3	KCDC	Consol	\$ 1,643	\$ 1,635	\$ 1,600	\$ 1,585	\$ 1,534	\$ 1,519	\$ 1,503	\$ 1,477	\$ 1,429	\$ 1,415
MDC Harmonised Year 3	MDC	Consol	\$ 1,643	\$ 1,635	\$ 1,600	\$ 1,585	\$ 1,534	\$ 1,519	\$ 1,503	\$ 1,477	\$ 1,429	\$ 1,415
PNCC Harmonised Year 3	PNCC	Consol	\$ 1,643	\$ 1,635	\$ 1,600	\$ 1,585	\$ 1,534	\$ 1,519	\$ 1,503	\$ 1,477	\$ 1,429	\$ 1,415
HDC Harmonised Year 7	HDC	Consol	\$ 1,643	\$ 1,635	\$ 1,600	\$ 1,585	\$ 1,534	\$ 1,519	\$ 1,503	\$ 1,477	\$ 1,429	\$ 1,415
KCDC Harmonised Year 7	KCDC	Consol	\$ 1,643	\$ 1,635	\$ 1,600	\$ 1,585	\$ 1,534	\$ 1,519	\$ 1,503	\$ 1,477	\$ 1,429	\$ 1,415
MDC Harmonised Year 7	MDC	Consol	\$ 1,643	\$ 1,635	\$ 1,600	\$ 1,585	\$ 1,534	\$ 1,519	\$ 1,503	\$ 1,477	\$ 1,429	\$ 1,415
PNCC Harmonised Year 7	PNCC	Consol	\$ 1,643	\$ 1,635	\$ 1,600	\$ 1,585	\$ 1,534	\$ 1,519	\$ 1,503	\$ 1,477	\$ 1,429	\$ 1,415
HDC Harmonised Year 10	HDC	Consol	\$ 1,643	\$ 1,635	\$ 1,600	\$ 1,585	\$ 1,534	\$ 1,519	\$ 1,503	\$ 1,477	\$ 1,429	\$ 1,415
KCDC Harmonised Year 10	KCDC	Consol	\$ 1,643	\$ 1,635	\$ 1,600	\$ 1,585	\$ 1,534	\$ 1,519	\$ 1,503	\$ 1,477	\$ 1,429	\$ 1,415
MDC Harmonised Year 10	MDC	Consol	\$ 1,643	\$ 1,635	\$ 1,600	\$ 1,585	\$ 1,534	\$ 1,519	\$ 1,503	\$ 1,477	\$ 1,429	\$ 1,415
PNCC Harmonised Year 10	PNCC	Consol	\$ 1,643	\$ 1,635	\$ 1,600	\$ 1,585	\$ 1,534	\$ 1,519	\$ 1,503	\$ 1,477	\$ 1,429	\$ 1,415
HDC Harmonised Year 5	HDC	Consol	\$ 1,643	\$ 1,635	\$ 1,600	\$ 1,585	\$ 1,534	\$ 1,519	\$ 1,503	\$ 1,477	\$ 1,429	\$ 1,415
KCDC Harmonised Year 5	KCDC	Consol	\$ 1,643	\$ 1,635	\$ 1,600	\$ 1,585	\$ 1,534	\$ 1,519	\$ 1,503	\$ 1,477	\$ 1,429	\$ 1,415
MDC Harmonised Year 5	MDC	Consol	\$ 1,643	\$ 1,635	\$ 1,600	\$ 1,585	\$ 1,534	\$ 1,519	\$ 1,503	\$ 1,477	\$ 1,429	\$ 1,415
PNCC Harmonised Year 5	PNCC	Consol	\$ 1,643	\$ 1,635	\$ 1,600	\$ 1,585	\$ 1,534	\$ 1,519	\$ 1,503	\$ 1,477	\$ 1,429	\$ 1,415
HDC 'Pay no more' 20 years	HDC	HH Charges	\$ 1,643	\$ 1,635	\$ 1,600	\$ 1,585	\$ 1,534	\$ 1,519	\$ 1,503	\$ 1,477	\$ 1,429	\$ 1,415
KCDC 'Pay no more' 20 years	KCDC	HH Charges	\$ 1,643	\$ 1,635	\$ 1,600	\$ 1,585	\$ 1,534	\$ 1,519	\$ 1,503	\$ 1,477	\$ 1,429	\$ 1,415
MDC 'Pay no more' 20 years	MDC	HH Charges	\$ 1,643	\$ 1,635	\$ 1,600	\$ 1,585	\$ 1,534	\$ 1,519	\$ 1,503	\$ 1,477	\$ 1,429	\$ 1,415
PNCC 'Pay no more' 20 years	PNCC	HH Charges	\$ 1,643	\$ 1,635	\$ 1,600	\$ 1,585	\$ 1,534	\$ 1,519	\$ 1,503	\$ 1,477	\$ 1,429	\$ 1,415
HDC 'Pay no more' 30 years	HDC	HH Charges	\$ 1,643	\$ 1,635	\$ 1,600	\$ 1,585	\$ 1,534	\$ 1,519	\$ 1,503	\$ 1,477	\$ 1,429	\$ 1,415
KCDC 'Pay no more' 30 years	KCDC	HH Charges	\$ 1,614	\$ 1,607	\$ 1,595	\$ 1,585	\$ 1,534	\$ 1,519	\$ 1,503	\$ 1,477	\$ 1,429	\$ 1,415
MDC 'Pay no more' 30 years	MDC	HH Charges	\$ 1,517	\$ 1,504	\$ 1,491	\$ 1,479	\$ 1,467	\$ 1,456	\$ 1,443	\$ 1,431	\$ 1,420	\$ 1,408
PNCC 'Pay no more' 30 years	PNCC	HH Charges	\$ 1,643	\$ 1,635	\$ 1,600	\$ 1,585	\$ 1,534	\$ 1,519	\$ 1,503	\$ 1,477	\$ 1,429	\$ 1,415
HDC 'local price'		HH Charges	\$ 1,737	\$ 1,762	\$ 1,741	\$ 1,707	\$ 1,641	\$ 1,611	\$ 1,582	\$ 1,536	\$ 1,478	\$ 1,454
KCDC 'local price'		HH Charges	\$ 1,562	\$ 1,547	\$ 1,540	\$ 1,527	\$ 1,471	\$ 1,454	\$ 1,434	\$ 1,419	\$ 1,360	\$ 1,336
MDC 'local price'		HH Charges	\$ 1,461	\$ 1,440	\$ 1,432	\$ 1,413	\$ 1,364	\$ 1,348	\$ 1,333	\$ 1,301	\$ 1,257	\$ 1,246
PNCC 'local price'		HH Charges	\$ 1,694	\$ 1,681	\$ 1,610	\$ 1,602	\$ 1,562	\$ 1,556	\$ 1,551	\$ 1,528	\$ 1,492	\$ 1,490
Manwatu-Whanganui	Base	HH Charges	\$ 1,482	\$ 1,471	\$ 1,437	\$ 1,418	\$ 1,401	\$ 1,385	\$ 1,367	\$ 1,349	\$ 1,333	\$ 1,317



Have your say on **Who Manages Manawatū Districts Water In The Future?**

MDC Local Water Done Well
Consultation Document 2025



www.mdc.govt.nz/localwaterdonewell



Local Water Done Well for Manawātū District – have your say!

As part of the Government's Local Water Done Well programme and new legislation, every council must consult with their communities on options for the delivery of 3 water services (drinking water, wastewater, storm water) going forward.

This is a critical decision – one of the most significant decisions Councils will make in the years to come.

The Manawātū District Council (MDC) has for many years prioritised the effective management of our three waters, which has led to high urban rates. Through strategic investment and careful planning, we have ensured that not only is our water supply reliable, but our environmental impact remains minimal. Central to all of this has been doing the basics well and managing costs responsibly. Many other Councils have not invested as well and now face large costs and rates increases ahead of them. The Department of Internal Affairs has rated MDC's current three waters infrastructure as 'exceeding expectations' – a complimentary assessment of past and present investment by Council.

As legislation by central government has evolved over the past five years, my colleagues and I have been instrumental in advocating to ensure that the proposed legislation is reasonable and reflective of the needs of local Councils, particularly here in our region. Central government is now providing Councils the flexibility to determine how water services will be owned, governed, managed and delivered.

As required by government, our Council has investigated a number of different models and have reduced our options to the three most favourable options for our District ratepayers and residents. These are:

- In-house model (our preferred option),
- A multi-council Water Services Council Controlled Organisation jointly owned by Manawātū District Council and Palmerston North City Council for the delivery of water services in the Manawātū District.
- A Water Services Council Controlled Organisation jointly owned by Horowhenua District Council, Kāpiti Coast District Council, Manawātū District Council, Palmerston North City Council.

As you review the consultation options, please consider the financial, governance, ownership, management and delivery implications as key to the decision-making process.

Council looks forward to receiving your opinion, which we will seriously consider before a final decision is made on the best option for the Manawātū District.

A handwritten signature in blue ink, which appears to read 'Helen Worboys'.

Helen Worboys, Mayor
Manawātū District Council

Flowing Forward with one of three options

Choosing a water service delivery plan is not a temporary decision. This is one of the largest legislatively required consultations that Councils across New Zealand have been involved in for many years and can't be reversed.

It's important to understand the options and 'have your say' on which option you think is best.

Extensive investigative work was completed to ensure that the most viable options were presented to Council. The partnership assessment included the size of the Council, the geographical proximity to the Manawatū, the current infrastructure needs of the Council and the financial implications to our Manawatū ratepayers.

The investigation included assessing an in-house business unit, a single council Water Services Council Controlled Organisation, a multi-council Water Services Council Controlled Organisation, a consumer trust model, a mixed council consumer trust, and a multi-council joint arrangement.

Thoroughly investigated was a multi-council Water Services Council Controlled Organisation between seven neighbouring Councils which included Palmerston North City Council, Horowhenua District Council, Kapiti Coast District Council, Rangitīkei District Council, Tararua District Council and Manawatū District Council. What was found was a bigger grouping of ratepayers does not always mean it's the best investment for all parties. This seven council Water Services Council Controlled Organisation option was not financially beneficial to Manawatū District ratepayers and was subsequently discounted by Manawatū District Council.

At the Council meeting on 19 December 2024 meeting, Elected Members resolved three different water service delivery options for consultation and voted to decide Council's preferred option.

Preferred Option

Option One Status quo with changes

This option would see Manawatū District Council continuing to manage and deliver the District's water services. This is Council's preferred method.

Option Two 'The Two'

A multi-council Water Services Council Controlled Organisation jointly owned by Manawatū District Council and Palmerston North City Council for the delivery of water services in the Manawatū District.

Option Three 'The Four'

A Water Services Council Controlled Organisation jointly owned by Horowhenua District Council, Kāpiti Coast District Council, Palmerston North City Council, Manawatū District Council for the delivery of water services in the Manawatū District.

Why are we consulting?



The new Local Government Water Services legislation will ensure water assets remain publicly owned – not privately owned – but is requiring Councils to choose the best way to deliver its water services for its community.

The delivery model must ensure a strong emphasis on meeting economic, environmental, water quality and economic regulatory requirements.

Local Water Done Well

Central government has placed a strong focus on ensuring that drinking water, wastewater and stormwater services across New Zealand are fit for purpose, financially sustainable, meet environmental and public health requirements and remain in public ownership. They've called this legislative programme 'Local Water Done Well'.

Although the Local Government (Water Services) legislation is new, these key principles have already been integrated into Manawatū District

Council's workplan over the past 15 years to ensure that our District has been proactive in its management and delivery of water, wastewater and stormwater services.

Council has been deliberate with its investment over consecutive Long-term Plans, with a future focus on environmental and financially sustainable water services for current ratepayers and the ratepayers of tomorrow.



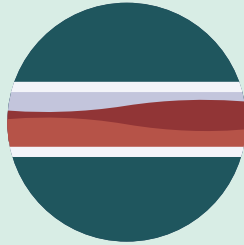
Terms of Reference

Water Services includes all three water activities



Drinking water

which includes all fresh water used on your property, like in your shower, washing machine or watering the garden.



Wastewater

which includes water from places like your toilet, washing machine, dishwasher, industrial and commercial waste such as from hairdressers, cafés, and freezing works.



Stormwater

which includes all water that originates from rainfall.

Water Service Delivery Plan

This is a strategic document that outlines how water services (drinking water, wastewater and stormwater) will be managed. This water service delivery plan is what central government is requiring Councils to produce after assessing different models and deciding on the option that is best suited to their communities.

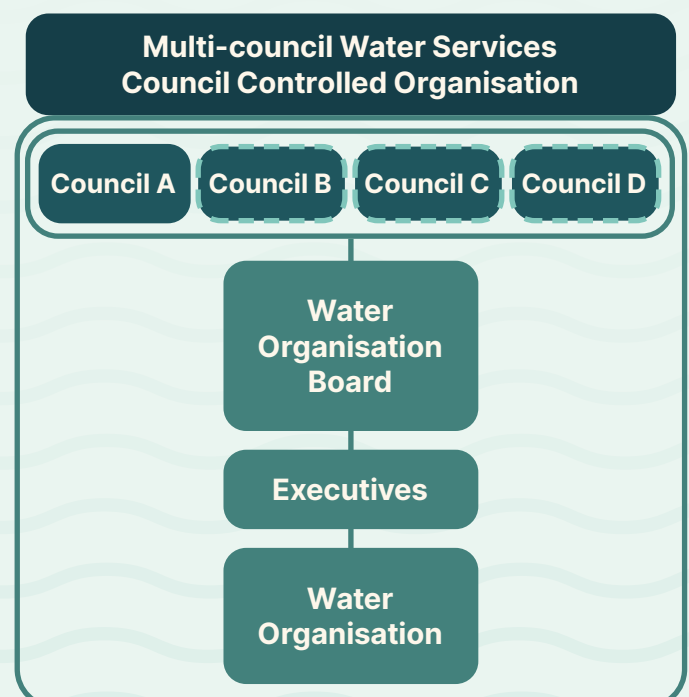
Water service delivery plans aren't something new and Manawatū District Council has operated a proactive and future focused plan for the last 15 years.

Water Rates versus Water Service Charge

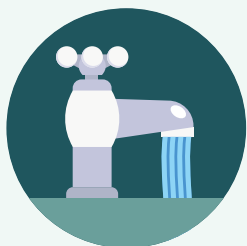
Manawatū District Council currently refers to charges applied for water as water rates. Under a Water Services Council Controlled Organisation jointly owned by two or four Councils, the fee applied would be charged independently. This would then be considered a water service charge. You'll see in option one it is referred to as a water rate, and switches in options two and three to water service charges as this would be external from Manawatū District Council and invoiced independently.

Water Organisation

Central government refers to the water service delivery plan being managed by a 'water organisation'. The structure for the organisation has been outlined by the legislation and follows the framework depicted in the diagram below. This structure would be the same across options two and three.



Understanding Our Current Water Flow: Three Key Streams



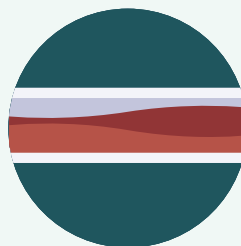
Drinking Water

Manawatū District utilises multiple sources to fill the District's drinking water requirements and extensive planning and investment

ensures that the components are fit for years to come. This plan is titled the Feilding Water Resilience Project in addition to our smaller community water schemes like Sanson and NZDF Base Ohakea.

The project has a keen eye on our environmental impact with particular emphasis on protecting the Oroua River. To help minimise the amount of water extracted from the river, a third bore has been constructed at Roots Street in Feilding to supplement the Campbell Road and Newbury Line bores. In addition, a second reservoir at MacDonald Heights was installed, while the existing reservoir was earthquake strengthened.

The Feilding Water Resilience Project improves the endurance of our drinking water supply, while helping to cater for current and future demands based on local growth. Most importantly, the project caters to our local community needs while ensuring the health of the Oroua River.



Wastewater

The Wastewater Centralisation Programme has seen the greatest impact on the overall environmental and day to day management

of the three waters. Having already upgraded the Manawatū Wastewater Treatment Plant, Council committed to a significant programme of works to centralise the treatment of village wastewater into Feilding.

For Sanson and NZDF Base Ohakea, this has included a substantial network of pipes, pumpstations and underground storage resulting in the first flush and full operation in 2024. Rongotea is currently underway, with Halcombe up next.

Financially, centralisation meant that consenting, operations and maintenance costs will only be required at one treatment plant instead of multiple, small, older facilities across the district.

Environmentally, centralising the process enables all wastewater to be consistently managed, treated and discharged to an equally high standard. The Feilding Wastewater Treatment Plan includes dual discharge with irrigation to land over the summer months (weather permitting) and via a native plant wetlands to the Oroua River over the winter months.





Stormwater

As part of the 2018-2028 Long-term Plan, Manawātū District Council adopted a village focused stormwater improvement programme

which included Tangimoana, Himatangi Beach, Rongotea, Sanson, Halcombe and Cheltenham. It was a significant financial investment to assure that both proactive and reactive stormwater management was implemented. The plans took a local focus, responding to the needs of each community and ensuring that the improvements were fit for the overall village.

Population and industrial growth has the most significant impact on stormwater. In Council's 2024-34 Long-term Plan, a \$20+ million Feilding focused stormwater upgrade programme was approved as well as additional investment into the village stormwater improvement programme. This is an ambitious but exciting project to ensure the management of stormwater is reflective of the growing population and developing areas within the District.



- Water Supply
- - - Stormwater
- - - Wastewater



Stanway-Halcombe Water Reservoir



Stormwater upgrades Rongotea



Sanson Wastewater Station



MDC Wastewater Treatment Plant



Roots Street Construction



Roots Street stage 2 Churcher intersection to Echo Place

13.7kms of pipeline climbing 85m higher than Sanson itself
connect Sanson's wastewater to the Manawatū Wastewater Treatment Plant.



Sanson Wastewater Station



Stanway-Halcombe Water Reservoir



Maewa Growth Precinct Stormwater Detention Pond

Not only does irrigation ensure our rural landscape is well nurtured, the pasture is then cut and carried by a local agricultural contractor **creating income for Council and partially offsetting the targeted wastewater rates.**



WWTP Irrigation

With over 86,500 native plants in 4.3 hectares the Manawatū Wetlands are the largest known constructed wetland for wastewater treatment in New Zealand.



Wetlands Area



Wetlands Area

MDC wants to hear from you!



Our water delivery service model is a big decision that affects every single person in our district. It is not a temporary decision. It's complex and each Council has their own ideas on consultation options and preferred models.

Extensive work has been undertaken to review a variety of options based on the financial impact on the ratepayers of the Manawatū District, environmental impacts, government policy, population and industrial growth, health requirements and current infrastructure.

At the Council meeting on 19 December 2024, Elected Members resolved three water service delivery options for consultation and voted to decide Council's preferred option.

Preferred Option

Option One Status quo with changes

This option would see Manawatū District Council continuing to manage and deliver the District's water services. This is Council's preferred method.

Option Two 'The Two'

A multi-council Water Services Council Controlled Organisation jointly owned by Manawatū District Council and Palmerston North City Council for the delivery of water services in the Manawatū District.

Option Three 'The Four'

A Water Services Council Controlled Organisation jointly owned by Horowhenua District Council, Kāpiti Coast District Council, Palmerston North City Council, Manawatū District Council for the delivery of water services in the Manawatū District.

Preferred Option

Option One Status quo with changes

This option would see Manawātū District Council continuing to own, manage and deliver the District's urban and rural water services. This is Council's preferred method.

Although we say status quo, a few changes would still be required. Legislation requires Councils to 'ring-fence' all money spent on water services. This means separating all water-related revenue and costs from other council services. This isn't much of a change to the way MDC currently manages our water services and budgets.

This option would continue to allow decisions to be made that best suit the Manawātū District and its ratepayers. Option one gives greater weight to the voices in our District and ensures conversations with local communities, iwi / hapū, and stakeholders remain local.

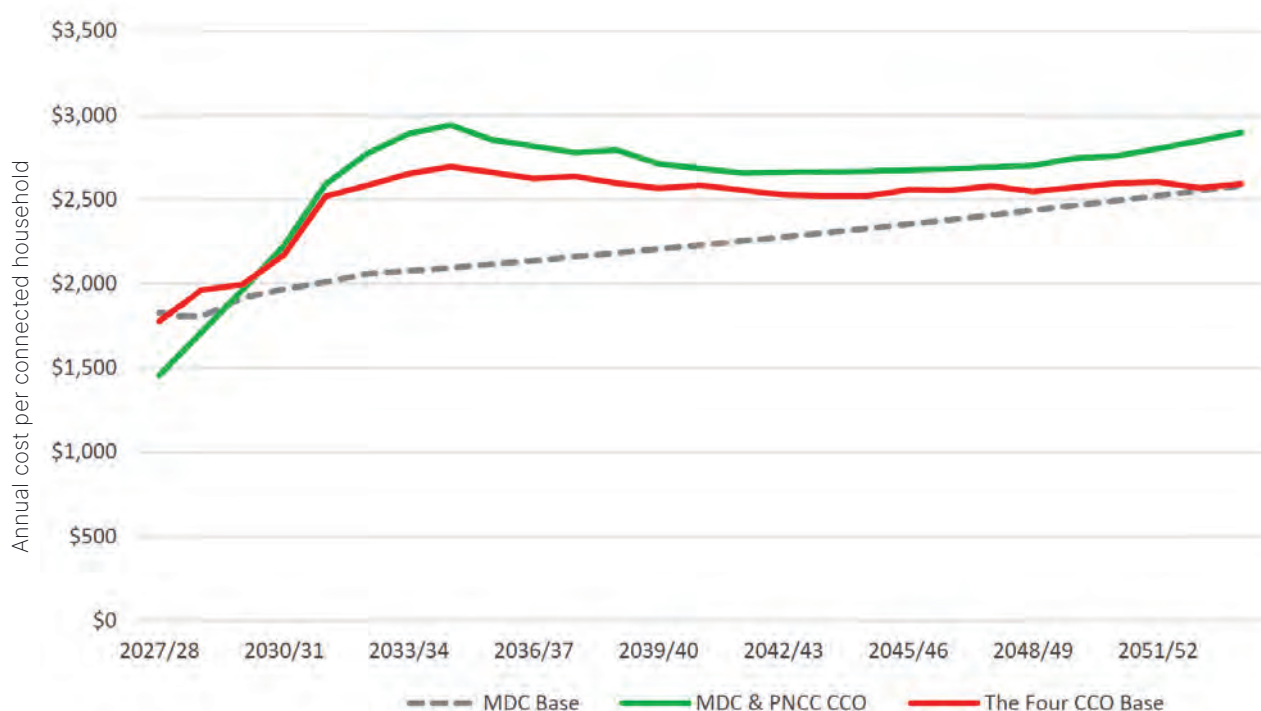
Making sense of the financial implications

Extensive modelling has been completed and determines that option one is financially the best option for our ratepayers. The graph below compares the MDC's base water rates against the other consultation options and illustrates that the MDC base consistently sits lower across the length of the modelling.

This means that a stand alone model allows water rates to be lower, yet have a greater impact as they will be applied solely and directly within the Manawātū District.

Although water rates will still be lower in the projected modelling within option one, government levies are being applied by the Commerce Commission and the Water Services Authority, which are beyond our local control. This is estimated to be \$187,000 per year charged to Manawātū District and will apply to all options.

Figure 1 Manawātū and Palmerston North CCO compared with base scenarios



Joining with others

Local Water Done Well legislation suggests that it could be advantageous for Councils to join together on their water services delivery plan as a higher number of ratepayers contributing to the water service delivery plan should help the cost of upgrading and maintaining assets over time to become more affordable.

Two different jointly owned Water Services Council Controlled Organisations are being presented for consultation.

Option Two 'The Two'

A multi-council Water Services Council Controlled Organisation jointly owned by Manawatū District Council and Palmerston North City Council for the delivery of water services in the Manawatū District.

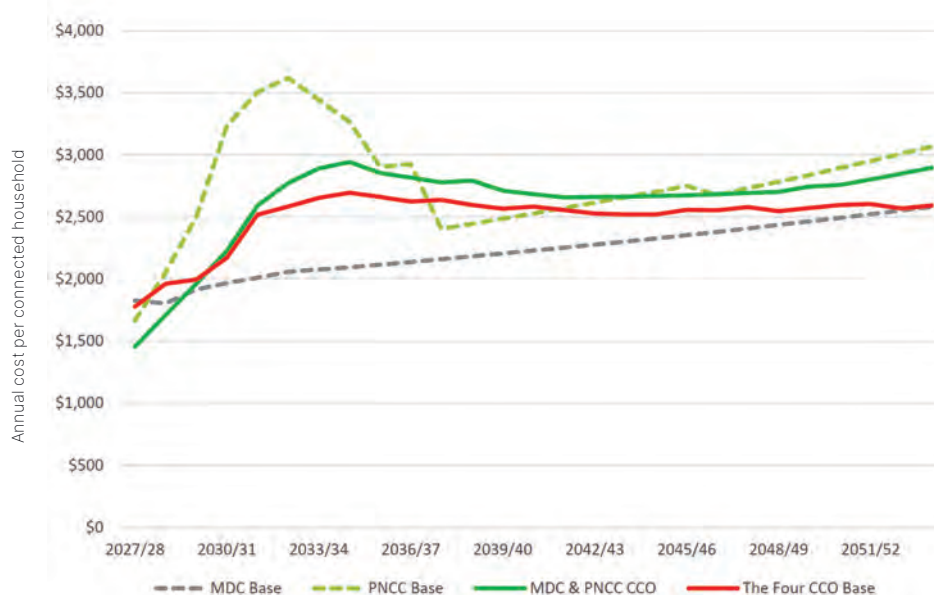
This option would see Manawatū District Council and Palmerston North City Council join together to create a Water Services Council Controlled Organisation.

This option would result in the connected households of the Manawatū District paying a water service charge which is:

- 💧 on average **\$421 more per year** than the status quo **over the first 10 years**
- 💧 on average **\$426 more per year** than the status quo **over the first 20 years.**

The water service charge would peak at almost \$850 more than the status quo in year eight of the Water Services Council Controlled Organisation. This dramatic increase is largely due to considerable capital projects required by Palmerston North City Council. In a joint model, Manawatū District Council would be subsidising these projects throughout the 30 year period that was modeled. At the end of this period, the household charge for a connected property in the Manawatū District would still be higher than the status quo.

Figure 2



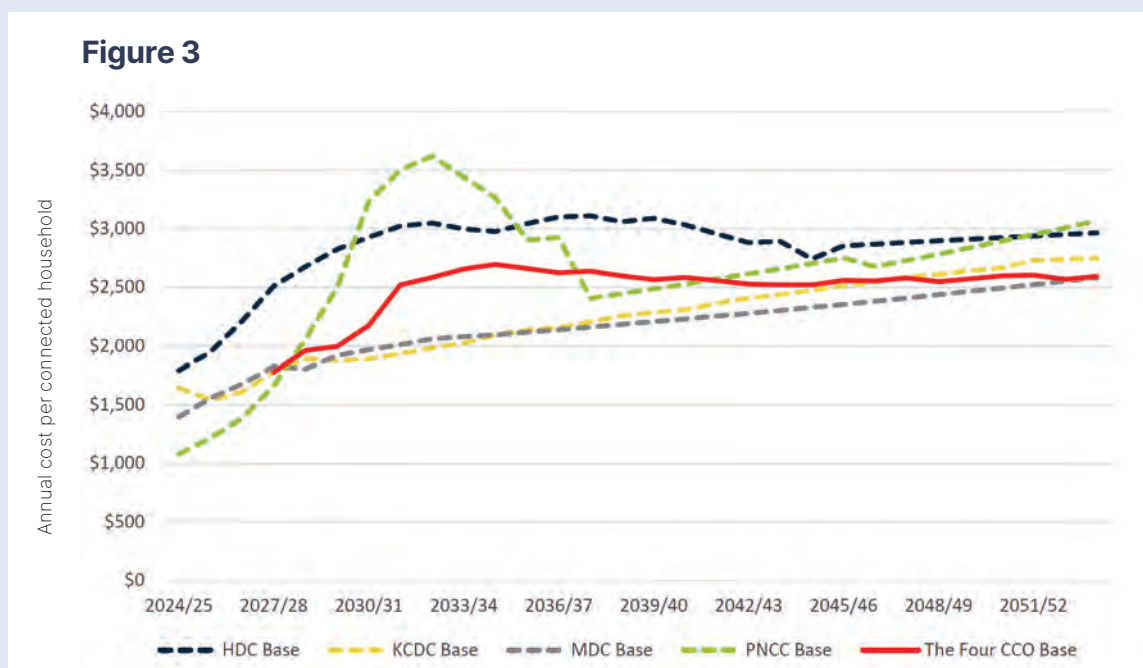
Option Three ‘The Four’

A Water Services Council Controlled Organisation jointly owned by Horowhenua District Council, Kāpiti Coast District Council, Palmerston North City Council, Manawātū District Council.

This option would result in the connected households of the Manawātū District paying a water service charge which is:

- 💧 on average **\$364 more per year** than the status quo **over the first 10 years**
- 💧 on average **\$329 more per year** than the status quo **over the first 20 years.**

The water service charge would peak at over \$600 more than the status quo in year eight of the Water Services Council Controlled Organisation.



Options Two and Option Three would have a similar outcome

- Water services would be removed from each individual Council and be managed under an independent Board of Directors.
- All Councils would agree to a Statement of Expectations that would outline priorities and set the strategic direction.
- Unlike Council management, no Council staff or Elected Members would be involved in the organisations' daily decisions. This would be fully independent of Council.
- Iwi involvement is yet to be confirmed as this would be determined by the Water Services Council Controlled Organisation.
- Decisions made and the schedule of work programmes would be decided by the Water Services Council Controlled Organisation.
- Future consultations would not take place through Manawātū District Council.
- The removal of water services from MDC would result in the relocation of some Council overhead costs. This stranded overhead is currently included in the three-water services charge funded through connected properties in Feilding and the villages. Within options two and three, a proportion of this overhead cost may need to be distributed District wide. This is a decision Council would need to make.
- Option two and option three would remove decision making from Council and would require a balance of voices between partnering councils and other stakeholders.
- As illustrated in these graphs financial modelling indicates that across both option two and three, water service charges for the Manawātū District would increase dramatically.

Making sense of the financial implications from joining with others

Extensive financial modelling has been done to evaluate the feasibility of each option. For both options two and three, the financial analysis shows that water service charges applied to Manawātū District would increase more under a jointly owned Water Services Council Controlled Organisation.

If such an organisation is established, a pricing plan for each council and its water users would need to be set. The four councils have worked with external consultant, Morrison Low to explore various options, including delaying the harmonisation of the water service charge.

Harmonisation, sometimes referred to as cross-subsidisation, means that connected households across all partnered Councils' contribute the same amount to the Water

Services Council Controlled Organisation. This would result in a rise in household charges for those in the Manawātū District in order to meet the costs of the Water Services Council Controlled Organisation and the required investment programme across all partnered Councils.

Until the Water Services Council Controlled Organisation is established, it is not fully known how the exact charges would be applied across the two or four councils.

The only option where Manawātū District connected households aren't financially disadvantaged is option one the status quo, where water rates consistently sit lower across the 30-year period as indicated in Figure 3.

To read the full Morrison Low report visit: www.mdc.govt.nz/localwaterdonewell

Learn more about the councils named in our consultation document:

Horowhenua District Council
Kapiti Coast District
Palmerston North City Council

horowhenua.govt.nz
kapiticoast.govt.nz
pncc.govt.nz

For more detailed information regarding the legislation and modelling work that has been referred to visit:



Department of Internal Affairs
www.dia.govt.nz/Water-Services-Policy-and-Legislation



Morrison Low Report
www.mdc.govt.nz/localwaterdonewell

Share your opinion to help shape our future

The delivery of Manawātū District's water services will impact everyone financially for years to come. It's vital that you get to tell Council which of the three options you think is best and why.

We have many ways you can provide your feedback:

Online



Scan the QR code or visit:

www.mdc.govt.nz/localwaterdonewell

Phone

06 323 0000

Submission

By scanning the QR code above which will take you directly to our online submission form

- Filling in the hardcopy form included in this booklet.

Hardcopy forms are also available from:

- Manawātū Community Hub Libraries
64 Stafford St, Feilding.
- Makino Aquatic Centre,
10 Council Place, Feilding.

Hardcopy forms can be:

- drop off to the MDC Customer Service team temporarily based at the Makino Aquatic Centre,
10 Council Place, Feilding.
- posted to:
Submissions
135 Manchester Street
Private Bag 10001
Feilding 4743

**Consultation is open
from Monday 10 March
to Friday 11 April 2025**

As part of your feedback you can request to speak to your submission. If you indicate that you would like to speak to your submission, a Council Officer will be in touch to provide you with the date and time.

Timeline

-  **10 March:** Consultation Opens
-  **11 April:** Consultation Closes
-  **28, 29 & 30 April:** Hearings and Deliberation
-  **15 May:** Final decision by Council

**Council will resolve
the final decision on
Thursday 15 May 2025**

To follow along on the consultation, or to attend one MDC's public drop in sessions to learn more visit:

www.mdc.govt.nz/localwaterdonewell



www.mdc.govt.nz



Development and Financial Contributions Policy

Adopted/Confirmed :	17 April 2025
Review Frequency:	3 Yearly
Next review due:	1 April 2028
Policy type:	Governance
Reviewer	GM People and Corporate
Policy version	P247

ADOPTION, APPLICATION AND REVIEW OF THE POLICY

This Development and Financial Contributions Policy (the Policy) was adopted by Manawātū District Council (Council) on 17 April 2025 with effect from 18 April 2025. The Policy will be reviewed on a three-yearly basis but may be updated at shorter intervals if Council considers it necessary. See the Council website www.mdc.govt.nz for further information.

INTRODUCTION

PURPOSE OF THE POLICY

1. Population and business growth create the need for new subdivisions and developments, and these place increasing demands on the assets and services provided by Manawātū District Council (the Council). As a result, significant investment in new or upgraded assets and services is required to meet the demands of growth.
2. The purpose of the Policy is to ensure that a fair, equitable, and proportionate share of the cost of that infrastructure is funded by development. The Council intends to achieve this by using:
 - Development contributions under the Local Government Act 2002 (LGA02) for water, wastewater, stormwater, transport infrastructure and reserves in Feilding and throughout the District; and
 - Financial contributions under the Resource Management Act 1991 (RMA91) for works and services for new developments that are not covered by development contributions.

NAVIGATING THIS DOCUMENT

3. The Policy outlines the Council's approach to funding development infrastructure via development contributions under the LGA02 and financial contributions under the RMA91.
4. The Policy has three main parts:
 - Part 1: Policy operation
 - Part 2: Policy background and supporting information
 - Part 3: Catchment maps for the development contribution charges.

PART 1: POLICY OPERATION

5. Part 1 provides information needed to understand if, when, and how development contributions and financial contributions will apply to developments. It also explains peoples' rights and the steps required to properly operate the Policy.
6. The key sections of Part 1 are:
 - The charges
 - Liability for development contributions
 - When development contributions are levied and are required to be paid
 - Determining infrastructure impact
 - Review rights
 - Other operational matters
 - Summary of financial contributions
 - Definitions.

PART 2: BACKGROUND AND SUPPORTING INFORMATION

7. Part 2 provides the information needed to meet the accountability and transparency requirements of the LGA02 for the Policy, including explaining the Council's policy decisions, how the development contribution charges were calculated, and what assets the development contributions are intended to be used towards.
8. The key sections of Part 2 are:
 - Requirement to have the Policy
 - Funding summary
 - Funding policy summary
 - Catchment determination
 - Significant assumptions of the Policy
 - Cost allocation
 - Calculating the development contribution charges
 - Schedule 1: Development contribution charge calculations
 - Schedule 2: Future assets and programmes funded by development contributions
 - Schedule 3: Past assets and programmes funded by development contributions.

PART 3: CATCHMENT MAP

9. Part 3 provides the catchment map that shows where the development contribution charges in the Policy apply.

PART 1: POLICY OPERATION

DEFINITIONS

In the Policy, unless the context otherwise requires, the following applies:¹

Accommodation unit has the meaning given in section 197 of the LGA02.

Activity means the provision of facilities and amenities within the meaning or network infrastructure, reserves, or community infrastructure for which a development contribution charge exists under the Policy.

Allotment (or lot) has the meaning given to allotment in section 218(2) of the RMA91, with the additional requirement that the allotment is 'developable'. An allotment is considered undevelopable if it cannot contain a development fully compliant with the relevant District Plan rules effective at the date the development contributions assessment is undertaken.

Ancillary activity means an activity that supports and is subsidiary to a primary activity.

Asset Management Plan means Council plan for the management of assets within an activity that applies technical and financial management techniques to ensure that specified levels of service are provided in the most cost-effective manner over the life-cycle of the asset.

Building means a temporary or permanent movable or immovable physical construction that is:

- a. partially or fully roofed, and
- b. is fixed or located on or in land,

but excludes any motorised vehicle or other mode of transport that could be moved under its own power.

Capacity Life means the number of years that the infrastructure will provide capacity for and associated HUEs.

Catchment means the areas within which development contributions charges are determined and charged.

Commercial activity means any activity associated with (but not limited to): communication services, financial services, insurance, services to finance and investment, real estate, business services, central government administration, public order and safety services, tertiary education provision, local government administration services and civil defence, and commercial offices.

Community facilities means reserves, network infrastructure, or community infrastructure as defined by the LGA02, for which development contributions may be required.

Community infrastructure means:

- Land, or development assets on land, owned or controlled by the Council for the purpose of providing public amenities; and
- Includes land that the Council authority will acquire for that purpose.

Council means Manawatū District Council

¹ Some definitions are drawn from the National Planning Standards 2019:
<https://www.mfe.govt.nz/sites/default/files/media/RMA/national-planning-standards-november-2019.pdf>

Development means any subdivision, building, land use, or work that generates a demand for reserves, network infrastructure, or community infrastructure (but does not include the pipes or lines of a network utility operator).

District means the Manawātū District.

Family Flat means a self-contained dwelling unit located on the same property and in the same ownership as the main dwelling unit and used or capable of being used for the accommodation of non-paying guests or family members who are dependent upon the occupiers of the main dwelling unit.

Financial contribution has the same meaning as under s108(9) of the RMA and means a contribution of:

- a. Money; or
- b. Land, including an esplanade reserve or esplanade strip (other than in relation to a subdivision consent), but excluding Māori land within the meaning of Te Ture Whenua Māori Act 1993 unless that Act provides otherwise; or
- c. A combination of money and land.

Gross floor area means the sum of the total area of all floors of a building or buildings (including any void area in each of those floors, such as service shafts, lift wells or stairwells) measured:

- Where there are exterior walls, from the exterior faces of those exterior walls;
- Where there are walls separating two buildings, from the centre lines of the walls separating the two buildings;
- Where a wall or walls are lacking (for example, a mezzanine floor) and the edge of the floor is discernible, from the edge of the floor.

Household unit equivalent (HUE) means demand for Council services, equivalent to that produced by a nominal household in a standard residential unit.

Industrial activity means an activity that manufactures, fabricates, processes, packages, distributes, repairs, stores, or disposes of materials (including raw, processed, or partly processed materials) or goods. It includes any ancillary activity to the industrial activity.

Land has the same meaning as in section 2 of the RMA (as set out below):

- a. includes land covered by water and the airspace above land; and
- b. in a national environmental standard dealing with a regional council function under section 30 or a regional rule, does not include the bed of a lake or river; and
- c. in a national environmental standard dealing with a territorial authority function under section 31 or a district rule, includes the surface of water in a lake or river.

LGA02 means the Local Government Act 2002.

Network Infrastructure means the provision of roading and other transport infrastructure, water, wastewater and stormwater infrastructure.

Policy means this Development and Financial Contributions Policy.

Primary production activities means:

- a. Any aquaculture, agricultural, pastoral, horticultural, mining, quarrying or forestry activities, and
- b. Includes initial processing, as an ancillary activity, of commodities that result from the listed activities in a);

- c. Includes any land and buildings used for the production of the commodities from a) and used for the initial processing of the commodities in b); but
- d. Excludes further processing of those commodities into a different product.

Reserves means land for public open space and improvements to that land needed for it to function as an area of usable green open space for recreation and sporting activities and the physical welfare and enjoyment of the public, and for the protection of the natural environment and beauty of the countryside (including landscaping, sports and play equipment, walkways and cycleways, car parks, and toilets). In the Policy, reserve does not include land that forms or is to form part of any road or is used or is to be used for stormwater management purposes.

Residential Unit means building(s) or part of a building that is used for a residential activity exclusively by one household, and must include sleeping, cooking, bathing and toilet facilities.

Retail activity means any activity trading in goods, equipment or services that is not an industrial activity or commercial activity.

Retirement Unit means any dwelling unit in a retirement village but does not include aged care rooms in a hospital or similar facility.

Retirement Village means a managed comprehensive residential complex or facilities used to provide residential accommodation for people who are retired and any spouses or partners of such people. It may also include any of the following for residents within the complex: recreation, leisure, supported residential care, welfare and medical facilities (inclusive of hospital care) and other non-residential activities.

RMA91 means the Resource Management Act 1991.

Service Connection means a physical connection to an activity provided by, or on behalf of, Council (such as water, wastewater or stormwater services).

Specified Productive Rural Land means land in the Rural and Villages area with a dwelling constructed on it, and is primarily used for land-based primary production purposes, and which is prevented from being further developed by the following legal restrictions:

- a. the developer must have offered up a condition of subdivision consent under s 108AA(1)(a) RMA, requiring that a consent notice be registered against the resulting additional title recording that development contributions have not yet been paid, and
- b. the owner of the land must have entered into an agreement with Council (at their or the developer's cost) that:
 - i. no further development of the Lot will be undertaken which would generate additional demand for infrastructure (e.g., the construction of a dwelling); and
 - ii. is registered against the title of the Lot as a land covenant.

Transport infrastructure means roading and other transport facilities provided for the movement of people, such as cycling and walking paths.

Vehicle movement means a vehicle entering or exiting a site. For instance, a return trip from and to the site constitutes two vehicle movements.

Visitor accommodation means land and/or buildings used for accommodating visitors, subject to a tariff being paid, and includes any ancillary activities.

DEVELOPMENT CONTRIBUTIONS

THE CHARGES

10. There are three areas (catchments) within the Council's district (the District) where development contributions apply. The catchments where development contributions apply for each infrastructure activity are mapped in Part 3 of the Policy and are:
 - a. Feilding Urban,
 - b. Feilding Intensification Area,
 - c. Rural and Villages.
11. The related development contributions per Household Unit Equivalent (HUE) for each activity are in Table 1. See the Determining infrastructure impact section below for an explanation of a HUE. The development contribution charges per HUE for each catchment is set out in Table 2.
12. Development contributions are taken for the following activities:
 - a. Water
 - b. Wastewater
 - c. Stormwater
 - d. Transport infrastructure
 - e. Reserves.
13. At this point, except for reserves as defined in this policy, Council is not requiring development contributions for community infrastructure. It may revisit this decision in the future and the Policy will be updated accordingly.
14. For each infrastructure activity for which development contributions are required under this Policy (reserves and network infrastructure), the development contribution payable is calculated by multiplying the number of HUEs generated through the development by the charge for that activity. This is then aggregated for all activities to give the total charge.
15. For example, a subdivision of a vacant site in the Feilding Urban catchment² to create an additional two lots will pay two HUEs for the water, wastewater, stormwater, transport and reserves charges, totalling \$75,272 (GST inclusive).
16. These charges may be adjusted for inflation annually in line with the Producers Price Index Outputs for Construction (PPI) provided by Statistics New Zealand, as permitted by sections 106(2B) and (2C) of the LGA02. The latest charges will be published on Council's website www.mdc.govt.nz

² Resulting in three lots total.

Table 1: Development contribution charge per HUE as at 18 April 2025 (GST inclusive³)

ACTIVITY	DEVELOPMENT CONTRIBUTION CHARGE PER HUE
Water	
Feilding Urban	\$3,917
Feilding Intensification Area	\$2,546
Rural and Villages	n/a
Wastewater	
Feilding Urban	\$9,058
Feilding Intensification Area	\$5,888
Rural and Villages	n/a
Stormwater	
Feilding Urban	\$17,573
Feilding Intensification Area	\$11,422
Rural and Villages	n/a
Reserves	
Feilding Urban	\$1,357
Feilding Intensification Area	\$1,357
Rural and Villages	\$1,357
Transport Infrastructure	
Feilding Urban	\$5,731
Feilding Intensification Area	\$5,731
Rural and Villages	\$5,731

Table 2: Development contribution charge per HUE per catchment at 18 April 2025 (GST inclusive⁴).

Catchment	DEVELOPMENT CONTRIBUTION CHARGE PER HUE
Feilding Urban	\$37,636
Feilding Intensification Area	\$26,944
Rural and Villages	\$7,088

³ GST has been applied at the rate of GST as at 17 April 2025 (15%). Should the rate of GST change, the charges will be adjusted accordingly. The GST exclusive charge per activity can be found in Schedule 1.

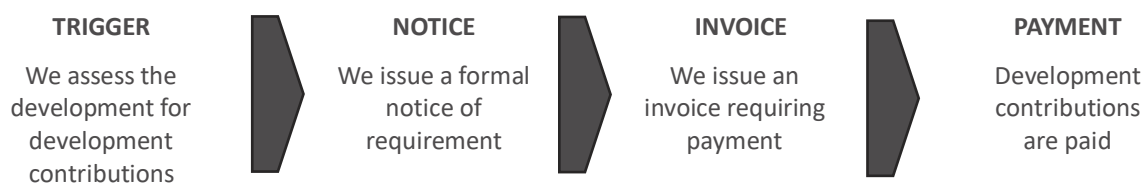
⁴ GST has been applied at the rate of GST as at 17 April 2025 (15%). Should the rate of GST change, the charges will be adjusted accordingly. The GST exclusive charge per activity can be found in Schedule 1.

LIABILITY FOR DEVELOPMENT CONTRIBUTIONS

17. If subdividing, building, connecting to Council's services, or otherwise undertaking development in the District, development contributions may need to be paid. Development contributions apply to developments within the areas shown in the Development Contribution Catchment Maps in Part 3.
18. In some circumstances, development contributions may not apply or may be reduced. Further information on these circumstances can be found in the sections: *when development contributions are levied*, *credits*, and *limitations on imposing development contributions*.
19. Financial contributions may also be required in some cases. This is discussed later in the Policy.
20. Development of new infrastructure sometimes means that areas not previously liable for a development contribution become so. For example, a bare section in a subdivision may be liable for development contributions whereas previously constructed houses on the same subdivision were not.
21. Developers should seek advice from Council if they are uncertain whether development contributions will apply to their proposed development.

WHEN DEVELOPMENT CONTRIBUTIONS ARE LEVIED

22. Once an application for a resource consent, building consent, certificate of acceptance, or service connection has been made with all the required information, the normal steps for assessing and requiring payment of development contributions are:



23. These steps are explained in more detail below.

TRIGGER FOR REQUIRING DEVELOPMENT CONTRIBUTIONS

24. Council can require development contributions for a development upon the granting of:
 - A resource consent.
 - A building consent or certificate of acceptance.
 - An authorisation for a service connection for water, wastewater or stormwater services.
25. Council requires development contributions at the earliest possible point (i.e. whichever consent, certificate, or authorisation listed above is issued first). For new developments, the resource consent is often the first step in the process and therefore the first opportunity to levy development contributions. Where development contributions were not assessed (or only part assessed) on the first consent, certificate or authorisation for a development this does not prevent the Council assessing contributions on a subsequent consent, certificate or authorisation for the same development (for the reasons set out in the following paragraphs).
26. Development contributions will be assessed under the Policy in force at the time the application for resource consent, building consent, certificate of acceptance or service connection was submitted.

ASSESSMENT

27. On receiving an application for resource consent, building consent, certificate of acceptance, or service connection, Council will check that:
 - (A) The development (subdivision, building, land use, or work) generates a demand for reserves or network infrastructure; and
 - (B) The effect of that development (together with other developments) is to require new or additional assets or assets of increased capacity in terms of reserves or network infrastructure; and
 - (C) Council has incurred or will incur capital expenditure to provide appropriately for those assets. This includes capital expenditure already incurred by Council in anticipation of development.
28. Council has identified the assets and areas that are likely to meet the requirements of 27(B) and 27(C), and these are outlined in Schedules 2 and 3 (Past and future assets funded by development contributions) and Part 3 (Development contribution catchment maps). In general, if a development is within one of the areas covered by the catchment maps it is likely that development contributions will be required.
29. Development contributions may be waived or reduced if credits apply, as outlined in the *Credits* section.
30. Development contributions will not be taken if one of the circumstances outlined in the section *Limitations on imposing development contributions* applies.
31. If a subsequent resource consent or variation to a resource consent, building consent, certificate of acceptance, or service connection is sought, a new assessment may be undertaken using the Policy in force at that time. Any increase or decrease in the number of HUEs, relative to the original assessment, will be calculated and the contributions adjusted to reflect this.
32. Council will require additional development contributions where additional units of demand are created, and development contributions for those additional units of demand have not already been required. Examples of where these would be needed, include:
 - Minimal development contributions have been levied on a commercial development at subdivision or land use consent stage as the type of development that will happen will only be known at building consent stage.
 - The nature of use has changed, for example from a low infrastructure demand commercial use to a high infrastructure demand commercial use.
 - Development contributions were not levied at the subdivision or land use consent stage, but a subsequent change in use (or intensification of use) generates demand for community infrastructure.
33. If an extension of time for a resource consent is sought under s 125 RMA91, then a new development contributions assessment will not be undertaken and the existing assessment will continue to apply. The amount payable will be inflation adjusted in accordance with paragraph 16.

NOTICE

34. A development contribution notice will normally be issued when a resource consent, building consent, certificate of acceptance, or service connection authorisation is issued. In some cases, the notice may be issued or re-issued later. The notice is an important step in the process as it outlines the activities and the number of HUEs assessed for development contributions, as well

as the charges that will apply to the development. It also triggers rights to request a development contributions reconsideration or to lodge an objection (see the section on *Review rights* below).

35. If multiple consents or authorisations are being issued for a development, a development contribution notice may be issued for each. However, where payments are made in relation to one of the notices, actual credits will be recognised for the remaining notices.
36. Development contributions notices do not constitute an invoice or an obligation to pay for the purposes of the Goods and Services Tax Act 1985.

INVOICE

37. An invoice for development contribution charges will be issued to provide an accounting record and to initiate the payment process. The timing of the invoice is different for different types of consents or authorisations (see Table 3).

Table 3: Invoice timing

	INVOICE TIMING
Building consent	Prior to the issue of Code Compliance Certificate.
Certificate of acceptance	Prior to the issue of a certificate of acceptance.
Resource consent for subdivision	At the time of application for a certificate under section 224(c) of the RMA91. An invoice will be issued for each stage of a development for which 224(c) certificates are sought, even where separate stages are part of the same consent.
Resource consent (other)	At granting of the resource consent.
Service connection	At the time of application for the service connection for water, wastewater or stormwater services.

38. If a development contribution required by Council is not invoiced at the specified time as a result of an error or omission on the part of Council, the development contributions remain payable. An invoice will be issued on identification of the error or omission for payment by a due date.

PAYMENT

39. Development contributions must be paid by the due dates in Table 4.

Table 4: Payment due date

	PAYMENT DUE DATE
Building consent	20 th of the month following the issue of the invoice.
Certificate of acceptance	20 th of the month following the issue of the invoice.
Resource consent for subdivision	Prior to release of the certificate under section 224(c) of the RMA.
Resource consent (other)	20 th of the month following the issue of the invoice.
Service connection	At issue of the connection approval.

40. Until the development contributions have been paid in full, Council will (unless otherwise agreed with Council in accordance with this Policy):
- Prevent the commencement of a resource consent.
 - Withhold a certificate under section 224(c) of the RMA.
 - Withhold a code compliance certificate under section 95 of the Building Act 2004.
 - Withhold a service connection to the development.
 - Withhold a certificate of acceptance under section 99 of the Building Act 2004.
41. Where invoices remain unpaid beyond the payment terms set out in the Policy, Council will start debt collection proceedings, which may involve the use of a credit recovery agent. Council may also register the development contribution under the Land Transfer Act 2017, as a charge on the title of the land in respect of which the development contribution was required.

DETERMINING INFRASTRUCTURE IMPACT

42. In order to have a consistent method of charging for development contributions, the Policy is centred around the concept of a household unit equivalent or “HUE” for infrastructure. In other words, an average household in a standard residential unit and the demands they typically place on community facilities. For the Manawātū District, the average number of people per household unit is 2.4 persons⁵. Table 5 summarises the demand characteristics of each HUE.

⁵ Infometrics medium population and household growth forecasts, May 2023.

Table 5: HUE demand measures

ACTIVITY	UNIT OF MEASUREMENT	DEMAND PER HUE
Water	m ³ per day	1m ³ per day
Wastewater	m ³ per day	0.8m ³ per day
Stormwater	Impervious surface area	300m ² (including roof area)
Transport infrastructure	Allotment area at subdivision or Vehicle movements	1 per 600m ² allotment area or 8 vehicle movements per day
Reserves	\$1,357 (GST incl.) Per additional allotment or per equivalent household unit	Per equivalent household unit

RESIDENTIAL DEVELOPMENT

43. In general, the number of HUEs charged is one per new allotment or residential unit created.
44. When calculating the number of HUEs for a residential subdivision, Council will adjust the assessment to account for any:
 - Credits relating to the site (refer to the Credits section below).
 - Allotment which, by agreement, is to be vested in Council for a public purpose.
 - Allotment required as a condition of consent to be amalgamated with another allotment.
45. Retirement villages and visitor accommodation units, and certain subdivisions of productive rural land will be assessed as outlined in Table 6.

Table 6: Specified subdivisions and developments

TYPE OF ACTIVITY	HOUSEHOLD UNIT EQUIVALENTS
Retirement villages	Total number of units defined as a residential unit x 0.44 ⁶ + Maximum number of occupants / 2.5 for any part that does not meet the definition of a residential unit
Visitor accommodation	Total number of units defined as a residential unit x 0.36 ⁷ + Maximum number of occupants / 2.5 for any part that does not meet the definition of a residential unit
Subdivisions of Specified Productive Rural Land	Zero (0) HUEs for the balance allotment remaining in productive use

46. In determining the final number of HUEs that apply to a development involving either visitor accommodation or a retirement village, the Council may apply a combination of the general

⁶ Based on average occupancy rate compared to a HUE.

⁷ Based on average occupancy rate for visitor accommodation in the Manawātū District from June – October 2019 source <https://freshinfo.shinyapps.io/ADPReporting/>

measure of a HUE, the retirement village and visitor accommodation measure to recognise the specific composition of the development. For instance:

- A retirement village may include a combination of independent residential units and communal living arrangements;⁸
- Visitor accommodation may include a combination of fully serviced residential units, hostel accommodation and a manager's unit.

NON-RESIDENTIAL DEVELOPMENT

47. Non-residential subdivisions, land uses, or building developments can be more complicated as they do not usually conform with typical household demands for each service. For ease of administration, any development contributions will either be calculated in accordance with the HUE demand measures in Table 5 taking into account zone and site-specific factors including the gross floor area of a building, or a special assessment will be carried out recognising the individual characteristics of a development.
48. If no proper assessment of the likely demand for activities is able to be carried out at the subdivision consent stage, a development contribution based on one HUE will be charged for each new allotment created and Council will require an assessment to be carried out at the building consent stage. This later assessment will credit any development contributions paid at the subdivision consent stage. Note that this later assessment may take the form of a special assessment under this policy to understand and reflect the true demand of the development on community facilities.

SPECIAL ASSESSMENTS

49. Developments sometimes require a special level of service or are of a type or scale which is not readily assessed in terms of HUEs – such as large-scale primary sector processors, service stations or other non-residential activities. In these cases, Council may decide to make a special assessment of the HUEs applicable to the development. In general, Council will evaluate the need for a special assessment for one or more activities where it considers that:
- The development is of a scale and/or nature that involves a number of different uses; or
 - The development is likely to have significantly more or less demand than a HUE equivalent; or
 - A non-residential development may use more than 5m³ of water per day; or
 - A non-residential development may discharge more than 4m³ of wastewater per day.
50. The demand measures in Table 5 will be used to help guide special assessments.
51. If a special assessment is sought, Council may require the developer to provide information on the demand for community facilities generated by the development. Council may also carry out its own assessment for any development and may determine the applicable development contributions based on its estimates.

CREDITS

52. Credits are a way of acknowledging that the lot, home or business may already be connected to, or lawfully entitled to use, one or more Council services, or a development contribution has been paid previously. Credits can reduce or even eliminate the need for a development

⁸ For instance, single bedrooms which are serviced by a communal living room, kitchen and bathroom facilities.

contribution. Credits cannot be refunded and can only be used for development on the same site and for the same service for which they were created.

53. Credits will be given for properties when:

- A development contribution for a lot has already been paid (at least in part). For example, most new subdivision lots will already have development contributions levied and paid for at least one HUE; or
- The lot existed before June 2006 and was within an urban zoning at that time under the District Plan (i.e., urban residential or urban industrial, commercial, or business zoning). This excludes rural or rural residential properties; or
- The property was otherwise lawfully connected to a service as at June 2006; or
- A rural or rural residential lot existed before June 2006 (transport infrastructure and reserves only).

54. For the avoidance of doubt, no credits will be given for an allotment that is undevelopable, or for an allotment where, following an amalgamation, boundary adjustment, or subdivision consent, a previously undevelopable allotment is then of a size that it can be developed. Credits given will otherwise be determined in accordance with Table 7.

Table 7: Standard credits

	CREDIT FOR EACH SERVICE FOR WHICH A DEVELOPMENT CONTRIBUTION HAS BEEN PAID	CREDIT FOR URBAN LOTS THAT EXISTED BEFORE JUNE 2006	CREDIT FOR LAWFULLY CONNECTED SERVICE AS AT JUNE 2006	RURAL RESIDENTIAL LOTS THAT EXISTED BEFORE * JUNE 2006	RURAL LOTS THAT EXISTED BEFORE * JUNE 2006
Residential units or lots	The number of HUEs	1 HUE for all services	1 HUE for the service(s) connected	1 HUE	1 HUE for any residential units on a lot as at June 2006
Non-residential buildings or lots		A 'before and after' assessment of demand, using a special assessment or the conversion factors set out in Table 5 will be undertaken to determine credits and any increase in demand on services. Council will be guided by actual use over the period June 2006 – date when making this assessment.			

* Transport infrastructure and reserves only

REVIEW RIGHTS

55. Developers are entitled under the LGA02 to request a reconsideration or lodge a formal objection. If they believe the Council has made a mistake in assessing the level of development contributions for their development.

RECONSIDERATION

56. Reconsideration requests are a process that formally requires the Council to reconsider its assessment of development contributions for a development. Reconsideration requests can be made where the developer has grounds to believe that:

- The development contribution levied was incorrectly calculated or assessed under the Policy; or
- The Council has incorrectly applied the Policy; or

- The information the Council used to assess the development against the Policy, or the way that Council has recorded or used that information when requiring a development contribution, was incomplete or contained errors.
57. To seek a reconsideration, the developer must:
- Lodge the reconsideration request within 10 working days of receiving the development contribution notice.
 - Use the reconsideration form (found on www.mdc.govt.nz) and supply any supporting information with the form.
 - Pay the reconsideration fee at the time of application, as set out in Council's Schedule of Fees and Charges.
58. Applications with insufficient information or without payment of a fee will be returned to the applicant, with a request for additional information or payment.
59. Once the Council has received all required information and the reconsideration fee, the request will be considered by a panel of a minimum of two, and a maximum of three, staff appointed from time to time by the Chief Executive of Manawatu District Council.
60. The panel will comprise staff that were not involved in the original assessment. Notice of the Council's decision will be provided in writing within 15 working days from the date on which the Council receives all required relevant information relating to the request.
61. For the avoidance of doubt, and in accordance with s199P of the LGA02, Council may still require the assessed Development Contribution be paid, but will not use that Development Contribution until the objection has been determined. Alternatively, Council may withhold certificates or permissions in accordance with s208 of the LGA02 until the objection has been determined and any resulting Development Contribution is paid.

OBJECTIONS

62. Objections are a more formal process that allow developers to seek a review of the Council's decision. A panel of up to three independent commissioners will consider the objection. The decision of the commissioners is binding on the developer and the Council, although either party may seek a judicial review of the decision.
63. Objections may only be made on the grounds that the Council has:
- Failed to properly take into account features of the development that, on their own or cumulatively with those of other developments, would substantially reduce the impact of the development on requirements for community facilities in the District or parts of the District; or
 - Required a development contribution for community facilities not required by, or related to, the development, whether on its own or cumulatively with other developments; or
 - Required a development contribution in breach of section 200 of the LGA02; or
 - Incorrectly applied the Policy to the development.
64. Schedule 13A of the LGA02 sets out the objection process. To pursue an objection, the developer must:
- Lodge the request for an objection within 15 working days of receiving notice to pay a development contribution, or within 15 working days of receiving the outcome of any request for a reconsideration; and

- Use the objection form (found on www.mdc.govt.nz) and supply any supporting information with the form; and
 - Pay a deposit.
65. Objectors are liable for Council's actual and reasonable costs incurred in the objection process including staff arranging and administering the process, commissioner's time, and other costs incurred by Council associated with any hearings such as room hire and associated expenses, as provided by section 150A of LGA02. However, objectors are not liable for the fees and allowances costs associated with any Council witnesses.
66. For the avoidance of doubt and in accordance with s199C of the LGA02, any objection cannot challenge the content of this Development Contribution Policy.

OTHER OPERATIONAL MATTERS

REFUNDS

67. Sections 209 and 210 of the LGA02 state the circumstances where development contributions must be refunded, or land returned. In summary, Council will refund development contributions paid if:
- The resource consent:
 - lapses under section 125 of the RMA91; or
 - is surrendered under section 138 of the RMA91; or
 - The building consent lapses under section 52 of the Building Act 2004; or
 - The development or building in respect of which the resource consent or building consent was issued does not proceed; or
 - The Council does not provide the reserve or network infrastructure for which the development contributions were required.
68. The Council may retain any portion of a development contribution referred to above of a value equivalent to the costs incurred by the Council in relation to the development or building and its discontinuance.
69. The Council may retain a portion of a development contribution (or land) refunded of a value equivalent to:
- Any administrative and legal costs it has incurred in assessing, imposing, and refunding a development contribution or returning land for network infrastructure development contributions.
 - Any administrative and legal costs it has incurred in refunding a development contribution or returning land for reserve development contributions.
70. Development contributions for reserves are taken to support a 20-year programme. Consequently, a 20-year period shall apply for the purposes of section 210(1)(a) of the LGA02.

LIMITATIONS ON IMPOSING DEVELOPMENT CONTRIBUTIONS

71. The Council is unable to require a development contribution in certain circumstances, as outlined in section 200 of the LGA02, if, and to the extent that:
- It has, under section 108(2)(a) of the RMA, imposed a condition on a resource consent requiring a financial contribution in relation to the same development for the same purpose; or
 - The developer will fund or otherwise provide for the same reserve or network infrastructure; or
 - A third party has funded or provided, or undertaken to fund or provide, the same reserve or network infrastructure; or
 - Unless otherwise provided for by s200(4) of the LGA02, the Council has already required a development contribution for the same purpose in respect of the same building work, whether on the granting of a building consent or a certificate of acceptance.
72. In addition, the Council will not require a development contribution in any of the following cases:
- Where the value of building work is less than \$56,521.70 exclusive of GST (or as specified in the Building (Levy) Regulations 2019), where the building consent is for a change of use or a relocation.
 - Where a development generates no additional demand for reserve or network infrastructure.
 - Where a building consent is for a bridge, dam (confined to the dam structure and any tail race) or other public utility.
 - The application for a resource or building consent, authorisation, or certificate of acceptance is made by the Crown or the Council. This exemption does not apply to Council Organisations, Council-Controlled Organisations or Council-Controlled Trading Organisations.
 - Family Flats in the Rural and Villages Catchment.
 - Buildings ancillary to rural primary production activities within the Rural and Villages Catchment.

MAXIMUM DEVELOPMENT CONTRIBUTIONS FOR RESERVES

73. Section 203 of the LGA02 prohibits the Council from charging development contributions for reserves that exceed the greater of:
- 7.5% of the value of the additional lots created by a subdivision; and
 - The value equivalent of 20m² of land for each additional household unit or accommodation unit created by the development.
74. If the reserves development contribution would be more than 7.5% of the market value of a lot, as evidenced by a registered valuation supplied by the developer, the reserves development contributions are capped at 7.5% of the valuation.
75. For example, the development contributions for reserves is \$1,357 (GST inclusive) per HUE, which translates to 3.7% of an allotment value of approximately \$36,293. If the lot is valued at less than \$36,293, the reserves development contribution may instead be calculated at 3.7% of the valuation.

76. Council reserves the right to seek a second valuation from another registered valuer. If there is a material difference between valuations, Council and the developer can agree to either:
- Use the average of the two valuations; or
 - Refer the matter to a third registered valuer to arbitrate an agreement between valuers.

POSTPONEMENTS AND REMISSIONS

77. The Council will only permit the postponement of development contribution payment at its discretion and only:
- For applications for a greater than a two lot subdivision; and
 - Where a bond, guarantee or other form of encumbrance instrument equal in value to the payment owed is provided.
78. The request for postponement must be made at the time a resource consent, building consent or service connection is issued. Any postponement arrangements will be recorded in a written agreement between the Council and the developer.
79. Bonds and guarantees:
- Will only be accepted from a registered trading bank.
 - Shall be for a maximum period of 24 months beyond the normal payment date set out in the Policy, subject to later extension as agreed to by Council.
 - Will have an interest component added, at the assumed interest rate for loans outlined in the forecasting assumptions of the Council's Long-Term Plan. The guaranteed or bonded sum will include interest, calculated using the maximum term set out in the document. If Council agrees to an extension of the term of the bond or guarantee beyond 24 months, the applicable interest rate will be reassessed from the date of Council's decision and the bonded/guaranteed sum amended accordingly.
 - Shall be based on the GST inclusive amount of the contribution.
80. At the end of the term of a bond or guarantee, the development contribution (together with interest) is payable immediately to Council.
81. In some cases, the Council will require an enforceable security (encumbrance) instrument registered against the developer's land. The instrument will need to, at Council's sole satisfaction, adequately secure the full amount of the development contribution in the event of payment default. The Council reserves its position as to the priority afforded by the instrument (e.g., a first priority mortgage). It is possible that the encumbrance will secure development contributions owing on a stage(s) of a development.
82. The terms of any encumbrance instrument will be at the discretion of the Council and may include, without limitation:
- The postponed sum;
 - Payment of the development contributions by a specified date;
 - The payment of interest, at the assumed interest rate for loans outlined in the forecasting assumptions of the Council's Long-Term Plan;
 - Reassessment of the development contributions; and
 - Payment of all related costs.

83. Payment of the development contributions secured by bond, guarantee or encumbrance instrument will be required sooner if the following events occur:
- The developer has settled on the last of the lots subject to the postponement; or
 - The developer ceases to be the registered owner of the lots subject to the postponement.
84. The bond, guarantee or encumbrance instrument shall be prepared by the Council's lawyers to the Council's satisfaction.
85. The costs of the bond, guarantee or encumbrance instrument and any related documentation (including the written agreement) will be met by the developer.
86. A request for remission must be made at the time a resource consent, building consent or service connection is issued. When considering a request for remission, Council will take into account:
- The purpose of development contributions, Council's financial modelling, and Council's funding and financial policies.
 - The extent to which the value and nature of the works proposed by the applicant reduces the need for works proposed by Council in its capital works programme.
 - Any other matter(s) that Council considers relevant.

DEVELOPMENT AGREEMENTS

87. The Council may enter into specific arrangements with a developer for the provision and funding of particular infrastructure under a development agreement, including the development contributions payable, as provided for under sections 207A-207F of the LGA02. For activities covered by a development agreement, the agreement overrides the development contributions normally assessed as payable under the Policy.
88. The Council will consider a developer's written request to enter into a Development Agreement without unnecessary delay. The Council will provide the developer written notice of its decision on the request and reasons for the decision. The Council will take into account the provisions contained in the Policy, as well as any other matters considered relevant. Similarly, where the Council requests that a developer enter into a Development Agreement, the request must be considered by the developer without unnecessary delay, who must provide written response to the Council.
89. A Development Agreement may record specific arrangements with a developer for the provision of particular infrastructure to meet any specific needs for a particular development, which include (but is not limited to):
- Where a development involves a large area to be developed over a long time period.
 - Where a development requires a special level of service or is of a type or scale which is not readily assessed in terms of units of demand.
 - Where a development is in a Deferred Residential Zone or any other area where Council is not currently planning to provide infrastructure for the 20 year period covered by the Policy. In those cases, a Development Agreement, private sector funding of infrastructure and an agreed Structure Plan would be required at first instance.
90. The content and effect of a Development Agreement must be meet the requirements of the LGA02, and in particular section 207C.

FINANCIAL CONTRIBUTIONS

RELATIONSHIP BETWEEN FINANCIAL CONTRIBUTIONS AND DEVELOPMENT CONTRIBUTIONS

91. The Manawātū District Plan contains objectives, policies and rules in relation to financial contributions at:
 - Section 7 ‘Financial Contributions’; and
 - Rule D Financial Contributions’.
92. Development contributions under the LGA02 and financial contributions under the RMA91 can both be used to fund growth related infrastructure. For any one development, the Council can elect to use neither, one, or both types of contributions. However, only one type of contribution can be used for each purpose – a development contribution cannot be required by Council if a financial contribution has already been required from the development for the same purpose (and vice versa).
93. Where financial contributions have been required, the Council will not levy a development contribution for that same purpose, as required by section 200(1)(a) of the LGA02.
94. Development contributions under the LGA02 are used to fund planned and budgeted capital expenditure related to growth for the activities and assets listed in the development contributions schedule of assets in this Policy (Schedules 2 and 3).
95. Financial contributions are intended to address the effects of subdivision and development in the District, and are a means of achieving the District Plan’s objectives and the sustainable management purpose of the RMA91. They generally address direct impacts of a particular development, and can be as a condition of resource consent under the RMA91 for the purposes listed in Rule D of the District Plan. Rule D provides that financial contributions may be taken for:
 - a. Reserve contributions
 - b. Utility sites for infrastructure
 - c. Provision of roads and pedestrian accessways
 - d. Upgrading and/or widening existing roads (including formed and unformed legal roads)
 - e. Water, sewer and stormwater capital contributions
 - f. Water, sewer and stormwater reticulation within the development and also for extending reticulation to service the development.
96. Nothing in this policy will prevent the Council from requiring the provision of works and services as part of conditions of a resource consent issued under the District Plan, where those works and services are required, not exclusively, internal to or adjacent to the boundaries of the development site required to service that development, to connect it to existing infrastructural services and to avoid, remedy or mitigate the environmental effects of the development.

SUMMARY OF FINANCIAL CONTRIBUTIONS UNDER THE DISTRICT PLAN

97. The Council may require a financial contribution under the District Plan where new development and subdivision is proposed and works and services are required to avoid, remedy or mitigate the environmental effects of the proposed development. A financial contribution will generally not be applied where this Policy provides for recovery of costs associated with the new or additional assets or assets of increased capacity.

98. Further information on financial contributions can be found in the District Plan. The District Plan can be found on Council's website www.mdc.govt.nz

PART 2: POLICY DETAILS

REQUIREMENT TO HAVE A POLICY

99. Council is required to have a policy on development contributions and financial contributions as a component of its funding and financial policies in its Long-term Plan (LTP) under section 102(2)(d) of the LGA02. The Policy meets this requirement.

FUNDING SUMMARY

100. Council plans to incur \$55.1M (before interest costs) on infrastructure partially or wholly needed to meet the increased demand for community facilities resulting from growth. This includes works undertaken in anticipation of growth, and future planned works. Of future work, 56% will be funded from development contributions. Including interest costs, the total amount to be funded is \$57.9M. Council has already incurred \$19.4M of capital expenditure in developing infrastructure to accommodate future growth, which will be funded from future Development Contributions.
101. Table 8 provides a summary of the total costs of growth-related capital expenditure and the funding sought by development contributions for all activities and catchments over a 20-year period.
102. The figures in Table 8 include future expenditure to be funded, have not been adjusted for inflation, and are GST exclusive.

Table 8: Total cost of capital expenditure for growth and funding sources.

ACTIVITY	TOTAL CAPEX	GROWTH CAPEX	DC FUNDED CAPEX	TOTAL CAPEX PROPORTION FUNDED BY DEVELOPMENT CONTRIBUTIONS	CAPEX PROPORTION FUNDED FROM OTHER SOURCES	DEVELOPMENT CONTRIBUTION INTEREST	TOTAL AMOUNT TO BE FUNDED BY DEVELOPMENT CONTRIBUTIONS
Calcs	A	B	C	C/A*100	((A-C)/A)*100	D	C+D
Water supply							
Feilding	\$77.0M	\$3.9M	\$2.0M	2.6%	97.4%	\$2.2M	\$4.1M
Wastewater							
Feilding	\$120.3M	\$8.3M	\$3.9M	3.2%	96.8%	\$4.7M	\$8.5M
Stormwater							
Feilding	\$54.7M	\$14.9M	\$8.9M	16.3%	83.7%	\$13.4M	\$22.4M
Total Reserves							
District wide	\$8.7M	\$2.6M	\$0.6M	6.7%	93.3%	\$2.2M	\$2.8M
Total Transport Infrastructure							
District wide	\$270.1M	\$25.3M	\$15.2M	5.6%	94.4%	\$4.8M	\$20.1M
Grand Total	\$530.8M	\$55.1M	\$30.6M	5.8%	94.2%	\$27.3M	\$57.9M

FUNDING GROWTH EXPENDITURE

103. Policy 2 of the National Policy Statement on Urban Development in New Zealand requires councils to provide the necessary infrastructure to support growth in the District. Council plans for growth using household growth forecasts.
104. Previously, the District was facing a period of high growth, particularly in residential development. To support that growth, the Council has invested significantly in providing infrastructure in Feilding in Precinct Four – Maewa (where most of the residential development will occur) and also in Precinct Five (which will support industrial development).
105. The Council has pre-invested so that infrastructure exists ready for new developments to occur. This pre-investment is supported by loans which are then serviced from Development Contributions received.
106. With the slowdown in the New Zealand economy, growth in the number of households has slowed. The forecast number of residential household unit equivalents (HUEs) over the 20-year period on which Development Contributions are based has declined - from 3,665 previously forecasted based on the 2021-2031 Long-term Plan assumptions, to 2,766 currently forecast based on the 2024-2034 Long-term Plan assumptions.
107. Population and business growth continue to create the need for new subdivisions and development, and these place increasing demands on the assets and services provided by the Council.
108. The Council has decided to fund these costs from:
 - Development contributions under the LGA02 for:
 - Water
 - Wastewater
 - Stormwater
 - Transport infrastructure
 - Reserves.
 - Financial contributions under the RMA91 for any works and services for new developments to avoid, remedy or mitigate adverse environmental effects, where these are not addressed through Development Contributions Policy, including:
 - Reserve contributions
 - Utility sites for infrastructure
 - Provision of roads and pedestrian accessways
 - Upgrading and / or widening existing roads (including formed and unformed legal roads)
 - Water, sewer and stormwater capital contributions
 - Water, sewer and stormwater reticulation within the development and also for extending reticulation to service the development.
109. In forming this view, Council has considered the matters set out in section 101(3) of the LGA02 within its Revenue and Financing Policy, and within the Policy.

110. The Revenue and Financing Policy is Council's primary and over-arching statement on its approach to funding its activities. It outlines how all activities will be funded, and the rationale for Council's preferred funding approach.
111. In addition, Council is required under section 106(2)(c) of the LGA02 to explain within the Policy why it has decided to use development contributions and financial contributions to fund capital expenditure relating to the cost of growth. This assessment is below.
112. The Council may use financial contributions to fund any growth that occurs beyond that planned and provided for within the Policy. Examples include:
- a. Where financial contributions are required to mitigate the environmental effects of a particular proposal.
 - b. Where unplanned development occurs in rural or village areas that requires connections to existing rural water schemes, or new water schemes, which are not included in the Council's projections within the Policy. In that case, Council would incur a capital cost that cannot be recouped through the Policy or any other approved means and would otherwise result in an increased financial burden on ratepayers.
 - c. Where unanticipated greenfield development occurring outside the Feilding Urban catchment or within a Deferred Residential Zone, which is not included within the Policy and it creates demand for infrastructure.

COMMUNITY OUTCOMES (SECTION 101(3)(A)(I))

113. Council has considered whether development contributions and financial contributions are an appropriate source of funding considering each activity, the outcomes sought, and their links to growth infrastructure. Council has developed six priorities to guide its work in making the Manawātū District a productive and vibrant place to live, work and invest.
- *A place to belong and grow*
 - *We provide leisure and sports facilities and support community activities to encourage social and cultural wellbeing for everyone.*
 - *A future planned together*
 - *We work with all parts of our community to plan for a future everyone can enjoy.*
 - *An environment to be proud of*
 - *We protect and care for the Manawātū District's natural and physical resources.*
 - *Infrastructure fit for the future*
 - *We ensure the Manawātū District has infrastructure (water, roads, etc.) that meets the needs of the community now and into the future.*
 - *A prosperous, resilient economy*
 - *We aim to make the Manawātū District a great place to live, visit and to do business.*
 - *Value for money and excellence in local government*
 - *We take pride in serving our communities. We focus on doing the best for the District.*

114. These priorities seek a well serviced growing community that is financially sustainable. Development contributions provide a mechanism for funding of water, wastewater, stormwater, transport infrastructure and reserves to a standard needed to achieve Council’s growth ambitions that may not otherwise be affordable to the district community, and to protect and care for the district environment. As a dedicated growth funding source, development contributions also offer more secure funding through which Council can deliver on its vision and priorities for new communities. Financial contributions may be imposed as conditions of consent where development and subdivision results in adverse environmental effects that are required to be avoided, remedied or mitigated.

OTHER FUNDING DECISION FACTORS (SECTIONS 101(3)(A)(II) – (V))

115. Council has considered the funding of growth-related community facilities against the following matters:
- The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals, and the extent to which the actions or inaction of particular groups or individuals contribute to the need to undertake the activity.
 - The period in or over which those benefits are expected to occur.
 - The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.
116. A summary of this assessment is below in Table 9.

Table 9: Other funding decision factors

WHO BENEFITS / WHOSE ACT CREATES THE NEED	<p>A significant portion of Council’s work programme over the next 20 years is driven by development or has been scoped to ensure it provides for new developments. The extent to which growth is serviced by, and benefits from an asset or programme as well as how much it serves and benefits existing ratepayers is determined for each asset or programme.</p> <p>Council believes that the growth costs identified through this process should be recovered from development, as this is what creates the need for the expenditure and /or benefit principally from new assets and additional network capacity. Where and to the extent that works benefit existing residents and businesses, those costs are recovered through rates.</p> <p>The <i>Catchment determination</i> section below outlines how Council determined the catchments for development contributions in the Policy.</p>
PERIOD OF BENEFIT	<p>The assets constructed for development provide benefits and capacity for developments now and developments in the future. In many cases, the “capacity life” of such assets spans decades.</p> <p>Development contributions allow development related capital expenditure to be apportioned over the capacity life of assets. Developments that benefit from the assets will contribute to its cost, regardless of whether they happen now or in the future.</p> <p>Financial contributions allow the Council to impose conditions of consent requiring works and services to be undertaken as a result of development where there are adverse environmental effects that need to be avoided, remedied or mitigated and those works are unplanned, not funded through the Development Contributions Policy and would otherwise result in capital costs to the Council that would result in an extra financial burden on the ratepayers.</p>

FUNDING SOURCES & RATIONALE INCLUDING RATIONALE FOR SEPARATE FUNDING	<p>The cost of supporting development in Manawatū District is significant. Development contributions and financial contributions send clear signals to the development community about the cost of growth and the capital costs of providing infrastructure to support that growth.</p> <p>The benefits to the community are significantly greater than the cost of policy making, calculations, collection, accounting and distribution of funding for development contributions.</p>
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OVERALL IMPACT OF LIABILITY ON THE COMMUNITY (SECTION 101(3)(B))

117. The Council has also considered the impact of the overall allocation of liability on the community. In this case, the liability for revenue falls directly with the development community. The Council considers that whilst the level of development and financial contributions are significant for the development community, the provision of adequate infrastructure to support growth benefits the social, economic and cultural wellbeing of this section of the community.
118. Moreover, shifting development costs onto ratepayers is likely to be perceived as unfair and would significantly impact the rates revenue required from existing residents - who do not cause the need, or benefit directly from the growth infrastructure needed to service new developments.
119. Overall, the Council considers it fair and reasonable, and that the social, economic and cultural interests of the District's communities are best advanced through using development contributions and financial contributions to fund the costs of growth-related capital expenditure for community infrastructure.

CATCHMENT DETERMINATION

120. When setting development contributions, the Council must consider how it sets its catchments for grouping charges by geographic areas.
121. The LGA02 gives the Council wide scope to determine these catchments, provided that:
 - The grouping is done in a manner that balances practical and administrative efficiencies with considerations of fairness and equity; and
 - Grouping by geographic area avoids grouping across an entire district wherever practical.
122. After having considered a number of different catchment options, Council has determined that there will be three catchments. These catchments are:
 - Feilding Urban,
 - Feilding Intensification Area,
 - Rural and Villages.
123. The Council considers that this approach strikes the right balance between practical and administrative efficiency and considerations of fairness and equity, for the following reasons:
 - It ensures the Policy is administered practically and efficiently.
 - It provides flexibility and funding to deliver growth infrastructure where it is most needed.
 - It reflects that the majority of projected growth is focused in Feilding and enables Council to recover the cost of infrastructure needed to meet that growth.

- It is consistent with the Manawatu District Housing Programme Establishment Report (December 2020), the Manawatu District Housing Stocktake (2020) and work underway on development of a Housing Strategy.
124. There are some exceptions to charging within the three catchments, which are briefly explained as follows:
- A district-wide approach (through both development contributions and financial contributions) is taken to the funding of transport infrastructure and reserves, as all transport infrastructure and reserves are available for general public use wherever they are located.
125. Development contributions are only payable for transport infrastructure and reserves capital expenditure growth related projects in the Rural and Village catchment because the village systems for wastewater, water supply and stormwater have sufficient capacity to accommodate growth. A one-network approach is taken in the Feilding Urban Area for wastewater, water supply and stormwater due to the interlinked nature of the services.
126. A 0.65 differential factor is applied to the Feilding Intensification Area Catchment to recognise that in most instances, there is no requirement to increase the capacity of the local infrastructure, but demand is still increased on the main pipelines and treatment plants.
127. Further explanation on the above is contained in the Cost Allocation section.

SIGNIFICANT ASSUMPTIONS OF THE POLICY

METHODOLOGY

128. In developing a methodology for the development contributions in the Policy, Council has taken an approach to ensure that the cumulative effect of development is considered across each catchment.

PLANNING HORIZONS

129. In 2013, the Council released the Feilding Framework Plan⁹ which coordinates infrastructure and land use planning for the greenfield growth of Feilding. This Plan identified a number of Growth Precincts, anticipating growth in both the medium and longer-term. The Council has subsequently rezoned the Precinct 4 Residential Area and Precinct 5 Industrial Area shown in the Feilding Framework Plan through plan changes to the Operative Manawātū District Plan. The majority of land within Precincts 1 to 3 has a Deferred Residential Zone status, recognising that further technical investigation is needed prior to development. As such, no physical infrastructure projects are planned in the Long Term Plan 2024-34.
130. A 20-year timeframe has been used by Council as a basis for forecasting growth and growth-related assets and programmes. This is set out in Council's asset management plans.
131. This timeframe aligns to the expected development capacity within the Feilding Urban Catchment and is focused on the development of the Precinct 4 Residential Area and the Precinct 5 Industrial Area. Council has detailed planning and costings for infrastructure networks for these areas.

⁹ See www.mdc.govt.nz/Documents/Plans.

132. Forecasting and planning for beyond this 20-year timeframe has yet to occur. The outcomes from monitoring of housing growth and business demand, the preparation of a Future Development Strategy in accordance with the NPSUD and costing the longer term infrastructure requirements to service growth will be included in future Development Contribution Policies.

PROJECTING GROWTH

133. Residential growth projections for the Manawatū District and the wider Manawatū-Whanganui Region over the 20-year planning period have been developed by Infometrics (May 2023). These residential growth projections are based on projected labour force growth and are apportioned based on land availability across the wider Manawatū-Whanganui Region over the 30-year planning timeframe. The impacts of COVID-19 on patterns of development in the short term have also been incorporated into the growth projections.
134. The Infometrics growth model estimates the timing of total growth in the District over the planning period. To predict the location of residential growth within the Manawatū District, the Council developed its own District-level residential growth model. The process and assumptions applied as a basis for this detailed residential growth model are explained below. This District-level growth model has been consistently applied to all of Council's strategic planning processes, including the Policy, the Long Term Plan and the Infrastructure Strategy. The majority of residential development is anticipated to take place within the Feilding Urban area.
135. To provide areas for housing growth to meet demand, there will likely be continued need for infill housing, as this will fill the need for smaller and more affordable housing options.
136. Non-residential development (new business lots) is more difficult to project, particularly where it relates to the collection of development contributions for commercial and industrial development. This is primarily due to the use of special assessments to assess new demand on infrastructure and the incidence of redevelopment on existing commercial and industrial land where additional demand is limited. For this reason, the five-year average HUE for non-residential development has been used as a basis for projecting annual commercial and industrial HUE.
137. The development of the Precinct 5 area to accommodate industrial development may increase the level of non-residential development previously observed within the District. If this occurs, the Policy may be updated to reflect the increase in units of demand from commercial and industrial development. There is no evidence currently to suggest units of demand (HUE) from commercial and industrial development will exceed the five-year average.
138. The District's growth is also forecast to increase. Statistics New Zealand figures indicate steady population growth in the District, with the number of residents increasing by an average of 0.8% per annum since 2018.
139. Using Infometrics' high population growth forecasts (May 2023) and the Council's growth model and commercial growth forecasts as a base, the key assumptions on future growth are:
- Years 2023-2030:
 - Population growth in the district of around 1.5% (or around 524 people) per annum.
 - Residential unit growth in the district of around 1.23% (or around 163 units) per annum.
 - Years 2030-2040:
 - Population growth in the District of around 1.06% (or around 403 people) per annum.

- Residential unit growth in the District of around 0.98% (or around 141 units) per annum.
- Years 2040-2054:
 - Population growth in the District of around 1.04% (or around 440 people) per annum.
 - Residential unit growth in the District of around 0.63% (or around 99 units) per annum.

140. Table 10 sets out the predicted level of commercial and industrial development per annum over this time period:

Table 10: Predicted level of commercial and industrial development in HUEs per annum

Activity	HUE
Transport	79
Stormwater	25
Water	2.9
Wastewater	2.9

141. The population and household distribution figures are consistent with the forecasting assumptions used to inform the Infrastructure Strategy and the Long-term Plan.

142. A five-yearly breakdown of the population and household forecast is in Table 11.

Table 11: Five-yearly breakdown of population and household forecasts

	2023	2028	2033	2038	2043	2048	2053
FEILDING							
Population	18,327	19,826	21,134	22,256	23,645	24,919	25,983
Households	7,027	7,458	7,974	8,369	8,696	8,955	9,270
RURAL/VILLAGE							
Population	16,018	17,209	18,177	18,929	19,804	20,872	21,850
Households	6,215	6,554	6,942	7,008	7,372	7,592	7,844
TOTAL							
Population	34,345	37,035	39,311	41,185	43,449	45,791	47,833
Households	13,242	14,012	14,916	15,574	16,068	16,547	17,059

143. Council forecasts demand of approximately 1,580 HUEs for business development over the next 20 years to accommodate:

- Population growth with related business land.
- Industrial development within Precinct 5.

144. The combined demand forecast is approximately 4,356 HUEs over 20 years – 2,776 HUEs for households and 1,580 HUEs for business. Further information about these forecasts can be found in Council’s Long Term Plan 2024-34 and on Council’s website www.mdc.govt.nz

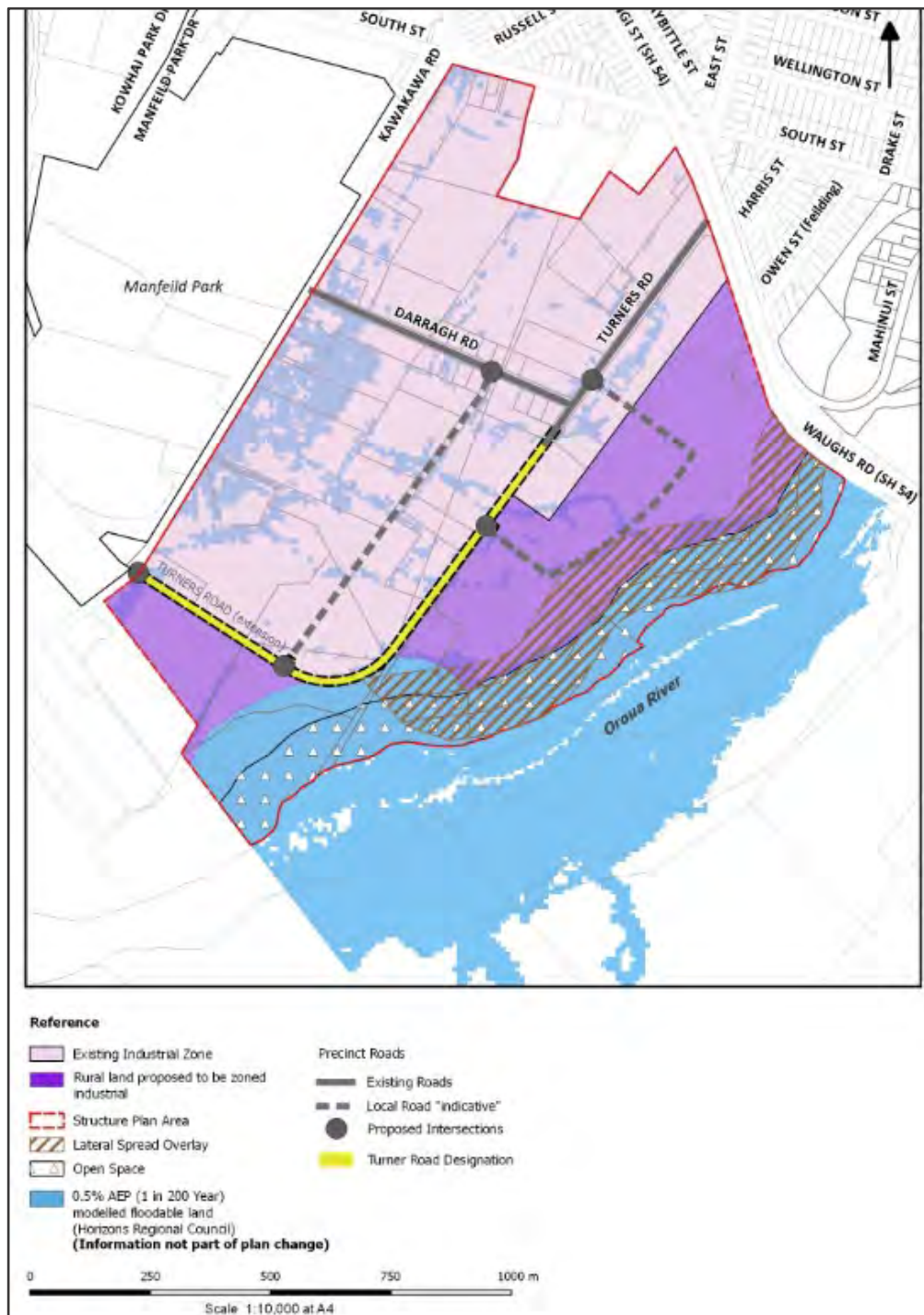


Figure 1:

Precinct 5 – Kawakawa Industrial Park Growth Area

BEST AVAILABLE KNOWLEDGE

145. Development contributions are based on capital expenditure budgets included in Council's asset management plans.

The capital expenditure budgets and projected estimates of future asset works are based on the best available knowledge at the time of preparation. As better information becomes available the Policy will be updated, generally through the Annual Plan process.

KEY RISKS/EFFECTS

146. There are two key risks associated with administering development contributions, and the resulting effects are:

- That the growth predictions do not eventuate, resulting in a change to the assumed rate of development. In that event, Council will continue to monitor the rate of growth and will update assumptions in the growth and funding predictions, as required.
- That the time lag between expenditure incurred by Council and development contributions received from those undertaking developments is different from that assumed in the funding model, and that the costs of capital are greater than expected. This would result in an increase in debt servicing costs. To guard against that occurrence, Council will continue to monitor the rate of growth and will update assumptions in the growth and funding models, as required.

SERVICE ASSUMPTIONS

147. It is assumed that methods of service delivery, and levels of service, will remain substantially unchanged and in accordance with the Long Term Plan, asset management plans, and Council's Land Development Engineering Standards (2017).
148. It is assumed that the Council will act as the lead agency in delivery of assets/capacity, so as to ensure core infrastructure is available to service growth in the District. This role will be assessed on review of the Long Term Plan and Development Contribution Policy every three years. There is the potential, where agreed with Council through a development agreement, for developers to take the lead role in providing specific infrastructure for significant developments.
149. Council is presently planning to fund, design and manage the provision of core infrastructure needed to service forecast growth. This has been assessed as the most efficient model for delivery at this time. Council will reassess this assumption at least every six years as part of meeting the requirements of section 17A of the LGA02.

FUNDING MODEL

150. A funding model has been developed to calculate development contributions under the Policy. It accounts for the activities for which contributions are sought, the assets and programmes related to growth, forecast growth and associated revenue. The funding model embodies several important assumptions, including:
- All capital expenditure estimates are inflation adjusted and GST exclusive.
 - Levels of service (LOS) / backlog, renewal and maintenance portions of each asset or programme will not be funded by development contributions. See the *Cost allocation* section below.
 - The growth costs associated with an asset are spread over the capacity life of the asset and any debt incurred in relation to that asset will be fully repaid by the end of that capacity life.

- Interest expenses incurred on debt accrued will be recovered via development contributions and shared over all forecast HUEs over a 20-year period for each activity/catchment.
 - The rate of GST will be at 15%. Should the rate of GST change, the charges will be adjusted accordingly.
 - The development contribution charges will be adjusted annually on a set date in line with the Producers Price Index Outputs for Construction (PPI) provided by Statistics New Zealand, as permitted by sections 106(2B) and (2C) of the LGA02.
151. Third party funding availability – Council is assuming that there will be no third party funding for growth related infrastructure projects. If alternative funding for these projects does become available from Development Agreements or government / regional grants, Council will amend Schedule 2 to this Policy and reduce total funding required through Development Contributions. Funding by NZTA for transport infrastructure currently only includes renewals and maintenance, and this is expected to continue.
152. Debt servicing - from time to time Council Development Contribution reserves may be in deficit. This occurs if the required infrastructure is more expensive than the balance of Development Contribution revenue already collected. Council will loan fund any required work at this point. Future Development Contribution revenue will pay off the loan, including interest. The interest rate charged will be at the average Council rate at that time.

COST ALLOCATION

153. Council must consider how to allocate the cost of each asset or programme between three principal drivers – growth, LOS / backlog, and renewal. Council's general approach to cost allocation for development contributions is summarised as:
- Where a project provides for and benefits only growth, 100% of a project's cost is attributed to growth. To qualify for this, there would have to be no renewal element (see below) or material level of service benefit or capacity provided for existing residents and businesses.
 - Where a project involves renewal of existing assets as well as increasing capacity to accommodate growth, the project will be funded by a combination of development contributions and renewal funding:
 - The apportionment will be determined by the cost comparison between the cost of renewing the existing asset and the cost of increasing the capacity of the assets. The condition and the remaining useful life of the existing asset will also be factored into the calculation. For example, if an existing asset is relatively new and has significant remaining life but is needed to be upgraded to accommodate growth, only a small percentage of the cost will be funded by renewal funding.
 - If a project provides for growth and LOS, after deducting any share of costs attributable to renewal, Council will split the cost between growth and LOS based on the project drivers, required technological changes and the perceived benefit. For example, "the future beneficiary" split will attribute costs between the existing community (in HUEs) and the proportion driven by growth (in HUEs).
154. For particularly large and expensive projects, Council may undertake a specific cost apportionment assessment that differs from the general approach outlined above.
155. Particular aspects of growth-related expenditure in Manawatū District considered in the cost allocation and in catchment determination are:

- The basis for growth-related expenditure are the development of Precincts 4 and 5 from the Feilding Framework Plan 2013, which are now zoned for development in the Operative Manawatū District Plan and identified as the Feilding Urban Area Catchment.
- For the most part, capital expenditure is solely related to the growth in the area and is therefore 100% funded by development contributions.
 - However, there are existing rural roads that will require upgrading to accommodate growth. The allocation of costs for the projects to undertake this upgrading generally follows the same funding methodology of 100% funding; however, a portion of the development is allocated to the renewal of the existing road and is therefore funded from depreciation and potentially Waka Kotahi NZTA funding (the Financial Assistance Rate – FAR).
 - For example, rehabilitation of existing road pavements, renewal/upgrade of drainage and streetlighting assets will qualify for subsidy at the normal FAR, while the growth portion where the road is widened, will not.
 - Each project is assessed individually at the time of detailed project planning. The Council has estimated that 25% of the work will be classified as renewals and will be funded by the depreciation reserve and Waka Kotahi NZTA.
- There are a number of main trunk wastewater pipes within the Feilding Urban Area where additional capacity is required to accommodate the volumes of waste generated from the growth precincts:
 - Individual projects will be reviewed at the time of detailed project planning to determine what percentage can be attributed to renewals and therefore funded by depreciation.
 - This review will take into account the condition, size and age of the existing pipes. In addition, there are situations where the existing lines will be used as a rider main and therefore not replaced.
 - For forecasting purposes, the Council has estimated that 10% of the work will be classified as renewals and will be funded by the depreciation reserve.
- The Council has undertaken a significant amount of upgrading to the water and wastewater treatment plants over the last seven years to accommodate forecast growth.
 - The Manawatū wastewater treatment plant now has capacity for an additional 9,000 people in the local population (based on 6,000 people and an additional allowance for non-residential development). The funding of this upgrading work was allocated to renewals, new levels of service required by resource consent conditions and the capacity for growth. Expenditure on growth works was funded through loans, with loan servicing funded from development contributions.
 - The Council is centralising the treatment of village wastewater schemes, which will result in the Manawatū wastewater treatment plant processing for an additional local population.
 - Therefore, approximately 50% of the capacity for growth accommodated in the Manawatū wastewater treatment plant will be utilised by the existing community, rather than growth. Accordingly, the Council has transferred that portion of the associated growth loans to operational loans to reflect the capacity taken up by connections to existing residential and non-residential activities.

- The Council has applied a differentiation to the amount payable per HUE within the Feilding Intensification Area, which is explained in the next paragraphs.
 - The National Policy Statement on Urban Development 2020 (NPSUD) gazetted under the RMA91 sets direction around well-functioning urban environments and providing sufficient development capacity. The NPSUD directs the Council to enable a variety of dwelling types and to improve housing affordability by supporting competitive land and development markets.
 - The Council has undertaken assessments of development capacity within the existing Feilding urban area to determine the potential for redevelopment and intensification. Redevelopment within the existing urban area (infill development) integrates with the existing housing supply and in most cases, there is no requirement to increase the capacity of the local infrastructure. However, as intensification does increase the demand on the main pipelines and the treatment plants, albeit to a lesser degree. The 0.65 differential factor of the projected growth in new developments is the best estimate by Council of this increase in intensification in existing urban areas and the subsequent need for new or upgrades to the water, wastewater and stormwater networks.
 - The development contributions payable for water, wastewater and stormwater in the Feilding Intensification Area catchment are therefore set at 65% of that payable for the Feilding Urban Area catchment. This is consistent with the NPSUD direction to encourage a variety of dwelling typologies, utilisation of existing infrastructure and increase market supply of residential sections.
- There is a one network approach to the provision of parks and reserves districtwide. Parks and reserves are for the benefit of all residents in the district and include sports parks, coastal reserves, neighbourhood parks and nature reserves such as Mt Lees and Awahuri Forest Kitchener Park. Therefore, all development and subdivision will pay a district wide development contribution for parks and reserves.

The rationale for this approach is derived from the Manawatu District Council Reserve Management Plans and the following findings:

- The Council has identified a number of reserves where there has been a significant increase in the number of users and additional demand on the facilities.
- The Council is unable to easily determine the extent to which the increase in the number of users and demand is as a result of new residents, a change of user's expectations and the requirement for new levels of service, or an increasing number of visitors to the District.

As a result, the Council has estimated the portion of growth-related expenditure for each project, ranging between 25% to 100%. The factors that have informed the portion allocated were the location of the works (i.e. proximity to the growth precincts), estimated numbers of non-resident visitors, the nature of the project, and known changes of level of service expectations.

Council has decided that Growth Precinct 4 is currently the priority growth area for the district and the planned reserves in this area will be accessible for all residents in the district.

As future precincts in Feilding are developed, along with identified rural growth areas, a separate network approach may be considered.

Development contributions will not be taken for Community Infrastructure as defined in this policy.

CALCULATING THE DEVELOPMENT CONTRIBUTION CHARGES

156. This section outlines how the development contribution charges were calculated in accordance with section 203 and schedule 13 of the LGA02.

PROCESS

157. The steps needed to determine growth, growth projects, cost allocations, and to calculate the development contributions charges are summarised in Table 12.

Table 12: Summary of development contribution charge calculation methodology

STEP	DESCRIPTION / COMMENT
1. Forecast growth	Council estimates potential land supply and likely take up of that land. The estimates help provide household and business growth forecasts for up to 30 years. See the <i>Projecting Growth</i> section above for further information.
2. Identify projects required to facilitate growth	Develop the works programme needed to facilitate growth. In some cases, Council may have already undertaken the work. The programme in the Policy is for 20 years.
3. Determine the cost allocation for projects	The cost of each asset or programme is apportioned between renewal, growth, and LOS/backlog in accordance with the approach outline in the <i>cost allocation</i> section of the Policy. Schedules 2 and 3 of the Policy outlines the amount required to fund growth from development contributions for each of these assets or programmes.
4. Determine growth costs to be funded by development contributions	Council determines whether to recover all of the growth costs identified in step 3 from development contributions, or whether some of the growth costs will be funded from other sources.
5. Divide DC funded growth costs by capacity lives	The growth costs from step 4 are divided by the estimated capacity life (defined in HUEs) to provide a HUE charge for each future and past asset and programme.
6. Sum all per asset charges	For each catchment and activity, add up the per HUE asset or programme charges to provide a “raw” total development contribution charge before interest cost are added. For each activity and catchment, development contributions fund the programme on an aggregated basis.
7. Adjust for interest costs and charge inflation adjustments	The raw cost requires adjustments in the funding model to ensure total revenue received over 20 years equals total costs after accounting for interest costs. These costs are shared equally among all HUEs in the relevant catchment over 20 years. These adjustments impact the final charges.

SUMMARY OF CALCULATIONS

158. Schedule 1 summarises the calculation of the development contribution charge for each activity/catchment (step 7). Schedules 2 and 3 provide information on each asset or programme including the information in steps 2 - 6.

PART 3: CATCHMENT MAP

The map in this section outlines the boundaries of the catchments within which development contributions will apply.

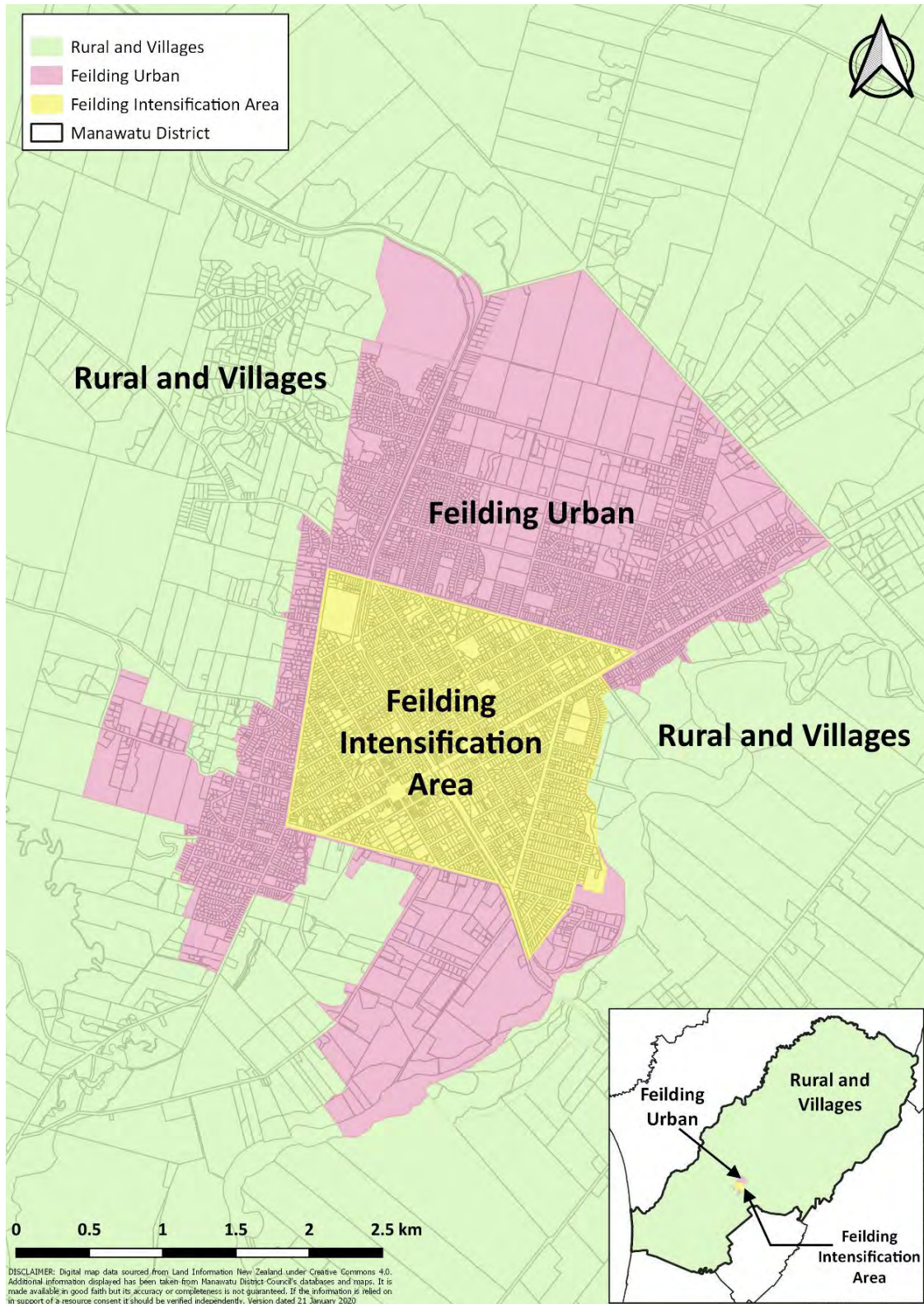


Figure 2 – Development Contribution Catchment Areas

SCHEDULE 1 – DEVELOPMENT CONTRIBUTION CHARGE CALCULATIONS

This schedule summarises the calculation of the development contribution charge for each activity for each catchment. This includes the components of the charge related to capital expenditure on past assets, capital expenditure on future assets, and interest costs. All figures exclude GST.

WATER

Reference	Development Contribution funded \$	Recoverable Growth / Capacity Life (HUE)	Development Contribution Charge per HUE (GST exc)
CATCHMENT			
Future asset or programmes (refer schedule 2)	C₁ (future asset/programme costs funded by DCs)	<i>Refer schedule 2</i>	DC_f
Past assets or programmes (refer schedule 3)	C₂ (past asset/programme costs funded by DCs)	<i>Refer schedule 3</i>	DC_p
Loan interest costs	IC (interest costs)	#_{ic} (HUEs over which interest costs are being recovered)	DC_{ic} = IC/#_{ic}
Total	TGC (total growth costs funded by DCs) = C₁ + C₂ + IC		DC_{w1} = DC₁ + DC₂ + DC_{ic}
			Feilding Intensification Area = DC_{w1} x 0.65
Feilding Urban			
Future asset or programmes (refer schedule 2)	\$1,977,249	<i>Refer schedule 2</i>	\$1,153
Past assets or programmes funded through loans (refer schedule 3)	\$1,703,169	<i>Refer schedule 3</i>	\$994
Loan interest costs	\$2,158,891		\$1,259
Total	\$5,839,309	1,714	Feilding Urban \$3,406
			Feilding Intensification Area \$2,214

WASTEWATER

Reference	Development Contribution funded \$	Recoverable Growth / Capacity Life (UNITS)	Development Contribution Charge per HUE (GST exc)
Feilding Urban			
Future asset or programmes (refer schedule 2)	\$3,853,251	<i>Refer schedule 2</i>	\$2,248
Past assets or programmes funded through loans (refer schedule 3)	\$4,974,273	<i>Refer schedule 3</i>	\$2,902
Loan interest costs	\$4,674,885		\$2,727
Total	\$13,502,409	1,714	Feilding Urban \$7,877
			Feilding Intensification Area \$5,120

STORMWATER

Reference	Development Contribution funded \$	Recoverable Growth / Capacity Life (UNITS)	Development Contribution Charge per UNIT (GST exc)
Feilding urban			
Future asset or programmes (refer schedule 2)	\$8,944,501	<i>Refer schedule 2</i>	\$4,148
Past assets or programmes funded through loans (refer schedule 3)	\$10,575,595	<i>Refer schedule 3</i>	\$4,905
Loan interest costs	\$13,428,299		\$6,228
Total	\$32,948,395	2,156	Feilding Urban \$15,281
			Feilding Intensification Area \$9,932

TRANSPORT

Reference	Development Contribution funded \$	Recoverable Growth / Capacity Life (UNITS)	Development Contribution Charge per UNIT (GST exc)
Rural and villages			
Future asset or programmes (refer schedule 2)	\$15,221,784	<i>Refer schedule 2</i>	\$3,494
Past assets or programmes funded through loans (refer schedule 3)	\$1,651,712	<i>Refer schedule 3</i>	\$379
Loan interest costs	\$4,834,311		\$1,110
Total	\$21,707,807	4,356	District Wide \$4,983

RESERVES

Reference	Development Contribution funded \$	Recoverable Growth / Capacity Life (UNITS)	Development Contribution Charge per UNIT (GST exc)
Rural and villages			
Future asset or programmes (refer schedule 2)	\$580,017	<i>Refer schedule 2</i>	\$209
Past assets or programmes funded through loans (refer schedule 3)	\$509,975	<i>Refer schedule 3</i>	\$184
Loan interest costs	\$2,186,142		\$788
Total	\$3,276,134	2,776	District Wide \$1,180 (GST excl.)

SCHEDULE 2 – FUTURE ASSETS

Schedule 2 provides the forecast future capital expenditure on asset or programmes attributable to new growth in accordance with section 201A of the LGA02. All figures exclude GST.

Note: Schedule 2 below is dated 1 July 2024. The schedule is updated as part of the Annual Plan and Long Term Plan processes annually.

Project	Total Cost	% Funded from Development Contributions	Cost to be funded from Development Contributions	Recoverable Growth / Capacity Life (HUEs)	Development Contribution Charge
2024/25					
Water Supply					
Precinct 5 Storage	\$500,000	10%	\$50,000	1,714	\$29
Parks and Reserves					
Car Parking	\$276,716	50%	\$138,358	2,776	\$50
James Palmer to Rimu - Port St to Root Street Development	\$339,560	0%	\$0	2,776	\$0
James Palmer to Rimu - Sherwill Street Footbridge	\$217,165	0%	\$0	2,776	\$0
Waugh's Road Walkway - Acquisition and Establishment	\$250,968	0%	\$0	2,776	\$0

Project	Total Cost	% Funded from Development Contributions	Cost to be funded from Development Contributions	Recoverable Growth / Capacity Life (HUEs)	Development Contribution Charge
2025/26					
Stormwater					
ROOTS ST (Churcher to Echo)	\$676,764	25%	\$169,191	2,156	\$78
Stormwater Asset Growth	\$97,594	50%	\$48,797	2,156	\$23
Turners Road Stage 2	\$1,752,406	75%	\$1,314,305	2,156	\$610
Wastewater					
Feilding wastewater Growth	\$88,667	50%	\$44,334	1,714	\$26
ROOTS ST (Churcher to Echo)	\$126,854	30%	\$38,056	1,714	\$22
ROOTS ST (Makino to Churcher)	\$100,000	30%	\$30,000	1,714	\$18
Turners Road Stage 2	\$311,333	85%	\$264,633	1,714	\$154
Water Supply					
Precinct 5 Storage	\$90,045	10%	\$9,005	1,714	\$5
ROOTS ST (Churcher to Echo)	\$126,854	30%	\$38,056	1,714	\$22
Turners Road Stage 2	\$409,955	85%	\$348,462	1,714	\$203
Roading					
Growth & Strategic Land acquisition	\$77,167	50%	\$38,584	4,356	\$9
ROAD 03	\$50,000	85%	\$42,500	4,356	\$10
ROAD 1B (Turoa Street - Stage 2)	\$50,000	85%	\$42,500	4,356	\$10
Turners Road Stage 2	\$1,172,833	85%	\$996,908	4,356	\$229
Parks and Reserves					
Awahuri Forest to Kitchener Park - Cycleway Link	\$96,533	20%	\$19,307	2,776	\$7

Rose Garden Seating	\$40,584	0%	\$0	2,776	\$0
Sandown Subdivision Walkway - Land Acquisition	\$145,000	20%	\$29,000	2,776	\$10

Project	Total Cost	% Funded from Development Contributions	Cost to be funded from Development Contributions	Recoverable Growth / Capacity Life (HUEs)	Development Contribution Charge
2026/27					
Stormwater					
ROAD 03	\$328,219	75%	\$246,164	2,156	\$114
Stormwater Asset Growth	\$97,594	50%	\$48,797	2,156	\$23
Turners Road Stage 3	\$2,078,406	75%	\$1,558,805	2,156	\$723
Wastewater					
Feilding wastewater Growth	\$88,667	50%	\$44,334	1,714	\$26
ROAD 03	\$245,059	85%	\$208,300	1,714	\$122
Turners Road Stage 2	\$1,181,333	85%	\$1,004,133	1,714	\$586
Water Supply					
Precinct 5 Storage	\$90,045	10%	\$9,005	1,714	\$5
ROAD 03	\$193,123	85%	\$164,155	1,714	\$96
Turners Road Stage 2	\$659,955	85%	\$560,962	1,714	\$327
Roading					
Growth & Strategic Land acquisition	\$77,167	50%	\$38,584	4,356	\$9
ROAD 03	\$1,414,881	85%	\$1,202,649	4,356	\$276
Turners Road Stage 2	\$3,647,833	85%	\$3,100,658	4,356	\$712
Parks and Reserves					
Boardwalk and wetland planting	\$47,539	50%	\$23,770	2,776	\$9
Precinct Four Public Toilets	\$323,821	50%	\$161,911	2,776	\$58

Project	Total Cost	% Funded from Development Contributions	Cost to be funded from Development Contributions	Recoverable Growth / Capacity Life (HUEs)	Development Contribution Charge
2027/28					
Stormwater					
ROAD 1B (Turoa Street - Stage 2)	\$221,175	75%	\$165,881	2,156	\$77
Stormwater Asset Growth	\$105,994	50%	\$52,997	2,156	\$25
Wastewater					
Feilding wastewater Growth	\$88,667	50%	\$44,334	1,714	\$26
ROAD 1B (Turoa Street - Stage 2)	\$135,272	85%	\$114,981	1,714	\$67
Water Supply					
Precinct 5 Storage	\$90,045	10%	\$9,005	1,714	\$5
ROAD 1B (Turoa Street - Stage 2)	\$67,798	85%	\$57,628	1,714	\$34
Roading					
Growth & Strategic Land acquisition	\$77,167	50%	\$38,584	4,356	\$9
ROAD 1B (Turoa Street - Stage 2)	\$921,494	85%	\$783,270	4,356	\$180
Parks and Reserves					

Sandown Subdivision Walkway Development	\$29,776	20%	\$5,955	2,776	\$2
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Project	Total Cost	% Funded from Development Contributions	Cost to be funded from Development Contributions	Recoverable Growth / Capacity Life (HUEs)	Development Contribution Charge
2028/29					
Roading					
Growth & Strategic Land acquisition	\$92,441	50%	\$46,221	4,356	\$11
ROOTS ST (Makino to Churcher)	\$2,152,127	40%	\$860,851	4,356	\$198
Parks and Reserves					
Pharazyn New Park - Bailey Subdivision walkway	\$686,870	25%	\$171,718	2,776	\$62

Project	Total Cost	% Funded from Development Contributions	Cost to be funded from Development Contributions	Recoverable Growth / Capacity Life (HUEs)	Development Contribution Charge
2029/30					
Stormwater					
ROOTS ST (Turoa to Pharazyn)	\$478,732	25%	\$119,683	2,156	\$56
Stormwater Asset Growth	\$121,268	50%	\$60,634	2,156	\$28
Wastewater					
Feilding wastewater Growth	\$103,626	50%	\$51,813	1,714	\$30
ROOTS ST (Turoa to Pharazyn)	\$215,526	30%	\$64,658	1,714	\$38
Water Supply					
Precinct 5 Storage	\$106,600	10%	\$10,660	1,714	\$6
ROOTS ST (Turoa to Pharazyn)	\$52,400	30%	\$15,720	1,714	\$9

Project	Total Cost	% Funded from Development Contributions	Cost to be funded from Development Contributions	Recoverable Growth / Capacity Life (HUEs)	Development Contribution Charge
2030/31					
Stormwater					
ROAD 2 (Roots to Reids Line)	\$503,796	75%	\$377,847	2,156	\$175
Wastewater					
ROAD 2 (Roots to Reids Line)	\$199,221	85%	\$169,338	1,714	\$99
Trunk main - Denbeigh to Kimbolton	\$281,963	25%	\$70,491	1,714	\$41
Water Supply					
ROAD 2 (Roots to Reids Line)	\$162,831	85%	\$138,406	1,714	\$81
Roading					
ROAD 2 (Roots to Reids Line)	\$1,946,932	85%	\$1,654,892	4,356	\$380

Project	Total Cost	% Funded from Development Contributions	Cost to be funded from Development Contributions	Recoverable Growth / Capacity Life (HUEs)	Development Contribution Charge
2031/32					

Stormwater					
ROAD 2 (Roots to Reids Line)	\$503,796	75%	\$377,847	2,156	\$175
Wastewater					
ROAD 2 (Roots to Reids Line)	\$199,221	85%	\$169,338	1,714	\$99
Trunk main - Russell/Railway	\$602,769	25%	\$150,692	1,714	\$88
Water Supply					
ROAD 2 (Roots to Reids Line)	\$162,831	85%	\$138,406	1,714	\$81
Roading					
ROAD 2 (Roots to Reids Line)	\$1,946,932	85%	\$1,654,892	4,356	\$380
Parks and Reserves					
Playground replacement and upgrade	\$120,000	25%	\$30,000	2,776	\$11

Project	Total Cost	% Funded from Development Contributions	Cost to be funded from Development Contributions	Recoverable Growth / Capacity Life (HUEs)	Development Contribution Charge
2032/33					
Stormwater					
PORT STREET (Churcher to Makino)	\$469,363	25%	\$117,341	2,156	\$54
Wastewater					
PORT STREET (Churcher to Makino)	\$332,653	30%	\$99,796	1,714	\$58
Trunk main - South/Kawakawa	\$658,194	25%	\$164,549	1,714	\$96
Water Supply					
PORT STREET (Churcher to Makino)	\$188,083	30%	\$56,425	1,714	\$33
Roading					
PORT STREET (Churcher to Makino)	\$2,237,301	40%	\$894,920	4,356	\$205

Project	Total Cost	% Funded from Development Contributions	Cost to be funded from Development Contributions	Recoverable Growth / Capacity Life (HUEs)	Development Contribution Charge
2033/34					
Stormwater					
ARNOTT STREET (Reids to Pharazyn St)	\$669,006	25%	\$167,252	2,156	\$78
Makino Pond, West Makino outlet and drainage reserves	\$2,000,000	90%	\$1,800,000	2,156	\$835
Wastewater					
ARNOTT STREET (Reids to Pharazyn St)	\$278,031	30%	\$83,409	1,714	\$49
Water Supply					
ARNOTT STREET (Reids to Pharazyn St)	\$173,271	30%	\$51,981	1,714	\$30
Roading					
ARNOTT STREET (Reids to Pharazyn St)	\$2,387,114	40%	\$954,846	4,356	\$219

Project	Total Cost	% Funded from Development Contributions	Cost to be funded from Development Contributions	Recoverable Growth / Capacity Life (HUEs)	Development Contribution Charge
2034/35					

Stormwater					
ARNOTT STREET (Reids to Pharazyn St)	\$452,750	25%	\$113,188	2,156	\$52
Makino Pond, West Makino outlet and drainage reserves	\$420,835	90%	\$378,752	2,156	\$176
Planning, designation and design	\$32,077	50%	\$16,039	2,156	\$7
South street upgrade	\$500,000	10%	\$50,000	2,156	\$23
Wastewater					
ARNOTT STREET (Reids to Pharazyn St)	\$278,031	30%	\$83,409	1,714	\$49
Planning, designation and design	\$32,077	50%	\$16,039	1,714	\$9
Trunkmain 3 Kimbolton Rd - Derby to Lyton	\$226,387	25%	\$56,597	1,714	\$33
Water Supply					
ARNOTT STREET (Reids to Pharazyn St)	\$117,262	30%	\$35,179	1,714	\$21
Planning, designation and design	\$32,077	50%	\$16,039	1,714	\$9
Roading					
ARNOTT STREET (Reids to Pharazyn St)	\$1,193,557	40%	\$477,423	4,356	\$110
Growth & Strategic Land acquisition	\$40,096	50%	\$20,048	4,356	\$5

Project	Total Cost	% Funded from Development Contributions	Cost to be funded from Development Contributions	Recoverable Growth / Capacity Life (HUEs)	Development Contribution Charge
2035/36					
Stormwater					
ARNOTT STREET (Reids to Pharazyn St)	\$452,750	25%	\$113,188	2,156	\$52
Makino Pond, West Makino outlet and drainage reserves	\$420,835	90%	\$378,752	2,156	\$176
Planning, designation and design	\$32,911	50%	\$16,456	2,156	\$8
South street upgrade	\$500,000	10%	\$50,000	2,156	\$23
Wastewater					
ARNOTT STREET (Reids to Pharazyn St)	\$278,031	30%	\$83,409	1,714	\$49
Planning, designation and design	\$32,911	50%	\$16,456	1,714	\$10
Trunkmain 4 - Marlborough to Kimbolton	\$226,387	25%	\$56,597	1,714	\$33
Water Supply					
ARNOTT STREET (Reids to Pharazyn St)	\$117,262	30%	\$35,179	1,714	\$21
Planning, designation and design	\$32,911	50%	\$16,456	1,714	\$10
Roading					
ARNOTT STREET (Reids to Pharazyn St)	\$1,193,557	40%	\$477,423	4,356	\$110
Growth & Strategic Land acquisition	\$41,139	50%	\$20,570	4,356	\$5

Project	Total Cost	% Funded from Development Contributions	Cost to be funded from Development Contributions	Recoverable Growth / Capacity Life (HUEs)	Development Contribution Charge
2036/37					
Stormwater					
Planning, designation and design	\$33,767	50%	\$16,884	2,156	\$8
Makino Pond, West Makino outlet and drainage reserves	\$477,207	90%	\$429,486	2,156	\$199

ROOTS ST (Echo to Turoa)	\$782,392	25%	\$195,598	2,156	\$91
Wastewater					
Planning, designation and design	\$33,767	50%	\$16,884	1,714	\$10
Trunkmain 4 - Marlborough to Kimbolton	\$477,293	25%	\$119,323	1,714	\$70
ROOTS ST (Echo to Turoa)	\$148,704	30%	\$44,611	1,714	\$26
Water Supply					
Planning, designation and design	\$33,767	50%	\$16,884	1,714	\$10
ROOTS ST (Echo to Turoa)	\$228,347	30%	\$68,504	1,714	\$40
Roading					
Growth & Strategic Land acquisition	\$42,208	50%	\$21,104	4,356	\$5
ROOTS ST (Churcher to Echo)	\$774,489	40%	\$309,796	4,356	\$71
ROOTS ST (Echo to Turoa)	\$889,615	40%	\$355,846	4,356	\$82

Project	Total Cost	% Funded from Development Contributions	Cost to be funded from Development Contributions	Recoverable Growth / Capacity Life (HUEs)	Development Contribution Charge
2037/38					
Stormwater					
Planning, designation and design	\$34,645	50%	\$17,323	2,156	\$8
Makino Pond, West Makino outlet and drainage reserves	\$477,207	90%	\$429,486	2,156	\$199
Wastewater					
Planning, designation and design	\$34,645	50%	\$17,323	1,714	\$10
Trunkmain 5 Kimbolton Rd Lytton to North	\$580,102	25%	\$145,026	1,714	\$85
Water Supply					
Planning, designation and design	\$34,645	50%	\$17,323	1,714	\$10

SCHEDULE 3 – PAST ASSETS

Schedule 3 provides the capital expenditure incurred on asset and programmes attributable to new growth constructed in anticipation of growth, in accordance with section 201A of the LGA02. All figures exclude GST.

Project	Area	Year	Total cost	% Funded from Development Contributions	Cost to be funded from Development Contributions	Recoverable Growth / Capacity Life (HUEs)	Development Contribution Charge
Stormwater Growth Feilding							
Stormwater Asset Growth Feilding*	Precinct 4	2023/24	\$2,214,756	100%	\$2,214,756	2,156	\$1,027
Stormwater Growth - Turners Road*	Precinct 5	2023/24	\$166,526	100%	\$166,526	2,156	\$77
Precinct 4 - Road 3 (from road 1B to Roots St)	Precinct 4	2023/24	\$6,010	100%	\$6,010	2,156	\$3
Precinct 4 - Road 1B (road 4 to road 3)*	Precinct 4	2023/24	\$6,060	100%	\$6,060	2,156	\$3
Precinct 4 - Road 4A Echo Place*	Precinct 4	2023/24	\$280,067	100%	\$280,067	2,156	\$130
Precinct 4 - Road 4B from 1A to Roots Street*	Precinct 4	2023/24	\$56,966	100%	\$56,966	2,156	\$26
Precinct 4 - Attenuation*	Precinct 4	2023/24	\$1,016,228	100%	\$1,016,228	2,156	\$471
Precinct 4 - Root Street - Churcher to Makino*	Precinct 4	2023/24	\$417,418	100%	\$417,418	2,156	\$194
Precinct 4 - Road 1A Churcher to Road 4*	Precinct 4	2023/24	\$19,292	100%	\$19,292	2,156	\$9
Precinct 4 - Road 1B From Road 4 to Road 3*	Precinct 4	2023/24	\$224	100%	\$224	2,156	\$0
Land Purchase*	Precinct 4	2023/24	\$1,345,282	100%	\$1,345,282	2,156	\$624
Port Street East*	Precinct 4	2023/24	\$4,712	100%	\$4,712	2,156	\$2
Stormwater Growth - Precinct 4 Churcher Street	Precinct 4	2022/23	\$1,848	100%	\$1,848	2,156	\$1
Stormwater Growth - Turners Road	Precinct 5	2022/23	\$259,574	100%	\$259,574	2,156	\$120
Precinct 4 - Road 3 (from road 1B to Roots St)	Precinct 4	2022/23	\$3,949	100%	\$3,949	2,156	\$2
Precinct 4 - Roots St (Churcher to Makino)	Precinct 4	2022/23	\$680	100%	\$680	2,156	\$0
Precinct 4 - Road 1B (road 4 to road 3)	Precinct 4	2022/23	\$3,940	100%	\$3,940	2,156	\$2
Precinct 4 - Road 4A Echo Place	Precinct 4	2022/23	\$21,262	100%	\$21,262	2,156	\$10
Precinct 4 - Road 4B from 1A to Roots Street	Precinct 4	2022/23	\$149,431	100%	\$149,431	2,156	\$69
Precinct 4 - Attenuation	Precinct 4	2022/23	\$101,104	100%	\$101,104	2,156	\$47
Precinct 4 - Root Street - Churcher to Makino	Precinct 4	2022/23	\$582	100%	\$582	2,156	\$0
Precinct 4 - Road 1A Churcher to Road 4	Precinct 4	2022/23	\$169,401	100%	\$169,401	2,156	\$79
Precinct 4 - Road 1B From Road 4 to Road 3	Precinct 4	2022/23	\$776	100%	\$776	2,156	\$0
Precinct 4 West Makino Outlet and drainage reserves	Precinct 4	2022/23	\$116	100%	\$116	2,156	\$0

Land Purchase	Precinct 4	2022/23	\$825,322	100%	\$825,322	2,156	\$383
Port Street East	Precinct 4	2022/23	\$115	100%	\$115	2,156	\$0
Stormwater Growth - Turners Road	Precinct 5	2021/22	\$34,190	100%	\$34,190	2,156	\$16
Arnot Street	Precinct 4	2021/22	\$11,702	100%	\$11,702	2,156	\$5
Pharazyn St Drainage	Precinct 4	2021/22	\$1,388	100%	\$1,388	2,156	\$1
Feilding Stormwater - Jesse Line	Precinct 4	2021/22	\$1,728	100%	\$1,728	2,156	\$1
Precinct 4 - Attenuation	Precinct 4	2021/22	\$98,898	100%	\$98,898	2,156	\$46
Precinct 4 - Road 1A Churcher to Road 4	Precinct 4	2021/22	\$408,219	100%	\$408,219	2,156	\$189
Precinct 4 - Road 4 Port to Roots Street	Precinct 4	2021/22	\$975	100%	\$975	2,156	\$0
Land Purchase from deliberations	Precinct 4	2021/22	\$720	100%	\$720	2,156	\$0
Port Street East	Precinct 4	2021/22	\$173	100%	\$173	2,156	\$0
Stormwater Asset Growth Feilding	Fldg general	2015/16 to 2020/21	\$929,286	100%	\$929,286	2,156	\$431
Precinct 4 Churcher Street	Precinct 4	2016/17 to 2020/21	\$1,770,939	100%	\$1,770,939	2,156	\$821
Turners Road	Precinct 5	2018/19 to 2020/21	\$1,510,692	100%	\$1,510,692	2,156	\$701
Precinct 4 new road one	Precinct 4	2018/19 to 2020/21	\$90,470	100%	\$90,470	2,156	\$42
Precinct 4 -Arnot Street	Precinct 4	2019/20 to 2020/21	\$37,809	100%	\$37,809	2,156	\$18
Pharazyn St Drainage	Precinct 4	2020/21	\$20,000	100%	\$20,000	2,156	\$9
Pharazyn Street, Arnot to Root Street	Precinct 4	2014/15 to 2019/20	\$1,833,244	100%	\$1,833,244	2,156	\$850
Satori Way	Precinct 2	2017/18 to 2019/20	\$463,422	100%	\$463,422	2,156	\$215
Precinct 4 Northern Subdivisions	Precinct 4	2019/20	\$1,038	100%	\$1,038	2,156	\$0
Wagh-Turners Rd	Precinct 5	2019/20	\$515	100%	\$515	2,156	\$0
Nancy Ave	Precinct 4	2019/20	\$29,751	100%	\$29,751	2,156	\$14
Reid Line West & Norfolk Cres	Precinct 4	2017/18 to 2019/20	\$112,514	100%	\$112,514	2,156	\$52
Stage 2 Churcher Street	Precinct 4	2019/20	\$468,644	100%	\$468,644	2,156	\$217
Precinct 5 Stormwater - Stage 1	Precinct 5	2015/16 to 2018/19	\$65,626	100%	\$65,626	2,156	\$30
Derby/McCorkindale Sts	Fldg general	2017/18 to 2018/19	\$511,109	100%	\$511,109	2,156	\$237
McCorkindale	Fldg general	2018/19	\$9,800	100%	\$9,800	2,156	\$5
Aorangi Street Upgrade	Precinct 5	2018/19	\$2,119	100%	\$2,119	2,156	\$1
Pharazyn St Stage 2	Precinct 4	2012/13 to 2017/18	\$1,626,641	100%	\$1,626,641	2,156	\$754
Kawakawa Rd Development	Precinct 5	2015/16	\$400	100%	\$400	2,156	\$0
18 Seddon St	Precinct 4	2012/13 to 2015/16	\$227,015	100%	\$227,015	2,156	\$105
Stormwater Asset Growth Feilding	Precinct 5	2014/15	\$22,704	100%	\$22,704	2,156	\$11
Kawakawa Rd behind Coach House	Precinct 4	2013/14	\$1,875	100%	\$1,875	2,156	\$1
Kawakawa Rd Development	Precinct 4	2013/14	\$2,080	100%	\$2,080	2,156	\$1
Kawakawa Rd behind Coach House	Precinct 5	2011/12 to 2012/13	\$31,501	100%	\$31,501	2,156	\$15

Pharazyn St Pipe	Precinct 4	2011/12 to 2012/13	\$904,184	100%	\$904,184	2,156	\$419
Kawakawa Rd Development	Precinct 5	2011/12 to 2012/13	\$126,604	100%	\$126,604	2,156	\$59
Pre 2011 projects			\$562,408	100%	\$562,408	2,156	\$261

Total Feilding stormwater growth expenditure			\$18,992,024		\$18,992,024	2,156	\$8,808
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*Assumes full revised budget spend for 2023/24 year

Total Stormwater Growth Expenditure funded by Development Contributions			\$8,416,429			2,156	\$3,903
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Total Stormwater Growth Expenditure funded by loans			\$10,575,595			2,156	\$4,905
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Project	Area	Year	Total cost	% Funded from Development Contributions	Cost to be funded from Development Contributions	Recoverable Growth / Capacity Life (HUEs)	Development Contribution Charge
Feilding - Wastewater Growth							
Feilding Wastewater Growth*	Precinct 4	2023/24	\$23,645	100%	\$23,645	1,714	\$14
Feilding -Turners Road Wastewater*	Precinct 5	2023/24	\$213,631	100%	\$213,631	1,714	\$125
Trunkmain 1 Carthew Railway to Denbigh*	Precinct 4	2023/24	\$207,641	100%	\$207,641	1,714	\$121
Precinct 4 - Road 4A Echo Place*	Precinct 4	2023/24	\$462,216	100%	\$462,216	1,714	\$270
Feilding Wastewater Growth	Precinct 4	2022/23	\$970	100%	\$970	1,714	\$1
Feilding -Turners Road Wastewater	Precinct 4	2022/23	\$243,213	100%	\$243,213	1,714	\$142
Precinct 4 - Road 3 (from road 1B to Roots St)	Precinct 4	2022/23	\$388	100%	\$388	1,714	\$0
Precinct 4 - Roots St (Churcher to Makino)	Precinct 4	2022/23	\$1,358	100%	\$1,358	1,714	\$1
Precinct 4 - Road 1B (road 4 to road 3)	Precinct 4	2022/23	\$388	100%	\$388	1,714	\$0
Precinct 4 - Road 1A Churcher to Road 4	Precinct 4	2022/23	\$146,548	100%	\$146,548	1,714	\$85
Precinct 4 - Road 4A Echo Place	Precinct 4	2022/23	\$4,351	100%	\$4,351	1,714	\$3
Precinct 4 - Road 4B from 1A to Roots Street	Precinct 4	2022/23	\$251,487	100%	\$251,487	1,714	\$147
Feilding -Turners Road Wastewater	Precinct 5	2021/22	\$12,071	100%	\$12,071	1,714	\$7
Churcher Street Stage 3	Precinct 4	2021/22	\$537,123	100%	\$537,123	1,714	\$313
Precinct 4 - Road 1A Churcher to Road 4	Precinct 4	2021/22	\$184,653	100%	\$184,653	1,714	\$108
Precinct 4 - Road 4 - Port to Roots Street	Precinct 4	2021/22	\$1,146	100%	\$1,146	1,714	\$1
Trunkmain 1 Carthew Railway to Denbigh	Precinct 4	2021/22	\$375	100%	\$375	1,714	\$0
Feilding Wastewater Growth	Precinct 4	2021/22	\$125,437	100%	\$125,437	1,714	\$73

Precinct 5 Wastewater	Precinct 5	2020/21	\$348,438	100%	\$348,438	1,714	\$203
Precinct 4 Wastewater - Churcher St	Precinct 4	2020/21	\$305,000	100%	\$305,000	1,714	\$178
Precinct 4 - Churcher Street Stage 3	Precinct 4	2020/21	\$300,000	100%	\$300,000	1,714	\$175
Precinct 4 Trunk Sewer (Port to Roots Street)	Precinct 4	2020/21	\$20,000	100%	\$20,000	1,714	\$12
Precinct 4 Road 1 design only	Precinct 4	2020/21	\$50,000	100%	\$50,000	1,714	\$29
Precinct 4 - Port Street	Precinct 4	2015/16 to 2019/20	\$1,046,884	100%	\$1,046,884	1,714	\$611
Precinct 4 Wastewater - Churcher St	Precinct 4	2018/19 to 2019/20	\$234,899	100%	\$234,899	1,714	\$137
Feilding Wastewater - Mt Taylor	Fldg general	2018/19 to 2019/20	\$101,229	100%	\$101,229	1,714	\$59
Feilding Sale Yards Effluent, Pump Station and Rising Main	Fldg general	2019/20	\$12,295	100%	\$12,295	1,714	\$7
Precinct 4 Wastewater - Port St	Precinct 4	2018/19	\$305,672	100%	\$305,672	1,714	\$178
Precinct 4 - Port Street Rehab	Precinct 4	2018/19	\$278,211	100%	\$278,211	1,714	\$162
Feilding Wastewater Treatment Plant	Fldg general	2017/18	\$164,053	100%	\$164,053	1,714	\$96
Feilding WWTP - Irrigation	Fldg general	2015/16 to 2017/18	\$326,748	50%	\$163,374	1,714	\$95
Feilding WWTP - Irrigation	Fldg general	2015/16 to 2016/17	\$1,386,423	25%	\$346,606	1,714	\$202
Precinct 4 - Root Street	Fldg general	2014/15	\$55,457	100%	\$55,457	1,714	\$32

Total Feilding wastewater growth expenditure			\$7,351,951		\$6,148,759	1,714	\$3,587
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*Assumes full revised budget spend for 2023/24 year

Total Feilding Wastewater Growth Expenditure funded by Development Contributions			\$1,174,486			1,714	\$685
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Total Feilding Wastewater Growth Expenditure funded by loans			\$4,974,273			1,714	\$2,902
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Project	Area	Year	Total cost	% Funded from Development Contributions	Cost to be funded from Development Contributions	Recoverable Growth / Capacity Life (HUEs)	Development Contribution Charge
Feilding Water Supply Growth							
Feilding Water Supply Growth*	Precinct 4	2023/24	\$740,075	100%	\$740,075	1,714	\$432
Precinct 4 Water Supply - Pharazyn St Rider Main*	Precinct 4	2023/24	\$52,679	100%	\$52,679	1,714	\$31
Watermain Upgrade Kawakawa*	Precinct 5	2023/24	\$34,496	100%	\$34,496	1,714	\$20
Kawakawa Road to Turners Road extension*	Precinct 5	2023/24	\$106,126	100%	\$106,126	1,714	\$62

Precinct 4 - Road 4A Echo Place*	Precinct 4	2023/24	\$247,812	100%	\$247,812	1,714	\$145
Precinct 4 - Road 4B from 1A to Roots Street*	Precinct 4	2023/24	\$104,856	100%	\$104,856	1,714	\$61
Precinct 4 - Road 1A Churcher to Road 4*	Precinct 4	2023/24	\$38,621	100%	\$38,621	1,714	\$23
Precinct 4 - Root Churcher to Makino	Precinct 4	2023/24	\$240,947	100%	\$240,947	1,714	\$141
Precinct 4 - Root St Stage 1A -Churcher to Road 4	Precinct 4	2023/24	\$109,157	100%	\$109,157	1,714	\$64
Precinct 4 - Road 1B Rd4 to Rd3	Precinct 4	2023/24	\$108,769	100%	\$108,769	1,714	\$63
Sandon/Ranfulry pressure booster*	Fldg general	2023/24	\$52,255	100%	\$52,255	1,714	\$30
Port Street East*	Precinct 4	2023/24	\$69,829	100%	\$69,829	1,714	\$41
Kawakawa Road to Turners Road extension	Precinct 5	2022/23	\$236,187	100%	\$236,187	1,714	\$138
Precinct 4 - Road 3 (from road 1B to Roots St)	Precinct 4	2022/23	\$194	100%	\$194	1,714	\$0
Precinct 4 - Roots St (Churcher to Makino)	Precinct 4	2022/23	\$194	100%	\$194	1,714	\$0
Precinct 4 - Road 4A Echo Place	Precinct 4	2022/23	\$2,188	100%	\$2,188	1,714	\$1
Precinct 4 - Road 4B from 1A to Roots Street	Precinct 4	2022/23	\$95,763	100%	\$95,763	1,714	\$56
Precinct 4 - Road 1A Churcher to Road 4	Precinct 4	2022/23	\$130,154	100%	\$130,154	1,714	\$76
Precinct 4 - Root Churcher to Makino	Precinct 4	2022/23	\$388	100%	\$388	1,714	\$0
Precinct 4 - Road 1B Rd4 to Rd3	Precinct 4	2022/23	\$388	100%	\$388	1,714	\$0
Kawakawa Road to Turners Road extension	Precinct 5	2021/22	\$282,635	100%	\$282,635	1,714	\$165
Precinct 4 - Road 1A Churcher to Road 4	Precinct 4	2021/22	\$51,225	100%	\$51,225	1,714	\$30
Precinct 4 - Road 4 - Port to Roots Street	Precinct 4	2021/22	\$1,145	100%	\$1,145	1,714	\$1
Precinct 4 new road one	Precinct 4	2020/21	\$158,266	100%	\$158,266	1,714	\$92
Kawakawa Road to Turners Road extension	Precinct 4	2020/21	\$200,000	100%	\$200,000	1,714	\$117
Turners Road	Precinct 5	2020/21	\$330,000	100%	\$330,000	1,714	\$193
Precinct 4 Water - Churcher (Port St to Root St)	Precinct 4	2017/18 to 2019/20	\$228,762	100%	\$228,762	1,714	\$133
Precinct 4 Stage 2 Churcher Street	Precinct 4	2019/20	\$101,570	100%	\$101,570	1,714	\$59
MacDonald Heights pump station	Precinct 4	2019/20	\$31,413	100%	\$31,413	1,714	\$18
Precinct 4 Watermain 300mm diameter	Precinct 4	2017/18 to 2019/20	\$199,982	100%	\$199,982	1,714	\$117
Feilding Water Supply Growth		2016/17 to 2017/18	\$191,205	100%	\$191,205	1,714	\$112

Total Feilding water supply growth expenditure			\$4,147,283		\$4,147,283	1,714	\$2,419
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*Assumes full revised budget spend for 2023/24 year

Total Feilding Water Supply Growth Expenditure funded by Development Contributions	\$2,444,114	1,714	\$1,426
Total Feilding Water Supply Growth Expenditure funded by loans	\$1,703,169	1,714	\$994

Project	Area	Year	Total cost	% Funded from Development Contributions	Cost to be funded from Development Contributions	Recoverable Growth / Capacity Life (HUEs)	Development Contribution Charge
Roading Growth District Wide							
Roading Growth Works Industrial Area - Turners Rd*	Precinct 5	2023/24	\$1,612,626	100%	\$1,612,626	4,356	\$370
Roading Growth Works Precinct 4 Preliminary Costs*	Precinct 4	2023/24	\$70,172	100%	\$70,172	4,356	\$16
Roading Growth Works Precinct 4 Port Street Stage 2	Precinct 4	2023/24	\$281,542	100%	\$281,542	4,356	\$65
Land Acquisition*	Precinct 4	2023/24	\$34,092	100%	\$34,092	4,356	\$8
Precinct 4 - Root St Stage 1 - Churcher Street to Road 3*	Precinct 4	2023/24	\$18,000	100%	\$18,000	4,356	\$4
Road One Construction*	Precinct 4	2023/24	\$62,996	100%	\$62,996	4,356	\$14
Precinct 4 - Road 3 (from road 1B to Roots St)	Precinct 4	2023/24	\$187,865	100%	\$187,865	4,356	\$43
Precinct 4 - Roots St (Churcher to Makino)	Precinct 4	2023/24	\$7,963	100%	\$7,963	4,356	\$2
Precinct 4 - Road 1B (road 4 to road 3)	Precinct 4	2023/24	\$8,738	100%	\$8,738	4,356	\$2
Precinct 4 - Road 4A Echo Place*	Precinct 4	2023/24	\$751,931	100%	\$751,931	4,356	\$173
Precinct 4 - Road 4B from 1A to Roots Street*	Precinct 4	2023/24	\$121,017	100%	\$121,017	4,356	\$28
Roading Growth	Precinct 5	2022/23	\$3,700	100%	\$3,700	4,356	\$1
Roading Growth Works Industrial Area - Turners Rd	Precinct 5	2022/23	\$500,316	100%	\$500,316	4,356	\$115
Roading Growth Works Precinct 4 Preliminary Costs	Precinct 4	2022/23	\$62,506	100%	\$62,506	4,356	\$14
Roading Growth Works Precinct 4 Port Street Stage 2	Precinct 4	2022/23	\$2,970	100%	\$2,970	4,356	\$1
Churcher Street Reconstruction - Enabling Works	Precinct 4	2022/23	\$18,114	100%	\$18,114	4,356	\$4
Land Acquisition	Precinct 4	2022/23	\$20,426	100%	\$20,426	4,356	\$5
Precinct 4 - Root St Stage 1 - Churcher Street to Road 3	Precinct 4	2022/23	\$2,000	100%	\$2,000	4,356	\$0
Roading growth deliberations	Precinct 4	2022/23	\$274,999	100%	\$274,999	4,356	\$63
Road One Construction	Precinct 4	2022/23	\$182,405	100%	\$182,405	4,356	\$42

Precinct 4 - Road 3 (from road 1B to Roots St)	Precinct 4	2022/23	\$2,135	100%	\$2,135	4,356	\$0
Precinct 4 - Roots St (Churcher to Makino)	Precinct 4	2022/23	\$2,037	100%	\$2,037	4,356	\$0
Precinct 4 - Road 1B (road 4 to road 3)	Precinct 4	2022/23	\$1,262	100%	\$1,262	4,356	\$0
Precinct 4 - Road 4A Echo Place	Precinct 4	2022/23	\$48,925	100%	\$48,925	4,356	\$11
Precinct 4 - Road 4B from 1A to Roots Street	Precinct 4	2022/23	\$448,983	100%	\$448,983	4,356	\$103
Roading Growth Works Industrial Area - Turners Rd	Precinct 5	2021/22	\$7,264	100%	\$7,264	4,356	\$2
Feilding Growth DC Works - Pharazyn Area 4 Port St Stage1	Precinct 4	2021/22	\$4,320	100%	\$4,320	4,356	\$1
Roading Growth Works - Turners Road	Precinct 5	2021/22	\$68,278	100%	\$68,278	4,356	\$16
Roading Growth Works Precinct 4 Preliminary Costs	Precinct 4	2021/22	\$129,193	100%	\$129,193	4,356	\$30
Roading Growth Works Precinct 4 Port Street Stage 2	Precinct 4	2021/22	\$7,048	100%	\$7,048	4,356	\$2
Churcher Street Reconstruction	Precinct 4	2021/22	\$824,239	100%	\$824,239	4,356	\$189
Land Acquisition	Precinct 4	2021/22	\$24,311	100%	\$24,311	4,356	\$6
Roading growth deliberations	Precinct 4	2021/22	\$13,170	100%	\$13,170	4,356	\$3
Road One Construction	Precinct 4	2021/22	\$314,972	100%	\$314,972	4,356	\$72
Industrial Area - Turners Rd	Precinct 5	2019/20 to 2020/21	\$1,131,621	100%	\$1,131,621	4,356	\$260
Precinct 4 Port Street Stage 2	Precinct 4	2019/20 to 2020/21	\$1,138,481	100%	\$1,138,481	4,356	\$261

Total roading growth expenditure			\$8,390,618		\$8,390,618	4,356	\$1,926
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*Assumes full revised budget spend for 2023/24 year

Total Roding Growth Expenditure funded by Development Contributions			\$6,738,906			4,356	\$1,547
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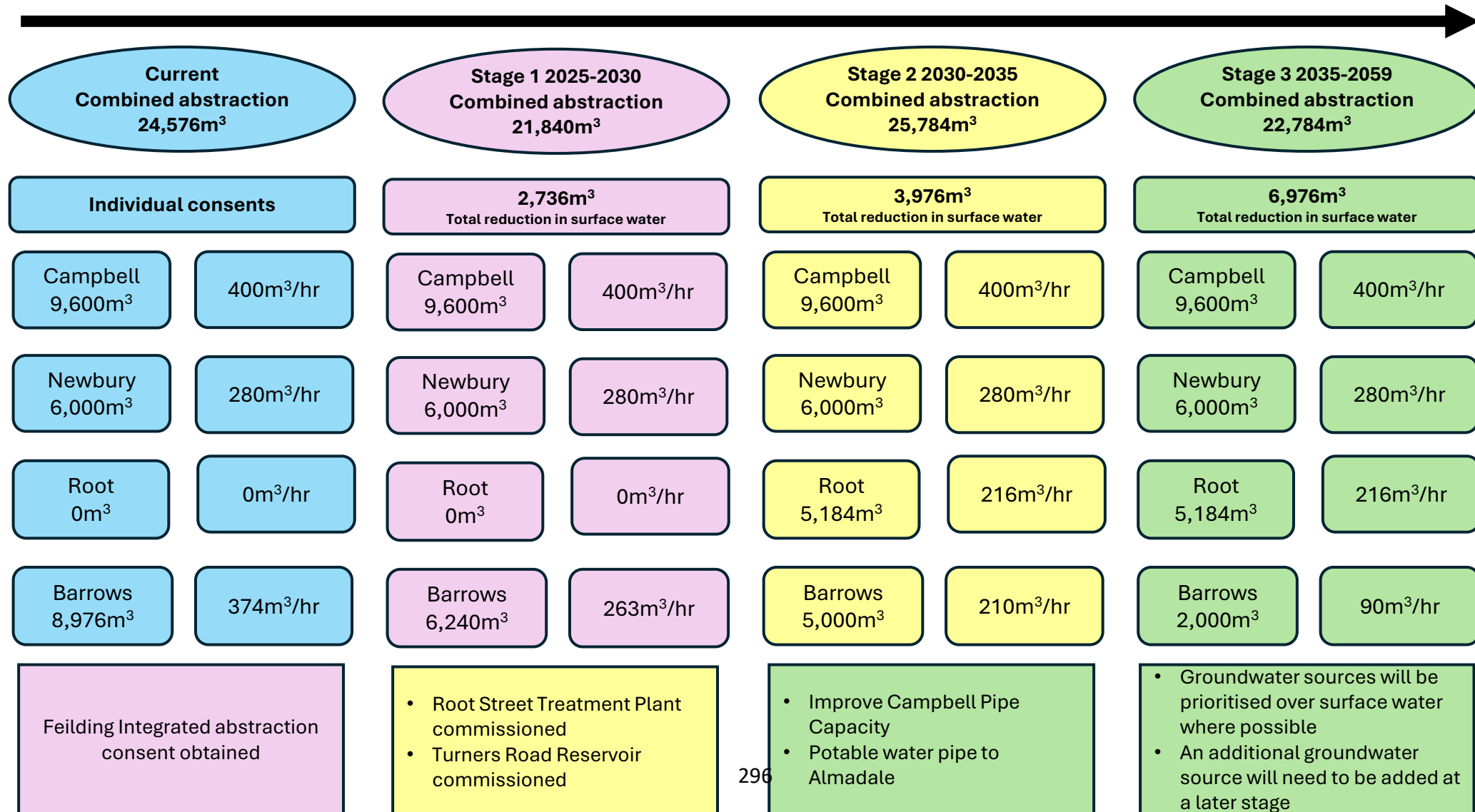
Total Roding Growth Expenditure funded by loans			\$1,651,712			4,356	\$379
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Project	Area	Year	Total cost	% Funded from Development Contributions	Cost to be funded from Development Contributions	Recoverable Growth / Capacity Life (HUEs)	Development Contribution Charge
Parks and Reserves Growth							
Kowhai Park Growth Projects		2023/24	\$75,830	100%	\$75,830	2,776	\$27
Pharazyn Park Growth Projects*		2023/24	\$110,286	100%	\$110,286	2,776	\$40
Rimu Park Projects*		2023/24	\$831,353	100%	\$831,353	2,776	\$299
Victoria Park Growth		2023/24	\$106,377	100%	\$106,377	2,776	\$38

Feilding Walkway Growth*		2023/24	\$888,961	100%	\$888,961	2,776	\$320
Pharazyn Park Growth Projects		2022/23	\$6,021	100%	\$6,021	2,776	\$2
Rimu Park Projects		2022/23	\$89,016	100%	\$89,016	2,776	\$32
Feilding Walkway Growth		2022/23	\$824,653	100%	\$824,653	2,776	\$297
Kowhai Park Growth Projects		2021/22	\$97,868	100%	\$97,868	2,776	\$35
Mt Lees Projects		2021/22	\$22,681	100%	\$22,681	2,776	\$8
Feilding Walkway Growth		2021/22	\$80,969	100%	\$80,969	2,776	\$29
Kowhai Park Growth Projects		2020/21	\$552,000	100%	\$552,000	2,776	\$199
Rimu Park Growth		2020/21	\$813,000	100%	\$813,000	2,776	\$293
Rimu Park Growth		2020/21	\$76,000	100%	\$76,000	2,776	\$27
Feilding Walkway Growth		2020/21	\$237,000	100%	\$237,000	2,776	\$85
Parks and Reserves Walkways and Linkage Growth		2020/21	\$210,000	39%	\$81,751	2,776	\$29
Total parks and reserves growth expenditure			\$5,022,016		\$4,893,767	2,776	\$1,763
*Assumes full revised budget spend for 2023/24 year							
Total Parks and Reserves Growth Expenditure funded by Development Contributions			\$4,383,792			2,776	\$1,579
Total Parks and Reserves Growth Expenditure funded by loans			\$509,975			2,776	\$184
TOTAL GROWTH EXPENDITURE			\$43,903,891		\$42,572,451		

Barrows Road Abstraction Reduction Plan

Combined abstraction restricted to reasonable water needs
23,401m³



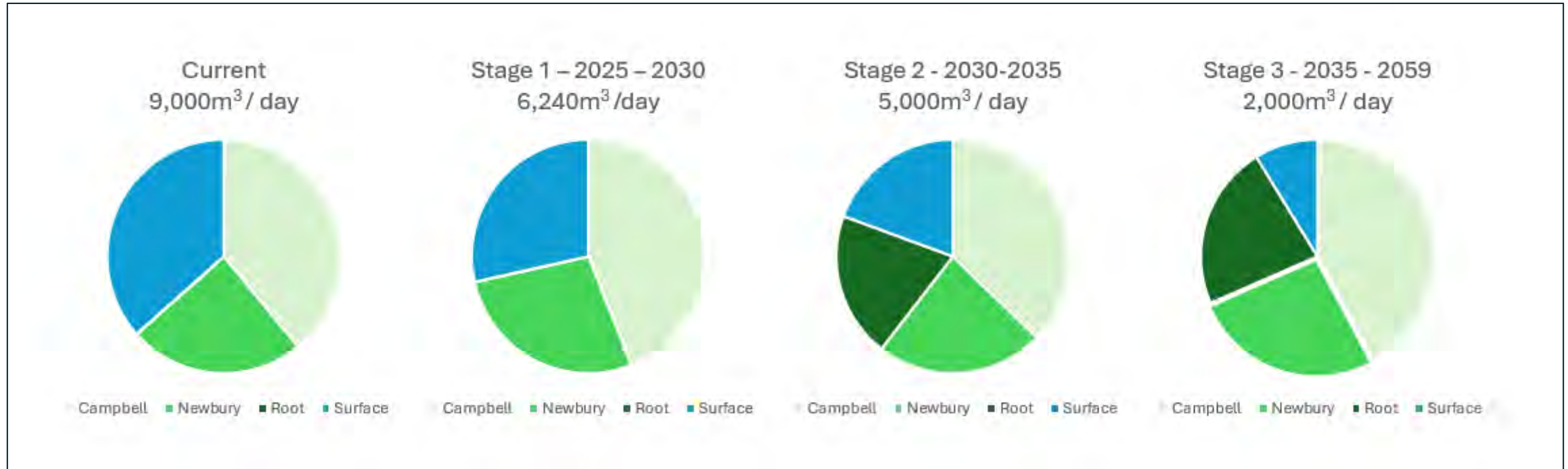
Feilding staged surface water reduction plan

30% to 78% in ten years

River Flow	River percentile	Current abstraction rate (m³/hr)	current abstraction (m³/day)	Current abstraction % of flow	Stage 1 abstraction rate (m³/hr)	Stage 1 abstraction (m³/day)	Stage 1 % of flow	Stage 2 abstraction rate (m³/hr)	Stage 2 abstraction (m³/day)	Stage 2 % of flow	Stage 3 abstraction rate (m³/hr)	Stage 3 abstraction (m³/day)	Stage 3 % of flow
	%	Current authorisation			Stage 1 - 5% of flows 2025 – 2030			Stage 2 = 2.5% of flows 2030 - 2035			Stage 3 = 1.5% (above 1,851l/s) expected to occur 89% of the time 2035 -2059		
<1005	100	292	6998	18.4	0	0	0	0	0	0	0	0	0
1005-1300	98	292	6998	8.1	170	4000	4.7	90	2000	2.5	90	2,000	2.5
1301-1500	95	292	6988	6.2	170	4000	3.6	119	2800	2.5	90	2,000	1.9
1501-1850	93	292	6988	5.4	188	4500	3.5	137	3200	2.5	90	2,000	1.7
1851 – 2500	89	375	9,000	5.6	209	5000	3.1	170	4000	2.5	90	2,000	1.4
2501 – 3000	81	375	9,000	4.2	263	6240	2.9	210	5000	2.4	90	2,000	1.0
>3000	76	375	9,000	3.5	263	6240	2.4	210	5000	1.9	90	2,000	0.8

Reduction	375m³/hr	263m³/hr	30% reduction	210m³/hr	44% reduction	90m³/hr	78% reduction
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Progressive Improvements



DES-APP1

Manawatū District Council: Notice of Requirement for Designation MDC26

Conditions Imposed on Designation MDC26: Land Irrigation of Treated Wastewater From the Feilding Wastewater Treatment Plant

Notice of requirement for Designation MDC26	
No.	Conditions
Irrigation Setback Distances form Boundaries (excluding end guns)	
NOR1	<p>The Requiring Authority shall at all times ensure that no irrigation using treated wastewater occurs within 40 metres of any boundary except that:</p> <ul style="list-style-type: none"> a) Once the coniferous trees planted as a shelterbelt or screen within any buffer reach a minimum <i>height</i> of 5 metres and form a continuous buffer as defined in Condition NOR 1A, the Requiring Authority shall ensure that no irrigation of treated wastewater occurs within 30 metres of any boundary adjoining the relevant shelterbelt or screen; and b) The strip of coniferous trees planted as a shelterbelt or screen nearest the land irrigation area within any buffer area may be irrigated with treated wastewater using drip-line irrigation or surface-laid irrigation system; and c) The extent of buffers referred to in this condition are shown on Plan IL21/8/14 contained in Attachment A.
NOR1A	<p>The minimum <i>height</i> referred to in Condition NOR1 shall be considered to be reached when 80% of the coniferous trees in any contiguous 40m length are more than 5 metres in <i>height</i> and the 20% of trees that do not meet the 5-metre <i>height</i> minimum should be widely spread and must not be contiguous.</p>
NOR2	<p>Separation Distances From Existing Dwellings</p> <p>The Requiring Authority must ensure that the following separation distances are maintained at all times:</p> <ul style="list-style-type: none"> a) 150 metres between any operating centre pivot irrigators (excluding end guns) and any dwelling in existence prior to 31st August 2014; and b) 300 metres between any operating end guns and any dwelling in existence prior to 31st August 2014; except that

Notice of requirement for Designation MDC26

These separation distances may be reduced if the Requiring Authority submits to the Principal Planning Advisor (Manawātū District Council) the prior written approval of the owner(s) of those dwellings. Any such written approval will be held by the Manawātū District Council on the relevant property file and will be made available on request.

Additional Separation Distance for End Guns

- NOR3 The Requiring Authority shall ensure that:
- No end gun shall be operated until the exotic buffer planting has reached a 5-metre-high continuous buffer; and
 - No end guns are operated at any time within 150 metres of the boundary of Part Section 153 Town of Sandon shown on the Plan in Attachment B.

Setback From Stand of Indigenous Trees

- NOR4 The Requiring Authority shall ensure that the land application of treated wastewater shall not occur within 15 metres of the line established by GPS coordinates supplied by Central Surveys Limited (reference CDS089) dated 26th August 2014 which delineates the dripline of the stand of indigenous native trees in the approximate centre of the land irrigation area shown on Plan CDS089_26_8_2014 (contained in Attachment 'D').

Noise Standards

- NOR5
- Noise from activities undertaken in accordance with the designation (except for construction activities) shall not exceed the following limits when measured at the boundary of any dwelling in existence prior to 31st August 2014:
 - 6:00 am to 7:00 pm 55dB LAeq (15 mins).
 - 7:00 pm to 10:00 pm 50dB LAeq (15 mins).
 - 10:00 pm to 6:00 am 45dB LAeq (15 mins).
 - 10:00 pm to 6:00 am 65dB LAFmax

Noise shall be measured in accordance with NZS 6801:2008 Acoustics – Measurements of Environmental Sound, and assessed in accordance with NZS 6802:2008 Acoustics – Environmental Noise.
 - When the permit holder undertakes spray drift testing at the *site* adjacent to the southern boundary where the centre pivot is tested, a suitably qualified and experienced person shall also carry out noise measurements of the irrigation equipment. The results of the noise measurements shall be provided to the Manawātū District Council's Principal Planning Advisor and the Neighbouring Property Owners and Residents Group within 20 working days of completion of the tests.

Hazard Warning Signs and Restriction on Public Access

Notice of requirement for Designation MDC26

NOR6	Prior to the proposed public walkway being made available to the public , the Requiring Authority shall erect information <i>signs</i> within the <i>site</i> , at each end of each walkway, informing the public of activities on the <i>site</i> and the restrictions on public access to the irrigation area. Similar information <i>signs</i> must also be erected every 500m stating 'no entry' to the irrigation area.
NOR7	The Requiring Authority shall ensure that all gates providing access into the irrigation area shall be locked at all times to restrict public access.
Walkway & Cycleway	
NOR8	<p>Within ten years of land application of treated wastewater commencing the Requiring Authority must construct and maintain a walkway within a minimum width of two metres:</p> <ul style="list-style-type: none"> a) From the wastewater treatment plant access driveway to Boness <i>Road</i> along the bank of the Oroua River; and b) Between Boness <i>Road</i> and Kawakawa <i>Road</i> within the buffer area; <p>generally as shown on amended Figure 10-26 (contained in Attachment E).</p>
Protection of Electricity Transmission Lines	
NOR9	<p>The Requiring Authority and its employees and contractors shall take all practicable measures to avoid or minimise spray or spray drift onto electricity transmission support structures so that any discharges of wastewater from the irrigation activities do not create a hazard or nuisance to the electricity distribution and sub-transmission lines.</p> <p>Advise Note: All machinery, mobile plant and irrigation systems will need to maintain a minimum clearance distance of 4 metres from the electricity line conductors at all times.</p> <p>Please refer to NZECP 34:2001 for further details about safe distances of mobile plant from conductors.</p>
Access For Purposes of Identifying Potential Burial <i>Site</i>	
NOR10	The Requiring Authority shall confirm the exact location of the burial <i>site</i> within the southern area of land near the Oroua River within the irrigation area through discussions with Ngāti Kauwhata. The Requiring Authority shall avoid irrigating treated wastewater on that identified location until such time as agreement is obtained from Ngā Kaitiaki o Ngāti Kauwhata Incorporated to do so.
Buffer Management Plan	
NOR11	<p>No later than 3 months prior to the commencement of the planting required by Condition NOR11, the Requiring Authority shall submit to the Community Facilities Manager at Manawātū District <i>Council</i> a Buffer Management Plan (BMP). The purpose of the BMP shall be to specify the requirements for establishment and maintenance in good condition of a permanent planted buffer surrounding the <i>site</i> in accordance with the concept design submitted in Appendix 'N' of the AEE. The BMP shall include but not be limited to:</p> <ul style="list-style-type: none"> i. A plan detailing the proposed buffer planting concept;

Notice of requirement for Designation MDC26

	<ul style="list-style-type: none"> ii. Methods of good husbandry, including ground preparation, planting method, trimming and maintenance programme required to ensure the buffer planting around the perimeter of the irrigation area in the location shown on Plan IL21/8/14 includes a densely-planted vegetative screen with low porosity that will grow rapidly to a minimum of 5 metres <i>height</i> around the perimeter of the proposed irrigation area; iii. The name and contact details of the person or company responsible for establishing and maintaining the buffer planting iv. The proposed staging of planting within the buffer areas; v. The plant species to be used within different parts of the buffer areas and the locations in which they will be used; vi. Proposed plant depths; vii. Irrigation required to enable the plants to become established; viii. Measures to be employed to manage pests and diseases and potential frost damage; ix. Monitoring actions and frequency proposed to detect dead or dying or diseased or damaged plants; x. The intended actions to achieve <i>replacement</i> of dead, or dying or damaged plants so as to ensure the maintenance of the intended planting concept on an on-going basis; xi. The timing and scope of any review of the BMP.
NOR12	No planting shall commence within the buffer areas until the Community Facilities Manager, Manawatū District <i>Council</i> , certifies in writing that the BMP fulfils the requirements of Condition NOR11.
NOR13	The Requiring Authority shall initiate planting of the buffers in accordance with the BMP, within the first planting season after the commencement of this designation. The buffer areas may be planted in stages, in accordance with the staging specified in the approved BMP provided that the first stage includes planting of the buffer adjoining the private properties along Boness <i>Road</i> and extending along the Home Farm boundary with Makino (Mangakino) Stream.

10 July 2025

Shayne Harris
Chief Executive Officer
Manawatu District Council
Private Bag 10001
Feilding, 4743

Dear Shayne,

In April 2025, LGFA wrote to councils to outline how it was proposing to assist councils in respect of the financing of their water service delivery plans.

You have asked for LGFA to clarify how financing arrangements will work for councils who are opting to keep their water activities in-house.

For councils that retain their water activities in-house the four existing LGFA financial covenants will continue to apply. These are set out below.

The LGFA financial covenants that apply to councils are listed below.

- The “Lending Policy Covenants” apply to councils who do not have an external credit rating.
- The “Foundation Policy Covenants” apply to councils who have an external credit rating. Currently there are forty-one councils who have an external credit rating.

Financial covenant	Lending policy covenants	Foundation policy covenants
Net Debt / Total Revenue	<175%	<280%
Net Interest / Total Revenue	<20%	<20%
Net Interest / Annual Rates Income	<25%	<30%
Liquidity	>110%	>110%

Alternative Net Debt / Total Revenue Covenant	
Financial Year ending	Net Debt / Total Revenue
30 June 2020	<250%
30 June 2021	<300%
30 June 2022	<300%
30 June 2023	<295%
30 June 2024	<290%
30 June 2025	<285%

The LGFA financial covenants are measured at the “parent” level of a council and not a consolidated group basis unless a council applies to LGFA to have their financial covenants measured at a “group” basis.

Manawatu District Council does not currently have an external credit rating. This means it’s net debt to revenue limit is 175%. If in the future the Council obtains an external credit rating, it will be able to borrow up to 280% of net debt to revenue. The 280% level applies from 30 June 2026 onwards for councils with credit ratings.

While there is a legislative requirement for councils to separate their water revenue from non-water revenue, this is not an LGFA requirement. Councils will be required to comply with the financial covenants at “parent” level. There is no requirement to provide LGFA with covenant outcomes on water activities and non-water activities.

LGFA values its long-standing relationship with the Council, and we look forward to working with you on the financing of your WSDP.

Yours sincerely



Mark Butcher
Chief Executive Officer

20 August 2025

Partner Reference
M Wakefield - Wellington

Shayne Harris
Chief Executive
Manawatū District Council
Feilding 4743

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Email: liam.stevens@simpsongrierson.com

Sent by Email

Manawatū District Council Water Services Delivery Plan: legal review of compliance with content requirements of the Local Government (Water Services Preliminary Arrangements) Act 2024

1. On 20 August 2025 we completed our review of the final draft of the Manawatū District Council Water Services Delivery Plan (**WSDP**)¹ to assess its compliance with the content requirements in sections 13, 15 and 18 of the Local Government (Water Services Preliminary Arrangements) Act 2024 (**Act**).
2. Subject to our comments in paragraph 3 below, we consider the draft WSDP meets the Act's content requirements and that (while identifying appropriate assumptions and uncertainties) the information contained in the plan can be certified by council chief executives as true and accurate. The schedule **attached** to this letter identifies where the relevant content requirements under the Act are addressed in the WSDP.
3. We have not been involved in the collation of information for the draft WSDP or other key aspects of its preparation such as financial modelling, and to that extent are unable to offer our own independent assessment of the accuracy of the information it contains. Indeed, as legal advisors we are not qualified to make such an assessment. However, we understand that the draft WSDP has been prepared by qualified staff and external consultants, and we have no reason to doubt the accuracy of the information it contains.
4. Subject to paragraph 3 above, for the purposes of section 18 of the Act, we consider that the chief executive can properly certify that:
 - (a) the WSDP complies with the Act; and
 - (b) the information contained in the WSDP is true and accurate.

Yours faithfully
SIMPSON GRIERSON



Mike Wakefield | Partner
Liam Stevens | Solicitor

¹ Final draft, received 18 August 2025, review completed 20 August 2025.

Schedule

CONTENT REQUIREMENT UNDER PRELIMINARY ARRANGEMENTS ACT	WSDP REFERENCE
13(1)(a) – current state of water services network	Pages 71 to 73 – Assessment of the current condition and lifespan of the water services network
13(1)(b) – current levels of service	Pages 58 – 68
13(1)(c)(i) – areas in the district that do and do not receive water services	Page 19 – Serviced areas
13(1)(c)(ii) – water services infrastructure associated with providing for population growth and development capacity	Pages 68 – 70 (background to growth strategy); and 107 – 108
13(1)(d) – whether/to what extent water services comply with current and anticipated regulatory requirements	Pages 59 – 60; and 75 – 85
13(1)(e)(i) – description of any non-compliance with current and anticipated regulatory requirements	Pages 59 – 60; and 75 – 85
13(1)(e)(ii) – how the proposed delivery model will assist to ensure water services will comply with regulatory requirements	Page 111 and 129
13(1)(f)(i) – capex and opex required to deliver water services	See financial templates
13(1)(f)(ii) – capex and opex required to ensure water services comply with regulatory requirements	See financial templates
13(1)(g)(i) – operating costs and revenue required to deliver water services over plan period	See financial templates
13(1)(g)(ii) – projected capex on water services infrastructure	See financial templates
13(1)(g)(iii) – projected borrowing to deliver water services	Pages 134 – 136
13(1)(h) – current condition, lifespan, and value of the water services networks	Pages 71 to 73
13(1)(i) – asset management approach for delivering water services	Pages 71 – 73

13(1)(j) – issues, constraints, and risks that impact on delivering water services	Page 125
13(1)(k) – anticipated or proposed model for delivering water services	Page 5
13(1)(l) – how revenue from, and delivery of, water services will be separated from territorial authority’s other functions and activities	Page 122-146
13(1)(m) – consultation undertaken on proposed model	Pages 10-134
13(1)(n) – what the territorial authorities propose to do to ensure delivery of water services will be financially sustainable by 30 June 2028	Page 122-135
13(1)(o)(i) – implementation plan for delivering proposed model	Implementation Plan Page 8 -10
13(1)(o)(ii) – implementation plan setting out the actions that the territorial authorities will take to ensure delivery of services it will be providing will be financially sustainable by 30 June 2028	Implementation Plan Page 8 -10
13(2)(a) – process for delivering the proposed model	Page 5
13(2)(b) – commitment by each territorial authority to give effect to the proposed model once plan accepted	Implementation plan Page 8-10
13(2)(c) – name of territorial authority committing to model	Page 5
13(2)(d) – timeframes and milestones for delivering proposed model	Implementation Plan Page 8 -10
15(1)(a) – plan must cover at least 10 financial years starting from 2024-25	Page 122-146 and financial templates
15(2) – plan must provide the required information in detail for the first 3 financial years covered by the plan and outline in relation to subsequent years covered by the plan	Page 122-145 and financial templates
18(2) and (3) – plan must include certification from each chief executive of each territorial authority that the plan complies with the Act and the information in the plan is true and accurate	Page 15 (to be completed)

Manawatū District Growth Framework 2025-2055 Strategic Direction

July 2025

Planning for growth in the Manawatū

We're planning for a growing population in the Manawatū. The Manawatū Growth Framework sets out our approach to growth over the next 30 years.

The National Policy Statement - Urban Development (NPS-UD) requires that we have enough land available to support future housing & commercial growth in the short-term (0-3 years), medium-term (3-10 years), and long-term (10-30 years).

The Manawatū District is home to nearly 40,000 people. Population projections are that by 2054 our growing population will reach 48,000 people which means an additional 5,600 households over this time.

The Manawatū Growth Framework sets out our new direction. The Growth Framework sets out our outcomes, priorities, aspirations, and identifies where future growth is likely to occur. This will help Council, community, stakeholders & our partners plan ahead for future growth.



Outline:

Introduction & context:

Growth Framework

1. Strategic Direction: Growing communities
2. Overarching Growth Outcomes
3. Current Growth Priorities
4. How the Manawātū District will grow
5. Growth delivery plan
6. Actions: Summary Table
7. Manawatu District & Feilding Growth Framework Maps

Appendices:

- A. 2025 Statutory and Regulatory Context (Simplified)
- B. Summary of the National Policy Statement - Urban Development
- C. Key Interdependencies
- D. Summary of Feedback on Draft Growth Framework
- E. 2025 Manawātū District Growth Snapshot
- F. Criteria for evaluating Rural & Village Priorities for growth

Related reference information:

- 2024 Environmental Scan: <https://www.mdc.govt.nz/documents/reports/environmental-scan>
- 2024 Infrastructure Strategy (part of Long Term Plan 2024/2034 <https://www.mdc.govt.nz/documents/plans/long-term10-year-plan>)

Introduction & Context:

Introduction

This Framework provides direction for future housing, commercial and industrial growth in the Manawātū District. It establishes guiding outcomes for future urban growth and introduces a series of methods and actions to manage growth in a proactive manner.

We know the community wants our district’s growth to be sustainable and retain what we value most, while taking advantage of the opportunities that come from a larger population. Through this framework we are aiming for growth that contributes to our overall vision:

- **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 well-being for everyone.
- **A future planned together.** He kāinga ka whakamaherea tahitia tōna anamata e te hāpori 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 the Manawātū District’s natural and physical resources.
- **Infrastructure fit for future.** He kāinga ka tūwhena tonu ōna pūnahahanga, haere ake nei te wā - We ensure the Manawātū 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 Manawātū District a great place to live, to visit and to do business.
- **Value for money and excellence 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.

The new framework is a 30-year high-level strategic plan that outlines areas in our district where there is potential for future housing and business growth. The growth framework provides a “birds eye view” of the issues and establishes direction to plan for the future growth in urban Feilding, the villages and rural areas here in the Manawātū.

Background Context

The Framework builds on Council's current growth planning programme. Since first adopting the Feilding Framework Plan in 2013 Council has successfully worked on a programme of rezoning land around Feilding & investing in lead infrastructure to enable growth. Based on what we know about current population growth projections, land uptake, and zoned (but vacant) land, there is sufficient land available for growth of Feilding as required by the NPS-UD.

That said, looking forward we are faced with changing housing supply and needs, infrastructural challenges and a population that faces affordability decisions regularly. Growth creates a demand for appropriately located and zoned land to provide for the expansion of residential, commercial, and industrial land uses. The expansion of land uses and intensification of residential development in turn creates an increase in demand for services such as water, sewage, roading, reserves, and stormwater, both in existing urban areas and new urban areas. Planning for this growth, and associated infrastructure, ultimately provides Council with the opportunity to direct how, where and when growth is accommodated and provided for, and manage the effects and costs of it.

Council must operate within financial limits which impacts on growth infrastructure decisions. Council does not have the resources to pay for growth everywhere at once, so we have to select carefully those areas where the Council will focus its resources to ensure we act in a financially prudent and responsible manner.

The framework aims to provide a valuable guide for decision-making that will benefit current residents and those who choose to live in the district in the years ahead. The framework also provides Council's aspirational growth position and an evidence base to inform future reviews and changes to resource management plans and facilitate the next round of infrastructure strategies and long-term plans to meet the challenge of servicing growth.

The 2025 Manawātū Growth Framework has been prepared to reflect the current population projections¹ Council's current vision, Vision, and Long-term Plan commitments.

¹ 2023 Populations Projections prepared for the 2024 Long Term Plan.

National Policy Statement: Urban Development

The framework also aligns with the directives required by the National Policy Statement: Urban Development (see Appendix B). Specifically this means we are required to plan for growth in the short, medium and long-term, and ensure that sufficient development capacity exists to provide for future housing and commercial growth. In summary this means:

a) Short-term (0-3 years)	<ul style="list-style-type: none"> land that is zoned for housing or for business use, and there is adequate existing infrastructure available to support development.
b) Medium-term (3-10 years)	Either (a) applies, or <ul style="list-style-type: none"> land is proposed for rezoning, and funding for adequate development infrastructure to support development of the land is identified in a long-term plan.
c) Long-term (10-30 years)	Either (b) applies, or <ul style="list-style-type: none"> Land is identified in a Future Development Strategy or relevant growth plan or strategy, and Development infrastructure to support the development capacity is identified in the local authority's infrastructure strategy.

Future Review

This document will be updated as part of the 2027 Long Term Plan. Council intends for this to become a combined Infrastructure & Growth Strategy, which is capable of fulfilling statutory requirements under the Resource Management Act 1991 (or its replacement) and the Local Government Act 2002.

1. Strategic Direction: Growing great communities

Growing great communities is the core idea of the Manawātū Growth Framework. Reflecting the current diversity of housing type and locational choices we enjoy in the Manawātū, this framework is about planning for the growth of the Feilding urban area, the villages, our rural settlements, and the needs of local iwi across our District.

Supporting this outcome are three principles:

- | | |
|----------------------------|--|
| Planning Ahead | the Manawātū needs a plan for growth to ensure we have enough land capacity and infrastructure available in the short-term, medium-term & long term. |
| Working with Others | an acknowledgement that Council needs to work with the community, iwi, developers, infrastructure providers, and government agencies to deliver new growth. |
| Building Resilience | building resilience into our future growth plans means how we manage natural hazard risk, climate change and considering economic or community resilience of growth. |

2. Overarching Growth Outcomes

The Manawatu Growth Framework is guided by 10 objectives that set out how we want to provide for growth. These are the outcomes we think growth should deliver on. The objectives are aspirational, and the framework sets out to achieve them as a whole. This will require us to find a balance between sometimes competing objectives.

- New housing is focused around existing areas where people have good access to jobs, services and amenities by public and active transport, and in locations where people want to live.
- Existing main centre, the Feilding Town Centre, is consolidated and intensified, and the main centre is supported by a network of smaller settlements.
- A range of housing choices are provided that meet different needs of the community, including papakāinga, different densities, and affordable housing options.
- Urban form supports reductions in greenhouse gas emissions by integrating land use and transport.
- New infrastructure is planned, funded and delivered to integrate with growth and existing infrastructure is used efficiently to support growth.
- Sufficient residential and business (including industrial) land capacity is provided to meet demand, including the National Policy Statement: Urban Development competitiveness margin.
- Impacts on the natural environment are minimised and opportunities for restoration are realised.
- The Manawatū is resilient to current and future impacts of climate change, natural hazards, in particular flood risk and stormwater management.
- The Manawatū's highly productive land is prioritised for primary production.
- All change helps to revive and enhance the environment & mauri of Te Taiao.

3. Current Growth Priorities

We are anticipating the need for up to additional 5,600 new houses across the district in the next 30 years.. Our current priorities are:

Priority 1: Complete the committed Feilding growth programme

Council has a committed growth programme in place for the Feilding Urban Area, funded through the current Long Term Plan. This work needs to be completed to ensure we have sufficient urban land available for the housing & commercial growth of Feilding in short-to-medium term.

Projects are committed in the current Infrastructure Strategy and Long Term Plan to develop:

- Precinct 4: Maewa Residential Area
- Precinct 5: Turners Road Industrial Area.

Priority 2: Develop blueprints to guide future Rural & Village housing growth

Historically 43% of new housing has been built in the Manawātū District rural areas, however very limited housing development has occurred in the district's villages. Development has been led by market preferences & this has predominately been located on flat productive farmland near Feilding & Palmerston North. If these trends continue, we forecast an additional 1,854 houses to be built in rural areas over the next 30 years. The introduction of national direction to protect highly-productive farmland from lifestyle will impact on future rural housing trends.

The Manawātū District has a strong network of rural villages & Council thinks these could experience significant growth over the next 30 years. We plan to:

- Develop growth blueprints - focusing on locations near Feilding & Palmerston North that have experienced demand and which can be serviced by infrastructure in a cost-efficient manner.
- Identify land within the district that is appropriate for future lifestyle development to limit loss of highly productive land. *[Note that is dependent on Central Government amending the National Policy Statement: Highly Productive Land to exclude Class 3 Land].*
- Review Council's infrastructure strategy to develop the long-term infrastructure priorities for the District's rural villages.

Priority 3: Review long term growth plans

Council needs to reassess the long term growth plans for Feilding. This is about the growth plans beyond Precinct 4 (Maewa) and Precinct 5 (Kawakawa Road).

Establishing direction for the long term will support updates to Council's 30 Year Infrastructure Strategy, and ensure Council is delivering on government housing directions.

The start point for this work is the 2013 Feilding Framework Plan which identified long term growth options including:

- Precinct 1-3
- Precinct 6 & 7



Figure 1 Feilding Framework Plan 2013 Precinct Locations

A more thorough picture of population growth and distribution over the medium-to-long term is required. This includes:

- changes in market preferences & updated population projections,
- the potential influence of Palmerston North's growth,
- potential changes to distribution of growth across the Manawātū District, and
- likely changes to national direction as the government prioritises planning for growth.

The Growth Framework recommendation is to review of the long term plans, specifically looking at the growth of villages, and also future industrial land supply needs.

4. How the Manawatū District will grow

Achieving the overarching growth outcomes, our aspiration is that there will be growth across the district. This is described below and illustrated in the associated growth maps for Feilding and wider district.

Town Centre – boost the vibrancy of our town centre

Increase development density and higher building in the Feilding Town Centre: To help retain thriving communities and develop in and around our existing centres.

Suburban Areas – allowing for better use of land to increase housing

Across the district, there will be more infill and intensified housing which will enable better use of land to offer more housing, and more choice in types of housing.

New Greenfield Areas – Progressively opening up sites for development in more sustainable ways

New greenfield areas need to be sustainable and development guided by structure-plans. New greenfield areas will be natural extensions of our existing urban areas. Overall, our approach puts equal emphasis on 'growing in' along with some 'growing out' – complementary greenfield development. This approach will help protect our valued green spaces and natural ecosystems, and safeguard highly productive land where it has not already been fragmented.

Work with private sector where greenfield development occurs of 'out-of-sequence'.

Business and Commercial – Supporting a vibrant and diverse business community

Ensure sufficient development capacity for more businesses and local jobs alongside housing and services to support a growing population. Our growth and economic development strategies will be implemented closely together.

Rural and Villages – Protecting productive land and providing for lifestyle choice

Rebalance housing growth off highly productive land by proactively planning for housing growth around existing villages and rural settlements.

Across the district the plan is to prioritise Class 1 & 2 land for farming & primary production, recognising some Class 3 land already contains a mix of rural activity, including supportive land uses and rural living.

Work with mana whenua to enable papakāinga and future development of marae in the Manawatū.

5. Growth delivery plan:

This section describes in greater detail what changes are needed to deliver on this framework – focusing on:

- Intensification
- Residential Greenfield Planning
- Rural Villages and Settlements - Residential / Lifestyle
- Supporting infrastructure

Actual changes will need to be implemented through future zoning and infrastructure decisions. For example by making amendments to the District Plan.

1. Intensification

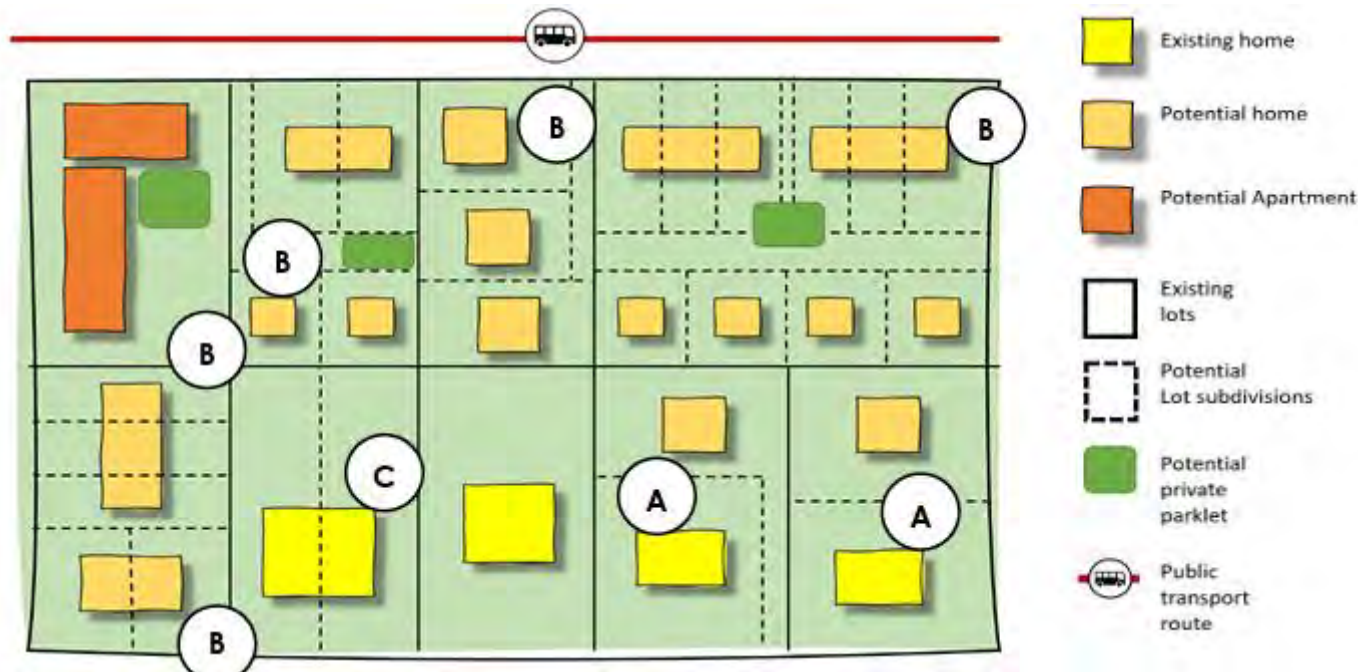
The growth framework encourages growth within and close to existing neighbourhoods that can support intensification over the next 30 years. This will place the majority of growth in these areas accessible by active and public transport (particularly in the future) to jobs, services and amenities. Critical to delivering positive intensification outcomes will be how intensification can be approached that aligns with the objectives.

- **What is intensification?**

Intensification is the process of building more homes within our existing urban areas thereby protecting expansion of housing into our rural areas that are important to maintain for productive farmland. It seeks to encourage and enable more housing to be created at a more affordable price through the replacement or adaptation of existing buildings or through more well managed development of underutilised land.

Intensification can be achieved through the following development approaches, which potential approaches are illustrated in the figure below:

- **Infill (A)** - Is a typical form of intensification across Aotearoa New Zealand where a section is subdivided, the existing home is retained, and an additional dwelling is added which is often at the rear of the site.
- **Comprehensive Redevelopment (B)** - A form of intensification where all buildings are removed from the site and is replaced with a number of new homes which are either detached or attached, with open spaces and communal access routes. This process often includes the consolidation of sections and the removal of multiple dwellings for redevelopment.
- **Adaptive Reuse (C)** - A creative form of redevelopment where upgrades and renovations are made to reinvent a building for it to respond to new use demands. Many older buildings have character and identity of place which through adaptive reuse can be retained and restored.



2. Residential Greenfield

Manawātū District Council has a committed growth programme in place for the Feilding Urban area. Estimations (based on current zoned and infrastructure ready land) show that there is sufficient capacity available to provide for the housing & commercial growth of Feilding beyond the medium term.

The 2025 Manawātū Growth Framework identifies that further work needs to be completed to provide for greenfield land beyond these time periods. Previous work on the Feilding Framework Plan has identified options for future greenfield development. These will need to be reassessed. The district has many constraints that limit opportunities for new greenfield development close to the existing Feilding urban area, including productive land and natural hazard risks (such as flooding and land stability). The feasibility of infrastructure options will also need to form part of future greenfield expansion.

Following the direction of the NPS-UD Council will also be open to working with developers progressing private plan changes and projects for out-of-sequence growth projects. This is subject to confirming infrastructure availability and financing.

3. Rural Villages and Settlements - Residential / Lifestyle

The framework identifies the opportunity for providing a range of housing options in and surrounding rural villages and settlements. This approach ensures that Council is still providing for this type of housing development and meeting market demand.

Proactively planning for intensified rural residential lifestyle in areas surrounding the existing village and settlement locations could help provide for additional housing supply over the next 30 years. This includes developing 'Growth Blueprints' for key villages and rural settlements. Blueprints will identify opportunities and constraints in relation to infrastructure, development capacity, connection, natural hazards and growth.

Planning for the growth rural villages and settlements can help free up existing sites within existing Feilding urban area for intensification by ensuring there are more options for existing residents to move to within the wider area that promotes choice. It will also limit further ad-hoc rural housing development and loss of highly productive land.

Intensified future lifestyle development will require amendments to the district plan rule framework and careful consideration in regard to the district's highly productive land. Any rural-residential opportunities should remain clear of productive land but could provide suitable locations for residents seeking rural lifestyle living.

These forms of lower density development can help to free up existing sites within existing urban areas for intensification by ensuring existing residents have more choice and options to move to.

4. Supporting infrastructure

Council and other infrastructure providers will need to plan for, and help to fund, supporting development infrastructure. We need safe, resilient, well-planned and integrated strategic infrastructure to support more houses over the next 30 years. Upgrades have been identified to existing infrastructure as well as new infrastructure that would be required over the next 30 years to support growth. For example, intensification in and around Feilding will need to be supported by infrastructure improvements as more connections are sought within the existing urban area. This is particularly the case for stormwater management.

For future greenfield opportunities, supporting upgrades to the existing infrastructure network as well as new infrastructure will be needed to enable any proposed greenfield growth. Some of this work will need to be led by private development sector given current Council capacity.

Rural Lifestyle Growth in the rural residential lifestyle areas will be in non-reticulated areas and will be serviced through onsite septic systems for wastewater, private water supply via roof water, tank and trickle feed where it is existing.

Villages and Settlements – located outside of the main urban environment, infrastructure will continue to be provided 'business as usual' with some upgrades planned to improve current levels of service. Significant infrastructure upgrades are not planned in the rural townships and settlements in the short-to-medium term. For any future growth, identified through the actions in the growth framework, any required upgrades can be considered on a case-by-case basis or through future Longterm Plans.

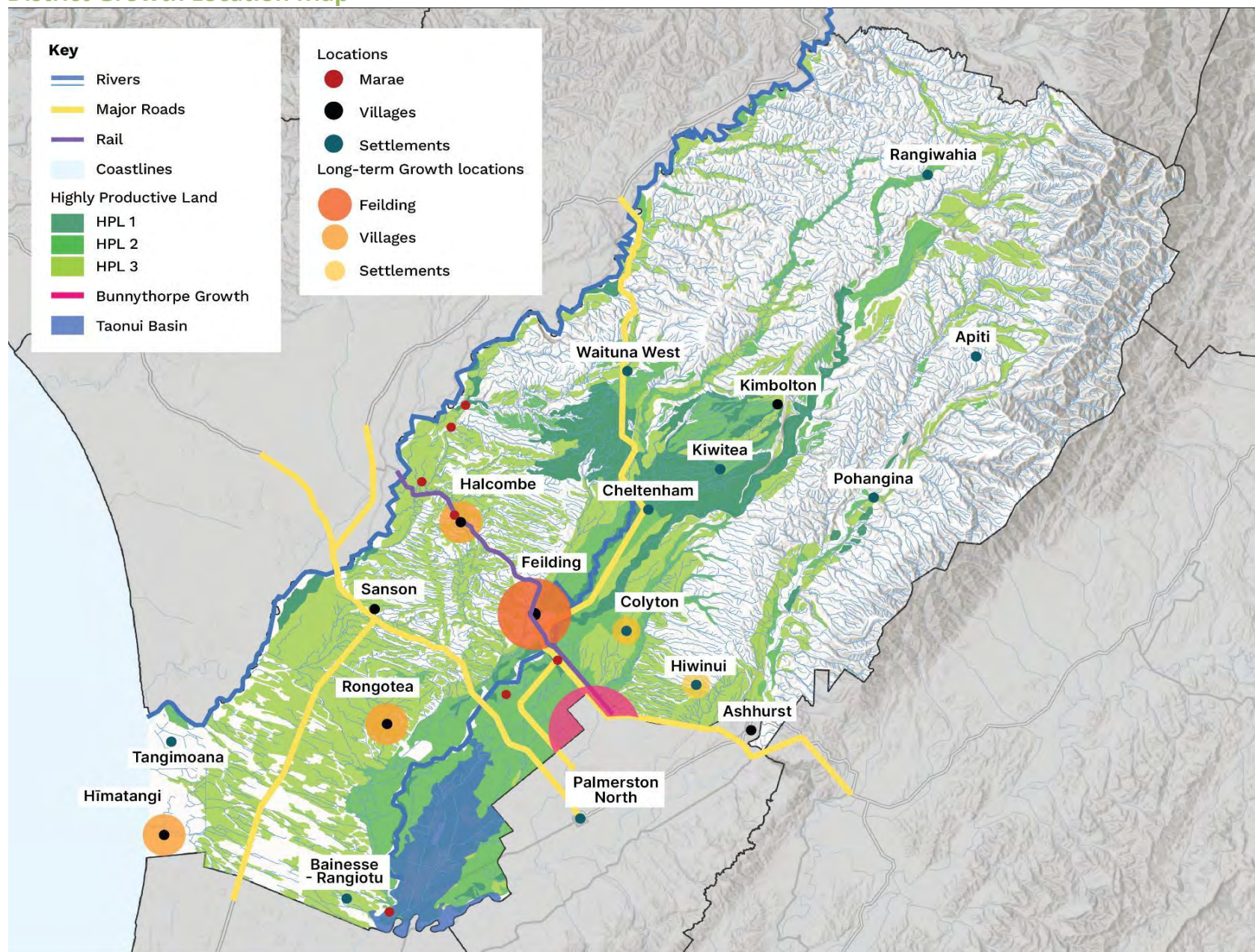
6. Actions: Summary Table

The second part of the Framework is the planned key actions to ensure Council continues to provide for sufficient development capacity over the next 30 years. Note the below list includes a number of projects that are described in greater detail in the current Longterm Plan and Annual Plan.

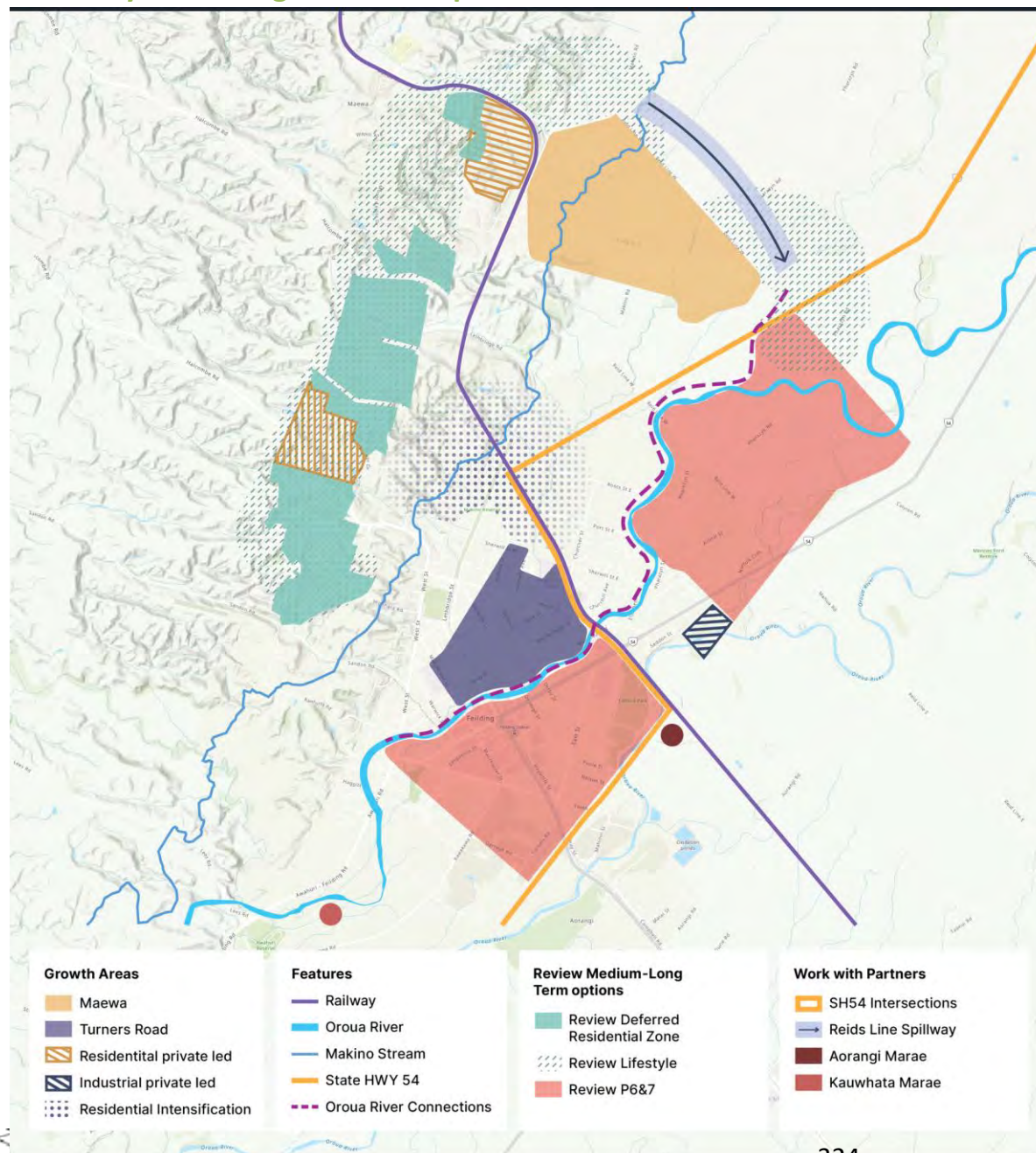
When	What	Where
Short-term (Years 0-3)	• Complete Feilding growth projects as described in the LTP	Maewa and Turners Road areas
	• Complete wastewater centralisation project stages as detailed in the LTP	Rongotea and Halcombe Villages
	• Update the housing & industrial capacity models to confirm land capacity	Feilding and Villages
	• Develop “Growth Blueprints” to help inform spatial planning and the long-term growth of the key village and rural settlement areas	Halcombe, Rongotea, Himatangi, Sanson, Colyton, Hiwinui, Kimbolton
	• Enable urban housing choice through changes to the District Plan	Feilding and Villages
	• Review long-term greenfield growth options and lifestyle options for Feilding	Feilding Precinct 1-3 and Feilding Nodal Area
	• Complete feasibility investigations on next growth areas, including infrastructure and hazards	Feilding Precinct 1-3 and Rural Villages
	• Adopt revised combined Infrastructure & Growth Strategy at next LTP	District Wide
Medium-term (Years 3-10)	• Complete Feilding growth projects as described in the LTP	Maewa Residential Area
	• Designate & purchase land for future growth infrastructure	TBC
	• Initiate Plan Change for Precincts 1-3	Precincts 1-3
	• Initiate Plan Change for Village & Settlement Growth	District Wide
	• Implement sub-regional spatial plan	District Wide
	• Infrastructure upgrades of Villages to enable growth	TBC

	<ul style="list-style-type: none"> Review and update Village Growth Blueprints 	TBC
Long-term (Years 10-30)	<ul style="list-style-type: none"> Complete Feilding growth projects scheduled in the LTP 	Maewa Residential Area, TBC
	<ul style="list-style-type: none"> Rezone land for the long-term growth of villages 	Villages and Rural Settlements
	<ul style="list-style-type: none"> Designate & purchase land for future growth infrastructure 	TBC
	<ul style="list-style-type: none"> Review Growth Framework 	District Wide

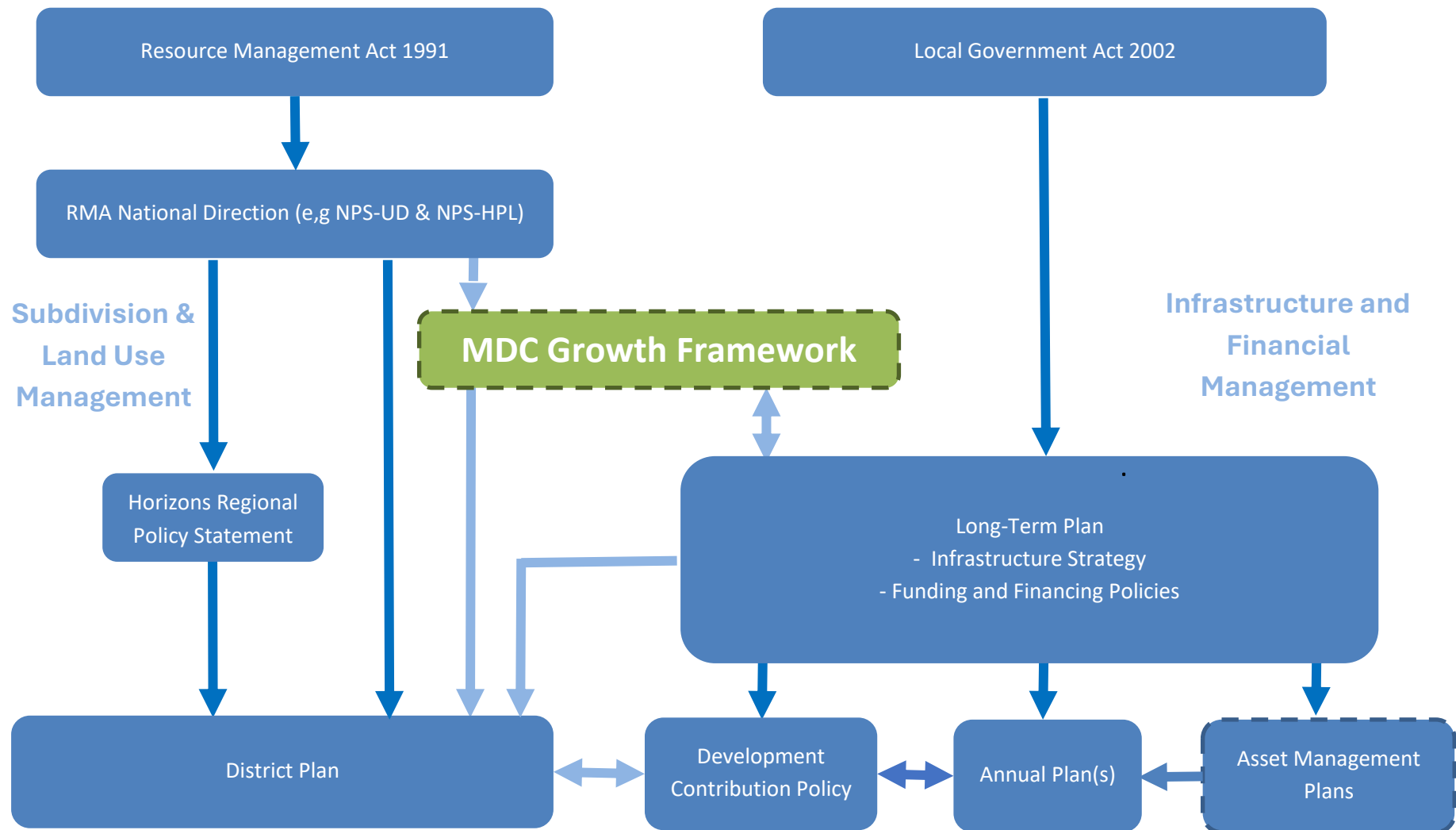
District Growth Location Map



Summary of Feilding Growth Proposals



Appendix A: 2025 Statutory and Regulatory Context (Simplified)



Appendix B: Summary of National Policy Statement - Urban Development

The Government introduced the National Policy Statement on Urban Development 2020 (NPSUD) in August 2020 (updated 2022) and this document sets out clear requirements for what an FDS must show and be informed by. It states that the purpose of the FDS is to promote Long Term strategic planning by setting out how the Councils intend to:

- Achieve well-functioning urban environments in their existing and future urban areas.
- Provide at least sufficient development capacity over the next 30 years to meet expected demand.
- Assist with the integration of planning decisions under the RMA with infrastructure planning and funding decisions.

As an over-arching principle, the NPSUD requires any strategy/framework to provide for a well-functioning urban environment. Simply, this means we need to:

- Provide a variety of homes that meet local needs and enable Māori to express their cultural traditions and norms.
- Provide a variety of land suitable for local business needs.
- Have good accessibility for all people between housing, jobs, community services and open spaces, including by public or active transport.
- Support the competitive operation of land and development markets.
- Support reductions in greenhouse gas emissions.
- Be resilient to the current and future effects of climate change.

The purpose of this framework is clearly defined and forms a strong and clear framework for the way in which we need to plan for their future growth. All our growth framework work must be consistent with the National Policy Statement: Urban Development. For example:

- Our planning must provide capacity and choice consistent with the local market.
- Ensure sufficient land is available in the:
 - Short term 0-3 years
 - Medium term 3-10 years
 - Long term 10-30 years
- To encourage competition in the market Council is recommended to provide more land for development than we are forecast to need.

Appendix C: Key interdependencies

Delivering on growth depends on community / market preferences, and the initiatives and projects of other partners, developers and agencies. Their work will influence our approach to growth. Key examples are:

Housing Growth Rate	Changes to the land and housing supply in the wider Whanganui-Manawatū Region, particularly Palmerston North.
Highly Productive Land protection	<p>Central Government & Horizons Regional Council decisions on what is defined as highly productive land as defined by the National Policy Statement: Highly Productive Land (NPS:HPL).</p> <ul style="list-style-type: none"> Central Government have indicated changes are proposed to the NPS:HPL to exclude Class 3 land. No actual changes are proposed at this point. Horizons Regional Council are required under the NPS:HPL, to identify a map of Highly Productive Land in the Region. This map will replace the interim definitions and identify land where land-based primary production is to be the primary outcome. Lifestyle housing or urban development are not supported on highly productive land. Urban development could proceed only if no other options are viable.
Flood Hazard Management	<p>Horizons Regional Council has oversight for flood protection in the Manwatū District.</p> <ul style="list-style-type: none"> Feilding is subject to two regionally critical Floodways – the Reids Line Spillway and the Taonui Basin. Both areas form part of Horizons wider regional flood defence structures and are important for protecting Feilding from the impacts of flood. Horizons has an active project underway to complete the Reids Line Spillway and divert rural floodwater around the Feilding urban area. Horizons also has a role managing existing flood defence infrastructure – including ensuring Feilding is protected from 1:200 year storm events. Horizons Regional Council is responsible for modelling flood hazards across the region & has an active programme in place to identify flood hazard risk. In the meantime, there are large parts of the region where flood hazard risks have not been quantified.
Transport networks	Current and future NZTA, PNCC and Horizons Regional Council changes to road transport networks. Kiwirail changes to the main trunk line.

	<ul style="list-style-type: none"> • example State Highway 54 travels through Feilding. Council is aware of pressure on a number of key intersections across the route & the need to work with Waka Kotahi & NZTA to make improvements. Waka Kotahi has responsibility for the route & decision making. • The North Island trunk rail line travels through Feilding and Halcombe, Kiwirail has authority over the rail line.
Te Utanganui Central New Zealand distribution hub & the Palmerston North Integrated Transport Initiative.	<ul style="list-style-type: none"> • Te Utanganui is a freight, logistics, and distribution hub that cements the role of Palmerston North and Manawatū as an integral part of New Zealand’s national and international trade networks. • The Palmerston North Integrated Transport Initiative (PNITI) is a package of projects designed to support growth of freight distribution in the region while also improving transport safety and choice for the whole community. • Both projects will influence growth & impact of transport movements between the Manawatū & Palmerston North City.

Appendix D: Summary of Feedback on Draft Growth Framework

We talked with the community in preparing this framework. We have also heard what people think about growth through public consultation on various Council projects and workstreams. Key growth-related themes have emerged through this, which the Framework reflects, and which have informed the development of the Framework's objectives. These include:

- Support for quality intensification within existing neighbourhoods and in areas that are well serviced with infrastructure and are accessible.
- New infrastructure and services are needed to support growth – public transport, active transport, three waters, roads, schools, open space, local shops and community facilities.
- Highly productive land should be protected from development.
- The natural environment, water quality and landscape are important.
- New development should not be to the detriment of existing open spaces and recreation areas.
- Providing affordable housing and a range of housing choices is important.
- Provide specific provision for papakāinga housing.
- Some areas have a unique character that should be maintained.
- Ensure we plan for the effects of climate change and reduce greenhouse gas emissions.
- Locate development away from areas vulnerable to natural hazards, particularly those affected by climate change, flooding and stormwater management.

A final outcome of the public consultation process is the need to acknowledge the importance of Māori as tangata whenua and as owners of land. This Framework seeks to build on and improve those relationships. This Framework also seeks to protect Māori culture and retention of their whenua.

Appendix E: Manawātū District 2025 Growth Snapshot

In addition to the quarterly reporting on urban development (<https://www.mdc.govt.nz/council/plans,-reports-and-strategies/reports/urban-development>) Council has also completed initial modelling and monitoring of housing growth.

1. Initial Housing Capacity Assessment

Council has completed an initial housing assessment to ascertain current growth capacity & alignment with NPS-UD requirements. This work refines and updates that completed for the Projections & Environmental Scan that informed the 2024 LTP. Capacity calculations are based on:

- Infometrics household projections plus NPS-UD ‘competitiveness margin’
- Assuming current development trends continue: ~55% new housing in Feilding and 45% new housing in rural areas

Timeframes	Total Households Projected across the Manawātū (Infometrics)	Projected capacity required – Rural / nodes	Projected capacity required - Feilding	NPS-UD Total Additional Capacity Required (Cumulative)
0-3 Years	13,847	245	303	548
3-10 Years	15,071	869	1,148	2,017
10-30 Years	17,167	1,854	2,489	4,343

Initial model of current housing capacity:

Timeframes	Cumulative additional capacity – Feilding	Cumulative additional capacity – Villages	Cumulative total additional capacity	% of NPS-UD Target (if housing is 100% urban)	% of NPS-UD Target (if housing is 55% urban)
0-3 Years	1,394	248	1,642	299%	541%
3-10 Years	2,618	248	2,866	142%	249%
10-30 Years	7,127	393	7,520	173%	301%

Assumptions & Caveats

- Development capacity calculations are based on land capacity within precincts 1-4 and vacant land within existing urban areas that area of sufficient size to accommodate addition housing at densities of 1 to 350m².
- Timing of Maewa section release is assumed to take place in three stages over each timeframe listed. The exact timing is determined by developers.
- 10-30 year assumes that precincts 1-3 'deferred residential areas' are rezoned and available to be developed.
- 10-30 year also assumes Rongotea development area being developed.

Conclusions

1. The Manawātū District has more than sufficient capacity for future housing growth based on current trends and population projections (up to 10 years).
2. Feilding's housing capacity is good (unless 100% of new housing in the Manawātū shifts to Feilding and Precincts 1-3 are not developed).
3. Uncertainties affecting the model and will need monitoring / refining – for example changes in population, market choices & housing typology.

2. 2001-2024 Population & Development Data

Population change 2001-2024

Location	Population change 2001-2024	
	Total change	% Increase
Hiwinui	240	122.2
Halcombe	310	93.8
Kimbolton	30	35.0
Feilding	4,150	32.7
Sanson	140	31.4
Pohangina	70	26.3
Rongotea	50	10.6
Himatangi Beach	50	7.3
Tangimoana	30	6.3

Population Growth (Stats NZ)

2002-2023 New housing construction location:

- Feilding 44.7%
- Feilding Lifestyle (Nodal Area) 11.7%
- Village (Settlement Zone) 3.9%
- Rural Areas 39.7%

2002-2023 Location of new rural titles created 2000-2023:

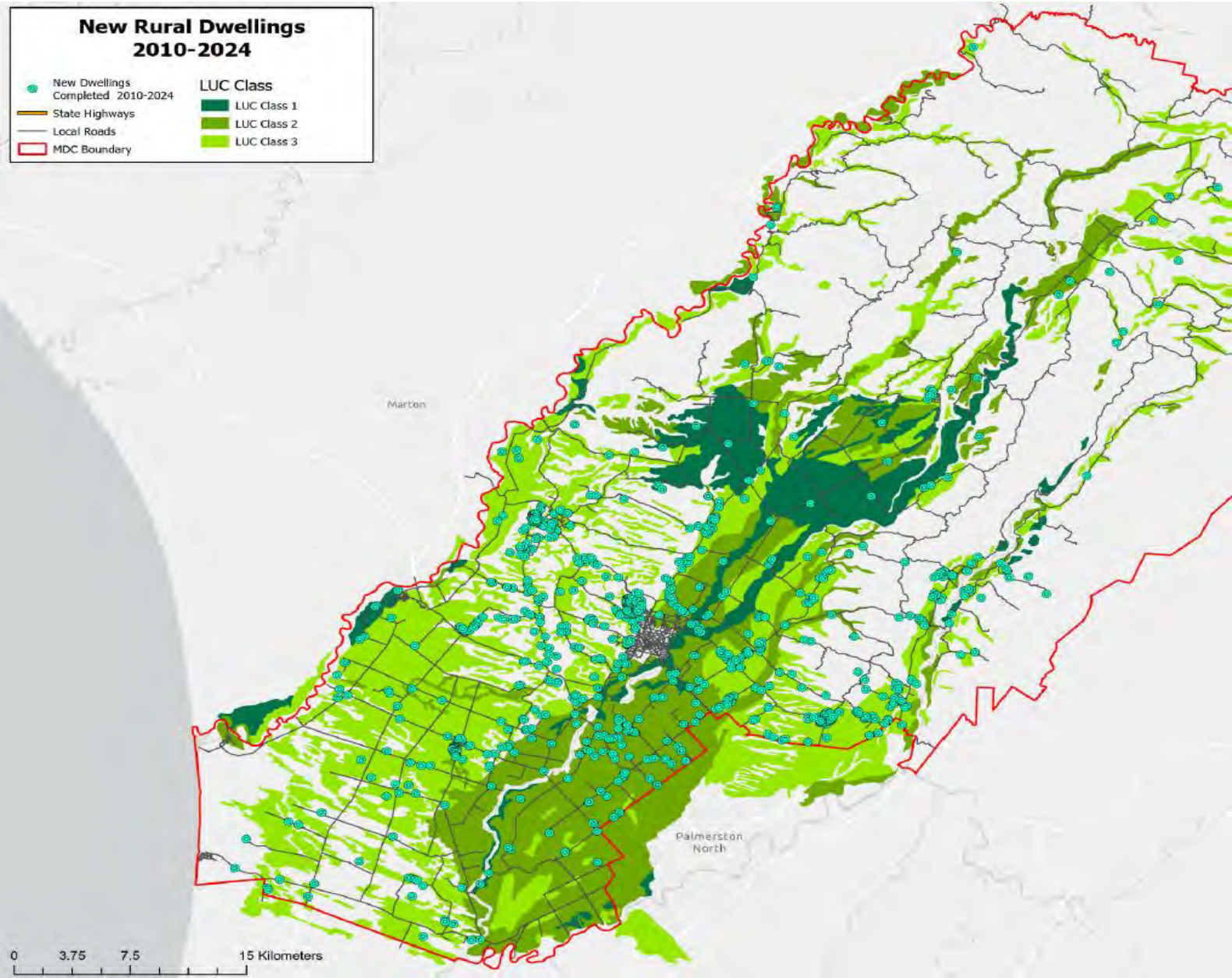
- Feilding Nodal Area 11%
- Other Rural Nodal Areas 16%
- General Rural Areas 72%

70% of new rural titles created are on Highly Productive Land.

Focus on 2010-2024:

- 52% of new housing has been in Feilding Urban Area
- 48% of new housing has been Rural. Of this:
 - 19.9% (168) is Feilding Lifestyle (large lot residential properties such as Mount Taylor)
 - 18.4% (161) has been lifestyle large-residential lots in locations away from Feilding
 - 62% (543) has been general rural (e.g. individual houses located on farm lots).
- 72.% of new housing has been built on Highly Productive Land. Highly Productive Land is currently defined as Class 1, 2 or 3 soils as classified by the New Zealand Land Resource Inventory.

LUC Class	% of the District Land area	Count of new houses	New houses as % of total
Class 1	5.6%	21	2.4
Class 2	12.9%	145	16.6
Class 3	21.5%	463	53.1
> Class 3	60%	243	27.9



Appendix F: Criteria for evaluating Rural & Village Priorities for growth

The locations identified in this table correspond to existing rural communities: including places zoned as Settlement, subject to Nodal Area provisions, or have a community committee associated with them.																				
Core Criteria		Apiti	Bainesse-Rangiotu	Cheltenham	Colyton	Glen Oroua	Halcombe	Himatangi	Hiwinui	Kimbolton	Kiwitea	Pohangina	Rangiwahia	Rongotea	Sanson	Taikorea	Tangimoana	Waituna West	Utuwai	
1. How is the location identified in the District Plan?																				
a. Zoned Settlement (aka Village)		✓		✓			✓	✓		✓		✓		✓	✓		✓			
b. Nodal Area		✓		✓	✓	✓	✓		✓	✓		✓	✓	✓	✓	✓		✓	✓	
2. Are Three Waters infrastructure networks available in some form?																				
a. Water (includes Rural Water Supply)							✓	✓						✓	✓			✓		
b. Wastewater				✓			✓	✓		✓				✓	✓					
c. Stormwater				✓			✓	✓						✓	✓		✓			
3. Infrastructure Planned Upgrades																				
a. Is the location part of the wastewater centralisation project (current LTP)?				✓			✓							✓	✓					
b. Is the location part of the wastewater centralisation project (next LTP)?				✓						✓										
4. Is there recent growth pressure (new housing) in the vicinity?					✓		✓	✓	✓					✓						
Limitations																				
5. Highly Productive Land present in area:? (NZLRI: New Zealand Land Resource Inventory)	Class 1																			
	Class 2																			
	Class 3																			
6. Are there possible flood hazard risks present? (Zoned flood Channel or Horizons Model)			✓		✓	✓	✓					✓		✓	✓	✓	✓	✓		
7. Are there stormwater level of service concerns?							✓	✓									✓			
Desirability Criteria																				
8. Is there a school present?		✓	✓		✓	✓	✓		✓	✓	✓			✓	✓		✓	✓		
9. Is the location easily accessible (10km) from Feilding or Palmerston North?				✓	✓		✓		✓											
9. Parks & Reserves?		✓					✓	✓		✓		✓	✓	✓			✓			