

31 July 2026

LG Data Team

Ministry for Cities, Environment, Regions & Transport

Emailed to: LGdata@mcert.govt.nz

Dear members of the Local Government data team

Submission from the Manawatū District Council on the Regulations for groups of activities for councils' planning and reporting – draft guidance

The Manawatū District Council (MDC) thanks the members of the LG data team for the opportunity to provide feedback on the draft guidance for the Regulations for groups of activities for councils' planning and reporting. However, MDC considers that the purpose of reporting guidance should be to classify activities consistently, rather than signal which activities government considers to be priorities for local investment.

MDC notes that this consultation is on the guidance associated with the grouping of activities, rather than the regulations that confirm these mandatory groups. MDC would like to know whether local authorities will also be given an opportunity to provide feedback on the regulations for groups of activities themselves, or if the reference to "Cabinet approval" in relation to the proactive release of Cabinet materials means that the groups are largely fixed, with feedback limited to how this classification is to be interpreted and implemented.

Timing of these regulations is critical. Councils are already well underway with the development of their LTPs. The grouping of activities is relevant to our financial statements, the design of our revenue and financing policy, as well as our activity statements and performance frameworks (i.e. our levels of service measures and targets). Our LTP project schedule includes budget setting in September 2026, with budgets finalised for audit and consultation by December 2026. If the regulations are not notified until October 2026, this will significantly impact on our ability to meet these deadlines, particularly if the new groupings mean that MDC has to revisit its revenue and financing policy.

Like many councils across New Zealand, MDC is in the process of replacing its Enterprise Resource Planning (ERP) system as our current system has reached end of life. These regulations have implications for how MDC structures the financial module of our ERP system to enable this reporting to align with the new reporting architecture prescribed in the draft regulations.

Significant or late changes to the proposed activity groups may result in additional costs and complexity for councils as they update planning, reporting and financial systems to

give effect to the new requirements. Councils therefore require certainty on the final activity groupings and supporting guidance as early as possible.

MDC also notes that, while nationally consistent activity groupings may improve consistency of planning and reporting, differences in the characteristics of metropolitan, provincial and rural councils will continue to influence the way services are delivered and the resulting patterns of investment across activities. For example, rural and provincial councils may reasonably be expected to invest more in supporting a network of community halls (described in the draft guidance as “heritage and village halls”) than more metropolitan councils. These facilities often play an important role in supporting community connection and emergency response in dispersed rural communities. This context should be taken into account when interpreting comparisons between councils based on these activity groups.

Support for the Submission of Taituarā – Local Government Professionals Aotearoa

MDC generally supports the submission prepared by Taituarā on behalf of the Local Government Sector. Many of the recommendations contained in this submission echo their feedback. In particular, MDC agrees with the following key points from the Taituarā submission:

- 1) That there is a balance to be struck between standardising the presentation of information, and giving local authorities the flexibility and freedom to present information in a manner that supports the overall ‘story’ their accountability documents are telling.
- 2) The pending re-organisation of local government via the ‘Head Start’ and ‘Back Stop’ proposals mean that local authorities will likely have to revisit their activity groupings very shortly (fifteen months at most) of these being confirmed in the 2027 Long-term Plans.
- 3) That the Ministry develop a single methodology for the allocation of support activities to groups of activities and to individual activities. This methodology should be specified in the regulations.
- 4) Differences in council judgements in matters such as allocation of ‘support services’ will add to the ongoing cost of the regime, such as in justifying the approach to the auditors.
- 5) That the Ministry develop a data dictionary to supplement the regulations.
- 6) That the Ministry engage further with regional and unitary councils to ensure that proposed framework appropriately reflects those activities currently delivered at regional levels.
- 7) That the broadness of the ‘other’ category be reconsidered.

Feedback on the draft guidance

a) Are there any activities missing from the list that should be added?

Within group 1 (Adaptation and emergency management), it is assumed that ‘adaptation’ includes increasing the resilience of existing infrastructure to climate impacts, even though this term is not explicitly included. For example, where MDC invests in improvements to roadside drainage to reduce the likelihood of that asset being damaged in an extreme weather event is more readily conceived as being a

resilience investment, rather than ‘adaptation.’ Given the description within this guidance document, such investments would likely be included within the roading and transport activity anyway, so the impact of any uncertainty is likely to be minimal.

Group 5 – Fly Tipping

Fly tipping is an activity that is currently not listed within the draft guidance. MDC considers the best fit for this activity is within Group 5 – Public regulatory services. While this activity is closely related to waste management, it is managed via our regulatory compliance officers.

Decision sought

- That fly tipping be added to the list of activities within Group 5 – Public regulatory services

Group 7 – Transfer stations

MDC agrees with the submission by Taituarā that transfer stations have been missed from the list of activities within Group 7 – Waste management and minimisation. MDC’s Manawatū Resource Recovery Centre in Feilding manages Council-controlled waste streams, and provides refuse, recycling, food waste and green waste drop-off to the community.

Decision sought:

- That resource recovery centres be added to the list of activities within Group 7- Waste management and minimisation.

b) Are there activities that have been mis-grouped/belong in another group from where they’ve been allocated?

Group 1 – Adaptation and Emergency Management

MDC requests clarification as to what is meant by reference to “drought and fire protection” in Group 1. MDC’s responsibilities in relation to drought are to support the welfare response led by national government agencies. Drought protection is not something that councils actively invest in. While Councils’ have some responsibilities in relation to the provision of water for fire-fighting capability (within the water services activity), fire protection is generally a responsibility of Fire and Emergency New Zealand (FENZ).

MDC considers that “flood protection” should be renamed “river management and flood protection” and be relocated from Group 1 (Adaptation and emergency management) to Group 6 (Roading and Transport). The transportation network is built around the river network, and therefore, should be managed together. Alternatively, “flood protection” could be reframed under the umbrella of “Lifelines utilities” to help provide clarity that this activity is about preparedness and maintenance of flood protection infrastructure, to differentiate it from emergency response, which sits within the Adaptation and Emergency Management function.

Adaptation has both a Capital (Capex) component and an ongoing operational (Opex) cost associated with it. It is possible that the cost of investing in adaptation, such as increasing the freeboard of a new bridge to account for anticipated increases in extreme weather events, could be classified as an adaptation activity, while the maintenance of the ongoing benefits that asset provides better fits within the activity group to which it more directly relates (such as a bridge being budgeted for within the Roothing and Transport activity).

Decisions sought:

- That further consideration be given to the reference to “drought and fire protection,” particularly in relation to potential overlap in legislative responsibilities with FENZ and other central government agencies.
- That “flood protection” be renamed “river management and flood protection” or “Lifelines utilities” and be relocated to Group 6, out of recognition of its ongoing management alongside roading infrastructure.
- That the Ministry provide clarification of the context in which they want councils to report on adaptation, that is, in terms of capital expenditure or ongoing operational expenditure.

Group 2 – Community and Recreational Facilities

MDC agrees with the submission by Taituarā and others that the “Cemeteries” activity should be relocated from its current location in Group 2 to Group 4 – Parks and reserves. Cemetery management at MDC is administered alongside parks, open spaces and reserve maintenance activities.

Decision Sought:

- That the “Cemeteries” activity be relocated from Group 2 to Group 4.

Group 3 – Governance, planning and reporting

MDC questions the inclusion of several activity-specific plans and strategies within Group 3. While corporate governance documents such as the Long-term Plan, Annual Plan and Annual Report are appropriately included within Governance, planning and reporting, many activity-specific plans and strategies are prepared, implemented and monitored by the business area responsible for delivering those services.

The draft guidance appears to group activities by document type rather than function. For example, the Infrastructure Strategy, Financial Strategy and Revenue and Financing Policy are all prepared as part of the Long-term Plan. MDC seeks clarification on whether the Ministry expects councils to separately account for the preparation of these supporting documents within Group 3, or whether they should form part of the overall Long-term Plan activity.

Similarly, activity-specific plans and strategies, such as the Water Services Strategy and reporting on CCO community and economic development plans, are integral to the

delivery of those activities. For many councils, particularly smaller councils, these documents are prepared, implemented and monitored by the same staff who deliver the activity itself. Separating planning from delivery introduces unnecessary complexity, requires councils to artificially allocate staff resources across multiple activity groups, and reduces the consistency and comparability that the guidance is intended to achieve.

This issue is particularly evident for in-house water services providers. MDC is required to ring-fence all costs associated with its water services activity. It is therefore unclear how the inclusion of the Water Services Strategy within Group 3 is intended to operate alongside those ring-fencing requirements.

Decisions Sought:

- MDC requests that the guidance be amended so that “reporting on CCOs community and economic development plans” is included in Group 8 (Other activities), alongside community and economic development.
- MDC requests that the Ministry clarify whether activity-specific plans and strategies are intended to be separately accounted for within Group 3, or whether they should be reported as part of the activity to which they relate.
- MDC requests that the Ministry clarify how the "Water Services Strategy" activity should be reported by territorial authorities that continue to provide water services in-house. Specifically:
 1. Should the cost of preparing the Water Services Strategy be accounted for within the Long-term Plan activity rather than within the water services activity? If so, how does this align with the ring-fencing requirements?
 2. Is this reference intended to apply only to councils that have transferred water services to a CCO? If so, should the guidance instead refer to Statements of Intent for Water Services rather than the Water Services Strategy?

Group 6 - Roading and Transport

MDC introduced time-limited parking within areas of the Feilding Town Centre from 1 July 2024. Enforcement of these restrictions, together with responding to complaints about abandoned vehicles, is undertaken by Compliance and Enforcement Officers. These officers are part of Council's regulatory team and undertake a broad range of functions, including bylaw enforcement, permitting, parking enforcement and responding to customer requests.

While the guidance allocates parking services and abandoned vehicles to the Roading and Transport group, the staff delivering these functions are not dedicated transport officers. This reflects the way many smaller councils operate, where staff routinely undertake work across multiple activity groups. Requiring councils to separately attribute staff costs for individual tasks would create a significant administrative burden

and is likely to result in inconsistent allocation methodologies being applied across the sector.

Decision sought:

- That the Ministry relocate parking enforcement and abandoned vehicles from Group 6 to Group 5 (Public regulatory Services).
- Alternatively, if parking enforcement and abandoned vehicles are to remain in Group 6, MDC requests that the Ministry develop nationally consistent allocation methodologies for staff and corporate support functions that work across multiple activity groups. These methodologies should enable councils to consistently allocate shared costs without requiring detailed time recording or attribution of staff time between activity groups.

c) Is there further information that DIA could provide that would be helpful?

Group 2

MDC seeks additional advice in relation to Group 2 – Community and recreational facilities. MDC’s “Community Facilities” group of activities currently contains:

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

Oftentimes our facilities and land are captured as one entire asset. For example, there are a number of cases where Council doesn’t own all of the facilities but owns the land they sit on i.e. Johnston Park – the rugby clubs own some of the facilities and Council owns the rest. Obviously MDC does not capture the value of the asset that is owned by another entity.

The proposed reporting groups do not align well with the way many councils currently manage or account for integrated land and facility assets. Determining how to separate facilities and land assets will be complex and time consuming, and will involve cost to achieve given the way that MDC currently accounts for these activities.

MDC owns a number of properties where the physical asset is managed by a CCO or a Community Committee or Trust on Council’s behalf (e.g. the Feilding Civic Centre that is managed by the Feilding Civic Centre Trust).

Decision sought:

- MDC requests that the Ministry provide guidance on the classification of community and recreational facilities where ownership, management or operational responsibilities differ from the underlying land ownership, including where facilities are managed by CCOs, trusts or community committees on Council's behalf.

Group 3 – Mandatory Reporting Requirements

The exposure draft for the Regulations for groups of activities for councils' planning and reporting included reference to "Government mandatory reporting requirements" within the Governance, planning and reporting group. The draft guidance document does not include mandatory reporting within the activities and description for this group (Group 3). However, "Government mandatory reporting requirements" is still assigned to this group within the "Index of activities and their groups" in Appendix A.

MDC has questions in relation to the reference to 'Government mandatory reporting.' Is this a reference to the future performance measurement framework that this architecture is designed to support? Does this include mandatory reporting council-wide? What about the mandatory reporting that MDC does for water services (e.g. reporting to the Water Services Authority Taumata Arowai)? Is this separate?

Decision Sought:

- MDC request that the Ministry define 'Government mandatory reporting requirements' and provide examples of the activities intended to be included.

Group 3 - Marketing and Communications

MDC treats marketing and communications as a shared corporate support function that provides services across the organisation. While individual project budgets may include communications expenditure for items such as consultation materials, advertising or design, the staff costs associated with the communications team are not currently recorded or charged back to the activities they support.

If the Ministry expects these support costs to be allocated across the prescribed activity groups, councils will need to develop methodologies to attribute communications staff costs across multiple activities. In the absence of nationally consistent methodologies, councils are likely to adopt different approaches. Alternatively, if councils account for all communications costs within a single activity group, the resulting information may not consistently reflect the resources supporting each activity. Either approach has the potential to reduce the comparability of published information between councils.

MDC agrees with the submission by Taituarā that it is unclear what is meant by 'marketing', especially as it is distinct from communications. We share Taituarā's view that reference to marketing is unnecessary and is difficult to differentiate from economic development and tourism activities, which are already specified in the guidance.

Decision Sought:

- MDC requests that the Ministry clarify whether shared communications staff costs are intended to be allocated across the prescribed activity groups and, if so, provide nationally consistent guidance on how those costs should be allocated.
- That reference to “marketing” within Group 3 be deleted.

Group 4 (Parks and Reserves) and 6 (Roeading and Transport)

Group 4 includes reference to “walking tracks,” while Group 6 includes “footpaths.” Without clear definition, there is potential for some confusion in how to differentiate between these two activities. MDC currently considers any footpath or walkway that is located within the road reserve as a land transport asset, and any off-road walkway as a community facility asset. Providing a clear definition will help ensure that all councils are consistent in how these assets are accounted for.

The guidance in relation to differentiating between community facilities located on reserve land that support the use of the reserve (Group 4) and those that are not part of the use of the reserve (Group 2) is helpful. However, even with this guidance, the separation of some reserves into these different functions will be problematic, particularly for those reserves where there are mixed functions and ownership arrangements. For example, Kowhai Park contains community facilities including the Old Tote Building (Council-owned recreational complex), public conveniences and the Feilding Cricket Pavilion (privately owned). Kowhai Park also contains sports fields (Kōwhai cricket area), playgrounds, walkways and gardens.

Further guidance is needed in relation to how to group community facilities that are in community or private ownership that are located on Council-owned land. Within the Manawātū District there are four community-owned halls located on Council land. These are technically land assets (Group 4) but their primary purpose is as a community and recreational facility (Group 2). Council supports these community-owned halls by contributing to structural and compliance works.

Decision Sought:

- MDC requests that the Ministry provide further guidance on how community and recreational facilities should be grouped where ownership, management or operational arrangements differ between the land and the associated facilities.

Group 5 – Public Regulatory Services

MDC seeks assurance that the “resources consent/planning compliance” description means both our resource consent processing function as well as our planning compliance. It is not clear in the current wording if this means only the compliance function.

MDC assumes that ‘building control’ means building consent processing and inspections, as well as building compliance activities (BWOF’s, NTF, PIM’s, etc)? Much

of our PIM work is currently completed by our data management team. This is a corporate overhead function.

Decisions sought:

- MDC requests that the Ministry clarify what is meant by “resources consent/planning compliance,” including whether this includes the resource consent processing functions of council.
- MDC requests that the Ministry clarify the full range of activities included within the term “Building Control.”

Sustainability (Group 8 – Other activities)

MDC generally supports this new group of activities. However, MDC requests that the Ministry expand on what is meant by “sustainability” in this context. Some examples would be useful for us to understand what types of activities this would encompass.

Group 8 – Forestry

MDC considers the reference to “forestry” in group 8 unusual. Is this intended to mean commercial forestry where Council may have a commercial interest? Or forestry set aside for biodiversity purposes? Some further guidance or worked examples might be useful here.

Activities that support specific activities

The guidance notes state that councils should “bunch the services that support an activity together as much as possible” and that cross-council support services, such as HR, IT, finance, iwi liaison, should either be allocated to the activity they most directly support, or otherwise be reported within Governance, planning and reporting. However, these corporate support functions are not themselves identified as activities within the prescribed groups.

It is therefore unclear whether these functions are intended to form part of the prescribed activity groups or simply provide examples of how councils should allocate internal support costs. Further guidance is also needed on how other shared corporate support functions, such as communications, customer services, legal services, governance support, data management and LGOIMA administration, should be treated to ensure consistent reporting across councils.

MDC recognises that some flexibility in how to account for these cross-council support services is beneficial as, depending on the size of the council, some councils may have dedicated support services for different activities, while others may have support staff that work across all of council. However, this flexibility will significantly affect the comparability of published information unless councils apply a common allocation methodology and may result in differences in accounting practices being interpreted as differences in organisational performance.

Decision sought:

- If cross-council support functions are intended to be included within the prescribed activity groups, MDC requests the following:
 - (a) Clear methodologies to ensure national consistency in how these cross-council support functions are to be divided amongst the other groups (e.g. allocated based on revenue? Office footprint? FTEs?).
 - (b) Clarification on whether government (and the Audit Office) expect councils to include such activities in activity statements. That is, do councils have to identify the rationale for delivery of these activities within the group, outline any significant negative effects that this activity may have on the local community, and set performance measures and targets? (i.e. subject to clauses 2-5 of Part 1, Schedule 10 of the Local Government Act 2002).

d) Any other comments?

Within group 1 (Adaptation and emergency management) the reference to “improvements or upgrades to accommodate climate impacts...should be recorded against the activities to which they most directly relate” is helpful in understanding how councils should differentiate between projects that include an adaptation component. One recent example specific to the Manawātū District Council is the replacement of the Churchill Road Bridge that failed during Cyclone Gabrielle. Rather than replacing like-for-like, the freeboard of the new bridge was elevated to increase its resilience to future emergency events.

While MDC generally supports activities that include an adaptation component being recorded against the activity to which they most directly relate (e.g. Churchill Road Bridge being recorded within the “Roading and Transport” activity), MDC recognises that this may result in underestimating or under-reporting in relation to adaptation investment made by councils in response to climate impacts. If this is of concern, it may be worth the Ministry considering alternative ways that investments in adaptation could be recorded.

LGOIMA Information Requests (Group 5)

MDC does not currently charge for LGOIMA requests, in an effort to be as customer-friendly as possible. The administration involved in receiving, allocating and coordinating requests is undertaken as a corporate support function. The time spent preparing responses is generally absorbed within the business areas to which the requests relate, rather than being separately attributed to individual requests.

MDC seeks clarification on how these costs are intended to be accounted for within the prescribed activity groups. If councils are expected to separately record staff time associated with administering and responding to LGOIMA requests, this would create a significant additional administrative burden that is unlikely to improve the quality or comparability of reporting.

Decision Sought:

- MDC requests that the Ministry clarify how the costs associated with LGOIMA requests should be allocated within the prescribed activity groups and develop a nationally consistent approach that supports comparable reporting without requiring disproportionate administrative effort.

Roading and Transport (Group 6)

Public transport services are currently a function of Horizons Regional Council (Horizons). MDC supports this activity through representation on governance groups, and advocacy on behalf of our community at the regional and national level. MDC is also responsible for the installation of new bus stop infrastructure to support bus services operating within our District.

Group 8 – Characterisation of "Other activities"

MDC supports the introduction of a standard "Other activities" group for the purposes of consistent planning and reporting. However, the statement that Group 8 is intended for activities "not considered core services" is not necessary to achieve that objective. Councils can consistently classify these activities without the guidance characterising their relative importance.

Many activities within this group, including social housing, economic development, community grants, events and festivals, play a critical role in creating prosperous, connected and attractive communities. At MDC, many of these services are delivered through council-controlled organisations, including the Manawātū Community Trust, Feilding and District Promotion, and the Central Economic Development Agency (CEDA). Funding provided to these organisations would be reported within this group.

While these activities fall outside the Government's legislative definition of "core services", they remain important investments for many communities. They support local economic growth, attract people and investment, strengthen community capacity, and respond to local priorities identified through democratic decision-making.

MDC is particularly concerned that, in the context of the Government's proposed rates capping regime, describing these activities as "non-core" may unintentionally signal that they are lower priorities for council investment or the first areas in which expenditure should be reduced. This risks influencing public perceptions and future funding decisions in a way that extends beyond the purpose of reporting guidance.

Decisions about the level of investment in these activities should remain matters for locally elected councils, following consultation with their communities. The Local Government Act 2002 recognises local authorities as democratically elected bodies responsible for identifying and responding to the current and future needs of their communities. Accordingly, councils should retain the flexibility to determine the appropriate level of investment in these activities based on local priorities, rather than being influenced by a one-size-fits-all characterisation of them as "non-core".

Decision sought:

- MDC requests that the guidance be amended to describe Group 8 as capturing activities that do not fall within the other prescribed groups, without referring to them as "non-core" or "not considered core services".

This would achieve the objective of consistent reporting while remaining neutral and respecting local democratic decision-making.

Reporting on recovery costs

Should costs associated with the disposal of debris during emergency recovery be recorded against the 'adaptation and emergency management' category or as part of 'waste management'?

MDC considers that costs associated with the disposal of debris arising from an emergency event are most appropriately recorded within the Adaptation and Emergency Management group where the disposal forms part of the emergency response or recovery effort. For example, following significant weather events, councils may be required to clear and dispose of landslide debris, forestry slash or other material as part of restoring access and community safety. These activities are undertaken as part of the emergency response and recovery rather than as part of the routine delivery of waste management services. Recording these costs within Adaptation and Emergency Management would more accurately reflect the purpose for which the expenditure was incurred.

Thank you again for the opportunity to comment on the draft guidance. Should the Ministry wish to discuss any of the matters raised in this submission, MDC would be pleased to provide further information or clarification.

Yours sincerely,



Michael Ford

Mayor