

Manawatū District Council

Long Term Plan 2018-28

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PART ONE

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A Message from Mayor Helen

A key role of Council is to plan for the future, and our Long Term Plan is an important part of this. Councillors and Council staff have worked hard to make sure that today's decisions will make for a great tomorrow. The Long Term Plan covers the period 2018–28, but will be reviewed again in 2021.

This plan outlines the projects and priorities that we believe position the District for a successful future— a connected, vibrant and thriving Manawatū. We would like to do more, but consider that affordability and the ability to service loans must be taken into account. Our highest priorities remain the provision of good quality and sustainable water, wastewater, stormwater and roading services, along with good community facilities and services, as well as encouraging and supporting economic growth. We will increase our reserves in order to meet future challenges, capitalise on opportunities, or to reduce debt. Pages 14–16 outline some of the projects that, regrettably, we are not including in this plan.

Planned growth leads to prosperity and a larger population over which to spread the rating burden. Growth requires good infrastructure which costs millions of dollars. Our future infrastructure must meet the needs of future residents and businesses without imposing too large a burden on existing ratepayers. We also want to retain the best of what we have today to ensure that our District remains an attractive place to live, work, visit and do business.

Council is in a good position, but has financial challenges ahead that we need to plan for. Along with the challenges are positive opportunities to make the Manawatū one of the best places to live; and be in business. By 2028, our community will be different, with predictions of 3,800 more people, 1,700 more houses, and 2,000 more jobs. Feilding's town centre will change as building owners repair or replace earthquake prone buildings, and our CBD will likely serve more diverse functions. Industrial development in the Kawakawa Industrial Park and residential development in the wider Pharazyn Street/Roots Street/Reids Line area are exciting growth prospects.

I am delighted to report that Council has approved funding to complete the Quail Ave, Mt Taylor walkway, providing safe pedestrian access into Feilding and included the joint Feilding to Palmerston North Te Araroa pathway project, subject to securing third party funding.

The average rate increase is 4.8 per cent for the 2018/19 year. In addition is another 0.2 per cent is required for increased services (stormwater improvements), and 1.6 per cent due to the increased number of ratepayers (growth). The total rates collected will therefore be 6.6 per cent more than for the 2017/18 year.

Another major challenge is how to best manage village wastewater for the long term. Our planned Wastewater Centralisation Project will pipe wastewater from the villages to Feilding – this is expected to save around \$10-20 million on resource consents and upgrades over the next thirty years, and will significantly improve environmental outcomes for our waterways, streams and rivers.

Managing stormwater in many of our villages has been an issue for some time. Council has agreed to harmonise the cost of stormwater, which will spread the costs over a larger pool of residents making these schemes more affordable for small communities.

We have pruned the budget for funding water and wastewater renewals because Council's asset data indicates that our assets are overall in good condition and can continue to operate without interruption. We will manage renewal programmes spending in subsequent Long Term Plans as our borrowing capacity allows.

As your Mayor and Councillors, we aim to represent the interests of the whole District to the best of our ability, while planning for a vibrant future for our District. Thank you to everyone who engaged with us through the consultation process and made submissions to the draft Plan. Your feedback has helped us make informed decisions.

Kind regards,



Helen Worboys



Council Vision and Outcomes

The Local Government Act (2002) requires each local authority to describe the outcomes it aims to achieve in meeting the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions. Council has reviewed the Vision and Outcomes as part of the 2018-28 Long Term Plan process.

Connected, vibrant and thriving Manawatū District - the best lifestyle in New Zealand.

The following three vision statements have been confirmed for villages, rural community and Feilding urban township.

Villages vision statement:

Attractive and prosperous communities that offer lifestyle choices and business opportunities within a unique environment.

Rural area vision statement:

Providing world-leading food, products and services within a beautiful sustainable rural landscape that offers outstanding recreational opportunities.

Feilding urban vision statement:

An attractive, progressive and inclusive country town that offers lifestyle choices, and is the agri-business hub of the Region.

Community outcomes we are working towards:



Manawatū District protects the natural environment through stewardship of the District's natural and physical resources.



Manawatū District attracts and retains residents and businesses.



Manawatū District develops a broad economic base from its solid foundation in the primary sector.



Manawatū District is connected via quality infrastructure, services and technology.



Manawatū District's built environment is safe, resilient and attractive.



Manawatū District Council is a customer-focussed and efficient organisation.



Key Issues

Our Consultation Document outlined the 'big issues' faced by the District – issues that were considered significant because of the impact on communities, financial cost or public interest. Council made some initial decisions but wanted to hear from the community about the options presented. Community feedback was encouraged and valued.

Over the month long consultation period we:

- Attended 16 Community Committee meetings
- Attended a meeting with Ngā Manu Tāiko Manawatū District Council
- Attended meetings with Federated Farmers and a Business-After- 5 (BA5) with CBD business owners
- Published District News articles, Mayoral column updates and media releases
- Distributed nearly 580 Consultation Documents and 20,000 Summary Documents
- Attended 3 Farmers Market events
- Published online media articles, Facebook posts, Twitter posts and a Live Stream presentation (viewed by 5,200 people)
- Had 850 web page users visit our online Long Term Plan material
- Engaged with residents, businesses, community organisations, other councils and government departments.



After considering all of the submissions and deliberating on issues we have made the following decisions.

KEY ISSUE ONE: Changes to the Rating System

Distributing the cost of services

Council proposed to make changes to the rating differentials that would change the proportion of rates paid by different ratepayer groups. A significant number of submissions were received about this matter. After much consideration, Council decided not to proceed with changes to the rating differentials. The existing rating differentials will remain in place for the term of the 2018-28 Long Term Plan.

KEY ISSUE TWO: Protecting people and property from flooding

Harmonising the cost of stormwater improvements

Council has agreed to fund the \$5.6 million required to complete necessary improvements to the stormwater systems in our District. These stormwater systems play a vital role in protecting our communities by carrying away

excess water from roads and other impermeable surfaces (such as carparks)—thereby reducing the likelihood of homes flooding in times of heavy rainfall.

Council will establish new stormwater networks in Cheltenham, Tangimoana, Himatangi Beach and Halcombe, as well as making further improvements to existing schemes in Feilding, Sanson and Rongotea. This will mean creating additional network capacity to manage the additional stormwater captured by the new and extended schemes. These improvements to stormwater management in the District will also ensure that Council complies with legal obligations, resource consent conditions and the Manawatū River Leaders' Accord.

To fund these improvements to stormwater systems in the District, Council has changed the stormwater funding arrangement from a targeted rate to a harmonised targeted rate. The benefit of this funding arrangement is that costs are not scheme-specific but spread amongst those that are provided with the service. This spreading, or 'harmonising', of the costs over a larger pool of residents helps to fund schemes that would otherwise be unaffordable for small communities.

The table below outlines the change in harmonised rate that will be paid by those residents that were previously part of a stormwater scheme (Feilding, Rongotea and Sanson) and those that will be part of a new stormwater scheme (Tangimoana, Himatangi Beach, Cheltenham and Halcombe).

Rating Unit	Current Targeted Rate	Harmonised Rate 2018/19	Change (\$) 2018/19
Feilding	\$98.00	\$103	+\$5
Rongotea	\$85.00	\$103	+\$18
Sanson	\$86.00	\$103	+\$17
Tangimoana, Himatangi Beach, Cheltenham and Halcombe	N/A	\$103	+\$103

Only households that benefit from stormwater schemes will pay for the service. Each of the households in the scheme will pay \$103 in the 2018/19 financial year (ending June 2019). This figure will increase to approximately \$140 by 2028.

Other changes made as a result of this plan

The following changes have been made after consideration of submissions.

Roading

Palmerston North to Feilding Cycleway \$1.2 million

Council has agreed to reinstate the \$1.2 million it originally had budgeted for this project. A business case has been initiated and Council is awaiting the opportunity to apply for a funding contribution from New Zealand Transport Agency. The project will still only go ahead if external funding is secured. The timing of this project is scheduled for 2021/22.

Hiwinui Safety Improvements

The population of Hiwinui has increased over the past few years, creating pressure on existing roads and intersections, and raising some transport safety concerns. Council has listened to the concerns of residents and school pupils and has agreed to include \$250,000 in the Long Term Plan 2018-28 budget for solutions to address these concerns. Plans are still to be finalised and will be subject to New Zealand Transport Agency approval and funding contribution. Possible proposals include the construction of a pathway to the school, intersection improvements and traffic calming measures.

Quail Avenue Walkway

Council has agreed to include the Quail Avenue Walkway project back into the Long Term Plan 2018-28. Construction will be undertaken in 2018/19 and cost up to \$275,000. The costs will be funded by Development Contributions so there will not be any additional impact on rates.

City to Sea Cycleway

Although Council has not allocated any funding to this project, it is supportive of the proposal to construct a cycleway from the City (Palmerston North) to the Sea (Himatangi). Requests for funding will be reconsidered in the future as the plans become finalised.

Walk and Cycleways Strategy

In 2018/19 Council will develop a strategy outlining the future walkway and cycleway development in the Manawatu District. The strategy will assist Council to coordinate and prioritise the many, many requests for walkways and cycleways received.

District Development

Manfeild Park Trust

The old grandstands on Manfeild Park have passed their use by date and require demolishing. Council has agreed to assist the Trust with the demolition costs and will provide up to \$180,000 in 2018/19. The costs will be funded from Reserves and have no additional impact on rates.

The Council has also agreed to increase the operating grant it provides the Trust. From 2018/19 the Council will increase the access grant by \$50,000 per annum, taking the total grant to \$368,000 per annum. The new funding will be accessed from an existing Economic Development budget and therefore will have no additional impact on rates.

Central Economic Development Agency (CEDA)

Council has decided to allocate its own Events Funds rather than ask CEDA to do this. This will consequentially reduce the funding Council provides to CEDA from \$772k noted in the Consultation Document to \$642k per annum.

Manawatu Community Trust

In the future there will be additional demand for housing for the elderly, due to the increasing number of elderly people in the District. The Manawatu Community Trust is planning to meet some of this demand by constructing additional housing for the elderly units. To enable the Trust to construct units at the best possible price, Council has agreed to provide

the Trust with loans at the same interest rate that Council can borrow at. Council can borrow funds at lower interest rates than those available on the general market. In 2019/20 the Council will on-loan the Trust up to \$1 million and a further \$1.45 million in both 2023/24 and 2027/28. There will be no impact on rates as the Trust will service all costs associated with the loans.

Community Committee Requests

Council has approved the following new projects. These projects will be funded from the Community Development budget or general operating budget and will have no additional impact on rates.

Kimbolton

Assistance with the costs of constructing new lookouts at Kimbolton \$15,000 in 2019/20 and Oroua Valley \$10,000 in 2020/21.

Rangiwahia

Funding towards additional fencing, disabled toilet and shower block at the Rangiwahia Community Hall \$42,000.

Rongotea

Maintenance of village cherry trees and, Douglas Square upgrade \$10,000 and Te Kawau Playground upgrade \$10,000 in 2018/19.

Himatangi

Assistance with removal of vegetation, renewal of tennis court fencing and beautification \$10,000 in 2018/19 and sealing of the tennis court \$25,000 in 2022/23.

Pohangina

Funding contribution of \$15,000 over three years 2018-2021 towards development of the Pohangina Domain.

Halcombe

Assistance with funding Halcombe Community Hall roof repairs to enable the kitchen refurbishment to proceed in 2018/19.

Existing Community Planning and Community Committee Projects

Council agreed to carry forward all unspent District Development funds including Community Planning Projects Implementation funds (\$70,000) and Community Committee Projects funds (\$75,000) to enable planned and previously agreed projects to proceed.

Public Toilets

Cheltenham Public Toilets

Council agreed to include the construction of a new public toilet at Cheltenham back into the Long Term Plan 2018-28. The public toilets are part of the proposed Cheltenham Memorial Park development. Construction will be undertaken in 2018/19 and Council has allowed up to \$100,000. The costs will be funded by a loan and this will be serviced by rates.

Parks, Reserves and Sportsgrounds

Awahuri Forest/Kitchener Park

The operational grant provided to the Trust has been increased from \$75,000 to \$90,000 per annum. The costs will be funded by rates.

General

Carry forward of unspent budget

Submissions from Council Officers requested that unspent budget be carried forward into the 2018/19 year to enable projects to be completed. These requests have been approved.

Projects and ongoing commitments

Here are some of the key projects Council has prioritised to proceed with over the life of this Long Term Plan. Some of these projects are new, while others are existing projects that may include new elements and/or require additional investment. Project figures have been adjusted for inflation.

New Projects

These vitally important projects will enable Council to continue to provide essential community services.

Wastewater Centralisation Project

The Manawatū wastewater centralisation project will pipe untreated or pre-treated wastewater from the villages of Halcombe, Sanson, Rongotea, Awahuri, Cheltenham and Kimbolton to the Feilding Wastewater Treatment Plant. The Plant has capacity to take wastewater from these areas. Each of these villages currently has a wastewater treatment plant with discharge consents that have expired or are due to expire over the next few years. All of the existing consents involve some discharge of treated wastewater to a waterbody, and obtaining new consents will be time-consuming, difficult and expensive. This project will mean that Council will not need to seek the renewal of these discharge consents and is the best cost effective option in the long term.

The Three Waters Asset Management has further details about this project.

Council is also working with the New Zealand Defence Force to consider the future options for the Ohakea Airforce Base wastewater management system. We are also working constructively with the industrial trade waste sector to better manage their wastewater.

2018/19	2019/20	2020/21	2021-28
\$1.8 million	\$1.9 million	\$1.9 million	\$1.7 million
Sanson to Feilding	Rongotea to Mt Stewart (eventually to Feilding)	Cheltenham to Feilding	Halcombe to Mt Stewart (eventually to Feilding) 2021/22 \$1.6 million Kimbolton to Cheltenham (eventually to Feilding) 2022/23

Turners Road Extension

Enhancing economic growth is one of Council's priorities, and providing access to good quality industrial land is one of the components of successful economic growth. Council will construct an adequate but basic road from Turners Road to Kawakawa Road as a first step in developing this area. Further enhancements to the road will occur in future years. The extension will enable access to an initial 24 hectares of high-quality industrial land, attracting investment into the District. Council will work in partnership with current landowners and stakeholders to fund and construct this initial stage of the industrial growth area.

As a result of submissions Council has agreed to carry forward existing roading and stormwater growth funds to supplement the funding for this project.

This project was included in previous Annual Plans but Council has reduced the scope and cost of project to save costs.

2018/19	2019/20	2020/21	2021-28
\$102,000	\$1.2 million		

Reserves Funds

Repair costs from severe weather events and previous Council decisions to invest in infrastructure has seen a depletion of reserves funds. Council is concerned that without sufficient reserves it cannot respond as readily to any future emergency situations. This could affect Council's ability to provide necessary services and places it in an untenable financial position. At the current time a number of Council reserves funds are in deficit. For example the roading reserve is in significant deficit of \$2.4 million. This is primarily due to funding unbudgeted emergency roading works including:

2014	2015	2016	2017	2018
\$1.3 million	\$0.3 million	\$2.9 million	\$2.4 million	\$2.4 million

While a significant portion of these costs are funded from New Zealand Transport Agency Council is still required to fund a local share.

Council is improving its financial resilience by replenishing and building up reserves. This will enable Council to repay debt, undertake repairs to infrastructure in the event of an emergency or other unforeseen event, and/or respond to unanticipated community requests.

2018/19	2019/20	2020/21	2021-28
\$430,000	\$646,000	\$819,000	\$1.1 million per annum (avg)

Ongoing Commitments

Many of these projects have featured in previous consultation exercises.

Feilding Water Strategy

Feilding's reservoir at Almadale and the trunk water main into town are nearing the end of their useful lives and are in need of replacement.

The Strategic Water Assessment evaluated whether the renewal of the Almadale water treatment plant is the most cost-effective and resilient option for Feilding's water supply. The outcome of this assessment was that if the Almadale Water Treatment Plant was retired and replaced with a new bore, treatment plant and reservoir on the western side of the Oroua River, savings could be made.

Council will proceed with the construction of a new bore, treatment plant and reservoir, rather than renewing the various components of the Almadale Water Treatment Plant and trunk main. This was determined to be both the most cost-effective and resilient option for Feilding's water supply.

2018/19	2019/20	2020/21	2021-28
\$1.8 million	\$1.6 million	\$1.7 million	\$1.4 million

Water Supply

Council will continue to provide good-quality, safe drinking water. Supplies are treated with chlorine and surface water takes are treated with ultra violet (UV). Dependent on further directives from the Ministry of Health (in light of the recent Havelock North water contamination), Council may also implement additional UV treatment.

2018/19	2019/20	2020/21	2021-28
\$2.5 million	\$1 million	\$1 million	\$1 million

Feilding Waste Water Treatment Plant (WWTP)

Over the past ten years a significant upgrade programme has improved the quality of the wastewater discharged from the WWTP. A specially designed irrigation system now enables discharge to land during the dry summer months, which reduces the amount of treated wastewater being discharged into the Oroua River over this period.

2018/19	2019/20	2020/21	2021-28
\$255,000	\$261,000	\$267,000	

Mangaweka Bridge

The Mangaweka Bridge has had weight restrictions in place for a number of years and has reached the end of its useful life. A business case has indicated a full replacement is required. A detailed business case, including community engagement and the replacement options is currently being completed. Funding for the replacement bridge will be shared with Rangitikei District Council and New Zealand Transport Agency. These figures are the Manawātū District Council's share of the project, which will attract a 53% subsidy from New Zealand Transport Agency.

2018/19	2019/20	2020/21	2021-28
\$825,000	\$4.2 million		

Resource Recovery Centre

First proposed in the 2015–25 Long Term Plan, Council is now proceeding with the construction of a purpose-built Resource Recovery Centre (transfer station) at a total cost of \$3.5million. Funding for this project includes approximately \$2 million of external funding.

2018/19	2019/20	2020/21	2021-28
\$3.5 million			

District Plan Review

In the Annual Plan 2017/18, Council signalled it would be seeking additional funding for this project. Council is required by law to review the District Plan every 10 years. Reviewing the plan is a significant and complex project requiring input from a range of technical experts and industry professionals, and requires extensive community consultation. The approved funding over ten years will enable a more manageable rolling review to be undertaken.

2018/19	2019/20	2020/21	2021-28
\$611,000	\$623,000	\$318,000	\$325,000 per annum

Growth Precinct 4 Pharazyn Street

In 2013, Feilding's Urban Growth Strategy identified areas in the town suitable for development. Precinct 4 was identified as a priority for development. The required infrastructure, such as roads, footpaths, wastewater and town water supply networks will necessitate considerable investment.

2018/19	2019/20	2020/21	2021-28
\$4 million	\$2.6 million	\$2.7 million	\$11.8 million

Growth Precinct 4 Pharazyn Street - New Park

Council plans to bring forward funding provided for in the 2012 and 2015 Long Term Plans for the acquisition of park land in Precinct 4, as envisaged in the 2006 Open Space Framework and 2013 Feilding Urban Growth Framework. Suitable land will need to be secured in 2018/19 ahead of development.

2018/19	2019/20	2020/21	2021-28
\$934,000			\$681,000

Growth Precinct 4 Pharazyn Street - Walkway

Purchase of Pharazyn Walkway - land along the Makino Stream.

2018/19	2019/20	2020/21	2021-28
			\$908,000

Feilding Public Library Redevelopment

Initiated in 2017, plans are now being developed to modernise, extend and carry out seismic strengthening to the existing Library Building, to ensure the building meets the needs of the community now and in the future. Before any redevelopment proceeds, Council will undertake consultation with the community. The project will be funded by loans and possible external funding (not included in this plan).

The budget includes:

- \$153,000 renewal furniture and fittings including new floor coverings
- \$424,000 for upgrade of library spaces and increased accessibility
- \$4.9 million of major renewals, seismic strengthening and redevelopment.

2018/19	2019/20	2020/21	2021-28
		\$5.4 million	

Kowhai Park

We are undertaking a range of operational, renewal and development projects to return Kowhai Park to its iconic status in the Manawatū District over the next ten years. Key components include the development of a new exotic bird aviary, fenced playground, renewal of boardwalks and walkways, and replacement of the pond bridge.

2018/19	2019/20	2020/21	2021-28
\$12,000	\$552,000	\$65,000	\$783,000

Johnston Park Redevelopment

This redevelopment comprises resurfacing of the velodrome, lighting renewal, upgrading and refurbishment of changing rooms and toilets.

Other proposed developments, including new changing rooms and the provision of an additional training field, have been removed from budget to reduce costs.

2018/19	2019/20	2020/21	2021-28
\$63,000			\$1.1million

Victoria Park Lighting and Drainage Upgrade

Funding has been provided to upgrade existing floodlights at Victoria Park as the primary training ground for the Manawatū District. A new playground has been scheduled to respond to urban growth in this area. Planned drainage improvement has been removed from budget.

2018/19	2019/20	2020/21	2021-28
		\$461,000	\$105,000

Timona Park

We will build new toilets at the park along with the installation of a new dump station and the extension of road-sealing from Nelson Street to Poole Street.

A proposal to develop a four-changing-room facility with storage and public toilets next to the football clubrooms at the northern end of the Timona Park has been deleted from the plan. However provision has been made to upgrade the existing changing room within the football club rooms.

2018/19	2019/20	2020/21	2021-28
\$288,000			\$22,000

Duke Street Courts Resealing

Resealing of the Duke Street Courts for Saturday morning netball, with resurfacing making provision for tennis courts also.

2018/19	2019/20	2020/21	2021-28
			\$288,000

Earthquake Strengthening Council Building

The Council building is below the new minimum recommended safety standard. Strengthening work is required to ensure the building is fit for every-day operations and also to function as an Emergency Operations Centre in the event of a civil defence emergency.

2018/19	2019/20	2020/21	2021-28
		\$1.9million	

Feilding and Rongotea Cemetery Development

Extensions are required to meet anticipated demand.

2018/19	2019/20	2020/21	2021-28
	\$35,000 (Feilding)		\$563,000 (Feilding)
	\$67,000 (Rongotea)		\$96,000 (Rongotea)

Rimu Park Exchange and Development

Council plans to purchase the adjoining land parcel from Rimu Park to the Makino Stream to allow for the continuation of the James Palmer Park to Rimu Park Walkway. Development includes relocation of the playground from the existing park to the new Rimu Park with minor development. More significant upgrades of the park will follow in subsequent years, including provision of a walkway, drainage, seating and plantings.

2018/19	2019/20	2020/21	2021-28
	\$813,000	\$79,000	\$210,000

District-wide Halls Maintenance

Ongoing funding for the maintenance of rural halls.

2018/19	2019/20	2020/21	2021-28
\$56,000	\$57,000	\$58,000	\$448,000

Te Kawau Recreation Centre

Seismic strengthening and renewal of key building components.

2018/19	2019/20	2020/21	2021-28
\$7,000	\$78,000	\$81,000	\$115,000

Street Trees and Gardens

Funding required in order to safely and proactively manage street trees and park vegetation.

2018/19	2019/20	2020/21	2021-28
	\$30,000		\$231,000

Community Development Funding

Funding is provided to a number of organisations that Council has partnerships with to deliver community development services to the value of \$356k.

Also included is:

- Representative Grants \$20k
- Community Swimming Pool Grants \$2k
- Youth Initiatives \$14k
- Community Planning Development and Implementation \$66k
- Event Funds \$55k
- Community Committee Project Funding \$45k

Grants to other specific organisations include:

- Te Manawa (museum) \$20k
- Sport Manawatu \$91k
- Feilding Civic Centre Trust \$79k.

2018/19	2019/20	2020/21	2021-28
\$748,000	\$765,000	\$780,000	\$796,000 per annum

Economic Development Funding

Council has agreements with the Central Economic Development Agency (CEDA) \$642k and Manfeild Park Trust \$368k to deliver economic development services.

2018/19	2019/20	2020/21	2021-28
\$1.0 million	\$1.0 million	\$1.0 million	\$1.10 million per annum (avg)

Projects not included in the Long Term Plan 2018-28

Throughout the development of the Long Term Plan 2018-28, Council made decisions to reduce budgets, keep rates affordable and loans manageable. Council has now confirmed that the following projects will be delayed or cancelled in this ten-year period. Even though budgets have been reduced there is no significant impact on essential levels of service.

These projects may be reconsidered in future Annual Plans and Long Term Plans. There are possibly some external funding sources that Council can apply to for project funding. If Council is successful in obtaining external funds some of the projects outlined below may proceed.

Three Waters

Water and wastewater renewal programme \$10 million

The programme to renew water mains and wastewater network has been reduced in scope to save costs.

The reduction in the renewals programmes means that Council has re-positioned its risk profile, balancing a criticality needs framework with a higher risk of network failure. The risk of failure is considered acceptable given that Council has made a considerable investment in water and wastewater renewals over the past six years. Over the past years Council has invested in technology to assess its assets. Council's asset data indicates the assets are in overall good condition and despite the budget reduction can continue to operate without interruption. However, the move from proactive asset renewal towards a more reactive approach means that maintenance costs could increase. However, it is difficult to quantify costs as it is dependent on the actual level of asset failure and the specific asset(s) that fail. There may be no increase in maintenance costs if the increased risk of failure is not realised. If a failure occurs requiring maintenance Council could potentially fund this from the additional capacity built up in the reserves funds.

Precincts 1, 2, 3 and 5 \$15.6 million

Focus for development is on Precinct 4. There is no other investment planned for the other precincts over the period 2018–28.

Stanway-Halcombe Potable Water Separation \$1.7 million

Council has chosen to wait for clear direction from the Ministry of Health before investing in additional treatment upgrades for water supplies. While \$1.7 million has been removed from budget for this project in 2018–28, Council has committed resources in 2019/20 and 2020/21 to evaluate other options. These options will be subject to further community consultation.

Roading and Footpaths

Non-subsidised footpaths and roads \$6.0 million

No provision has been made to construct non-subsidised footpaths, urban upgrades or seal extensions. Only New Zealand Transport Agency subsidised projects or specified growth projects will be funded by Council.

The budget reductions for footpaths will mean that footpaths will be maintained rather than renewed. No immediate roading deterioration is expected from the budget reductions to roads due to the network being currently at a "fit for purpose" standard. However, the condition of the roads will be continually monitored. Overall there will be little or no immediate impact on levels of service but needs and budgets will be reassessed in future Long Term Plans.

Property

Feilding Little Theatre \$1.4 million

Council has reduced its contribution to the overall project by \$1.4 million. Funding is now limited to roof repairs and strengthening.

Feilding Public Library \$168,000

Minor refurbishment, including replacement of carpet, has been removed and is included as a part of the redevelopment project included in the plan.

Feilding Civic Centre Redevelopment \$576,000

Council has reduced its contribution to \$576,000 for the redevelopment project. This figure does not include any funding for the purchase of the adjoining property.

Parks, Reserves and Sportsgrounds

Greenspine Public Toilets \$301,000

Development of new public toilets on the Greenspine, which aimed to respond to an increase in pedestrian traffic and recreational use in area, has been cancelled.

Kitchener Park \$910,000

Council has reduced its contribution to Kitchener Park projects from \$1.16 million to \$250,000. The Trust still plans to undertake developments costing approximately \$4 million over the next ten years, including walkways, bridges, construction of the visitor centre and additional planting.

Mt Lees \$354,000

Council has postponed plans to develop the reserve into a freedom-camping site, including upgrades to the public toilet and redevelopment of the homestead.

Himatangi Beach \$343,000

Projects to further develop the area surrounding the toilets and community centre, complete the skate park and undertake remedial sand dune work have been cancelled.

Tangimoana Beach \$80,000

Funding is no longer allocated to the development of the Kina Street Reserve to Ellison Reserve Walkway, reserve pathways, the BBQ area at the playground or the replacement of vehicle barriers.

Rural Reserves and Domains \$239,000

Development and upgrade plans at Vinegar Hill, Londons Ford, Almadale, Cheltenham Memorial Park and all Pohangina Valley Reserves have been cancelled.

Rongotea Village \$104,000

Both phases of redevelopment planned for Douglas Square and further development of the Te Kawau Playground have been cancelled. However, as noted on Page 9, Council has approved \$20,000 of Community Planning Funding towards these projects.

Sanson Main Street and Sanson Recreation Reserve \$465,000

Funding is no longer allocated for the Recreation Reserve entranceway, new toilets and car park development and Sanson Main Street redevelopment.

Timona Park \$119,000

Planned lighting upgrades to the southern fields have been cancelled.

Makino Park \$263,000

The scope of works for the Makino Precinct has been reduced to focus development on the Makino Aquatic side of the Makino Park and now includes the skate park, playground and car parking.

A number of projects have been cancelled, including the park to CBD walkway, upgrade and beautification of Makino Stream, construction of a second bridge, development on the library side, footpath network, playground and dome, and additional car parking.

Walkway Linkages \$250,000

Plans for future purchase of esplanade reserves throughout the District have been cancelled.

Sanson Walkway \$125,000

Funding has not been allocated for a proposal to develop a walkway from Mt Lees to Sandon Cemetery.

Duke Street Court Changing Rooms \$241,000

Funding for the construction of changing rooms to complement the existing toilet block has been removed from budget.

Precinct 4 Reserve \$681,000

No funding has been allocated for car-parking facility or toilets in open space areas.

Cemeteries

Cemeteries \$46,000

The cemetery signage/wayfinding project and the redevelopment of the Child Memorial at the Feilding Cemetery have been cancelled.

Pools

Makino Aquatic Centre Hydrotherapy Pool \$3.88 million

The proposal to construct a hydrotherapy pool will not go ahead.

Disposal of Assets

All of Council's property assets are actively maintained and monitored through an Asset Management Plan. If a property is no longer fit for use, or surplus to requirements it is considered for disposal. Council is proposing to dispose of the following properties and buildings over the next ten years. The disposal of some of these properties will be subject to further consultation with tenants and other interested parties. The buildings will be demolished or removed, depending on the state of the building at the time.

- 139 South Street (Previously used as Council's Depot)
- 145 South Street (Tennis Courts) (as per previous Council decision)
- Kimbolton Depot
- Regional Archives
- Tangimoana Beach Motor Camp (buildings only)
- Kawakawa Road and South Street land
- Community House (building only)
- Pohangina Road House (building only)
- Pohangina Depot (building only)
- Old Sanson Library (building only)
- Red Cross House, Grey Street Feilding (building only)
- Rimu Park (possible exchange for alternative land)
- Caretaker's House Kowhai Park (building only).

The following buildings will be demolished due to safety reasons:

- Eyre Street Depot
- Carnarvon School Building (former)
- Clydesdale Hall.

How much does it all cost?

The actual rates increase in 2018/19

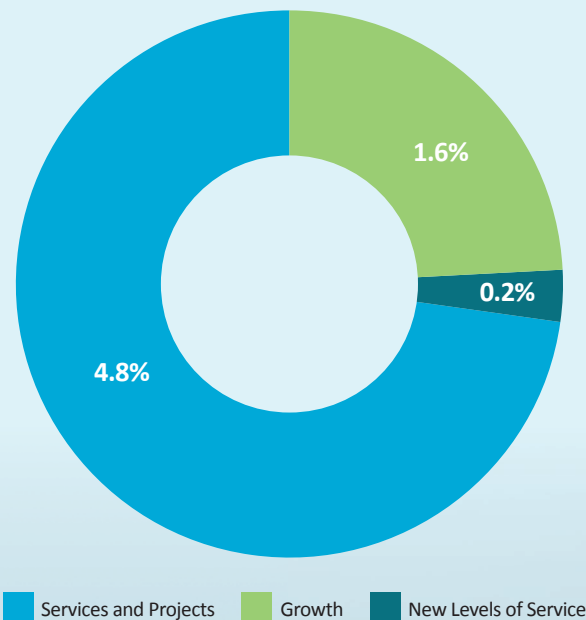
Rates revenue increases are made up of three components

- maintaining existing levels of service,
- providing new levels of service and
- accommodating growth in the District's rate payer base.

Considering these three components, there will be a 6.6 per cent increase in total rates revenue for 2018/19. The majority of the increase (4.8 per cent) covers increased costs to provide services, service loan repayments and the proposals included in this plan. Additionally, 0.2 per cent covers the cost of new levels of service (stormwater improvements), and 1.6 per cent is due to growth in our ratepayer base.

Note: these figures do not reflect individual rates rises. The change in rates on individual properties may differ from the average increase, because they are dependent on valuation changes, the mix of rate charges and the combination of services provided.

6.6% Rates Increase Requirements 2018/19



How is the money spent?

Unpacking the 6.6% increase

Inflation = 2 per cent

Household inflation is measured by the Consumer Price Index (CPI). However, this measure is only marginally useful for Councils, which have different cost pressures. Instead, New Zealand Councils use the Local Government Cost Index (LGCI), developed by Business and Economic Research Limited (BERL), to determine inflation. This year, the LGCI is 2 per cent. It reflects the cost pressures associated with roading and construction costs that are influenced by commodity prices and the availability of specialist staff.

Interest = 2 per cent

Council has approximately \$62 million of loans that it is required to pay interest on. Loans are used to fund the cost of capital projects so that the cost of the project can be spread over the life of the asset. Some assets are useful for a long time and provide service to more than one generation. For example, pipes and bridges often have an estimated life of 60 to 100 years. Council takes into account how today's decisions will impact on current and future generations and that it is fair to expect those people who benefit from the service should pay for it. For example, long life assets may be funded by a loan. Council has funded the construction of various infrastructure projects through loans, including:

- Upgrades to the Feilding Waste Water Treatment Plant
- Makino Aquatic Centre redevelopment
- Feilding CBD redevelopment.

Levels of service = 1.9 per cent

This component is made up of increases to a number of budgets, necessary to deliver on the projects and maintaining existing levels of services set out in this Long Term Plan. Council has kept the percentage increase low by reducing a number of project and operational budgets. Here are some of the budgets that have changed:

Increases in costs to provide existing levels of service:

- Parks, Reserves and Sports Grounds
- Makino Aquatic Centre
- Wastewater

Increases in costs to provide new levels of service:

- Stormwater improvements

Savings:

- Roothing
- Water Supply

Reserves Funds = 0.7 per cent

Council is improving its financial resilience by building up reserves. This will enable Council to pay debt, undertake repairs to infrastructure in the event of an emergency and/or respond to unanticipated community requests. The reserves will be collected via General Rates. (See Financial Strategy Summary, page 21, for more details.)



Examples of the impact of the rates rise

















This table provides examples of different rating categories as they may apply to properties of various capital values, and shows the annual change in rates as a dollar figure and percentage. Actual changes, as they apply to specific properties, may depend on the capital value of the property, services provided and location.

Rating Category	Capital Value (\$)	2017/18 Total Rates (\$ GST incl.)	2018/19 Total Rates (\$ GST incl.)	Annual Change (\$)	Change (%)
Feilding Residential	\$245,000	\$2,885	\$3,026	\$141	4.9%
Feilding Residential	\$330,000	\$3,091	\$3,251	\$160	5.2%
Feilding Residential	\$640,000	\$3,841	\$4,069	\$228	5.9%
Feilding Residential (multi-unit)*	\$2,420,000	\$32,733	\$34,793	\$2,060	6.3%
Feilding Rural (no water)	\$450,000	\$2,474	\$2,628	\$154	6.2%
Feilding Rural with services	\$610,000	\$2,841	\$2,969	\$128	4.5%
Feilding CBD ^	\$3,800,000	\$43,586	\$46,613	\$3,027	6.9%
Feilding CBD	\$510,000	\$7,428	\$7,876	\$448	6.0%
Rural with no services	\$147,000	\$1,067	\$1,138	\$71	6.7%
Rural with no services	\$660,000	\$1,667	\$1,768	\$101	6.1%
Rural with services	\$195,000	\$2,305	\$2,409	\$104	4.5%
Rural with wastewater	\$240,000	\$2,097	\$2,322	\$225	10.7%
Rural with farming as one remission	\$1,184,000	\$1,385	\$1,456	\$71	5.1%
Rural with no service, 3 dwellings	\$6,250,000	\$9,997	\$10,558	\$561	5.6%
Rural with drainage scheme - 2 dwellings	\$5,250,000	\$8,860	\$9,504	\$644	7.3%
Rural with Waituna West water (47 units), 2 dwellings	\$10,500,000	\$29,256	\$32,219	\$2,963	10.1%
Industrial/Commercial	\$435,000	\$3,530	\$3,800	\$270	7.6%
Industrial/Commercial	\$7,752,000	\$28,909	\$32,507	\$3,598	12.4%

* Does not include volumetric charges (sewerage and water)

^ Does not include volumetric charges – water only

What your rates are spent on each week

	Feilding Resident Based on a property with a Capital Value of \$330,000	Rural Resident Based on a property with a Capital Value of \$769,000 without services
Annual rates	\$3,252	\$1,959
Weekly rates	\$62.54	\$37.67
	Water \$6.73 per week	
	Wastewater \$14.62 per week	
	Stormwater \$1.97 per week	Rural drainage \$1.08 per week
	Solid Waste \$4.02 per week	\$1.79 per week
	Roading \$7.76 per week	\$10.79 per week
	Environmental Services \$3.38 per week	\$3.38 per week
	Governance & Strategy \$3.42 per week	\$3.42 per week
	Cemeteries 52¢ per week	52¢ per week
	Civil Defence 42¢ per week	42¢ per week
	Animal Control 42¢ per week	42¢ per week
	Halls and Recreation Complexes 90¢ per week	90¢ per week
	Library \$2.60 per week	\$1.85 per week
	Makino \$3.69 per week	\$2.63 per week
	Parks & Reserves \$4.67 per week	\$3.44 per week
	Public Conveniences 65¢ per week	65¢ per week
	General \$6.77 per week	\$6.38 per week

* General Rate funds the following services: Economic Development, Community Development, and components of Property, Stormwater, Central Business District redevelopment and security, Building Control, District Planning Consents and Review, Environmental Health and Monitoring and Liquor Licensing services.

What guides us?

A number of policies and strategies help guide Councillors and staff to plan and make decisions. These and other supplementary policies and strategies can be viewed in more detail in Part Three of the Long Term Plan.

Financial Strategy Summary

The Financial Strategy provides a financial framework for making decisions. Put simply, it enables Council to assess proposed spending against rates and borrowing requirements over the ten years of the Long Term Plan 2018–28. It draws together all of the issues in the Long Term Plan and their financial implications, and presents these along with the Council’s response. Here are some of the key financial issues Council will face over the next ten years.

Managing our borrowing levels

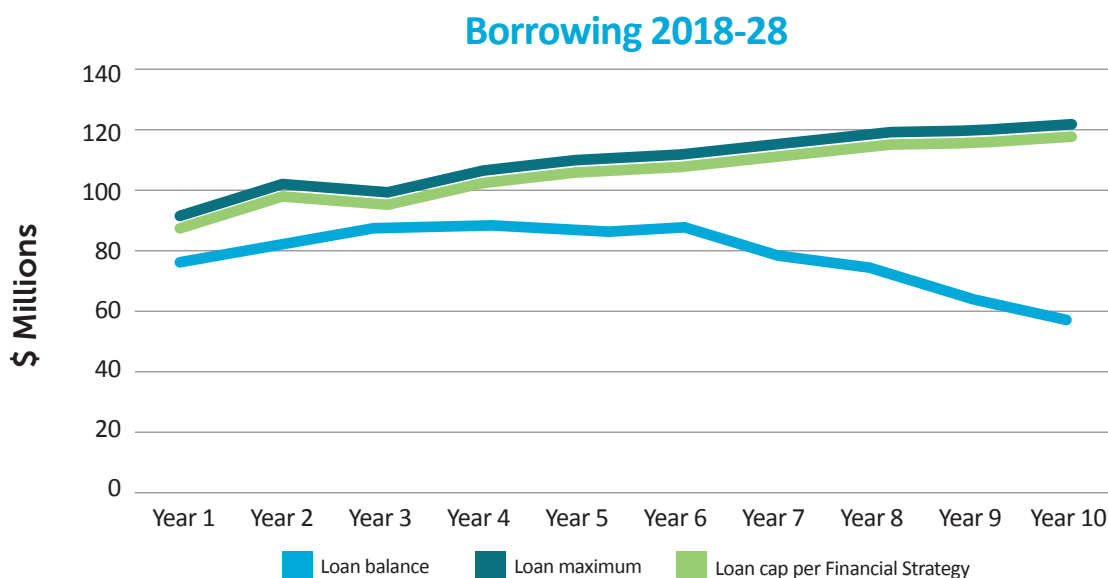
As at July 1 2018 Council has the capacity to borrow \$91 million. This limit is set by lending covenants, not by Council. The limits set in our Liability Management Policy mirror our lending covenants. The maximum debt allowed in the Financial Strategy is based on whichever limit in the Liability Management Policy yields the lowest debt, less a \$5 million emergency buffer. In this case the lowest debt limit not exceeding 175% of revenue.

Over the life of the Long Term Plan Council has the capacity to borrow more; up to a maximum of \$122 million. Council has taken a conscious step in the Financial Strategy to limit the level of debt to \$5 million less than our borrowing capacity. This buffer provides Council with capacity to respond to emergency works caused by natural disasters. By the end of the 2017/18 financial year Council is expected

to have borrowed \$63 million, which will constrain our borrowing capacity over the next ten years. We are mindful that a single infrastructure project or significant emergency works could use up this remaining borrowing capacity. Council is improving its financial resilience by reducing the number of projects funded by loans and repaying existing debt.

Council is improving its financial resilience by building up reserves. Reserve funds will enable Council to pay debt, undertake repairs to infrastructure in the event of an emergency, and/or respond to unanticipated community requests. The 2018-2028 Long Term Plan will build up reserve funds by \$430,000 in 2018/19, \$646,000 in 2019/20 and \$819,000 in 2020/21 and \$1.1 million per annum (on average) in each subsequent year. Reserve funds will be collected via the General Rate.

The chart below shows Council’s projected debt over the next 10 years, together with the maximum planned debt allowed according to the Financial Strategy. During the 10 years of the Long Term Plan, Council comes within \$7 million of the cap in 2020/21 as it funds significant capital expenditure to enable growth and new compliance requirements. In 2021/22 the reduction of capital expenditure and loan repayments have enabled debt levels to stabilise. The debt cap is a maximum limit and Council is not planning on operating near the limit in the long term.



Infrastructure investment

Council owns assets with a depreciated replacement cost (book value) of \$670 million, including roads, water and wastewater treatment plants, parks, halls and buildings. The costs of maintaining assets and providing current levels of service is a driver behind rates increases. Investment in “Three Waters” (drinking water, stormwater and waste water) asset renewal is currently set at a level lower than recommended by Asset Management Plans due to Council’s debt cap constraints and is a short-term cost-saving initiative. In subsequent Long Term Plans, Council will make up for reduced spending in 2018–28 as debt limits allow from 2028/29 onwards. Reduced renewal investment increases the risk of network failure and may potentially lead to higher maintenance costs. Assets that do fail will require emergency repair works and may require unplanned funding.

Rates affordability

Council carefully considers the affordability of the proposed rate requirements both for the Council and ratepayers. When setting rates Council considers:

- the levels of service provided
- intergenerational issues

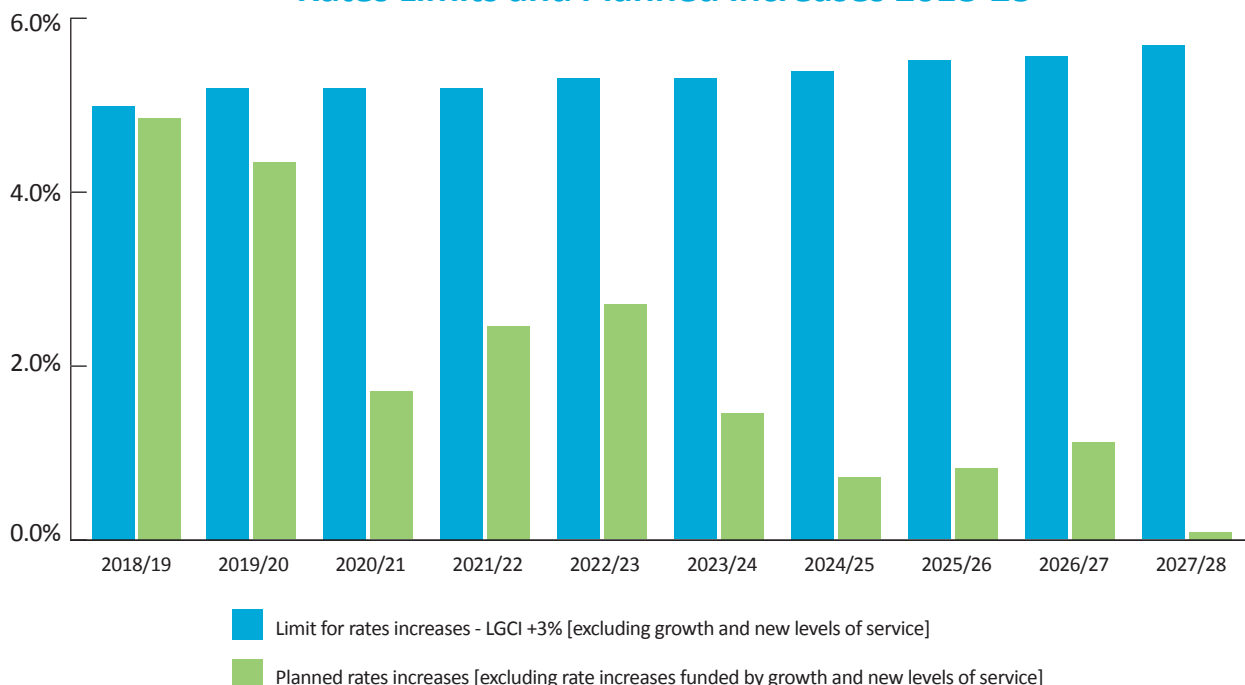
- other sources of funds
- debt levels
- legislative requirements
- external factors e.g. interest, inflation and changes to external funding
- what our ratepayers can afford.

To provide certainty to the community, Council sets a rates increase limit. Rates increases for the next ten years have been limited to the Local Government Cost Index (LGCI) plus three per cent, excluding growth, and new levels of service. This is one per cent lower than the previous Financial Strategy in 2015. As noted, the LGCI measures the year-on-year price change of goods and services typically used by local authorities.

Rates Increases

The graph below shows projected total rates increases against set limits over the ten years 2018-28. The most significant rise is forecast in 2018/19 at 4.8 per cent with the lowest in 2027/28 at 0.1 per cent. Over the next ten years, the average total rates increase per annum is 3.5 per cent. Smaller increases beyond 2021/22 are likely to rise when reviewed as part of the three-yearly Long Term Plan process.

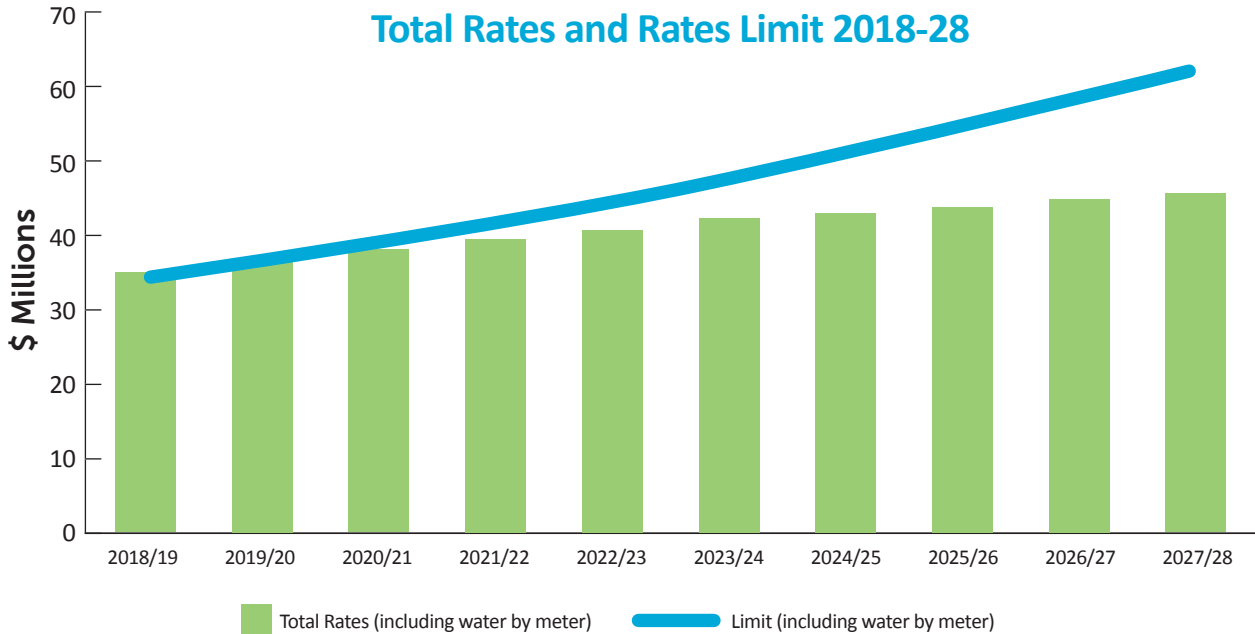
Rates Limits and Planned Increases 2018-28



Rates limits

The graph below shows the rates revenue and rates limits for the next 10 years. Rates income limits include the upper limit of rates increases plus rates generated from new levels of service, plus forecast growth in households, plus rates generated by water by meter. Water users include extraordinary users as defined in Council’s Water Supply Bylaw 2015 and ratepayers who opt for volumetric charging.

Total rates commence at \$34.5 million for the 2018/19 year and increases to \$45.6 million over the next 10 years.

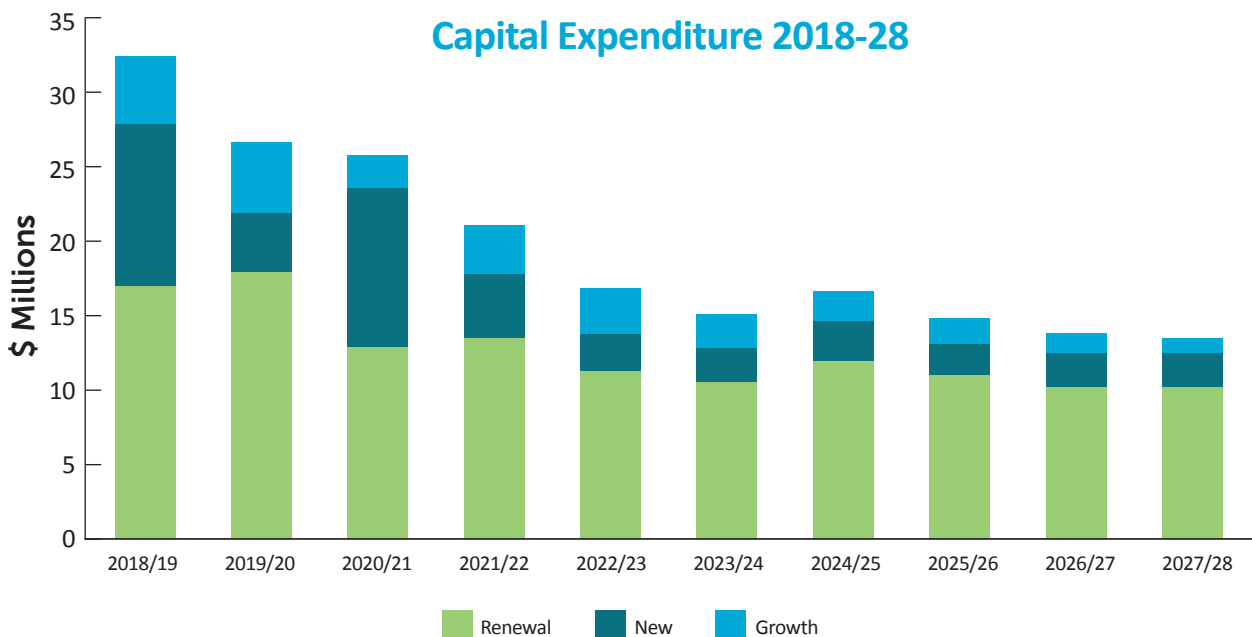


Capital expenditure

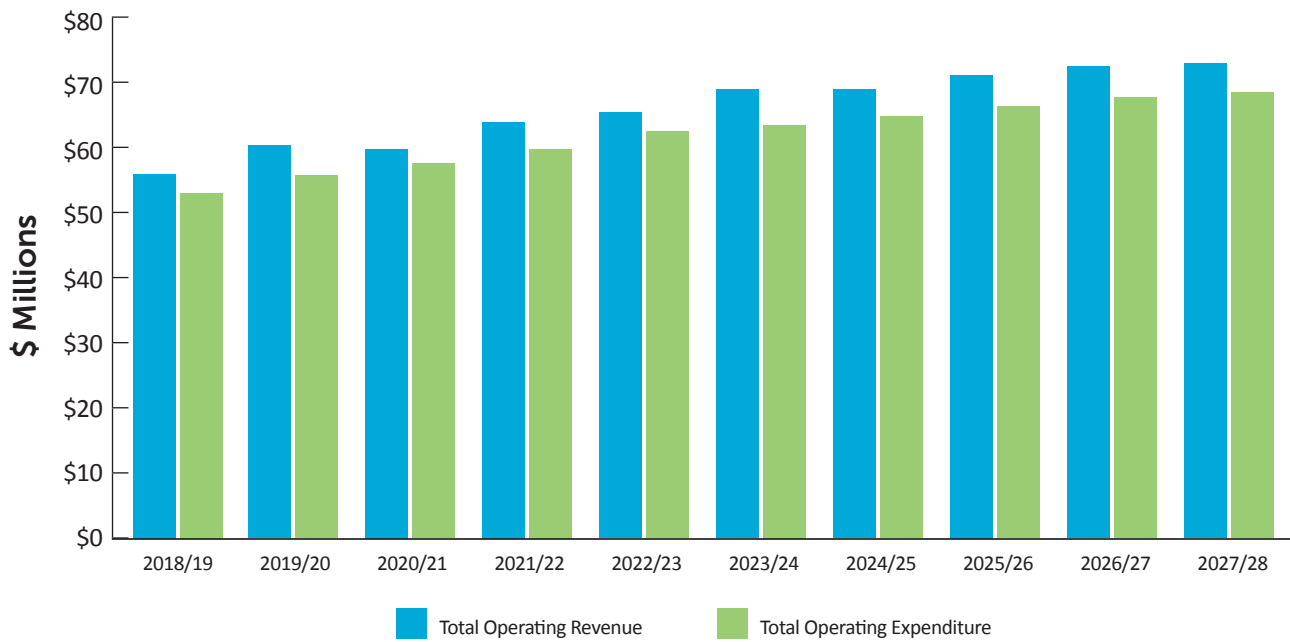
The graph below shows the amount of capital expenditure budgeted to maintain existing levels of service and meet any additional demand on Council infrastructure.

Roading expenditure is a significant component of capital expenditure. In 2018/19 Council is budgeted to spend \$9.7 million (or 30%) of total capital expenditure on the roading network. This figure fluctuates over the 2018–28 period. The spikes in this expenditure over the 10 years reflect significant projects such as the Mangaweka Bridge replacement in 2019/20.

Work is planned to extend our services to cater for the expansion of the Feilding township. Council believes the resources made available in the Long Term Plan give us the ability to meet levels of service requirements.



Total Revenue and Operating Expenditure 2018-28



Balanced budget

Council is required to balance its budget by ensuring that operating expenses are covered by operating revenue. The graph above shows a balanced budget for the term of the Long Term Plan.

Infrastructure Strategy Summary

Future investment over 30 years

The Infrastructure Strategy covers roading, water supply, wastewater and stormwater assets owned and maintained by Council. It sets out the key issues that Council is forecasting over the next 30 years, the options for dealing with those issues, the cost and implications of those options and Council's preferred option for addressing each issue.

Our goal for the Strategy is **“to provide the Manawatū community with resilient infrastructure in a cost-effective way, meeting both current needs and future growth and demand.”** Infrastructure decision-making requires a balance between facilitating growth and meeting community expectations and agreed levels of service within debt limits and at a rate that the community can afford.

Our District's population is projected to grow by an average of one per cent per annum for the next 30 years. Our population is forecast to total 40,324 people by 2048. Council is providing for growth by investing in new infrastructure within the Precinct 4 Pharazyn Street residential growth area in Feilding and extending Turners Road to facilitate industrial growth and development in Feilding.

Our population is also ageing, with the proportion of residents aged 65 years or older forecast to increase from 18 per cent of the total population in 2018, to 28 per cent by 2048. Council is conscious of the need to provide affordable services, particularly for those on fixed incomes.

Overall, Council will maintain current levels of service. An exception to this is the increase to stormwater levels of service in some of the villages in the District.

Typically, Council follows good asset management practices, renewing assets before they fail. However, for the 2018-28 period Council has reduced the water and wastewater renewals programmes to ensure that projected expenditure remains under the Council's debt cap. Council's asset data indicates the assets are in good condition and despite the budget reduction can continue to operate without interruption. However, the decision to move from a proactive to reactive renewals programme means that Council will carry a higher risk of network failure and therefore potentially face higher maintenance costs and network disruptions. Council will continue to actively manage its renewals programme in subsequent Long Term Plans to make up for reduced spending in 2018–28 as debt limits allow from 2028/29 onwards. If a failure occurs requiring maintenance Council could potentially fund this from the additional capacity built up in the reserves funds.

Timeline of Significant Projects for next 30 years

2018 to 2023	Wastewater Centralisation	\$10,173,056
2018 to 2022	Feilding Water Strategy	\$7,963,959
2018/19 to 2027/28*	Precinct 4 Pharazyn Street - Growth Works	\$19,508,913
2018 to 2020	Mangaweka Bridge	\$5,038,430
2018 to 2020	Turners Road Extension	\$1,297,900
2018 to 2028	District-wide Stormwater	\$5,683,500
2021 to 2022	Palmerston North to Feilding Cycleway	\$1,200,000
2023 to 2025	Re-consenting of the Feilding Wastewater Treatment Plant Resource Consent	\$1,622,143**
2038 to 2048	Stormwater Growth Works in Precincts 1, 2, 3, 5, 6 and 7	\$23,392,025
2038 to 2048	Water Supply Growth Works in Precincts 1, 2, 3, 5, 6 and 7	\$11,696,013
2038 to 2048	Wastewater Growth Works in Precincts 1, 2, 3, 5, 6 and 7	\$11,696,013
2028 to 2038	Water and Wastewater Renewals Expenditure	\$10 million to \$20 million***
2027 to 2048	Replacement of 20 bridges and structures	\$31,923,790
2032/33	Vehicle bridge across the Makino Stream to connect Port Street East and West	\$4,263,426
2036/37	Pedestrian/cycle bridge across the Makino Stream to connect Roots Street East and West	\$2,417,954
2040/41	Vehicle bridge across the Makino Stream to connect proposed Road 2 East and West	\$5,485,254

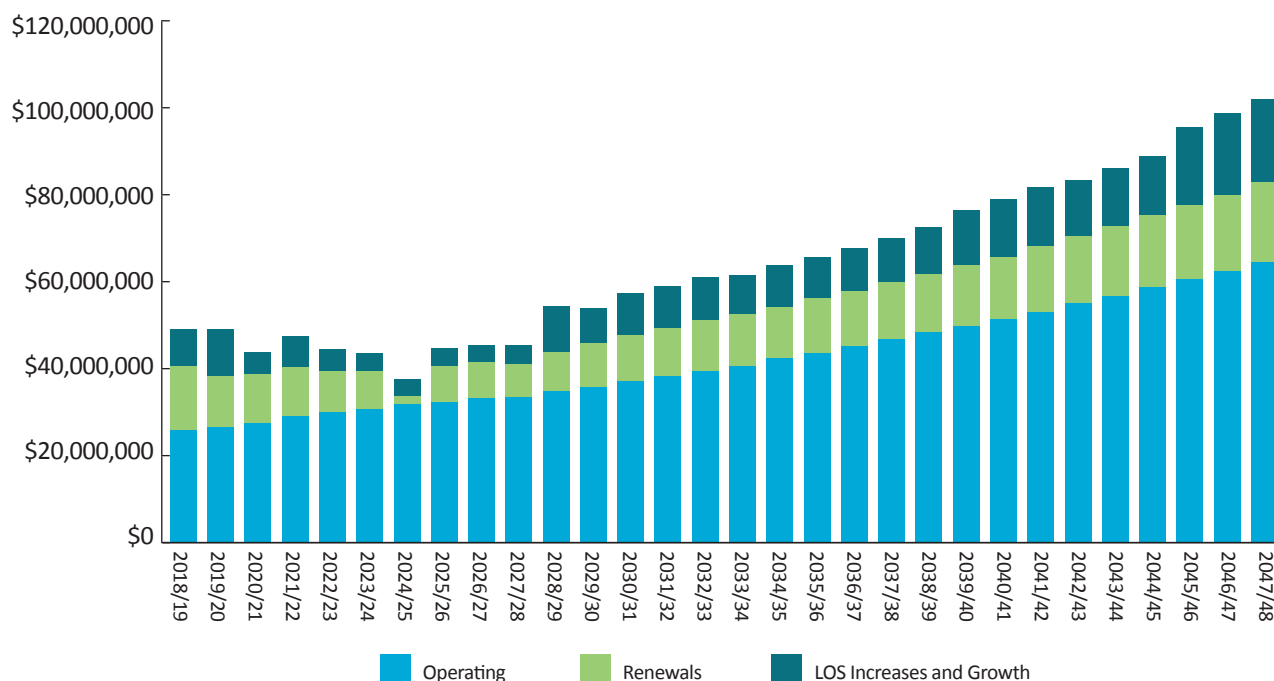
*The Infrastructure Strategy also includes an indicative budget for growth works in Growth Precinct 4 beyond year 2028.

**This budget is only for the renewal of the consent. It does not include any additional expenditure that may be required to satisfy new requirements of the resource consent.

***This renewals expenditure is not currently included in the 30 year budget but may be added to subsequent Long Term Plans depending on need and financial capacity within debt limits.

Based on the most likely scenario as set out in the Infrastructure Strategy, the following is the forecast capital and operating expenditure for roading and three-waters. Projects are categorised into purpose of expenditure based on the majority of expenditure, with individual projects not split between renewal and levels of service increases/growth.

Annual Operating and Capital Expenditure Rooding and 3 Waters 2018-48



Other strategies, policies and plans

Other strategies, policies and plans that have an impact on Council decision-making. You can find many of these in Part Three of the Long Term Plan.

Accelerate25 – The Manawatu-Whanganui Growth Strategy

Asset Management Plans

Community Facilities

- Community Hall Management Community Development Funding Policy
- Leases Policy for Community and Recreation Groups
- Leisure and Recreation Action Plan (in development)
- Regional Sports Facility Plan
- Reserve Management Plans

Community Plans

Community Development Strategy (in development)

Council Controlled Organisation summaries:

- Awahuri Forest/ Kitchener Park Trust
- Feilding Civic Centre Trust
- Manawatū Community Trust
- Heartland Contractors

District Plan

Economic Development Strategy

Feilding Urban Growth Framework Plan

Governance Register

- Code of Conduct
- Procurement Policy

Government Policy Statement on Land Transport 2018

Horizons One Plan

Māori Capacity to Contribute to Decision Making

New Zealand Transport Authority Financial Assistance Review

New Zealand Drinking Water Strategy

One Network Road Classification

Rating System

Rates Remission and Postponement Policies

Revenue and Financing Policy

Significant Forecasting Assumptions

Significance and Engagement Strategy

State of the Environment Report

Statement of Accounting Policies

Waste Management and Minimisation Plan



Manawatu District Council

Long Term Plan 2018-2028

Part Two

PART TWO

Groups and Activities

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Guide to Part 2

This section contains key information on Council's 10 groups of activities. Each part begins by outlining what the group does, the contributions to Community Outcomes, how Council undertakes these activities, significant negative effects and key issues. The remainder of each part concentrates on activity information, and includes:

What we do:

Provides a brief overview of what the group and each activity does.

How we do it:

Provides details about the range of actions proposed.

Community Outcomes

These Community Outcomes represent the long term goals Council is working towards.

	<p>Environment</p> <p>Manawatū District protects the natural environment through stewardship of the District's natural and physical resources.</p>
	<p>Quality Infrastructure</p> <p>Manawatū District is connected via quality infrastructure, services and technology.</p>
	<p>Safe Built Environment</p> <p>Manawatū District's built environment is safe, resilient and attractive.</p>
	<p>Broad Economic Base</p> <p>Manawatū District develops a broad economic base from its solid foundation in the primary sector.</p>
	<p>Attract and Retain Residents</p> <p>Manawatū District attracts and retains residents and businesses.</p>
	<p>Customer-focused and Efficient Organisation</p> <p>Manawatū District Council is a customer-focussed and efficient organisation.</p>

Contribution to Community Outcomes:

Provides information about how the groups contribute towards the Community Outcomes.

You can expect (level of service)

These are short statements about the service customers can expect including performance measures and targets for the next 10 years. This information enables Council and the community to monitor whether Council is meeting its levels of service. Actual results will be reported in subsequent Annual Reports.

How activities are funded

Each activity is funded using by the following funding mechanism either singly or a combination of:

General Rate: used to pay for services that are of public benefit and cannot be charged to specific users. This is charged through a fixed uniform annual general charge (UAGC) and a rate based on capital value.

Targeted Rate: used to pay for services that are of private benefit and can be charged to identified users who are connected to a service. This is charged through fixed charges and a rate based on capital value.

Fees and Charges: used to pay for services that are of private benefit and can be charged to identified users of a service.



Community Facilities Group

Providing community facilities that cater for our communities social, recreational and cultural needs.



ENVIRONMENT



ATTRACT AND RETAIN
RESIDENTS



BROAD ECONOMIC
BASE



QUALITY
INFRASTRUCTURE



SAFE BUILT
ENVIRONMENT



CUSTOMER FOCUSED
AND EFFICIENT

What we do:

Aquatics, Libraries, Property, Halls and Recreational Complexes, Parks, Reserves and Sports Grounds, Cemeteries, and Public Conveniences.

How we do it:

- Working together with volunteers and community organisations to plan and deliver projects, programmes and activities
- Developing and implementing strategic and operational plans and policies
- Carrying out renewal and building improvement programmes to ensure facilities are well maintained, safe and meet quality standards
- Meeting the requirements of all relevant legislation
- Reviewing levels of service to meet community expectations while balancing affordability
- Continuing to promote and improve accessibility to community facilities.

Contribution to Community

Outcomes:

The provision of quality community facilities that are attractive to both current and potential residents.

Visually appealing public spaces add to the character of the District, are a source of civic pride and attract visitors. The success of our investment in public spaces is evidenced by Feilding winning the Most Beautiful Town Award 16 times (in 2017).

The Community Facilities Group is focussing on the following to achieve the Community Outcomes:

- Continued development of programmes at the Makino Aquatic Centre, Parks, Reserves and Sports Grounds and Cemeteries
- Develop key strategic plans to help guide future development and management of our community facilities
- Continuing to work together with community groups to achieve outcomes for our community
- Fulfilling Council's statutory obligations under the Reserves Management Act 1977, Health Act 1956, Resource Management Act 1991, and the Burials and Cremation Act 1964.

Significant negative effects

There are no significant negative effects on the community from the Community Facilities Group of activities.

Key issues

Affordability

- There are significant affordability challenges for Council to be able to deliver the range of projects and activities desired by the Community
- A strategic and long term approach to asset provision needs to be taken, prioritising the mix of community and legislative needs. This may result in the need for a further review of expenditure priorities through the life of the Long Term Plan
- Many community facilities, including community development projects, while addressing need, also create additional operational costs, such as depreciation and general maintenance.

Deferred Maintenance

- Many assets have a large amount of deferred maintenance, where provision of renewal and upgrade had previously not been made
- Many key buildings such as the Feilding Civic Centre, Feilding Library, Feilding Little Theatre and Administration building require strengthening and/or upgrading
- Many facilities, especially halls, have such low levels of usage that renewal is an uneconomic option.

Ageing Population:

- The proportion of the District's population aged 65 years and over is projected to increase from 17.8% in 2018 to over 28% by 2048. An ageing population presents a number of issues for this group of activities, particularly in relation to services that meet population need.

Growth and Demand:

- Continuing demand changes requiring new or different assets from structured to casual or recreational sport and recreation such as walking and cycling
- Feilding Urban growth, particularly in Precinct 4 (Pharazyn Street), will require the purchase and development of reserve land much earlier than anticipated
- Changed expectations of our library service to deliver literacy in all its forms to enhance our community
- Increasing demands on volunteers as requirements become more complex and a potential decline in volunteer support.

Makino Aquatic Centre

Providing opportunities for our community to enjoy a variety of water experiences in a safe environment.

What we do:

Provision of a safe, quality aquatic complex including indoor and outdoor swimming pools and swimming programmes for water education and fitness.

How we do it:

By providing a variety of pools within the complex:

Indoor area (open all year round):

- Heated 25 metre pool
- Heated play pool
- Heated Learn to Swim Pool
- Splash Pad
- Two community meeting rooms
- Shop
- Changing rooms
- Whanāu changing rooms.

Outdoor area (open during the summer months):

- Heated 50 metre pool
- Heated learner pool
- Toddler pool
- Diving pool
- Barbeques, play equipment, shaded area and lawn
- Extended opening hours during the summer months
- Providing 'Learn to Swim', water confidence, recreation programmes and activities for all levels of ability year round
- Providing a variety of quality programmes, experiences focusing on aqua fitness
- Providing supervised water play and swimming space all year round
- Hosting Makino Aquatic Challenges and community events
- Working with after-school and school holiday programme providers
- Providing the opportunity for pool and lane hire
- Providing individual swim coaching, training or learn to swim lessons
- Providing advice and services to community pool providers throughout the District
- Working with the District's schools to deliver 'Water

Safety' programmes

- Working with local, regional and national swimming clubs
- Hosting local, regional and national water events.

You can expect safe pools

We will measure this by: monitoring the Pool Safe accreditation accredited to aquatic complexes to show they meet swimming pool water quality and safety standards

Baseline: 100% Pool Safe accreditation retained in 2016/17

Targets for the next 10 years:

Years 1 – 3: 100% Pool Safe accreditation retained

Years 4 – 10: 100% Pool Safe accreditation retained

You can expect a variety of water activities

We will measure this by: the number of people participating in water activities and learning programmes per annum

Baseline: 51,634 participants in 2016/17.

Targets for the next 10 years:

Year 1: >50,000 participants

Year 2: >55,000 participants

Year 3: >57,500 participants

Years 4 – 10: >60,000 participants per annum

You can expect quality experiences

We will measure this by: monitoring the responses to the residents perception survey about their overall experience of the complex

Baseline: 92% in the Annual Survey of Residents (Key Research, August 2017)

Targets for the next 10 years:

Years 1 – 3: 90% customers are satisfied overall with their experience at the complex

Years 4 – 10: 90% customers are satisfied overall with their experience at the complex

Did you know...

On average

135,000



people visit the complex per annum



We have over

13,000

school children participate water based activities per annum

We provide over



2,600

'Learn to Swim' classes per annum

We have achieved the National Pool Safe Accreditation Standard for the last 10 years



We keep

1,900,000
litres of water

clean and warm each day

Projects

None.

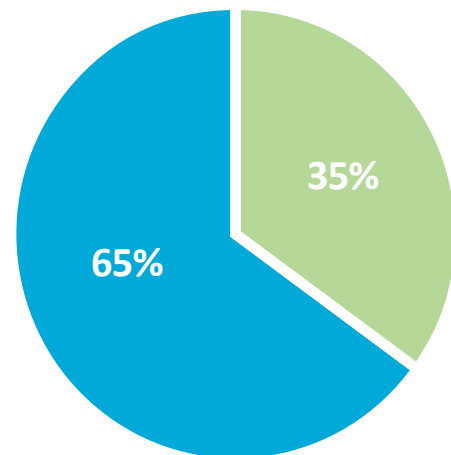
We have over



7,000

people participate in Aqua Group Fitness Classes per annum

How the activity is funded:



■ PUBLIC: Uniform Targeted Rate (Feilding 60% Rural 40%)
■ PRIVATE: User Fees and Charges (Admission, hireage, classes etc)

We work over

35,000

hours delivering great service per annum

District Libraries

Providing welcoming public libraries where people can meet, find information, access reading and educational material and participate in experiences that encourage lifelong learning.

What we do:

Provide opportunities and experiences for lifelong learning and literacy. There is a fully-serviced main library in Feilding and community-run satellite libraries at Himatangi Beach, Kimbolton, Pohangina, Sanson, Rongotea and Tangimoana.

How we do it:

By providing at our main library:

- Wi-Fi and Internet access for digital literacy
- Opportunities, programmes and experiences that continue to build and promote lifelong learning
- Access to e-books, online collections and subscriptions
- Important spaces for the community to use
- A continually refreshed main collection, monitored for relevancy
- By supporting community libraries with content
- Access to written and recorded information: books, magazines and DVDs
- Access to a range of online media and information
- Access to local culture research information and heritage collections.

You can expect access to a range of information

We will measure this by: monitoring the number of issues per capita per annum

Baseline: 8.2 issues per capita in the 2016/17 year

Targets for the next 10 years:

Years 1 – 3: At least 8 issues per capita

Years 4 – 10: At least 8 issues per capita, per annum

We will measure this by: monitoring the number of online transactions and users of Wi-Fi and internet

Baseline: 53,432 users in the 2016/17 year

Targets for the next 10 years:

Year 1: 55,000 digital users

Year 2: 60,000 digital users

Year 3: 65,000 digital users

Years 4 – 10: At least 65,000 digital users per annum

You can expect a range of activities and learning opportunities

We will measure this by: monitoring the number of events (including programmes, exhibitions and classes) and the number of participants per annum.

Baseline: 920 Events and 13,000 participants in 2016/17

Targets for the next 10 years:

Year 1: 920 events / 13,800 participants

Year 2: 950 events / 14,250 participants

Year 3: At least 950 events / 19,000 participants

Years 4 – 10: At least 950 events / 19,000 participants per annum

Projects

Feilding Public Library Redevelopment

Initiated in 2017, plans are now being developed to modernise, extend and carry out seismic strengthening to the existing Library Building, to ensure the building meets the needs of the community now and in the future. Before any redevelopment proceeds, Council will undertake consultation with the community. The project will be funded by loans and possible external funding (not included in this plan).

The budget includes:

- \$153,000 renewal furniture and fittings including new floor coverings
- \$424,000 for upgrade of library spaces and increased accessibility
- \$4.9 million of major renewals, seismic strengthening and redevelopment.

The \$5.4 million cost for this project will occur in 2020/21.

Did you know...

Feilding Public Library has over

68,936



collection items

Our oldest active library member is

103 years old

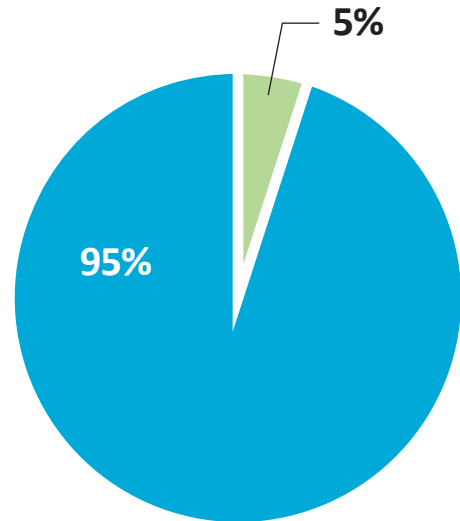
Currently

39.5%



of Manawatu District residents actively use our library service.

How the activity is funded:



- PUBLIC: Uniform Targeted Rate (Feilding 60% Rural 40%)
- PRIVATE: User Fees and Charges (fines, fees, internet etc)

Property

Supporting the District through the operation and provision of Council's property portfolio

What we do:

Manage, support and administer the wide range of property portfolio assets and services.

How we do it:

- Managing Council owned property through leasing and general day to day operations functions
- Carrying out renewal and building improvement programmes to ensure our property assets facilities are well maintained, safe and meet quality standards
- Working with local groups to provide access to community property for a range of community uses
- Regularly reviewing the rationale of holding the property, to consider disposal or repurposing of Council property
- Planning for future need of property by proposing and implementing development projects.

The portfolio includes:

Commercial Property: 139 South Street Depot, Eyre Street Depot, Kimbolton Depot, Regional Archives, South Street / Kawakawa Commercial, Tangimoana Beach Motor Camp, Himatangi Beach Holiday Park

Community Property: Council Administration Building, Animal Control Building and Compound, Awa Street Feilding, Council Native Plant Nursery, Feilding Community Centre – Te Manawa, Community House - Feilding, Rongotea Community Centre, Palmerston North Surf Lifesaving Club, Feilding Clock Tower, Rangiwahia Memorial Hall, Rangiwahia Playgroup, Feilding Library, Kimbolton Library, County Fayre – Pohangina.

General Property: Red Cross House, 31 Grey Street, Feilding; Residential Tenancy, 1269 Pohangina Road, Pohangina; Old Kimbolton Playcentre; Old Sanson Library; Fergusson Street Car Park; Kawakawa Road; Gordon Lease Block; Pohangina Depot, 145 South Street.

You can expect satisfaction with our property facilities

We will measure this by: monitoring the responses to our residents perception survey about overall experience of property facilities.

Baseline: 89% of surveyed customers were satisfied in 2016/17

Targets for the next 10 years:

Years 1-3 : 85% of surveyed customers are satisfied with their overall experience of property facilities

Years 4-10: 85% of surveyed customers are satisfied with their overall experience of property facilities

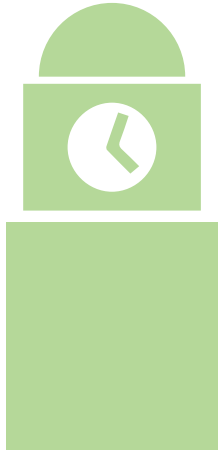
Projects:

Earthquake Strengthening Council Building

The Council building is below the new minimum recommended safety standard. Strengthening work is required to ensure the building is fit for every-day operations and also to function as an Emergency Operations Centre in the event of a civil defence emergency.

Earthquake strengthening will cost \$1.9 million in year 2020/21.

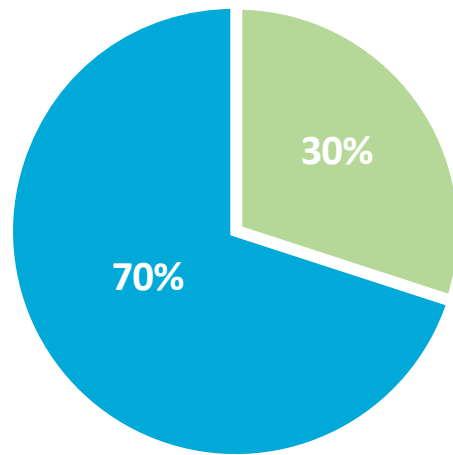
Did you know...



The Feilding Clock Tower was built as a millennium project in

1999

How the activity is funded:



- PUBLIC: General Rate (CV)
- PRIVATE: User Fees and Charges (leases and rent)



In 1938 the Feilding Community Centre, a Heritage Category A building, became the first

Community Centre

in New Zealand

Halls and Recreational Complexes

Supporting our community in the management of halls and recreational complexes to provide public spaces that enhance our community's sense of social connectedness, cultural wellbeing and civic pride.

What we do:

Provide management and financial support to community organisations in the management of rural and community halls and recreational complexes.

How we do it:

- Managing 17 Council-owned halls and five community-owned halls
- Working with and supporting hall and community committees across the District to deliver day-to-day hall services
- Carrying out renewal and building improvement programmes to ensure our facilities are well maintained, safe and meet quality standards
- Improving existing halls and recreational complexes to meet public expectations where appropriate
- Expanding or providing new facilities to meet community needs.

The portfolio includes:

Community Halls (Council owned): Apiti, Beaconsfield, Cheltenham, Colyton, Clydesdale, Halcombe, Himatangi Beach, Kimbolton, Kiwitea, Ohakea, Oroua Downs, Pohangina, Rangiotu, Rangiwahia Hall, Sanson, Stanway, Waituna West.

Community Owned Halls: Awahuri, Glen Oroua, Longburn, Newbury, Tangimoana.

Recreational complexes: Feilding Civic Centre, Te Kawanu Memorial Recreation Centre, Feilding Little Theatre.

Community Halls (Ministry of Education owned): Mt Biggs, Te Arakura/Taonui.

You can expect halls and recreational complexes to be well used

We will measure this by: monitoring the annual average use of Rural and Community Halls*

Baseline: The target in 2016/17 was an average usage of 28. This target was not met in 2016/17 as only 15 of Council's 21 rural halls forwarded their report to Council. These halls had an average usage of 28 but those halls that did not forward their report were expected to have lower usage.

Targets for the next 10 years:

Year 1: On average, each rural and community hall is used 26 times a year

Year 2: On average, each rural and community hall is used 28 times a year

Year 3: On average, each rural and community hall is used 30 times a year

Years 4 – 10: On average, each rural and community hall is used 30 times a year

*Note: Feilding Little Theatre, Te Kawanu Recreation Centre and the Feilding Civic Centre are excluded from this measure.

Projects

District-wide Halls Maintenance

Ongoing funding for the maintenance of rural halls will require \$56,000 in year 2018/19, \$57,000 in year 2019/20, \$58,000 in year 2020/21 and \$448,000 in years 2021-28.

Te Kawanu Recreation Centre

Seismic strengthening and renewal of key building components will cost \$7,000 in 2018/19, \$78,000 in 2019/20, \$81,000 in 2020/21 and \$115,000 in 2021-28.

Did you know...



The latest hall constructed and vested in Council was
Sanson Hall in 1982



The oldest halls vested in Council are the Colyton Hall built in 1890, the Cheltenham Hall built in 1895, the Rangiotu Memorial Hall built in 1899-1900 and the Rangiwahia Hall built around 1907.

The Feilding Civic Centre had over

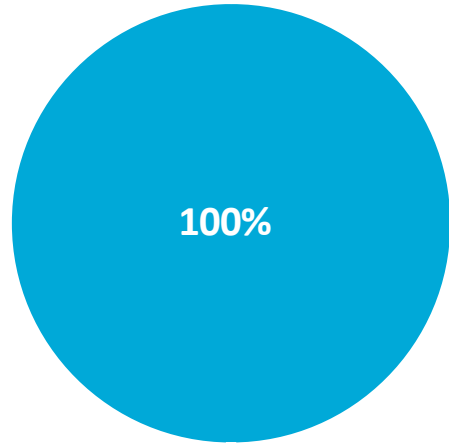


people through its doors in 2016/17



The Colyton Hall was severely damaged in a fire in August 1995, but was repaired.

How the activity is funded:



 PUBLIC

Parks, Reserves and Sports Grounds

Providing our community with opportunities for leisure and recreation.

What we do:

Provide parks, reserves and sports grounds including open spaces, gardens, trees and play grounds to ensure our community has access to a wide range of leisure and recreation opportunities.

How we do it:

- Maintaining parks, reserves and sports grounds to ensure provision of quality, safe spaces for recreation and leisure
- Continually improving accessibility to parks, sports grounds and facilities, making them available for a wide variety of users
- Managing parks, reserves and sports grounds bookings, fees and charges and liaising with ground staff to ensure facilities are ready for use
- Fostering collaboration between sport and recreation groups to encourage high-use facilities and opportunities for cost efficiencies
- Working with Sport Manawatū and other organisations to deliver programmes throughout the District to get 'everyone active, everyday'
- Liaising with community committees and user groups of parks, reserves and sports grounds
- Planning and providing a walking and cycling network that links neighbourhoods, schools and community facilities
- Developing, promoting and following plans and strategies that guide the development and management of parks, reserves and sports grounds.

The portfolio includes:

Sports Grounds: Timona Park, Johnston Park, Victoria Park, Kowhai Park (Cricket Area) Halcombe Domain, Kimbolton Domain and Sanson Domain.

Neighbourhood Parks: Feilding: Rimu Park, Vista Drive Park, Fraser Drive Park, James Palmer Park, Stonebridge Reserve. Villages: Himatangi Beach Bowling Club Reserve, Mahuri Beach – Himatangi Beach, Sanson Hall Reserve, Rongotea / Te Kawau Playground, Fowlers Reserve- Kimbolton, Hauwhiti Reserve – Kimbolton, Pohangina School Reserve.

Rural Recreation Areas: Apiti Domain, Bartletts Ford, Beaconsfield Recreation Reserve Londons Ford Reserve, Menzies Ford, Pakihikura School Recreation Reserve, Pohangina Domain, Pohangina Valley look out, Old Rewa School Reserve, Rangiwahia Recreation Reserve, Raumai Reserve, Carnarvon Reserve, Ohakea Domain.

Public Gardens: Kowhai Park

Civic Squares: Manchester Square, Denbigh Square Makino Precinct and Douglas Square (Rongotea).

Natural and Cultural Heritage areas: Almadale Scenic Reserve, Kimbolton Scenic Reserve, McKinnon Memorial Reserve, Putai Ngahere Reserve (Vinegar Hill), Rangiwahia Dress Circle, Awahuri Forest- Kitchener Park, Bush Lane Reserves, Coles Bush, Mt Lees Reserve, Ellison Reserve- Tangimoana.

Coastal Reserves: Himatangi Beach and Tangimoana Beach, Kaikokopu Stream Reserve.

Memorials: Mt Stewart Centennial Memorial, Russel Law Memorial Grove, Pembertons Corner – Rangiwahia, Cheltenham Memorial Park, Apiti Church Memorial Park, Te Arakura Reserve.

Cycle and walkway loops: Greenspine, Kowhai-Kitchener Park Walkway, Lovers Lane Reserve and Feilding Cycle Network.

Miscellaneous Reserves: Herlihy Reserve, Highfield Hill Lookout, Rangeview Reserve, Rongotea Carpark Reserve.

You can expect satisfaction with our parks, reserves and sports grounds

We will measure this by: monitoring the responses to our residents perception survey to ensure satisfaction with parks, reserves and sports grounds

Baseline: 91% of surveyed respondents were satisfied in 2016/17 (Public Voice Survey, May 2017)

Targets for the next 10 years:

Years 1 – 3: 90% of customers are satisfied with their overall experience of parks and sports grounds

Years 4 – 10: 90% of customers are satisfied with their overall experience of parks, reserves and sports grounds

We will measure this by: monitoring the number of closures of parks, reserves and sports grounds

Baseline: There were two park closures in 2016/17 (both for Kitchener Park as a result of flooding)

Targets for the next 10 years:

Years 1 – 3: < 10 closures of parks, reserves and sports grounds per annum

Years 4 – 10: < 10 closures of parks, reserves and sports grounds per annum

You can expect safe parks, reserves and sports grounds

We will measure this by: monitoring the number of health and safety incidents or injuries reported that occurred due to inadequate or poor maintenance in our parks, reserves and sports grounds

Baseline: No reported health and safety incidents because of inadequate or poor maintenance in our parks, reserves and sports grounds in 2016/17

Targets for the next 10 years:

Years 1 – 3: No reports of health and safety incidents or injuries due to inadequate or poor maintenance in our parks, reserves and sports grounds

Years 4 – 10: No reports of health and safety incidents or injuries due to inadequate or poor maintenance in our parks, reserves and sports grounds

Did you know...



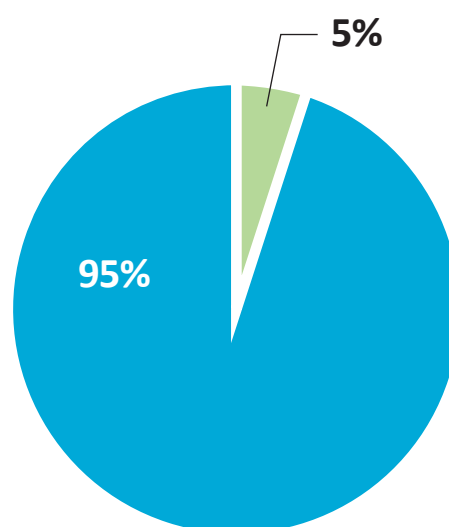
We maintain over
3,200
street trees throughout the
Manawatū District



Over the next 10 years we plan to build 2 new parks:

- Pharazyn/Roots Street area in Feilding
- Sandown Subdivision in Himatangi

How the activity is funded:



- PUBLIC: Targeted Rated (CV)/ Uniform Targeted Rate
- PRIVATE: User Fees and Charges [ground fees and hireage]

Projects:

Street Trees and Gardens

Funding required in order to safely and proactively manage street trees and park vegetation.

Funding will be \$30,000 in year 2019/20 and \$231,000 in 2021-28.

Kowhai Park

We plan to undertake a range of operational, renewal and development projects to return Kowhai Park to its iconic status in the Manawātū District over the next ten years. Key components include the development of a new exotic bird aviary, fenced playground, renewal of boardwalks and walkways, and replacement of the pond bridge.

Operational, renewal and development projects related to Kowhai Park will cost \$12,000 in 2018/19, \$552,000 in 2019/20, \$65,000 in 2020/21 and \$783,000 in 2021-28.

Johnston Park Redevelopment

This redevelopment comprises resurfacing of the velodrome, lighting renewal, upgrading and refurbishment of changing rooms and toilets.

Other proposed developments, including new changing rooms and the provision of an additional training field, have been removed from budget to reduce costs.

Johnston Park Redevelopment will cost \$63,000 in year 2018/19 and \$1.1 million in 2021-28.

Victoria Park Lighting and Drainage Upgrade

Funding has been provided to upgrade existing floodlights at Victoria Park as the primary training ground for the Manawātū District. A new playground has been scheduled to respond to urban growth in this area. Planned drainage improvement has been removed from budget.

Funding will comprise \$461,000 in year 2020/21 and \$105,000 in 2021-28.

Timona Park

We plan to build new toilets at the park along with the installation of a new dump station and the extension of road-sealing from Nelson Street to Poole Street.

A proposal to develop a four-changing-room facility with storage and public toilets next to the football clubrooms at the northern end of the Timona Park has been deleted from the plan. However provision has been made to upgrade the existing changing room within the football club rooms.

The Timona Park project will utilise \$288,000 in 2018/19 and \$22,000 in 2021-28.

Duke Street Courts Resealing

Resealing of the Duke Street Courts for Saturday morning netball, with resurfacing making provision for tennis courts also. This will cost \$288,000 over 2021-28.

Growth Precinct 4 Pharazyn Street—New Park

Council plans to bring forward funding provided for in the 2012 and 2015 Long Term Plans for the acquisition of park land in Precinct 4, as envisaged in the 2006 Open Space Framework and 2013 Feilding Urban Growth Framework. Suitable land will need to be secured in 2018/19 ahead of development.

This project will see funding of \$934,000 in year 2018/19, and \$681,000 in years 2021-28.

Growth Precinct 4 Pharazyn Street Walkway

Purchase of Pharazyn Walkway—land along the Makino Stream – will require investment of \$908,000 in years 2021-28.

Rimu Park Exchange and Development

Council plans to purchase the adjoining land parcel from Rimu Park to the Makino Stream to allow for the continuation of the James Palmer Park to Rimu Park Walkway. Development includes relocation of the playground from the existing park to the new Rimu Park with minor development. More significant upgrades of the park will follow in subsequent years, including provision of a walkway, drainage, seating and plantings.

Funding for Rimu Park is required in years 2019/20, 2020/21 and 2021-28 of \$813,000, \$79,000 and \$210,000 respectively.

Cemeteries

Provision of cemeteries for burial and places of remembrance.

What we do:

Provide and maintain cemeteries in park-like settings to provide facilities for burials and interments of ashes.

How we do it:

- By managing, maintaining and planning for future improvements, where required, for the following cemeteries:
 - o Feilding
 - o Kimbolton
 - o Pohangina
 - o Sandon
 - o Halcombe
 - o Rangiwahia
 - o Rongotea
 - o Waituna West
- By working with the community to meet changing demands and community needs
- By maintaining accurate burial records
- Meeting the requirements of the Burial and Cremations Act 1964
- By ensuring that all cemeteries are maintained to a high standard.

You can expect satisfaction with the maintenance of our cemeteries

We will measure this by: monitoring the responses to our residents perception survey about the maintenance of cemeteries

Baseline: 92% of customers in 2015/16 and 95% of customers in 2016/17 were satisfied with the maintenance of cemeteries

Targets for the next 10 years:

Years 1 – 3: 90% of customers are satisfied with maintenance of cemeteries

Years 4 – 10: 90% of customers are satisfied with maintenance of cemeteries

You can expect professional and timely interment services

We will measure this by: monitoring the number of complaints about late or inadequate interment services

Baseline: No complaints about late or inadequate interment services were received in either 2015/16 or 2016/17

Targets for the next 10 years:

Years 1 – 3: No complaints about late or inadequate interment services

Years 4 – 10: No complaints about late or inadequate interment services

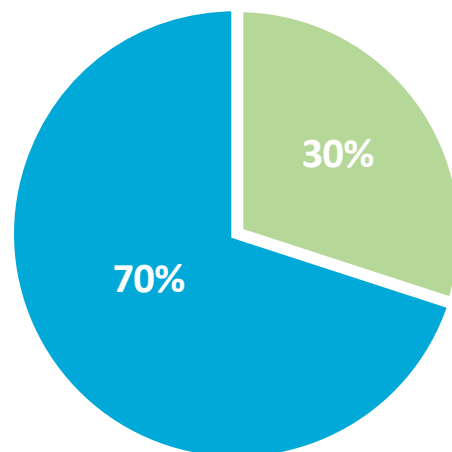
Projects:

Feilding and Rongotea Cemetery Development

Extensions are required to meet anticipated demand.

This will cost \$35,000 for Feilding and \$67,000 for Rongotea in 2019/20 and further investment in years 2021-28 of \$563,000 for Feilding, and \$96,000 for Rongotea.

How the activity is funded:



■ PUBLIC: Uniform Targeted Rate

■ PRIVATE: User Fees and Charges [interment, plots, etc]

Public Conveniences

Provided to protect public health and meet the expectations of residents and visitors.

What we do:

Provide and maintain public conveniences.

How we do it:

By providing a network of public toilets in the following business precincts, sports grounds, reserves and tourist routes: Feilding Central Business District, Feilding Railway Station, Apiti, Himatangi Beach, Tangimoana, Rongotea, Sanson, Cheltenham, Kimbolton and Rangiwahia

Planning to maintain facilities to ensure they are clean, accessible and fit for purpose.

You can expect satisfaction with our public toilets

We will measure this by: monitoring the number of complaints we receive about inadequate maintenance and poor cleaning of our toilets

Baseline: 45 complaints in 2015/2016 year and 3 complaints in the 2016/17 years

Targets for the next 10 years:

Year 1: <10 complaints received

Year 2: <8 complaints received

Year 3: <6 complaints received

Years 4 – 10: <6 complaints received per annum

Projects:

Cheltenham Public Toilets

Council agreed to include the construction of a new public toilet at Cheltenham back into the Long Term Plan 2018-28. The public toilets are part of the proposed Cheltenham Memorial Park development. Construction will be undertaken in 2018/19 and Council has allowed up to \$100,000. The costs will be funded by a loan and this will be serviced by rates.

Did you know...

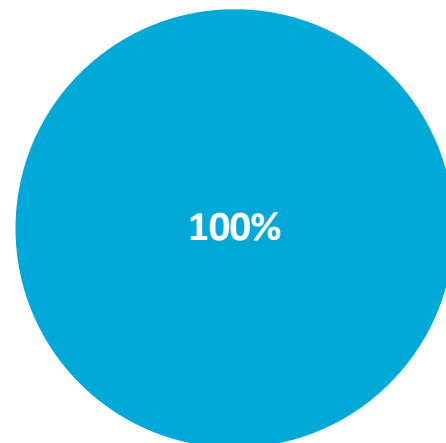


Our contractors clean over

15,000

toilets each year

How the activity is funded:



■ PUBLIC: Uniform Targeted Rate

Manawatū District Council

Funding Impact Statement - Community Facilities Group

For 1 July 2018 - 30 June 2028

	Annual Plan 2018 \$000	Year 1 2019 \$000	Year 2 2020 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	328	1,885	2,120
Targeted rates	6,032	5,954	6,523
Subsidies and grants for operating purposes	4	4	4
Fees and charges	1,322	1,183	1,227
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	37	30	29
Total operating funding	7,723	9,056	9,902
Applications of operating funding			
Payments to staff and suppliers	5,395	6,213	6,443
Finance costs	866	803	896
Internal charges and overheads applied	1,277	1,531	1,670
Other operating funding applications	0	0	0
Total applications of operating funding	7,537	8,547	9,009
Surplus (deficit) of operating funding	186	509	893
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	91	319	329
Increase (decrease) in debt	3,261	2,180	2,744
Gross proceeds from sale of assets	2,000	1,800	1,100
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding	5,352	4,300	4,173
Applications of capital funding			
Capital expenditure			
- to meet additional demand	1,859	1,944	1,393
- to improve the level of service	2,414	2,812	1,756
- to replace existing assets	857	821	624
Increase (decrease) in reserves	408	(768)	1,294
Increase (decrease) of investments	0	0	0
Total applications of capital funding	5,538	4,809	5,067
Surplus (deficit) of capital funding	(186)	(509)	(893)
Funding balance	0	0	0

Year 3 2021 \$000	Year 4 2022 \$000	Year 5 2023 \$000	Year 6 2024 \$000	Year 7 2025 \$000	Year 8 2026 \$000	Year 9 2027 \$000	Year 10 2028 \$000
1,994	2,120	2,204	2,208	2,326	2,368	2,454	2,614
6,802	7,405	7,590	7,899	8,146	8,500	8,574	8,960
4	4	4	4	4	4	5	5
1,256	1,125	1,157	1,191	1,225	1,262	1,301	1,182
0	0	0	0	0	0	0	0
29	31	31	32	33	34	35	35
10,085	10,685	10,986	11,334	11,735	12,168	12,369	12,796
6,411	6,596	6,848	6,839	7,116	7,429	7,657	8,024
1,084	1,289	1,324	1,359	1,389	1,399	1,371	1,339
1,712	1,730	1,898	1,937	1,991	2,042	1,993	2,024
0	0	0	0	0	0	0	0
9,207	9,615	10,071	10,135	10,496	10,870	11,021	11,386
878	1,070	915	1,199	1,239	1,298	1,348	1,410
0	0	0	0	0	0	0	0
340	337	325	320	368	370	377	369
5,883	785	725	723	565	(475)	(467)	(820)
5,000	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
11,223	1,122	1,050	1,043	933	(104)	(90)	(451)
79	999	868	1,087	715	206	363	0
6,687	348	461	334	715	153	70	137
563	625	828	826	1,355	1,177	566	991
4,773	220	(191)	(4)	(613)	(341)	260	(170)
0	0	0	0	0	0	0	0
12,101	2,193	1,966	2,242	2,172	1,194	1,258	958
(878)	(1,070)	(915)	(1,199)	(1,239)	(1,298)	(1,348)	(1,410)
0	0	0	0	0	0	0	0



323-4

District Development Group

Building a strong and vibrant community by supporting groups, activities and events, and by ensuring our regional and local economy enhances our quality of life.



ENVIRONMENT



ATTRACT AND RETAIN
RESIDENTS



BROAD ECONOMIC
BASE



CUSTOMER FOCUSED
AND EFFICIENT

What we do:

Provide Economic Development and Community Development.

How we do it:

- Supporting and fostering investment in the District and Region
- Working with and funding external agencies to develop, improve and promote the local economy
- Working in partnership with Palmerston North City Council and our neighbouring Councils to develop improve and promote the region's economy
- Supporting and promoting community and economic development at grassroots level
- Administer Council Controlled Organisations and Community Organisations for delivery of community and economic development services
- Support identified village community planning projects for implementation
- Administering grants, loans, economic development agency funding, community committee funding, creative communities funding and various trust funds
- Linking actions to policies and strategies that guide economic and community development
- Moving towards outcome based key performance indicator measures for those organisations, social and community groups we fund that are consistent with Council's Vision
- Providing a friendly and supportive environment for local businesses to prosper.

Contribution to Community

Outcomes:

The District Development Group is proposing to focus on the following to achieve the Community Outcomes:

- Achieve the Vision and Outcomes of the Manawatū District Council Economic Development Strategy 'Growing Manawatū'
- Continue to pursue opportunities to collaborate with our neighbouring Councils to drive collective opportunities for economic growth
- Continue to support the development of the Feilding Integrated Family Health Centre
- Achieve the Vision and Outcomes of the Manawatū District Council Community Development Strategy (once developed)
- Continue to provide and support community development initiatives at grassroots level
- Have in place a robust Community Development Funding Policy that encourages active citizenship and serves as a guide for potential applicants and Council

- Partnering with those communities that have participated in our Community Planning programme to implement identified projects and actions and to work with those communities who are still yet to develop their community plans.

Significant negative effects

There are no significant negative effects on the community from this group of activities however, economic growth may have a negative effect on parts of the community through increased traffic and/or increased pressure on community facilities. Council considers that the overall benefits of additional jobs and economic activity far outweigh these impacts. Environmental issues are considered through the District Plan and Resource Management Act 1991.

Key issues

Population Growth:

The anticipated growth in population and households could result in an increased demand for community development and economic development opportunities.

Ageing Population:

The proportion of the District's population aged 65 years and over is projected to increase from 17.8% in 2018 to over 28% by 2048. This demographic change highlights the need to consider delivery of services and planning for changing needs of the population alongside affordability of services due to increasing numbers of ratepayers on fixed incomes.

Service Delivery Contracts and Relationships:

There is no single initiative that can deliver economic development, nor can any single organisation be responsible for the economic life of a community.

Council recognises and values the need to maintain relationships both locally and further afield, to foster collaboration and collective opportunities to support economic growth.

Economic Development

The Manawatū District Council is committed to working with our community and key partners to deliver a local economy that is prosperous and diverse and offers a high quality of life for all.

What we do:

Maximising our key attributes of land, infrastructure and location, through our actions we will build up the District's economic capacity, improve our economic future and increase quality of life for all.

How we do it:

We do this by:

- Providing regulatory and economic information and support to assist residents and businesses in the district
- Providing sufficient land, infrastructure and servicing and suitable zoning to support the expansion of economic activity and well-being in the District
- Providing social infrastructure to support the education and general well-being of the community
- Both promoting and providing funding for the promotion of the Manawatū District as a great place to live and do business
- Funding our Central Economic Development Agency (CEDA), Building Clever Companies and Spearhead to undertake business support programmes, including services to support innovation and entrepreneurial activity, and Māori enterprise
- Working with regional and national partners to optimise collective opportunities for economic growth, including access to funding for programmes i.e. Accelerate25
- Supporting the implementation of initiatives through the dedicated Council Economic Development Focus Group
- Supporting and funding actions to increase access to new markets and expanded opportunities for growth and job creation
- Advocating for and contributing to efforts to improve pathways to employment for youth and workers, enhancing the prosperity of residents and the provision of skilled staff to support expansion of local industry
- Supporting CEDA to undertake labour market analysis and the establishment of a targeted labour market strategy to match skills development with skills demand in the Manawatū Region
- Providing security services to businesses in the CBD.

Central Economic Development Agency (CEDA) – leading economic development for the Manawatū

CEDA is a jointly owned Council Controlled Organisation (CCO) between the Manawatū District Council and the Palmerston North City Council with the purpose of increasing prosperity within the Manawatū Region.

CEDA's vision for 2025

Manawatū 2025 – New Zealand's most progressive region

'Where great minds, future focused businesses and diverse cultures come together to grow the prosperity of, and deliver for, its communities, New Zealand and beyond'

CEDA's purpose

'Drive and facilitate the creation and growth of economic wealth in Manawatū and beyond.'

CEDA's values

Work together – actively work together to deliver exceptional outcomes for all our stakeholders;

Be bold – back ourselves so that we make individual and collective decisions that take the region to a new level; and,

Own it – take ownership of our work and make things happen.

Strategic focus	CEDA's aspirations 2028
<p>People Grow and retain education and talent in our region so businesses have the skills to grow</p>	<ol style="list-style-type: none"> 2,000 more jobs Growth in average income will equal or exceed national average income growth. There will be an additional 1,700 dwellings Annual GDP will increase to at least \$1,160m. GDP will increase by 2.5% a year Total visitor/tourist spend will continue to increase toward the national average. The unemployment rate will continue to be below the national average unemployment rate. Population will increase by 12.6% to 34,715 residents
<p>Business Support the growth of business so our region continues to thrive and prosper</p>	
<p>Place Enhance the brand and experience of the Manawatū region to build the identity and reputation</p>	

You can expect relevant economic development services

We will measure this by: monitoring our performance through the implementation of our Economic Development Strategy 'Growing Manawatū'.

Baseline: New

Targets for the next 10 years:

Years 1 – 3: 100% achievement of activated initiatives in the Economic Development Strategy Action Plan scheduled for completion in that year

Years 4 – 10: 100% achievement of activated initiatives in the Economic Development Strategy Action Plan scheduled for completion in that year

You can expect satisfaction with economic development services

We will measure this by: monitoring the performance of CEDA in the delivery of economic development services, through CEDA measures of performance. Services through CEDA will be monitored through the statutory requirement to provide six-monthly and annual reports to Councils, assessing performance against objectives as agreed within the CEDA Statement of Intent.

Baseline: New

Targets for the next 10 years:

Years 1 – 3: CEDA has achieved 80% of targets under the relevant Statement of Intent

Years 4 – 10: CEDA has achieved 80% of targets under the relevant Statement of Intent

Did you know...



Gross Domestic Product or the value of the goods and services produced in the District has increased by 4.3 per cent to the year ended September 2017. This exceeds annual average national growth of 2.5 per cent. The value of our goods and services for the year is estimated at \$907 million, an increase of \$37 million to the year ended September 2016.



Since 2010, median income of Manawatū residents has increased by 22.8%. This compares with an increase of 18% for New Zealand.

Projects

Growing our District

Council is committed to growing the District and the wider region. Together with CEDA and key partners we will achieve this by implementing the Manawatū District Council's Economic Development Strategy, continuing to support transformative projects like FoodHQ and providing support for new and existing businesses in the District. Together our endeavours will help us attract residents and increased business activity, help retain talented people and secure investment – all of which will help contribute to our District's vibrant economy and the social well-being of residents.

Economic Development Funding

Council has agreements with the CEDA (\$642k per annum, inflated) and Manfeild Park Trust (\$368k per annum) to deliver economic development services.

These agreements will require combined funding in years 2018/19, 2019/20, 2020/21 and 2021-28 of \$1.01 million, \$1.02 million, \$1.04 million and \$1.1 million per annum (average) respectively.

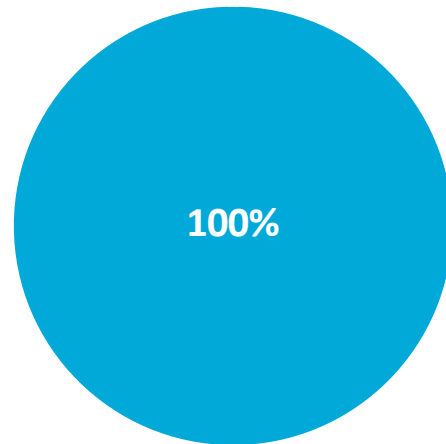
Manfeild Park Trust

The old grandstands on Manfeild Park have passed their use by date and require demolishing. Council has agreed to assist the Trust with the demolition costs and will provide up to \$180,000 in 2018/19. The costs will be funded from Reserves and have no additional impact on rates.

The Council has also agreed to increase the operating grant it provides the Trust. From 2018/19 the Council will increase the access grant by \$50,000 per annum, taking the total grant to \$368,000 per annum. The new funding will be accessed from an existing Economic Development budget and therefore will have no additional impact on rates.

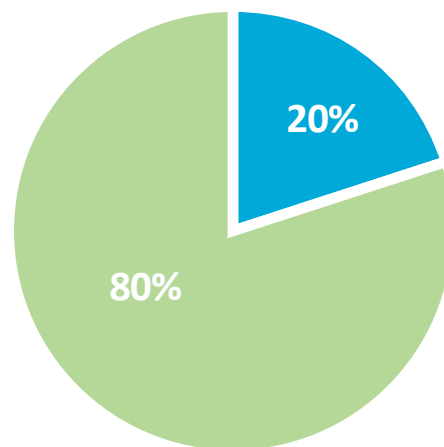
How the activity is funded:

Economic Development



■ PUBLIC: General Rate (CV)

Feilding CBD Security



■ PUBLIC: General Rate (CV)

■ PRIVATE: Targeted Rate (fixed) CBD only

Community Development

Partnering with community groups and not for profit organisations to encourage these groups to strengthen the interests and values of our district's residents by encouraging active citizenship in identifying the issues they want to deal with and to generate local solutions that will deliver economic, social, ecological and cultural wellbeing of our district.

What we do:

This activity involves provision of funding and support for community organisations and individuals as well as community development initiatives at grassroots level.

How we do it:

- Reviewing and administering the Community Development Funding Policy, Representative Funding Policy and Event Fund Policy to ensure allocation of funding aligns with outcomes sought in the Community Development Strategy once developed
- Partnering with community groups and not for profit organisations that deliver local solutions that promote economic, social, ecological and cultural wellbeing in our District
- Partnering with those communities that have participated in our Community Planning programme to implement identified projects and actions and to work with those remaining communities who are wishing to participate in community planning
- Providing a pool of funding for community development initiatives, events and programmes
- Providing a pool of funding for individuals and teams that will be representing the Manawatū District on the national and world stage
- Providing a pool of funding for events that are organised by the community for the community as well as events that have a district wide focus that will generate an economic development benefit to the district
- Providing a pool of funding to assist non-Council operated swimming pools with chemical costs where it has been determined that these pools are open for public use
- Maintaining and developing relationships with funding recipients
- Administering the Manawatū District Creative Communities Scheme on behalf of Creative New Zealand
- Supporting community committees throughout the District which includes: Apiti, Bainesse/Rangiotu, Cheltenham, Colyton, Feilding, Kimbolton, Waituna West, Halcombe, Himatangi Beach, Hiwinui, Pohangina, Rangiwhia, Rongotea, Sanson and Tangimoana.

You can expect that all organisations and individuals who receive community development funding are delivering on the outcomes contained in the community development strategy

We will measure this by: monitoring the accountability reports received from those organisations and individuals who receive community development funding to ensure they are delivering on the outcomes contained in the community development strategy.

Baseline: New

Targets for the next 10 years:

Years 1 – 3: 100% satisfaction from Council that the accountability reports received from those organisations and individuals who receive community development funding have delivered on the outcomes contained in the Community Development Strategy

Years 4 – 10: 100% satisfaction from Council that the accountability reports received from those organisations and individuals who receive community development funding have delivered on the outcomes contained in the Community Development Strategy

You can expect satisfaction that Council funds and supports key community organisations in order to build district community capability

We will measure this by: percentage of residents that are satisfied with Council's overall performance in Community Funding and Development Services in the residents perception survey.

Baseline: 49% satisfaction in the residents perception survey August 2017

Targets for the next 10 years:

Years 1 – 3: Residents satisfaction rating has increased a minimum of 2% on the previous year

Years 4 – 10: Residents satisfaction rating has increased a minimum of 2% on the previous year

Projects

Community Planning

Since 2012, Council has assisted communities to develop Community Plans. Implementation of these plans will continue over the coming years. \$60,000 per annum has been committed for Community Plan projects in the Long Term Plan.

Community Development Funding

Funding (\$356,000 per annum) is provided to a number of organisations that Council has partnerships with to deliver community development services on behalf of Council.

Other community development funding is provided for:

- Representative Grants \$20,000
- Community Swimming Pool Grants \$2,000
- Youth Initiatives \$14,000
- Community Planning Development and Implementation \$66,000
- Event Funding \$55,000
- Community Committee Project Funding \$45,000

Grants to other specific organisations include:

- Te Manawa (museum) \$20,000
- Sport Manawatū \$91,000
- Feilding Civic Centre Trust \$79,000

The total pool of funding is \$748,000 in 2018/19, \$765,000 in 2019/20, \$780,000 in 2020/21 and \$796,000 in 2021-28.

Community Committee Project Funding

Community Committees undertake small-scale, discrete projects within their communities that are not currently included in Council's contracts or levels of service and can be aligned to Community Plans where a Community Plan exists. Council has provided \$45,000 per annum for this project.

Representative Grants

Manawatū District residents selected to represent the District, Region or New Zealand in the field of arts, sport or culture can apply to the Council for financial assistance to meet attendance costs. Council is proposing to allocate \$20,000 to Representative Grants from the existing pool of Community Development funds.

Manawatu Community Trust

In the future there will be additional demand for housing for the elderly, due to the increasing number of elderly people in the District. The Manawatu Community Trust is planning to meet some of this demand by constructing additional housing for the elderly units. To enable the Trust to construct units at the best possible price, Council has agreed to provide the Trust with loans at the same interest rate that Council can borrow at. Council can borrow funds

at lower interest rates than those available on the general market. In 2019/20 the Council will on-loan the Trust up to \$1 million and a further \$1.45 million in both 2023/24 and 2027/28. There will be no impact on rates as the Trust will service all costs associated with the loans.

Event Funding

Events funding is available for events that are organised by the community, for the community, as well as events that have a district wide focus that will generate an economic development benefit to the district. Council has provided \$55,000 per annum for this project.

Community Development Strategy

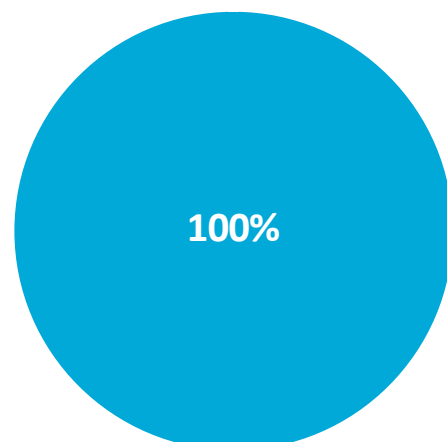
Develop and adopt a Community Development Strategy by 31 December 2018 which identifies outcomes that contribute and support the delivery of economic, social, ecological and cultural wellbeing for the district's residents.

The Community Development Strategy is to be operational from 1 July 2019, subject to any community consultation required. If the result of the Strategy is a significant change to the level of service this would be consulted upon during the Annual Plan Process for Year 2 of the Long Term Plan.

Did you know...

Council partners with community organisations that provide programmes such as restorative justice and mentoring, youth and parenting, anti-bullying, strengthening families, safer community, culture and heritage, rural home-based support services, networking opportunities for not for profit organisations, social service support, lifeguard services and life skills mentoring to name a few.

How the activity is funded:



■ PUBLIC: General Rate (CV)

Manawatū District Council
Funding Impact Statement - District Development Group
For 1 July 2018 - 30 June 2028

	Annual Plan	Year 1	Year 2
	2018	2019	2020
	\$000	\$000	\$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	2,545	2,697	2,756
Targeted rates	84	103	104
Subsidies and grants for operating purposes	25	25	26
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	65	84	114
Total operating funding	2,719	2,909	3,001
Applications of operating funding			
Payments to staff and suppliers	2,317	2,687	2,173
Finance costs	260	275	302
Internal charges and overheads applied	350	367	383
Other operating funding applications	0	0	0
Total applications of operating funding	2,927	3,329	2,858
Surplus (deficit) of operating funding	(208)	(420)	143
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	49	1,051	(213)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding	49	1,051	(213)
Applications of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	0	0	0
- to replace existing assets	0	0	0
Increase (decrease) in reserves	(44)	(134)	213
Increase (decrease) of investments	(115)	764	(283)
Total applications of capital funding	(159)	630	(70)
Surplus (deficit) of capital funding	208	420	(143)
Funding balance	0	0	0

Year 3 2021 \$000	Year 4 2022 \$000	Year 5 2023 \$000	Year 6 2024 \$000	Year 7 2025 \$000	Year 8 2026 \$000	Year 9 2027 \$000	Year 10 2028 \$000
2,840	2,876	2,980	3,075	3,121	3,197	3,285	3,233
106	107	109	111	113	114	116	118
27	27	28	28	29	30	30	31
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
106	98	89	100	149	137	124	136
3,078	3,108	3,206	3,314	3,411	3,478	3,556	3,518
2,219	2,267	2,317	2,372	2,426	2,485	2,547	2,612
289	275	261	266	308	288	268	271
419	405	457	496	485	501	543	527
0	0	0	0	0	0	0	0
2,927	2,947	3,035	3,133	3,219	3,274	3,358	3,410
151	161	171	181	192	204	197	108
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
(225)	(239)	(253)	1,309	(332)	(352)	(354)	1,467
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
(225)	(239)	(253)	1,309	(332)	(352)	(354)	1,467
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
218	222	226	231	235	239	222	120
(292)	(300)	(309)	1,259	(375)	(387)	(378)	1,455
(74)	(78)	(82)	1,490	(140)	(148)	(156)	1,575
(151)	(161)	(171)	(181)	(192)	(204)	(197)	(108)
0	0	0	0	0	0	0	0



Emergency Management

We do this to reduce the risks from natural hazards and enhance the District's ability to respond and recover from a disaster. We aim to assist and encourage a resilient District, helping communities understand and manage their own risks



ENVIRONMENT



ATTRACT AND RETAIN
RESIDENTS



BROAD ECONOMIC
BASE



QUALITY
INFRASTRUCTURE



SAFE BUILT
ENVIRONMENT



CUSTOMER FOCUSED
AND EFFICIENT

What we do:

Provide coordination of response and recovery through a civil defence emergency event. We provide services and information to reduce risk, increase readiness, response and resilience.

How we do it:

- Increasing public awareness about disasters and educating communities about preparedness
- Fulfilling Council's statutory obligations under the Civil Defence Emergency Act 2002, including responding to emergencies, planning for and undertaking, coordinating and promoting recovery as required post disaster, and monitoring and evaluating
- Fulfilling the public's expectation that Council will, in conjunction with other emergency service providers including the Police, Fire and Ambulance services, provide leadership in the case of a natural or other disaster that necessitates a Civil Defence emergency response
- Working with our neighbouring territorial authorities
- Working with relevant community organisations to promote Civil Defence in neighbourhoods and the wider community
- Working with the Community Committees to generate points of contact within communities to help enable Civil Defence activities to happen
- By following the Manawatū-Wanganui Civil Defence Emergency Management Group Plan which focuses on:
 - o Risk reduction
 - o identifying risk reduction initiatives
 - o risk information exchange
 - o risk reduction programming;
 - o flood plain mapping and modelling
 - o risk reduction programmes for business, communities and care facilities
 - o readiness, response and preparedness education
 - o information activity through marketing opportunities with the support of our national organisation.
 - Management and governance activities including:
 - o Membership of and active participation in the Joint Civil Defence and Emergency Management Committee
 - o Membership of and active participation in the Coordinating Executive Group
 - o Coordination, membership and active participation in the Local Emergency Management Committee
 - o Local Welfare Committee and Rural Coordination Group
 - o Undertaking an Emergency Management and Civil Defence exercise programme

- o Implementation of an Emergency Management Service Agreement with Horizons Regional Council.

Contribution to Community Outcomes:

Council understands that protecting people and property has a significant impact on the community and economic wellbeing of the District. Residents can be assured of the Council's active involvement in local, regional and national Emergency Management exercises.

The Emergency Management Group is proposing to focus on the following to achieve the Community Outcomes:

- Practice and participate in Emergency Management exercises
- Provide information and education about Emergency Management
- Work with others in the Regional Civil Defence Emergency Management Group
- Plan ahead and be prepared to respond to an emergency
- Meet legislative Emergency Management requirements to ensure public safety.

Significant negative effects

There are no significant negative effects on the community from this Emergency Management Group of activities.

However if a Civil Defence disaster occurs then significant negative effects can occur. The aim of this group of activities is to mitigate the effects of a disaster including:

- earthquakes
- tsunamis
- flooding
- volcanic activity (both local, Mt. Ruapehu and regional Mt. Taranaki)
- pandemic
- sea level rise
- beach erosion
- agricultural drought
- cyclones.

Key issues

Population Growth:

The anticipated growth in population and households will result in civil defence personnel needing to be aware of population shifts.

Ageing Population:

The proportion of the District's population aged 65 years and over is projected to increase from 17.8% in 2018 to over 28% by 2048. An ageing population presents a number of issues for this group of activities including: personnel needing to be aware of our ageing population as this can affect requirements for evacuations. Many elderly do not have their own transportation and some are reliant on medical equipment.

Civil Defence

You can expect to be informed about Civil Defence

We will measure this by: customer satisfaction rating from the feedback we receive from you that we have:

- Provided suitable guidance to assist you to be prepared for a Civil Defence emergency
- Provided access to Civil Defence information that identifies risk and readiness
- Promoted preparedness initiatives
- Used technology to keep you informed and advised during an event.

Baseline: 72% of residents were satisfied with the Civil Defence services provided in 2016/17 (PublicVoice Survey May 2017)

Targets for the next 10 years:

Years 1 – 3: Residents satisfaction rating has increased a minimum of 2% on the previous year

Years 4 – 10: Residents satisfaction rating has increased a minimum of 2% on the previous year

Projects

Next three years

- Establish an alternate Emergency Operations Centre at Feilding Fire Station
- Increase capability of staff working in the Emergency Operations Centre (EOC) through training and development
- Develop community response and resilience plans for: Rangiwhia, Apiti, Kimbolton, Halcombe, Rangiotu-Bainessie, Feilding, Hiwinui, Cheltenham, Sanson, Rongotea, Colyton
- Coordinate and engage in Civil Defence exercises
- Review and create key Emergency Management planning and policy documents
- Participate in the formulation of the Recovery Management Plan, at a group and local level, in accordance with the Director of Emergency Management and Civil Defence guidelines
- Upgrade the council analogue radio network to a digital radio network
- Ongoing public education about community and organisational resilience.

Years 4–10

- Review existing community response and resilience plans already in place

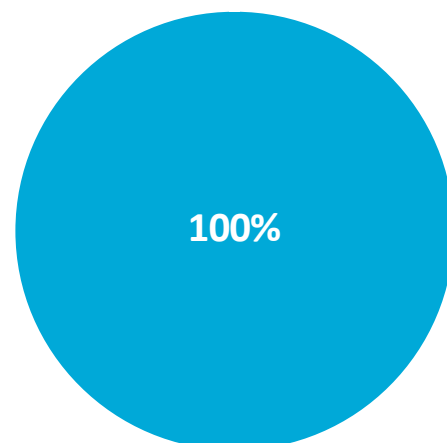
- Utilise and research emerging technology to assist in Civil Defence response
- Review and create key Emergency Management planning and policy documents
- Ongoing development of Civil Defence Centres and welfare arrangements
- Explore opportunities for shared services and resources with other Civil Defence and Emergency Management authorities
- Ongoing public education about community and organisational resilience
- Coordinate and engage in Civil Defence exercises
- Forming of a Volunteer Emergency Management Agent (VEMA) program to enable community volunteering in Civil Defence.

Did you know...

Fire and Emergency New Zealand (FENZ) was established on 1 July 2017. It is the amalgamation of the New Zealand Fire Service, the National Rural Fire Authority, 12 rural fire districts and 26 territorial authority rural fire authorities. Since the establishment of FENZ, the Manawātū District Council is no longer responsible for issuing rural fire permits and responding to rural fires. FENZ will also be taking over the role of issuing urban fire permits from 1 July 2018.



How the activity is funded:



 PUBLIC: Uniform Targeted Rate

Manawatū District Council

Funding Impact Statement - Emergency Management

For 1 July 2018 - 30 June 2028

	Annual Plan 2018 \$000	Year 1 2019 \$000	Year 2 2020 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	0	258	265
Targeted rates	248	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0
Total operating funding	248	258	265
Applications of operating funding			
Payments to staff and suppliers	200	194	197
Finance costs	0	0	0
Internal charges and overheads applied	63	57	59
Other operating funding applications	0	0	0
Total applications of operating funding	263	251	255
Surplus (deficit) of operating funding	(15)	7	10
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding	0	0	0
Applications of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	0	45	0
- to replace existing assets	0	7	28
Increase (decrease) in reserves	(15)	(45)	(19)
Increase (decrease) of investments	0	0	0
Total applications of capital funding	(15)	7	10
Surplus (deficit) of capital funding	15	(7)	(10)
Funding balance	0	0	0

Year 3 2021 \$000	Year 4 2022 \$000	Year 5 2023 \$000	Year 6 2024 \$000	Year 7 2025 \$000	Year 8 2026 \$000	Year 9 2027 \$000	Year 10 2028 \$000
269	271	282	291	295	305	309	315
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
269	271	282	291	295	305	309	315
199	198	204	212	214	222	225	228
0	0	0	0	0	0	0	0
61	63	67	68	70	72	73	74
0	0	0	0	0	0	0	0
259	261	271	280	284	294	297	303
10	10	10	11	11	11	12	12
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
2	2	0	0	7	2	0	0
10	10	0	0	0	0	0	0
(2)	(2)	10	11	4	10	12	12
0	0	0	0	0	0	0	0
10	10	10	11	11	11	12	12
(10)	(10)	(10)	(11)	(11)	(11)	(12)	(12)
0	0	0	0	0	0	0	0



Regulatory Group

To ensure public safety with the aim to make the Manawatū District a desirable place to live and do business.



ENVIRONMENT



ATTRACT AND RETAIN
RESIDENTS



BROAD ECONOMIC
BASE



SAFE BUILT
ENVIRONMENT



CUSTOMER FOCUSSED
AND EFFICIENT

What we do:

Animal Control, Building Control, Environmental Health, Compliance and Enforcement, Consent Planning and Policy Planning.

How we do it:

- Provision of 24 hour 7 day per week service for animal control priority 1 call outs
- Ensuring all dogs are registered and controlled
- Processing alcohol licenses and inspecting licensed premises
- Issuing building consents, certificates of acceptance, certificates for public use, code compliance certificates, inspecting buildings and providing advice
- Monitoring and enforcing standards for businesses selling food and/or alcohol, hairdressing salons, camping grounds, funeral directors and also responding to health nuisances and investigating noise complaints
- Ensuring a statutory planning framework to appropriately manage natural and physical resources
- Issuing resource consents for subdivision and land use activities, and certificates of compliance
- Monitoring and enforcing compliance of resource consent conditions
- Developing and enforcing Council bylaws and policies.

Contribution to Community Outcomes:

The Regulatory Group is proposing to focus on the following to achieve the Community Outcomes:

- Review of our District Plan policies and rules to ensure there is a planning framework that promotes sustainable and attractive development
- We will continue to process quality building and resource consents as quickly as possible to meet statutory time frames
- We aim to meet legislative inspection requirements while delivering a customer focused service
- We will ensure safe food premises.

Significant negative effects

There are no significant negative effects on the community from this Regulatory Group of activities.

Key issues

Population Growth: The anticipated growth in population and households between 2018 and 2028 will result in an increased demand of the following services:

- Animal Control – due to greater number of dogs and a growth in breeding and training of greyhounds

- Alcohol Licensing and Environmental Health – growth in entertainment or hospitality businesses
- Building Control and District Planning and Policy – as RNZAF Base Ohakea continues to grow the demand on the availability of quality residential housing and rural lifestyle development is increased
- Building Control and District Planning and Policy – The ongoing review of development contributions and the District Plan including identified growth areas, is expected to encourage economic development in the region.

Ageing Population: The proportion of the District's population aged 65 years and over is projected to increase from 17.8% in 2018 to over 28% by 2048. An ageing population presents a number of issues for this group of activities:

- Affordability of services, as there will be a sharp increase in the number of ratepayers on fixed incomes
- Increased demand for the provision of rest homes, doctors surgeries, health centres, cafes and the construction of community centres.

Earthquake Prone Building Legislation: There is a legislative requirement for Council to identify Earthquake Prone (EQP) buildings within 2.5 and 5 years and owners to strengthen or demolish EQP buildings within 7.5 and 15 years.

Ensuring all dogs are registered within the district each year: Non registration of dogs within the district each year requires considerable monitoring and enforcement resource by the Animal Control team.

Increased Alcohol Licence costs: The cost increase imposed by the Sale and Supply of Alcohol Act 2012 may result in smaller hospitality premises closing down.

Building Consent Authority Audit: The next audit to maintain and attain our accreditation to be a Building Consent Authority is scheduled for April 2019. This accreditation status means Council can perform the building consenting functions required by the Building Act 2004.

New Food Act 2014: A new requirement from this Act is that our Environment Health service will now be required to undergo an accreditation process or contract this service from another territorial authority.

Flood modelling: Feilding is prone to flooding and work is underway to establish accurate mapping and modelling of the district to assist in providing confidence and protection for future development. Council also seeks information and advice from Horizons for other flood prone areas in the District to ensure that new development appropriately avoids or mitigates flood risk in accordance with the District Plan and Horizons One Plan.

District Plan Review: Our current District Plan is in the process of being reviewed. The outcomes of this review will shape the future development and use of land.

Animal Control

We do this as part of our role in protecting public safety throughout the District.

What we do:

Animal control and dog owner education.

How we do it:

- Administering The Dog Control Act 1996, Impounding Act 1955, Council's Dog Control Policy and Animal Control and Dog Control Bylaws
- Providing access to a 24 hour 7 day a week Animal Control Service for priority 1 call outs/responses
- Ensuring dogs are registered and controlled throughout the District
- Offering dog owners a "selected ownership" status
- Delivering dog education programmes
- Sponsoring obedience training certificates to the Feilding Dog Training Club
- Impounding nuisance, surrendered, unregistered dogs or wandering stock at our Awa Street site for collection by owners, rehoming or destruction
- Classifying the District's 'menacing' and 'dangerous' dogs
- Maintaining Council's National Dog database interface.

You can expect a timely response to your request for service

We will measure this by: monitoring the response and contact times for the different types of requests for service within the timeframes set:

- Urgent requests about a dog attack or wandering stock; responded to or caller contacted within 15 minutes of us receiving request (Priority 1)
- Notification of a roaming dog; responded to or caller contacted the next working business day of us receiving request (Priority 2)
- Routine animal control issues; responded to or caller contacted the next working business day of us receiving notification (Priority 3)

Baseline: 97% of priority 1 requests, 98% of priority 2 requests and 95% of priority 3 requests were responded to within the timeframes set in 2016/17

Targets for the next 10 years:

Years 1 – 3: 90% for each of the different types of requests for service (above) are responded to within the timeframes set

Years 4 – 10: 90% for each of the different types of requests for service (above) are responded to within the timeframes set

Projects None.

Did you know...



We offer a
**24 hour
7 day a week**

Animal Control Service
(for priority 1 call outs)



On average our Animal Control Officers respond to about

1,330

requests for a service about dogs and wandering stock each year.

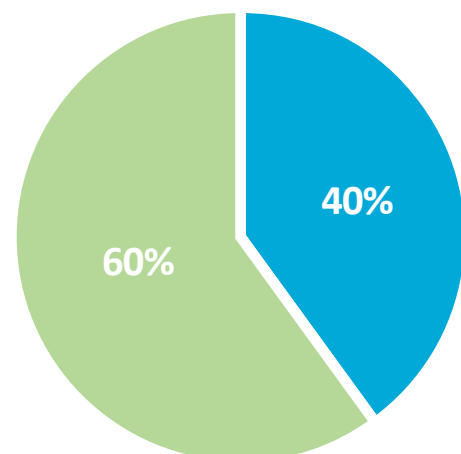


Currently there are

6,945 registered dogs

within the District

How the activity is funded:



- PUBLIC: Uniform Targeted Rate
- PRIVATE: User Fees and Charges [registration, impoundments, infringements etc]

Building Control

We do this as part of our role to ensure safe residential and commercial buildings throughout the District in accordance with the Building Act.

What we do:

Process building consent applications for compliance with the Building Act and New Zealand Building Code, process certificates of acceptance, process certificates for public use, process code compliance certificates, undertake inspections during construction, respond to building related complaints and provide advice and information on the Building Act and associated legislation. We also monitor swimming pool and spa pool fencing for compliance and fire safety systems in commercial and public buildings.

How we do it:

- Being an accredited Building Consent Authority
- Administering the Building Act 2004
- Responding to earthquake-prone, dangerous or insanitary buildings issues
- Responding to building related complaints and provide advice
- Committing to develop good working relationships with external stakeholders by facilitating key stakeholder meetings for the construction and development industry
- Ensuring buildings provide facilities for people with disabilities where required
- Monitoring swimming pool/spa fencing to protect children under five years from drowning
- Assisting in the development of policies for dangerous, affected and insanitary buildings in accordance with the Building Act 2004
- Making Building Control Services information current and accessible via Council's website and Council office (printed copy)
- Making building consenting application services accessible and transparent via the GoShift online portal
- Having a building officer on duty during Council business hours to assist with building control advice for new or existing buildings, building consent application lodgements and pre-application meetings to provide clarification / interpretation of the Building Act and Building Code
- Administering the earthquake prone building legislation under the Building Act 2004.

You can expect a responsive building control service

We will measure this by: responses you give us when completing our customer satisfaction survey about the following:

- A responsive inspection booking system where an inspection can be booked within four days of your request
- Responding to your complaint relating to our building control service within 10 working days.

Baseline: The timeframe for inspections was exceeded for three months in 2016/17. 90% of complaints were resolved within 10 working days in 2016/17

Targets for the next 10 years:

Years 1 – 3: 90% of the different types of requests for service are responded to within the timeframes set

Years 4 – 10: 90% of the different types of requests for service are responded to within the timeframes set

We will measure this by: Council records show that consents and applications have been completed within specified timeframes.

Baseline: 85% of building consents applications and 95% of code compliance certificates were issued within statutory timeframes in 2016/17

76% of fixed fee (small works) building consent applications were issued within the 10 working day timeframe in 2016/17

Targets for the next 10 years:

Years 1 – 3:

- 95% of building consent applications and code compliance certificates are processed and approved within the statutory 20 day timeframe
- 95% of fixed fee (small works) building consent applications and code compliance certificates are processed and approved within the statutory 10 working day timeframe

Years 4 – 10:

- 95% of building consent applications and code compliance certificates are processed and approved within the statutory 20 day timeframe

- 95% of fixed fee (small works) building consent applications and code compliance certificates are processed and approved within the statutory 10 working day timeframe

Note: Council’s performance targets for building consents and code compliance certificates are deliberately set below our statutory obligations. The targets are considered to be more realistic than the statutory requirements, given the high number and complexity of building consent and code compliance applications lodged in recent years as a result of growth and development in the District. Council has already taken steps to improve performance by employing an additional Building Officer as part of the contract review.

You can expect us to monitor commercial and public buildings for compliance with the Building Warrant of Fitness

We will measure this by: reporting that a total of 5% of the District’s commercial and public buildings that hold a current compliance schedule have been audited throughout the year.

Baseline: 7% of the District’s commercial and public buildings that hold a current compliance schedule were audited in 2016/17

Targets for the next 10 years:

Years 1 – 3: 5% of the District’s commercial and public buildings that hold current compliance schedules are audited

Years 4 – 10: 5% of the District’s commercial and public buildings that hold current compliance schedules are audited

Projects:

We will continue our Earthquake Prone (EQP) building assessments during Years 1 – 3 of this Long Term Plan at a total cost of \$195,000.

Did you know...

We currently inspect



swimming pool and spa pool fences every three years, depending on their anniversary date.

We processed approximately

700

building consents and

802

code compliance certificates in 2016/17

Our Building Control Officers

are contracted to us from Palmerston North City Council

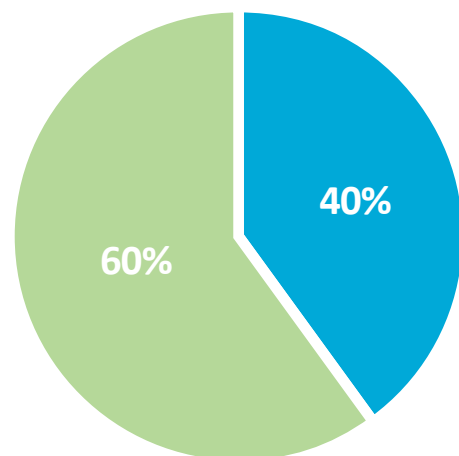
they completed

5,300

inspections in 2016/17.

Since 1 August 2017 applicants have been able to lodge building consent applications online through Council’s GoShift portal. This has made the application process more convenient, cheaper and transparent.

How the activity is funded:



- PUBLIC: Uniform Targeted Rate
- PRIVATE: User Fees and Charges [building consents, warrants, infringements etc]

Compliance and Monitoring

We do this as part of our role to facilitate public health focusing on environmental conditions and hazards that affect or have the potential to affect human health.

What we do:

Work to keep residents, visitors and the environment safe by monitoring, mitigating and minimising potentially harmful activities. Process alcohol licences, food control plans and monitor licensed and registered premises.

How we do it:

- Administering the Health Act 1956, Food Act 2014, Resource Management Act 1991, Amusement Devices Regulations 1978, Hazardous Substances and New Organisms Act 1996, the Gambling Act 2003 and the Racing Act 2003
- Appointing a District Licensing Committee who make decisions on applications for:
 - o New and renewed licences and managers' certificates
 - o Temporary authorities and temporary licences
 - o Variation of licences
 - o Special licences
- Collaborating with New Zealand Police, Mid Central Health and Fire and Emergency New Zealand (FENZ)
- Conducting annual inspections of registered health premises to ensure they comply with licence conditions
- Administering statutory obligations set by the Sale and Supply of Alcohol Act 2012
- Register and audit premises that prepare and sell food
- Enforce legislation relating to hazardous substances and amusement devices
- Enforce bylaw provisions
- Monitor and enforce compliance with land use and subdivision consent conditions
- Educate and provide advice to the public and businesses
- Provide a 24 hours 7 day a week noise response service.

You can expect us to ensure a high standard of hygiene is maintained in food premises and other health registered premises

We will measure this by: reporting that all food premises with a template food control plan are inspected within the stated timeframes and that all other health registered premises are inspected annually.

Baseline: 84% of food premises and registered premises were inspected in 2016/17

Targets for the next 10 years:

Years 1 – 3:

- 100% of all food premises have been inspected within stated timeframes
- 100% of all health registered premises have been inspected annually

Years 4 – 10:

- 100% of all food premises have been inspected within stated timeframes
- 100% of all health registered premises have been inspected annually

You can expect a timely response to your request for service

We will measure this by: monitoring the response times for the different types of requests for service within the timeframes set:

- Within 24 hours of notification of an issue that is endangering public health
- Within one hour of notification of an urban area noise complaint.
- Within 48 hours of notification of other issues that are not endangering public health

Baseline: 88% of complaints about issues endangering public health, 93% of urban noise complaints and 85% of other requests for service were responded to within stated timeframes in 2016/17

Targets for the next 10 years:

Years 1 – 3: 85% of the different types of requests for service are responded to within the timeframes set

Years 4 – 10: 85% of the different types of requests for service are responded to within the timeframes set

You can expect us to monitor selected licensed premises selling alcohol for compliance with their license conditions

We will measure this by: annual inspection of all licensed premises to ensure compliance with the conditions of their license and to work with those who do not comply to bring them up to compliance.

Baseline: 98% of all licensed premises were inspected in 2016/17

Targets for the next 10 years:

Years 1 – 3: 95% of all licensed premises inspected

Years 4 – 10: 95% of all licensed premises inspected

Projects None.

Did you know...

We responded to



736 noise

complaints in 2016/17.



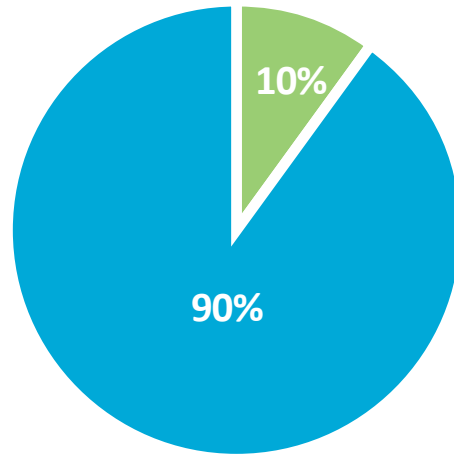
Council issued

279 licenses

2016/17, including 112 Managers Certificates and 167 alcohol licenses (including new and renewal licenses, special licenses and temporary licenses). This is an increase from 168 in 2014/15 and 175 in 2015/16.

How the activity is funded:

Environmental Health and Monitoring, and Alcohol Licensing



■ PUBLIC: General Rate (CV) and Uniform Targeted Rate

■ PRIVATE: User Fees and Charges (registration, licenses, permits etc)

Consent and District Planning

We assist the community to manage the environmental effects of land development, promote the sustainable management of natural and physical resources within the District and avoid, remedy or mitigate any potentially detrimental environmental effects.

What we do:

Provide planning resource consent guidance and consenting, to help ensure our natural and physical resources are sustainably managed.

How we do it:

- Applying the District Plan and policies that reflect the direction given by Central Government and Horizons (Manawatu-Wanganui Regional Council)
- Processing resource consents
- Providing planning advice to all customers and input into the approval of alcohol licenses, and Land Information Memorandums (LIMs)
- Assessing all building consents to ensure they meet the provisions of the District Plan
- Responding to Horizons (Manawatu-Wanganui Regional Council) and Central Government policy proposals where these affect land use and resource management within the District
- Conducting a review of the District Plan every 10 years
- Conducting a review of the state of the District's environment every five years
- Processing private plan change requests and notices of requirements for designations.
- Ensuring information about the resource consent application process, district planning and monitoring and the Resource Management Act 1991 (RMA) are up to date and easily accessible via Council's website and at the Council office (printed copy)
- Having a planner on duty on each working week day between the hours of 9am to 1pm at the Council office to assist with general planning or resource consent application enquiries
- Planners are also available outside this timeframe to assist you with any planning or resource consent enquiries.

You can expect a responsive district planning service

We will measure this by: Council records show that consents and applications have been completed within specified timeframes as per the RMA:

- 70 working days for notified and limited notified consents
- 20 working days for non-notified resource consents
- 50 working days for notified and limited notified resource consents not requiring a hearing
- 10 working days for controlled activities resource consents (excluding subdivisions)

Baseline: 0% of notified and limited notified consents that proceeded to a hearing (one application), 79% of non-notified resource consents and 100% of notified and limited notified resource consents not requiring a hearing were processed within specified timeframes in 2016/17

9% of controlled activity resource consents were processed within 10 working days in 2016/17

Targets for the next 10 years:

Years 1 – 3:

- 90% of resource management applications were processed and approved as per statutory timeframes specified within the RMA
- 90% of resource consent applications for controlled activities were processed and approved within the 10 working day statutory timeframes

Years 4 – 10:

- 95% of resource management applications were processed and approved as per statutory timeframes specified within the RMA
- 95% of resource consent applications for controlled activities were processed and approved within the 10 working day statutory timeframes

Note: Council’s performance targets for resource consent processing are deliberately set lower than our statutory obligations. The target has been set at a more realistic level, given the high number and complexity of resource consent applications in recent years due to growth and development in the District. Council has taken steps to improve performance by employing one additional Graduate Planner and one Senior Planner. Council is also looking to improve performance over time, moving from 90% compliance with statutory timeframes in Years 1 – 3 to 95% compliance in Years 4 – 10.

Projects:

District Plan Review

Our current District Plan is in the process of being reviewed. The outcomes of this review will shape the future development and use of land.

In the Annual Plan 2017/18, Council signalled it would be seeking additional funding for this project. Council is required by law to review the District Plan every 10 years. Reviewing the plan is a significant and complex project requiring input from a range of technical experts and industry professionals, and requires extensive community consultation. The funding requested over ten years will enable a more manageable rolling review to be undertaken.

Funding required: \$611,000 in 2018/19, \$623,000 in 2019/20, \$318,000 in 2020/21 and \$325,000 from 2021-28.

Did you know...

The Resource Management Act 1991 also referred to as the

RMA

defines the functions we are required to administer

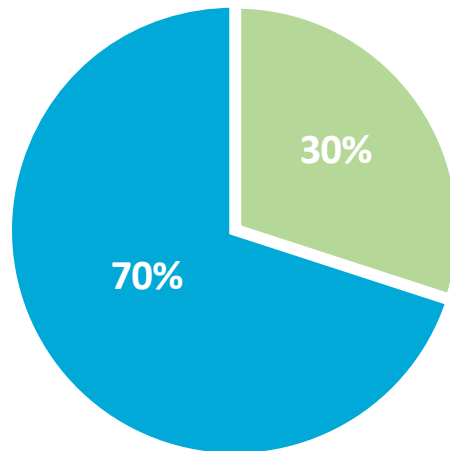


Council granted
258
resource consents

in 2016/17

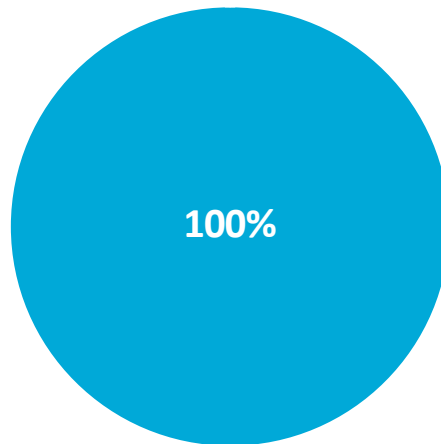
How the activity is funded:

Consent Planning



- PUBLIC: General Rate (CV) and Uniform Targeted Rate
- PRIVATE: User Fees and Charges (consents, infringements etc)

District Planning



- PUBLIC: General Rate (CV)



The Council’s District Plan is the statutory planning framework that guides how

land is used, developed and subdivided

Manawatū District Council

Funding Impact Statement - Regulatory

For 1 July 2018 - 30 June 2028

	Annual Plan 2018 \$000	Year 1 2019 \$000	Year 2 2020 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	566	2,909	3,002
Targeted rates	2,110	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	1,804	2,063	2,105
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	24	111	113
Total operating funding	4,504	5,082	5,220
Applications of operating funding			
Payments to staff and suppliers	2,293	2,729	2,512
Finance costs	0	0	0
Internal charges and overheads applied	2,520	2,672	2,775
Other operating funding applications	0	0	0
Total applications of operating funding	4,813	5,401	5,286
Surplus (deficit) of operating funding	(309)	(319)	(67)
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding	0	0	0
Applications of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	0	10	0
- to replace existing assets	0	3	0
Increase (decrease) in reserves	(309)	(332)	(67)
Increase (decrease) of investments	0	0	0
Total applications of capital funding	(309)	(319)	(67)
Surplus (deficit) of capital funding	309	319	67
Funding balance	0	0	0

Year 3 2021 \$000	Year 4 2022 \$000	Year 5 2023 \$000	Year 6 2024 \$000	Year 7 2025 \$000	Year 8 2026 \$000	Year 9 2027 \$000	Year 10 2028 \$000
3,041	3,058	3,189	3,256	3,346	3,154	3,272	3,277
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
2,150	2,196	2,245	2,298	2,350	2,407	2,468	2,531
0	0	0	0	0	0	0	0
115	117	120	122	125	128	130	133
5,306	5,372	5,554	5,676	5,821	5,689	5,870	5,941
2,275	2,294	2,274	2,303	2,380	2,408	2,493	2,530
0	0	0	0	0	0	0	0
2,887	2,931	3,041	3,128	3,191	3,262	3,359	3,391
0	0	0	0	0	0	0	0
5,162	5,225	5,315	5,432	5,571	5,670	5,851	5,921
144	147	239	245	250	19	19	20
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
3	0	0	0	0	5	0	6
140	147	239	245	250	14	19	13
0	0	0	0	0	0	0	0
144	147	239	245	250	19	19	20
(144)	(147)	(239)	(245)	(250)	(19)	(19)	(20)
0	0	0	0	0	0	0	0

Governance and Strategy Group

We do this as a statutory obligation under the Local Government Act 2002 (LGA) and the Resource Management Act 1991 (RMA) to provide opportunities for community participation in decision-making.



ATTRACT AND RETAIN
RESIDENTS



BROAD ECONOMIC
BASE



CUSTOMER FOCUSED
AND EFFICIENT

What we do:

We run council meetings, carry out community consultation and engagement, run Local Body elections and manage elected members remuneration. The Governance and Strategy Group also provides strategic planning for the future and works to promote the best interests of the District.

How we do it:

- Having an elected Council comprising of one Mayor and 10 Councillors. Councillors represent three wards: Feilding, Northern Manawatū Rural and Southern Manawatū Rural
- Providing the community with excellent governance and sound leadership
- Providing multiple opportunities for you to be involved in the important decisions that Council makes about the Manawatū District
- Having six standing committees and a joint standing committee with Palmerston North City Council
- Working with our community committees and Youth Ambassadors
- Working to promote the best interests of the District at Regional and Central Government levels
- Managing finances responsibly
- The Ngā Manu Tāiko Manawatū District Council consists of 12 representatives of Tangata Whenua and (3) appointed representatives of the Manawatū District Council. The Committee meets bi-monthly and serves to facilitate dialogue between the Manawatū District Council and Tangata Whenua on matters of interest to Māori
- Te Kaunihera Working Group reports to Ngā Manu Tāiko Manawatū District Council and has responsibility to build on the framework and to develop an action plan for the four outcomes identified in Ngā Manu Tāiko Manawatū District Council's submission to the Long Term Plan 2015-25, namely: Feilding Library, Information Centre, town marketing of events and developing shared understandings between Iwi and the Manawatū District Council
- Focus groups and working parties are established from time to time to look at various issues.

Contribution to Community

Outcomes:

Governance and Strategy activities provide the community with excellent governance by offering sound leadership for the District and multiple opportunities to be involved in the important decisions that Council makes.

The Governance and Strategy Group is proposing to focus on the following to achieve the Community Outcomes:

- Elected members will continue to fulfil leadership roles, setting the vision and outcomes and making decisions that serve the best interests of the community now and in the future
- Represent the Manawatū District's interests regionally and nationally
- Work with others, actively seeking partnerships that can help achieve our goals
- Work with neighbouring local authorities to explore efficiencies and better ways of delivering services
- Undertake community surveys to determine the community's satisfaction with the services provided, and perception of Council's performance
- Engage with the community and involve them in decisions that affect them. It is important we understand community views and preferences on issues, proposals, decisions, assets and activities provided.

Significant negative effects

There are no significant negative effects on the community from this activity. However, decisions made by Council may affect some or all residents and ratepayers. Council adopted a Significance and Engagement Policy to guide Council on significant decisions and how to inform, consult, engage, involve or empower those affected in the decision-making process.

Key issues

Engagement:

One of our challenges is to communicate and engage with the public in ways that enable people understand and become involved in what we do. The Significance and Engagement Policy provides guidance on these matters. The Ngā Manu Tāiko Manawatū District Council Terms of Reference, Memorandum of Understanding or any other similar high-level agreements are considered as a starting point when engaging with Māori.

Improving customer service:

We want to make it easy for people to do business with us. We will seek community feedback to help us improve our customer service.

Ageing population:

The proportion of the District's population aged 65 years and over is projected to increase from 17.8% in 2018 to over 28% by 2048. An ageing population presents an issue of affordability of this service, as there will be an increase in the number of ratepayers on a potentially fixed income.

Governance and Strategy

You can expect responsible management of finance

The Council's Financial Strategy sets the limits for rates increases and debt to provide certainty to ratepayers over their rates accounts and to keep debt at an affordable level.

We will measure this by: reporting that we have not breached the rating or debt levels set in the Financial Strategy.

Baseline: New

Targets for the next 10 years:

Years 1 – 3: Zero breaches of rating or debt levels set in the Financial Strategy

Years 4 – 10: Zero breaches of rating or debt levels set in the Financial Strategy (refer Part 3).

You can expect opportunities to be involved in decision-making

We will measure this by: monitoring the responses to our customer perception survey about opportunities to be involved in decision-making processes.

Baseline: New

Targets for the next 10 years:

Years 1 – 3: 80% customer satisfaction with the opportunities Council provides for community involvement in decision-making

Years 4 – 10: 80% customer satisfaction with the opportunities Council provides for community involvement in decision-making.

Projects:

Earthquake Prone Building Working Party

Legislation that came into effect requires all non-residential buildings to be at or above 34% of New Building Strength in an earthquake. The Council is required to identify at risk buildings and the building owners are required to strengthen or demolish them.

As the Manawatū District is in the higher risk zone for earthquakes the Council has 5 years to identify buildings and owners 15 years to strengthen or demolish them. However for buildings or parts of buildings which have pedestrians walking next to them, are close to important transport routes or are used for some education, health or emergency service, this time frame is halved.

This is expected to apply to Feilding's Central Business District (CBD) and means that any Earthquake Prone Buildings or parts of Buildings must be identified by Council in 2.5 Years (by 31 December 2019) and those buildings or parts of buildings must be strengthened or demolished in 7.5 years after being identified (at the latest 30 June 2028).

Council has identified that this represents a significant challenge and opportunity for Feilding, so have established a working party of building owners and interested parties to work towards good outcomes for all concerned.

Reserves Funds

Council is proposing to improve its financial resilience by building up reserves. This will enable Council to repay debt, undertake repairs to infrastructure in the event of an emergency or other unforeseen event, and/or respond to unanticipated community requests.

Building up reserves funds will cost \$430,000 in 2018/19, \$646,000 in 2019/20, \$819,000 in 2020/21, and \$1.1 million per annum (average) in 2021-28.

Did you know...



Community feedback

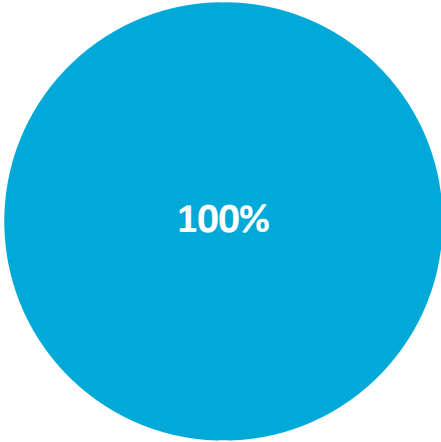
assists Council to make informed decisions



Your elected members represent three wards:

Feilding, Northern Manawatū Rural, and Southern Manawatū Rural

How the activity is funded:



■ PUBLIC: Uniform Targeted Rate

Manawatū District Council
Funding Impact Statement - Governance and Strategy
For 1 July 2018 - 30 June 2028

	Annual Plan 2018 \$000	Year 1 2019 \$000	Year 2 2020 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	0	2,060	2,228
Targeted rates	2,085	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	69
Total operating funding	2,085	2,060	2,297
Applications of operating funding			
Payments to staff and suppliers	598	657	785
Finance costs	0	0	0
Internal charges and overheads applied	1,486	1,404	1,512
Other operating funding applications	0	0	0
Total applications of operating funding	2,084	2,060	2,297
Surplus (deficit) of operating funding	1	0	0
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding	0	0	0
Applications of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	0	0	0
- to replace existing assets	0	0	0
Increase (decrease) in reserves	1	0	0
Increase (decrease) of investments	0	0	0
Total applications of capital funding	1	0	0
Surplus (deficit) of capital funding	(1)	0	0
Funding balance	0	0	0

Year 3 2021 \$000	Year 4 2022 \$000	Year 5 2023 \$000	Year 6 2024 \$000	Year 7 2025 \$000	Year 8 2026 \$000	Year 9 2027 \$000	Year 10 2028 \$000
2,390	2,311	2,448	2,598	2,472	2,628	2,824	2,652
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	74	0	0	79	0	0
2,390	2,311	2,522	2,598	2,472	2,707	2,824	2,652
660	723	834	703	733	888	790	782
0	0	0	0	0	0	0	0
1,730	1,589	1,688	1,894	1,739	1,819	2,034	1,870
0	0	0	0	0	0	0	0
2,390	2,311	2,522	2,598	2,472	2,707	2,824	2,652
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0

Roading Group

We do this to meet our statutory obligations, to realise our strategic vision and to play our role in achieving a regional strategic integrated land transport network. We understand that an effective roading network is also essential to ensuring the economic and social wellbeing of the community.



ENVIRONMENT



ATTRACT AND RETAIN
RESIDENTS



BROAD ECONOMIC
BASE



QUALITY
INFRASTRUCTURE



SAFE BUILT
ENVIRONMENT



CUSTOMER FOCUSED
AND EFFICIENT

What we do:

The maintenance and delivery of a roading network that provides suitable access to business, educational, social and recreational services for the District's residents and businesses. Continuous improvement in District road safety. Connectivity of key strategic routes within and through the District. Land use planning to proactively respond to demographic change and impacts of land use change. Encourage the uptake of walking and cycling as transport modes and for recreation. Provide an appropriate network of tourism routes.

How we do it:

- Optimised maintenance programmes to improve the reliability and cost effectiveness of the road network
- Improving the resilience of the road network to reduce the magnitude and impact of natural hazard events
- Improve the road network to minimise the impacts of forestry harvest on the road network
- Improve the safety of the road network through installing upgrading or amending signage removing roadside hazards, improving sightlines, traffic calming in schools and other minor safety improvements
- Providing access to the residential and industrial growth areas in Feilding.

Contribution to Community

Outcomes:

The Roding Group provides the community with a road network that is efficient, supports economic activity, is fit for purpose and meets the One Network Roding Classification (ONRC) Customer Levels of Service.

The Roding Group is proposing to focus on the following to achieve the community outcomes:

- Improving the resilience of the network to ensure that it is consistently accessible and fit for purpose
- Improving the safety of the network to minimise the risk and consequences of crashes
- Enable growth in the Residential and Industrial areas of the Manawatū.

Significant negative effects

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

Contaminants such as those from vehicle tyres, brake pads, oil and grease and the wear of bitumen from road surfaces can all end up in the District's air, water and land. Large construction projects can also lead to adverse environmental effects. Runoff from earthworks can end up in waterways and dust can become airborne if not mitigated effectively.

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

Key issues

Maintenance: Land use changes and transport requirements are placing increasing stresses on the form and function of the network.

Low Resilience of the Network: During periods of intense rainfall Feilding, Rongotea, Kairanga/Bainesse and Tangimoana are prone to flooding. Also mudslides, debris flows and rock slides occur in the rural hinterland.

Forestry Harvest: The increase in logging traffic has commenced and there will be a peak between 2024 and 2029 with 1.3 million tonnes of timber predicted to be extracted during that period. This will place pressure on rural road maintenance schedules.

Safety: There is a high level of Serious and Fatal crashes per vehicle kilometre travelled.

Population Growth: The economy and the population of the District are growing. With growth expected to continue, reaching our economic development potential requires investment to provide transport access for housing development in high urban growth areas, and the industrial and commercial growth expected at the Kawakawa Road Industrial Park.

Ageing Bridges: There are a number of bridges throughout the District, that are nearing the end of their useful lives. This doesn't necessarily mean all will be replaced but highlights specific requirements for inspections and options to extend the remaining life with either component replacement or through regular maintenance.

Financial Assistance Rate (FAR): The Financial Assistance Rate (FAR), is the Central Government investment in Council's local roading network. The New Zealand Transport Agency (NZTA) provides a 53% FAR on all approved work.

One Network Road Classification: The One Network Road Classification (ONRC) levels of service are now established for the District. Council must deliver a service that achieves Customer Level of Service Outcomes.

Roading

You can expect to get to where you need to go safely using our road network

Council will maintain the infrastructure in a safe condition.

We will measure this by: Reporting to you the change from the previous financial year in the number of fatalities and serious injury crashes on the local road network.

Baseline: The Police Crash Analysis System (CAS) is only available to 1 April 2017. For the period 1 April 2016 to 1 April 2017 there were two fatal crashes and 12 serious injury crashes. For the period 1 April 2015 to 31 March 2016 there were eight fatal crashes and 22 serious injury crashes.

Targets for the next 10 years:

Years 1 – 3: The total number of fatalities and serious injury crashes on the local road network is lower than the previous financial year, measured on a per capita basis.

Years 4 – 10: The total number of fatalities and serious injury crashes on the local road network is lower than the previous financial year, measured on a per capita basis.

You can expect the road to be in good condition

A High Speed Data Survey will be carried out every two years on Arterial, Collector (primary and Secondary) and Access Roads with traffic counts greater than 500 Annual Average Daily Traffic (AADT).

The condition of the asset is described by a set of attributes. The quality of these attributes changes over the lifetime of the asset. Sound decisions about interventions and investments rely to a large degree on knowledge of the current condition and the rate of change in the condition of the asset.

We will measure this by: The average quality of ride on a sealed local road network, measured by Smooth Travel Exposure (STE) index ratings (percentage of assessed network length where roughness is under the relevant threshold).

Baseline: In 2016/17 the STE index ratings were as follows:

- Urban roads – 91%
- Rural roads – 95%
- All roads – 94%

Targets for the next 10 years:

Year 1-3: The annual average, as per the Smooth Travel Exposure (STE) index, is 90

Year 4-10 The annual average, as per the Smooth Travel Exposure (STE) index, is 90

You can expect the roading network to be well maintained

We will measure this by: the percentage of the sealed local road network that is resurfaced.

Baseline: Council maintained a sealed roading network of 990.9 km (as at 30 June 2017). In the 2016-17 financial year 58.86 km or 5.9% of the sealed road network was resealed.

Targets for the next 10 years:

Years 1 – 3: 5% of the local road network is resurfaced each year.

Years 4 – 10: 5% of the local road network is resurfaced each year.

You can expect well maintained footpaths

We will measure this by: the percentage of footpaths within the district that fall within the level of service or service standard for the condition of footpaths that is set out in Council's Activity Management Plan

Baseline: 99.7% of the of District's footpaths (by length) were rated as acceptable (condition rating 1-4) in 2016/17

Targets for the next 10 years:

Years 1 – 3: 95% of the districts footpaths are within acceptable defect levels (condition rating 1 – 4), for example, cracking, breaks, high lips, trip hazards etc

Years 4 – 10: 95% of the districts footpaths are within acceptable defect levels (condition rating 1 – 4), for example, cracking, breaks, high lips, trip hazards etc

You can expect to easily get to where you want to go

We will measure this by: monitoring residents satisfaction in the residents perception survey that the road network is easy to navigate, with sufficient signage.

Baseline: 88% of residents were satisfied that the road network is easy to navigate with sufficient signage in the August 2017 residents perception survey

Targets for the next 10 years:

Years 1 – 3: 85% residents satisfaction that the network is easy to navigate and that there is adequate signage

Years 4 – 10: 85% residents satisfaction that the network is easy to navigate and that there is adequate signage

You can expect a timely response to your request for service

We will measure this by: The percentage of customer service requests relating to roads and footpaths that meet the following response timeframes:

- For urgent requests for service, a member of Council's Roading Team and/or contracted service personnel will be on site within three hours of the request being lodged with Council. Where possible, the problem will be remedied immediately. If this cannot be achieved, the site will be made safe and the remedial action carried out as soon as is reasonably practicable.
- For non-urgent requests for service the contractor will include the repairs in the 3 month rolling programme or as instructed by Council's Roading Team.

Note: "Urgent" roading call-outs include the following:

- Sealed and unsealed road failures affecting traffic safety and showing signs of rapid deterioration;
- Removal of offensive graffiti;
- Replacement and painting (where required) of defective or damaged barriers where traffic or public safety is seriously compromised;
- Potholes on arterial roads;
- Removal of offensive and dangerous litter and debris (e.g. dead animals, vomit, excrement, broken glass etc) on all urban roads; and
- Unsealed roads that have subgrade exposure and slippery conditions, where road user safety is at risk

All other roading and footpath requests for services are considered "non-urgent."

Further detail on the frequency of inspections and response times is included in Appendix 9 of the Roading Activity Management Plan.

Baseline: New

Targets for the next 10 years:

Years 1- 3: 90% of the different types of requests for service are responded and remediated within the timeframes set

Years 4 – 10: 90% of the different types of requests for service are responded and remediated within the timeframes set

Projects:

Turners Road Extension

Enhancing economic growth is one of Council's priorities, and providing access to good quality industrial land is one of the components of successful economic growth. Council is proposing to construct an adequate but basic road from Turners Road to Kawakawa Road as a first step in developing this area. Further enhancements to the road will occur in future years. The extension will enable access to an initial 24 hectares of high-quality industrial land, attracting investment into the District. Council will work in partnership with current landowners and stakeholders to fund and construct this initial stage of the industrial growth area.

This project was included in previous Annual Plans but Council has reduced the scope and cost of project to save costs. The project will cost \$102,000 in 2018/19, and \$1.2 million in 2019/20.

Mangaweka Bridge

The Mangaweka Bridge has had weight restrictions in place for a number of years and has reached the end of its useful life. A business case has indicated a full replacement is required. A detailed business case, including community engagement and the replacement options is currently being completed. Funding for the replacement bridge will be shared with Rangitikei District Council and NZTA. These figures are the Manawatū District Council's share of the project, which will attract a 53% subsidy from NZTA.

Funding required from Manawatū District Council for the replacement is \$825,000 in year 2018/19, and \$4.2 million in year 2019/20.

Growth Precinct 4 Pharazyn Street

In 2013, Feilding's Urban Growth Strategy identified areas in the town suitable for development. Precinct 4 was identified as a priority for development.

The required infrastructure, such as roads, footpaths, wastewater and town water supply networks will necessitate considerable investment of \$3.8 million, \$2.4 million, \$2.6 million and \$7.6 million over years 2018/19, 2019/20, 2020/21 and 2021-28 respectively.

Palmerston North to Feilding Cycleway \$1.2 million

Council has agreed to reinstate the \$1.2 million it originally had budgeted for this project. A business case has been initiated and Council is awaiting the opportunity to apply for a funding contribution from New Zealand Transport Agency. The project will still only go ahead if external funding is secured. The timing of this project is scheduled for 2021/22.

Hiwinui Safety Improvements

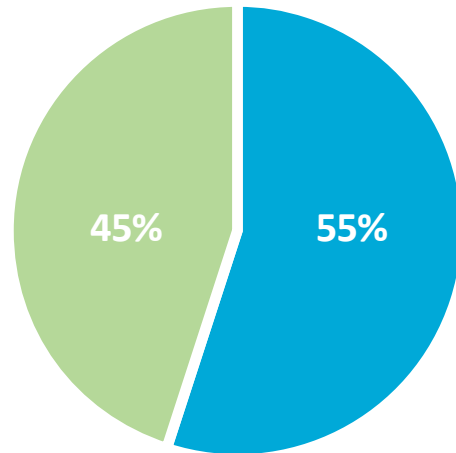
The population of Hiwinui has increased over the past few years, creating pressure on existing roads and intersections, and raising some transport safety concerns. Council has listened to the concerns of residents and school pupils and has agreed to include \$250,000 in the Long Term Plan 2018-28 budget for solutions to address these concerns. Plans are still to be finalised and will be subject to approval from New Zealand Transport Agency approval and funding contribution, but proposals include the construction of a pathway to the school, intersection improvements and traffic calming measures.

Quail Avenue Walkway

Council has agreed to include the Quail Avenue Walkway project back into the Long Term Plan 2018-28. Construction will be undertaken in 2018/19 and cost \$275,000. The costs will be funded by Development Contributions so there will not be any additional impact on rates.

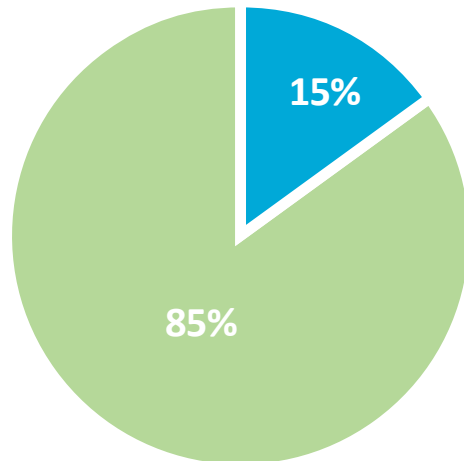
How the activity is funded:

Roading Network



- PUBLIC: Targeted Rate (CV)/Uniform Targeted Rate
- PRIVATE: Subsidies [NZTA subsidy]

Feilding CBD Redevelopment



- PUBLIC: General Rate (CV)
- PRIVATE: Targeted Rate (CV) CBD only

Did you know...



The cost of replacing the entire roading network managed by Council is

\$576 million



The Roding Group activity is delivered as part of a shared service model with Rangitikei District Council. Day-to-day maintenance is carried out by contractors.



The Manawatū District Roding Network total

1,370 km of sealed and unsealed roads:

996km are sealed, 374km unsealed

1

State Highways

are owned and maintained by the New Zealand Transport Agency



Topography of the District

is steep with deep valleys, many rivers and mixture of soft volcanic soils overlaying papa. This makes it difficult and costly to maintain the Roding Network

Strategic Roads-17km

- Rangiotu Road, Saddle Road

Arterial Roads-55km

– e.g. Waughs Road, Awahuri-Feilding Road, Halcombe Road, No. 1 Line Longburn, Kawakawa Road, Rongotea Road, South Street West, Stewart Road, West Street

Collector roads-173km

– e.g. Apiti Road, Colyton Road, East Street, North Street, Kimbolton Road, Pohangina Road, Valley Road, Taonui Road

Manawatū District Council

Funding Impact Statement - Roading Network

For 1 July 2018 - 30 June 2028

	Annual Plan 2018 \$000	Year 1 2019 \$000	Year 2 2020 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	25	26	26
Targeted rates	6,718	6,362	6,517
Subsidies and grants for operating purposes	2,887	2,833	2,861
Fees and charges	0	68	57
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	186	204	208
Total operating funding	9,816	9,493	9,669
Applications of operating funding			
Payments to staff and suppliers	5,755	5,579	5,638
Finance costs	169	197	261
Internal charges and overheads applied	168	(128)	(115)
Other operating funding applications	0	0	0
Total applications of operating funding	6,092	5,649	5,784
Surplus (deficit) of operating funding	3,724	3,844	3,885
Sources of capital funding			
Subsidies and grants for capital expenditure	4,800	4,550	5,960
Development and financial contributions	132	505	520
Increase (decrease) in debt	341	583	2,036
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding	5,273	5,638	8,516
Applications of capital funding			
Capital expenditure			
- to meet additional demand	1,979	872	1,691
- to improve the level of service	1,066	1,560	937
- to replace existing assets	8,493	7,290	10,495
Increase (decrease) in reserves	(2,539)	(241)	(723)
Increase (decrease) of investments	0	0	0
Total applications of capital funding	8,997	9,482	12,400
Surplus (deficit) of capital funding	(3,724)	(3,844)	(3,885)
Funding balance	0	0	0

Year 3 2021 \$000	Year 4 2022 \$000	Year 5 2023 \$000	Year 6 2024 \$000	Year 7 2025 \$000	Year 8 2026 \$000	Year 9 2027 \$000	Year 10 2028 \$000
26	26	26	26	26	26	26	26
6,663	7,107	7,460	7,652	7,958	8,194	8,428	8,442
2,888	3,279	3,393	3,471	3,689	3,779	3,876	3,751
58	73	60	62	78	65	67	84
0	0	0	0	0	0	0	0
211	215	218	222	226	230	235	239
9,847	10,699	11,157	11,433	11,977	12,295	12,631	12,542
5,694	6,437	6,634	6,787	7,205	7,382	7,571	7,343
351	410	496	534	572	614	656	695
(112)	(128)	(50)	(53)	(59)	(55)	(51)	(64)
0	0	0	0	0	0	0	0
5,933	6,718	7,079	7,267	7,718	7,941	8,175	7,974
3,913	3,981	4,078	4,166	4,260	4,354	4,456	4,568
3,434	5,068	4,478	4,583	4,652	4,768	4,892	4,707
538	534	514	506	582	586	597	583
867	1,396	765	759	852	846	839	706
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
4,839	6,998	5,757	5,848	6,086	6,200	6,328	5,996
538	378	387	396	506	518	532	419
982	2,509	1,233	1,262	1,293	1,325	1,360	1,396
5,689	7,250	7,417	7,590	7,695	7,886	8,091	7,711
1,543	841	798	765	852	824	801	1,038
0	0	0	0	0	0	0	0
8,752	10,978	9,835	10,014	10,346	10,554	10,784	10,565
(3,913)	(3,981)	(4,078)	(4,166)	(4,260)	(4,354)	(4,456)	(4,568)
0	0	0	0	0	0	0	0

Solid Waste Group

We do this as part of our role in protecting public health and the environment throughout the District and reducing the amount of waste to landfill.



ENVIRONMENT



ATTRACT AND RETAIN
RESIDENTS



SAFE BUILT
ENVIRONMENT



CUSTOMER FOCUSSED
AND EFFICIENT

What we do:

Provide a refuse bag collection service and work with the community to minimise waste.

How we do it:

- By providing weekly refuse bag collection service to urban and selected rural areas
- By providing kerbside recycling to Feilding residents and businesses
- By providing rural recycling facilities in selected villages
- By providing waste transfer stations
- By providing litterbin services
- By providing bulk rural refuse collection
- By removing fly-tipping
- By reviewing our Waste Minimisation Management Plan
- By meeting our legal obligations to the Waste Minimisation Act 2008, Local Government Act 2002, Health Act 1956 and Resource Management Act 1991 to provide solid waste services
- By supporting the Enviroschools and Marae-based waste minimisation and recycling programmes
- By delivering waste education programmes
- Inspecting solid waste collection points to ensure safety and avoid health risks
- Providing educational material to households, farmers, schools and businesses educating them of the benefits of diverting more waste from landfill through recycling.

Contribution to Community

Outcomes:

The activity of providing a robust solid waste collection system is one of Council's core functions. Council understands that there are many community and economic benefits attached to the provision of this service to both rural and urban communities. Residents enjoy a safe environment free from inappropriately disposed of solid waste. Environment is also protected by eliminating this waste from the environment.

The Solid Waste Group is proposing to focus on the following activities to achieve Council's outcomes:

- Review Council's Waste Minimisation Management Plan
- Provide appropriate resources across the District to dispose of and divert solid waste to landfill
- Provide a sustainable and effective solid waste disposal and recycling service
- Design and build a purpose built Resource Recovery Centre.

Significant negative effects

Potentially, there are significant negative effects to public health if inadequate collection systems of solid waste are not in place:

- This includes direct disposal and the cost and consequences of transporting solid waste and recyclables for disposal. Measures are in place to encourage minimisation of waste in District communities, such as through recycling
- The costs of disposing of solid waste may become prohibitive for some people due to Council having no open landfills in the District thus having to transport waste out of the District to privately owned landfills
- An increase in 'solid waste' stockpiling, fly-tipping and associated health issues may increase as the number of people on a fixed income may find it difficult to meet rising disposal costs of these private providers. The purchase price for Council rubbish bags remains comparatively low.

Solid Waste

Key issues

Population Growth:

The anticipated growth in population and households will result in a small increase in the total waste generated and operational expenditure for the provision of services. As new communities are developed Council will ensure it delivers an appropriate level of service.

Ageing Population:

The proportion of the District's population aged 65 years and over is projected to increase from 17.8% in 2018 to over 28% by 2048. An ageing population presents an issue of affordability of this service, as there will be a sharp increase in the number of ratepayers on fixed incomes.

Changing Public Attitudes:

As the public becomes increasingly more aware of the need to reduce waste to landfill, recycle and reuse waste it is hoped that the current level of solid waste being diverted from land-fill will continue to increase. Keeping in mind that the cost of processing recycling is more expensive than direct disposal to landfill.

Emissions Trading Scheme (ETS):

This scheme will have a significant impact on the delivery of Council waste collection services. Council will be charged a Unique Emission Factor at a rate of \$5 per tonne (projected cost estimate) for waste taken to landfill. This charge will be passed on to ratepayers who use the transfer station.

Waste Minimisation Act 2008:

Currently Council pays a \$10 tonne levy to the Ministry for the Environment for disposing solid waste to landfill. Council receives waste levy funding on a population basis for waste minimisation activities.

Increased demand:

As public awareness and education around recycling and reuse increases, the tonnage being diverted from landfill directly increases. This increase in diverted tonnage results in a direct cost to Council and impacts on the affordability of providing the service.

Waste Minimisation Management Plan (WMMP):

Is the basis for the future strategic direction of waste management in the District and provides information on the existing waste management practices in the District. WMMP is planned to be reviewed in the first year of the Long Term Plan to see if it is still fit for purpose.

You can expect access to waste management services

We will measure this by: ensuring that rural residents have convenient council refuse bag drop-off points close to their homes.

Baseline: 94% of rural residents were within 10km of a rural refuse collection point in 2016/17

Targets for the next 10 years:

Years 1 – 3: 90% of rural residents have convenient council refuse bag drop-off points less than 10kms from their homes

Years 4 – 10: 90% of rural residents have convenient council refuse bag drop-off points less than 10kms from their homes

We will measure this by: ensuring that mobile recycling centres are conveniently located within identified villages

Baseline: mobile recycling centres were conveniently located in all identified villages (i.e. within 5km of village centre) in 2016/17

Targets for the next 10 years:

Years 1 – 3: 100% mobile recycling centres are conveniently located in identified villages

Years 4 – 10: 100% mobile recycling centres are conveniently located in identified villages

You can expect waste education programmes to encourage recycling

We will measure this by: delivery of waste education programmes that promote reduce and reuse; working with farmers to encourage them to look at alternatives to dispose of their farm waste e.g. bale wrap and householders for alternatives with household waste.

Baseline: In 2016/17 nine schools received waste minimisation programmes from Waste Education NZ and nine schools were enrolled in the EnviroSchools programme

Targets for the next 10 years:

Years 1 – 3: Support 100% achievement of confirmed participants in the Council-supported waste education programmes

Years 4 – 10: Support 100% achievement of confirmed participants in the Council-supported waste education programmes

You can expect to be satisfied with solid waste services

We will measure this by: monitoring the number of complaints received by Council about its performance of its solid waste services.

Baseline: New

Targets for the next 10 years:

Years 1 – 3: <100 complaints received per 100,000 annual collections

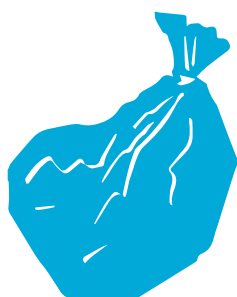
Years 4 – 10: <100 complaints received per 100,000 annual collections

Did you know...

On average

45%

Council collected waste is diverted from landfill to recycling compared to only 14% in 2006.



Council refuse bags

Council refuse bags are generally purchased from supermarkets, Mitre 10, dairies, Council office and Feilding Library.

The Solid Waste activity is delivered as part of a shared service model with Rangitikei District Council.



Projects:

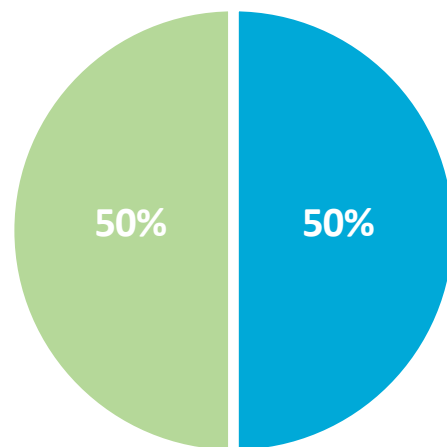
Resource Recovery Centre

First proposed in 2015–25 Long Term Plan, Council is now proceeding with the construction of a purpose-built Resource Recovery Centre (transfer station). Funding for this project includes approximately \$2 million of external funding.

The project will cost Manawatū District Council \$3.5 million in year 2018/19.

How the activity is funded:

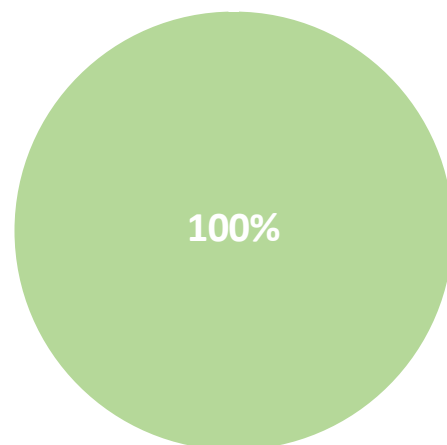
Solid Waste Collection and Disposal



PUBLIC: Uniform Targeted Rate

PRIVATE: User Fees and Charges [blue bag sales, transfer station gate takings, fines]

Kerbside Recycling Collection



PRIVATE: Targeted Rate (fixed) available only

Manawatū District Council

Funding Impact Statement - Solid Waste

For 1 July 2018 - 30 June 2028

	Annual Plan 2018 \$000	Year 1 2019 \$000	Year 2 2020 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	0	1,080	1,109
Targeted rates	1,767	691	704
Subsidies and grants for operating purposes	105	112	145
Fees and charges	879	1,351	2,937
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	2	0	133
Total operating funding	2,753	3,234	5,028
Applications of operating funding			
Payments to staff and suppliers	2,413	2,872	4,142
Finance costs	60	63	90
Internal charges and overheads applied	384	352	374
Other operating funding applications	0	0	0
Total applications of operating funding	2,857	3,287	4,606
Surplus (deficit) of operating funding	(104)	(53)	423
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	(36)	3,325	(483)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding	(36)	3,325	(483)
Applications of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	71	3,485	26
- to replace existing assets	0	0	0
Increase (decrease) in reserves	(211)	(214)	(87)
Increase (decrease) of investments	0	0	0
Total applications of capital funding	(140)	3,271	(61)
Surplus (deficit) of capital funding	104	53	(423)
Funding balance	0	0	0

Year 3 2021 \$000	Year 4 2022 \$000	Year 5 2023 \$000	Year 6 2024 \$000	Year 7 2025 \$000	Year 8 2026 \$000	Year 9 2027 \$000	Year 10 2028 \$000
1,095	1,097	1,128	1,150	1,176	1,204	1,230	1,254
717	729	754	769	784	804	823	842
149	163	166	170	174	178	183	187
3,530	4,149	4,794	4,907	5,019	5,141	5,270	5,405
0	0	0	0	0	0	0	0
133	133	133	133	133	133	133	133
5,624	6,271	6,976	7,129	7,287	7,459	7,639	7,821
4,621	5,072	5,615	5,744	5,873	6,011	6,160	6,313
72	55	47	47	46	45	45	43
384	386	417	421	428	439	444	447
0	0	0	0	0	0	0	0
5,077	5,513	6,080	6,211	6,347	6,495	6,649	6,803
547	758	896	918	940	964	990	1,018
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
(472)	(397)	(125)	(125)	(124)	(121)	(121)	(121)
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
(472)	(397)	(125)	(125)	(124)	(121)	(121)	(121)
0	0	0	0	0	0	0	0
14	14	15	15	15	16	16	17
0	0	0	0	0	0	0	0
61	347	756	778	801	827	852	880
0	0	0	0	0	0	0	0
76	362	771	793	816	843	869	897
(547)	(758)	(896)	(918)	(940)	(964)	(990)	(1,018)
0	0	0	0	0	0	0	0

Stormwater Group

We do this to protect people, property and community assets from flooding, maintain the economic productivity of rural land and to minimise pollution of the District's waterways.



ENVIRONMENT



ATTRACT AND RETAIN
RESIDENTS



BROAD ECONOMIC
BASE



QUALITY
INFRASTRUCTURE



SAFE BUILT
ENVIRONMENT



CUSTOMER FOCUSED
AND EFFICIENT

What we do:

Provide a network of stormwater systems throughout the District.

How we do it:

- Maintaining reticulated stormwater systems in Feilding, Rongotea and Sanson including inlets, pipes, open drains, and outlets to receiving environments
- Carrying out significant ongoing maintenance to the four rural drainage schemes: Bainesse, Maire, Makowhai and Oroua
- Maintaining shared stormwater assets in Himatangi Beach, Halcombe, Apiti, Kimbolton, Pohangina, Rangiwahia and Cheltenham.

Contribution to Community

Outcomes:

The activity of providing of an effective stormwater service and drainage infrastructure is one of Council's core functions. Council seeks to protect the environment, people, property and roadways from flooding during heavy rain events by having a service that is sustainably managed, compliant, adequately deals with flows, is cost-effective and operated in a social and culturally acceptable manner.

Council understands that there are many community and economic benefits attached to the provision of adequate systems for the safe collection and disposal of stormwater.

Effective stormwater and drainage infrastructure ensures that the built environment - roadways, culverts and other infrastructure either associated with flood protection or in danger of flooding - is safe, reliable and attractive.

The Stormwater Group is proposing to focus on the following activities to achieve the Community Outcomes:

- Work to renew or upgrade assets so that flows are diverted away from buildings at risk of flooding
- Upgrades are carried out when and where needed to reduce the risk of stormwater flows capturing contaminants and to meet resource consent and compliance standards
- Carry out works required to cater for projected future growth, development and demand so as not to increase the effects of stormwater flows on downstream properties
- Work with private property owners and developers to deal with stormwater on-site that is unable to be collected and dealt with effectively by existing Council network by managing stormwater within property boundaries (this is known as the principle of hydrological neutrality)
- Work with Horizons (Manawatu-Wanganui Regional Council) to help manage stormwater risks within the Manawātū District.

Significant negative effects

Potentially, there are significant negative effects to public health if adequate management systems of the collection and disposal of stormwater are not in place. These can occur as a result of:

- Flooding of properties. There will be times when rainfall exceeds the design of the stormwater system resulting in flooding. To help alleviate this, secondary flow paths are used to reduce the risk of household damage
- Discharging stormwater containing contaminants from urban environments. This may impact on the life- supporting capacity or mauri of ecosystems (e.g. river systems) and the environment generally. Horizons (Manawatu-Wanganui Regional Council) through their resource consent process manages environmental effects in the main streams and rivers. Council actively complies with resource consent conditions and with the One Plan, working with property owners to reduce the risk of contaminants entering the stormwater system
- Climate change is predicted to affect sea levels, with a predicted rise of over half a metre in the next 100 years, and increased frequency of high intensity storm events. This means that stormwater systems in coastal areas may not drain as well as they have in the past and that localised ponding in heavy rain may occur more frequently. Climate change is also likely to bring more intense and more frequent rainfall events, which will affect the capacity of stormwater networks.

The costs of providing and improving stormwater infrastructure in some areas of the District may be beyond the ability of the community to pay. While there are always costs for delivering a service. Council promotes the best cost-efficient solution philosophy to stormwater activities.

Did you know...



There are
75km
of stormwater
pipes
and more than 1,000 manholes
throughout the District

Stormwater

Key issues

Population Growth:

Much of the residential growth projected for Manawatū District is within the residential growth precincts to the north and west of the existing urban area of Feilding. Unserved 'Lifestyle' development has been concentrated in the Feilding node, followed by Hiwinui. Halcombe, Sanson, Kimbolton, Pohangina and Colyton have also experienced a modest increase in new building consents over the past 10 years to 2018.

Projected population growth and industrial growth in Feilding will increase the demand on existing systems. New sub-division developments are expected to continue over the coming years. The development of new subdivision is expected to change. There is also a trend towards larger houses and increased areas of paved surfaces on private land. This trend increases the volume of stormwater runoff from similar rainfall events. This will mean a small increase in the total stormwater assets vested in Council. This will also mean capital and operating expenditure increases resulting from extensions to existing stormwater schemes. Stormwater detention devices will be installed where appropriate to comply with the requirements of Horizons (Manawatu-Wanganui Regional Council's) One Plan.

Council will monitor sub-divisional development and industrial growth to ensure the correct level of service is delivered.

Ageing Population:

The proportion of the District's population aged 65 years and over is projected to increase from 17.8% in 2018 to over 28% by 2048. An ageing population presents an issue of affordability of this service, as there will be a sharp increase in the number of ratepayers on fixed incomes. Older residents are more likely to have mobility issues so that flooding or other civil emergencies may affect them more severely.

Community Demand for Increased Levels of Service:

Submissions have been received from residents in Halcombe, Tangimoana, Cheltenham, Sanson, Himatangi Beach and Rongotea expressing concerns about stormwater management. In particular, concerns have been raised about the increased risk of flooding as a result of blocked stormwater drains and inadequate drain maintenance. Requests have also been made for Council to close in open stormwater drains in townships such as Sanson, and for comprehensive reviews of stormwater management.

Council has responded to these requests by undertaking a full assessment of the stormwater networks in Feilding, Tangimoana, Rongotea, Himatangi Beach, Sanson, Cheltenham and Halcombe. The outcome has been the inclusion of a Stormwater Improvement Project in this Long Term Plan. More information on this project can be found in the "Projects" section below and in the Infrastructure Strategy in Part 3.

You can expect stormwater system adequacy

We will measure this by:

- The number of flooding events that occur in the district
- For each flooding event, the number of habitable floors affected. (Expressed per 1000 properties connected to Council's stormwater system).

Baseline: No flooding of habitable floors was reported in 2016/17

Targets for the next 10 years:

Years 1 – 3: <10 habitable floors per 1000 properties affected by flooding per flooding event that occurred in the district

Years 4 – 10: <10 habitable floors per 1000 properties affected by flooding per flooding event that occurred in the district

You can expect us to comply with discharge consent conditions

We will measure this by: Compliance with the Council's resource consents for discharge from its stormwater system measured by the number of:

- Abatement notices
- Infringement notices
- Enforcement orders, and
- Convictions received by Council in relation those resource consents.

Baseline: No abatement notices, infringement notices, enforcement orders or convictions were received by Council in 2016/17

Targets for the next 10 years:

Years 1 – 3:

- < Two abatement notices advising breaches of resource consent conditions per scheme

- Zero infringement notices, enforcement orders or convictions advising breaches of resource consent conditions per scheme

Years 4 – 10:

- < Two abatement notices advising breaches of resource consent conditions per scheme
- Zero infringement notices, enforcement orders or convictions advising breaches of resource consent conditions per scheme

You can expect us to respond to flooding events in a timely manner

We will measure this by: 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.

Baseline: No flooding events occurred during 2016/17

Targets for the next 10 years:

Years 1 – 3: Median response time within 2 hours

Years 4 – 10: Median response time within 2 hours

You can expect satisfaction with our service

We will measure this by: 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).

Baseline: Council received 34 complaints relating to the stormwater service in 2016/17. This represents 5.1 complaints per 1,000 property connections

Targets for the next 10 years:

Years 1 – 3: < six complaints per 1,000 property connections per annum

Years 4 – 10: < six complaints per 1,000 property connections per annum

Projects:

Stormwater Improvements

Council will undertake significant improvements to the stormwater network throughout the District. The work will be carried out over 10 years at a cost of approximately \$500,000 per annum (inflation adjusted).

Did you know...

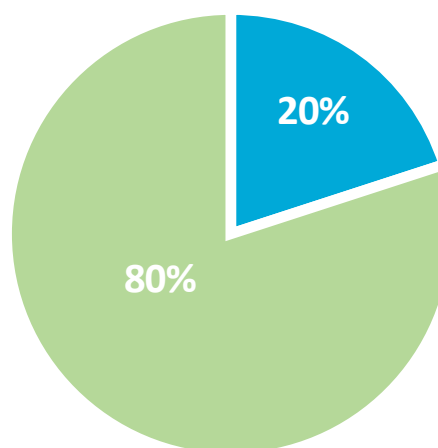
6,667
rating units



are serviced by our stormwater systems (49% of all rating units in the District)

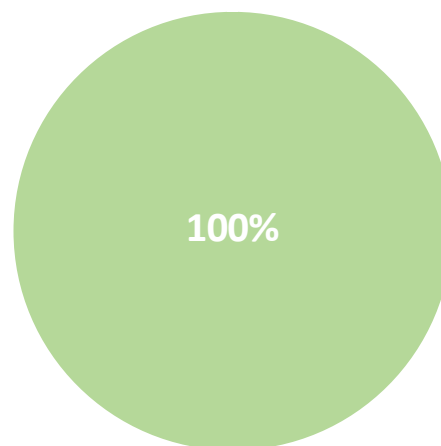
How the activity is funded:

Urban Stormwater



- PUBLIC: General Rate (CV)
- PRIVATE: Targeted Rate (CV) scheme only

Rural Land Drainage



- PRIVATE: Targeted Rate (fixed) available only

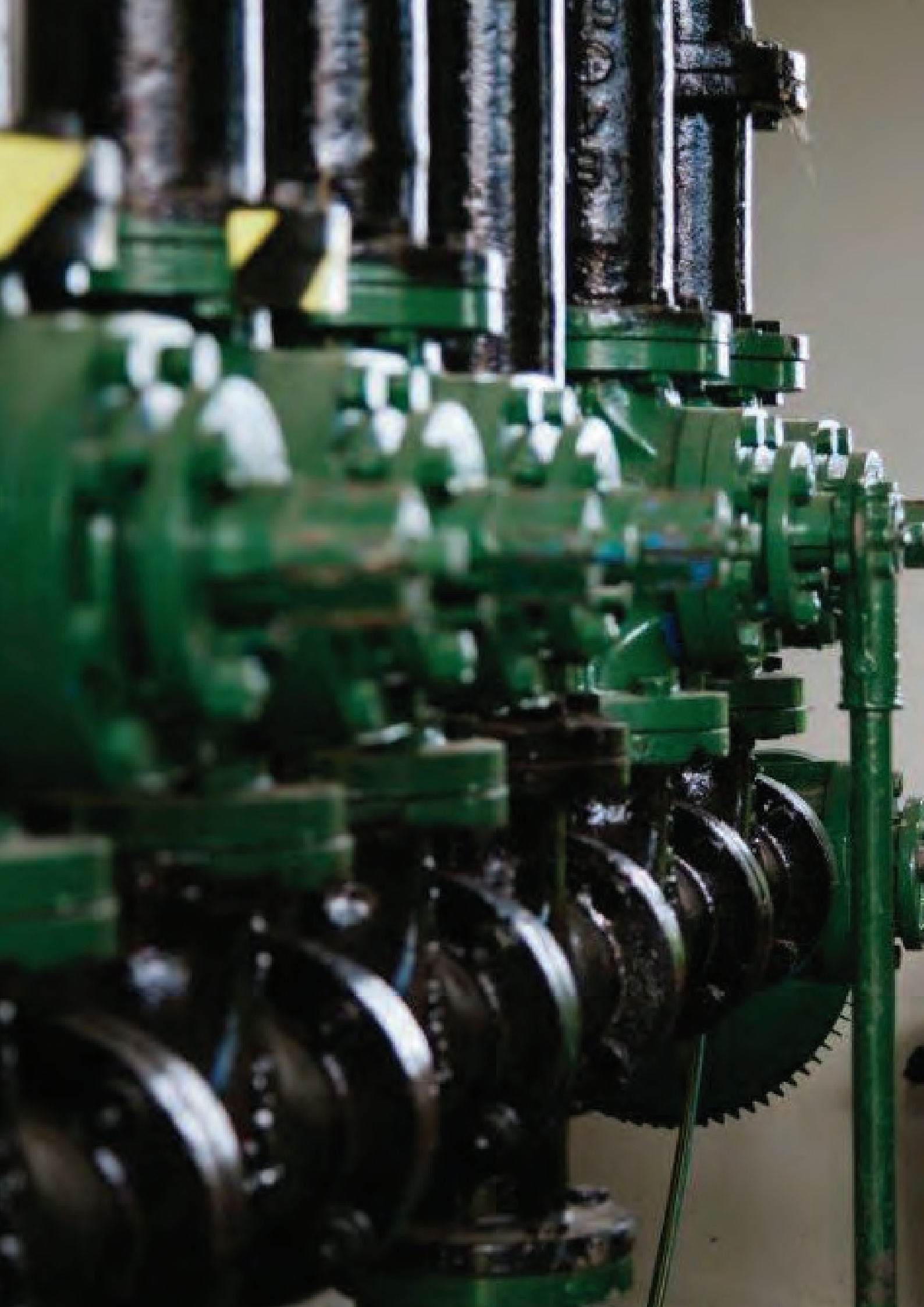
Manawatū District Council

Funding Impact Statement - Stormwater and Drainage

For 1 July 2018 - 30 June 2028

	Annual Plan 2018 \$000	Year 1 2019 \$000	Year 2 2020 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	158	177	186
Targeted rates	638	768	807
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	12	13
Total operating funding	796	957	1,005
Applications of operating funding			
Payments to staff and suppliers	192	246	252
Finance costs	278	440	512
Internal charges and overheads applied	172	179	184
Other operating funding applications	0	0	0
Total applications of operating funding	642	866	949
Surplus (deficit) of operating funding	154	91	56
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	242	902	923
Increase (decrease) in debt	2,114	1,466	1,472
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding	2,357	2,367	2,395
Applications of capital funding			
Capital expenditure			
- to meet additional demand	2,135	1,069	1,094
- to improve the level of service	0	519	531
- to replace existing assets	733	400	52
Increase (decrease) in reserves	(358)	470	773
Increase (decrease) of investments	0	0	0
Total applications of capital funding	2,511	2,458	2,451
Surplus (deficit) of capital funding	(154)	(91)	(56)
Funding balance	0	0	0

Year 3 2021 \$000	Year 4 2022 \$000	Year 5 2023 \$000	Year 6 2024 \$000	Year 7 2025 \$000	Year 8 2026 \$000	Year 9 2027 \$000	Year 10 2028 \$000
194	201	216	224	233	244	254	264
841	872	933	968	1,005	1,048	1,090	1,133
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
13	13	13	14	14	14	15	15
1,048	1,087	1,162	1,206	1,253	1,306	1,358	1,412
258	264	270	277	283	291	298	306
585	657	730	788	804	820	834	848
183	180	210	209	208	213	216	219
0	0	0	0	0	0	0	0
1,026	1,101	1,210	1,274	1,296	1,324	1,349	1,374
21	(14)	(48)	(68)	(44)	(18)	9	39
0	0	0	0	0	0	0	0
961	945	889	864	1,045	1,047	1,067	1,026
1,482	1,485	1,487	351	344	334	323	319
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
2,442	2,430	2,377	1,215	1,389	1,381	1,389	1,345
1,121	1,147	1,174	57	59	60	62	64
545	557	570	584	599	614	630	648
53	55	56	57	59	60	111	64
744	658	528	449	629	628	595	609
0	0	0	0	0	0	0	0
2,464	2,416	2,328	1,147	1,345	1,362	1,399	1,383
(21)	14	48	68	44	18	(9)	(39)
0	0	0	0	0	0	0	0



Wastewater Group

We provide and manage waste water systems to protect public health and the environment



ENVIRONMENT



ATTRACT AND RETAIN
RESIDENTS



BROAD ECONOMIC
BASE



QUALITY
INFRASTRUCTURE



SAFE BUILT
ENVIRONMENT



CUSTOMER FOCUSED
AND EFFICIENT

What we do:

Collect, treat and dispose of wastewater, including domestic, commercial and industrial waste.

How we do it:

Maintaining reticulated wastewater systems in Feilding, Awahuri, Cheltenham, Halcombe, Kimbolton, Rongotea, Sanson and Himatangi Beach

Ensuring that we meet resource consent requirements for the discharge of treated wastewater to either land or water from the District's Wastewater Treatment Plants

Ensuring that we meet statutory obligations under the Local Government Act 2002, Health Act 1956 and Resource Management Act 1991.

Contribution to Community

Outcomes:

The activity of providing of a safe and effective wastewater service is one of Council's core functions. Council seeks to protect the environment, minimise risk and health hazards from sewerage overflows by having a service that is cost-effective, compliant and operated in a social and culturally acceptable manner.

Council understands that there are many community and economic benefits attached to the provision of adequate systems for the safe collection, treatment and disposal of wastewater.

The Wastewater Group is proposing to focus on the following to achieve the Community Outcomes:

- Work to renew and/or upgrade assets so that they meet desired levels of service
- Carry out works required to cater for projected future growth, development and demand
- Monitor quantity and quality of treated wastewater discharges in each scheme.

Significant negative effects

Potentially, there are significant negative effects to public health if inadequate management systems of disposal and treatment of wastewater are in place. These can occur as a result of:

- Wastewater overflows from overloading the wastewater system, particularly during rainfall, due to the entry of stormwater run-off (inflow) and groundwater infiltration
- Blockages of wastewater pipelines, leading to such overflows
- Malfunction of utility installations, such as pump stations
- Having inadequate treatment processes in place.

Council adopts a range of strategies to reduce the entry of stormwater or groundwater into the wastewater systems. The strategies include, but are not limited to:

- Programmes to reduce the entry of stormwater to wastewater systems in private properties (infiltration/ inflow programmes)
- Renewal of aged and/or defective pipes where there is excessive entry of stormwater or groundwater through the pipe
- Providing additional capacity in parts of the wastewater systems.
- The costs of providing and improving wastewater infrastructure in some areas of the District may be beyond the ability of the community to pay. While there are always costs for delivering a service, Council promotes the best cost-efficient solution philosophy to wastewater activities.

Key issues

Population Growth:

Much of the growth projected for Manawatū District within the residential growth precincts to the north and west of the existing urban area of Feilding. The development of new subdivisions is expected to continue over the coming years. Projected population growth and industrial growth in Feilding will increase the demand on existing systems. It will also mean a small increase in the total wastewater assets vested in Council and capital expenditure increases resulting from extensions to existing wastewater schemes.

Un-serviced 'Lifestyle' development has been concentrated in the Feilding node, followed by Hiwinui. Halcombe, Sanson, Kimbolton, Pohangina and Colyton have also experienced a modest increase in new building consents over the past 10 years to 2018. No extensions to existing wastewater schemes or new schemes are currently budgeted for in the villages throughout the District. However, Council will monitor development in these communities and may include new infrastructure at a later date to support new growth areas that may be identified through later stages of the District Plan Review.

Council will monitor the development of subdivision and industrial growth to ensure the correct level of service is delivered.

Ageing Population:

The proportion of the District's population aged 65 years and over is projected to increase from 17.8% in 2018 to over 28% by 2048. An ageing population presents an issue of affordability, as there will be a sharp increase in the number of ratepayers on fixed incomes.

Resource Consent Renewals:

The current river discharge consent for the Feilding Wastewater Treatment Plant expires in 2026. Discharges to water are contrary to the policy direction of the One Plan. Council is currently progressing its programme of work to comply with all consent conditions for Feilding Wastewater Treatment Plant (WWTP). Consent renewals are pending for all other schemes (Awahuri, Cheltenham, Halcombe, Himatangi Beach, Kimbolton, Rongotea and Sanson). Given the new requirements for wastewater discharges set out in Horizons One Plan, and to improve environmental outcomes, substantial work is required to either upgrade these plants, or deal with wastewater from these communities by other means. Council's decision to pipe wastewater from the villages to the Feilding Wastewater Treatment Plant will remove the need to renew wastewater permits for the villages wastewater treatment plants. This project will result in improved environmental outcomes through reduced discharges to water, to meet Council's obligations under the Oroua River Declaration and the Manawatū River Leaders Accord.

Completion of the Feilding Wastewater Treatment Plant Upgrades:

Council is legally required under the Resource Management Act 1991 (RMA) to comply with the conditions of resource consents granted by Horizons Regional Council. The Feilding Wastewater Treatment Plan is in the final stages of a significant upgrade programme to improve the quality of the wastewater it discharges. The improvements include the irrigation of treated wastewater to neighbouring Council-owned land to reduce discharges to the Oroua River. Council is nearing the end of irrigation trials and will shortly be moving towards partial irrigation of treated wastewater to land.

Wastewater

You can expect us to adequately manage our wastewater system

We will measure this by: monitoring the number of dry weather sewerage overflows from Council's sewerage system, expressed per 1000 sewerage connections.

Baseline: In 2016/17 there were eight dry weather overflows in Feilding and one in Sanson. From a District wide perspective this represent 1.2 overflows per 1,000 connections across the district

Targets for the next 10 years:

Years 1 – 3: < six dry weather overflows per 1000 connections

Years 4 – 10: < six dry weather overflows per 1000 connections

You can expect discharge compliance

We will measure this by: Compliance with the Council's resource consents for discharge from its sewerage system measured by the number of:

- Abatement notices
- Infringement notices
- Enforcement orders, and
- Convictions received by Council in relation to those resource consents.

Baseline: No abatement notices, infringement notices, enforcement orders or convictions were received by Council in 2016/17

Targets for the next 10 years:

Years 1 – 3: < two abatement notices advising breaches of resource consent conditions per scheme

Years 1 – 3: zero infringement notices, enforcement orders or convictions advising breaches of resource consent conditions per scheme

Years 4 – 10: < two abatement notices advising breaches of resource consent conditions per scheme

Years 4 – 10: zero infringement notices, enforcement orders or convictions advising breaches of resource consent conditions per scheme

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

We will measure this by: measuring the following median response times where Council attends to sewerage

overflows resulting from a blockage or other fault in Council's sewerage system:

- Attendance time: from the time the Council receives notification to the time that service personnel reach the site
- Resolution time: from the time Council receives notification to the time service personnel confirm resolution of the blockage or other fault.

Baseline: In 2016/17 there were 13 overflows, as follows:

- 8 dry weather overflows in Feilding
- 1 dry weather overflow in Sanson
- 4 wet weather overflows in Feilding

The median response time was 0.9 hours. The median resolution time to the 13 overflows above was 3.3 hours

Targets for the next 10 years:

Years 1 – 3: Median attendance time within 2 hours. Median resolution time within 5 hours

Years 4 – 10: Median attendance time within 2 hours. Median resolution time within 5 hours.

You can expect satisfaction with our service

We will measure this by: monitoring the total number of complaints received by Council about the following:

- Sewage odour
- Sewerage system faults
- Sewerage system blockages
- Council's response to issues with its sewerage system
- Expressed per 1,000 connections to the council sewerage system.

Baseline: In 2016/17 there were 58 complaints received. This represent 8.7 complaints per 1,000 connections (the overall target for all categories is 24 per 1,000 connections)

- 30 relating to system failures (4.5 per 1,000 connections)
- 2 relating to the level of response (0.3 per 1,000 connections)
- 24 relating to blockages (3.5 per 1,000 connections)
- 2 relating to odour (0.3 per 1,000 connections)

Targets for the next 10 years:

Years 1 – 3: < 20 complaints in total per 1,000 connections per annum

Years 4 – 10: < 20 complaints in total per 1,000 connections per annum

Projects:

Wastewater Centralisation Project

The Manawatū wastewater centralisation project will pipe

untreated or pre-treated wastewater from the villages of Halcombe, Sanson, Rongotea, Awahuri, Cheltenham and Kimbolton to the Feilding Wastewater Treatment Plant. Each of these villages currently has a wastewater treatment plant with discharge consents that have expired or are due to expire over the next few years. All of the existing consents involve some discharge of treated wastewater to a waterbody, and obtaining new consents will be time-consuming, difficult and expensive. This project will mean that Council will not need to seek the renewal of these discharge consents.

Council is also working with the New Zealand Defence Force to consider the future options for the Ohakea Airforce Base wastewater management system. We are also working constructively with the industrial trade waste sector to better manage their wastewater.

The Three Waters Asset Management has further details about this project.

This project will require the following funding (inflated):

- 2018/19 - \$1,832,400 - Sanson to Feilding
- 2019/20 - \$1,875,600- Rongotea to Mt Stewart (eventually to Feilding)
- 2020/21 - \$1,922,400 - Cheltenham to Feilding
- 2021/22 - \$1,747,200 - Halcombe to Mt Stewart (eventually to Feilding)
- 2022/23 - \$1,565,200 - Kimbolton to Cheltenham (eventually to Feilding)

Subtotal \$8,942,800

Carry Forwards \$1,230,255

Grand Total \$10,173,056

Council has agreed to carry forward the re-consenting and renewal project budgets that are no longer required to be spent at the Halcombe, Rongotea, Cheltenham, Kimbolton and Sanson Wastewater Treatment Plants. These carry forwards will increase the total budget for Year 1 of this project to \$3,062,655 (inflated) and increase the total project budget to \$10,173,056.

Feilding Waste Water Treatment Plant (WWTP)

Over the past ten years, a significant upgrade programme has improved the quality of the wastewater discharged from the WWTP. A specially designed irrigation system now enables discharge to land during the dry summer months, which reduces the amount of treated wastewater being discharged into the Oroua River over this period.

Costs for the irrigation component of Feilding Waste Water Treatment Plant upgrades will be \$255,000 in 2018/19, \$261,000 in 2019/20, and \$267,000 in 2020/21.

The Long Term Plan also includes an annual budget for Feilding Wastewater Treatment Plant asset renewals, a one-off budget in 2019/20 to accommodate the villages connecting to the Feilding Wastewater Treatment Plant as part of the Wastewater Centralisation Project and budget in

2023/24 and 2024/25 for the renewal of the river discharge consent.

Did you know...



On average, the Feilding Wastewater Treatment Plant treats

7 million litres

of wastewater per day.

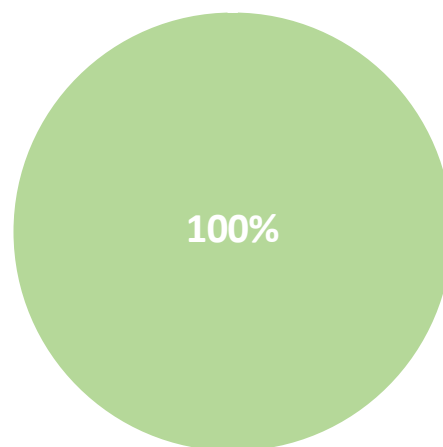
There are more than 220km of wastewater pipes and nearly



1,900 manholes

throughout the District.

How the activity is funded:



■ PRIVATE: Targeted Rate (fixed) [connected/available/restricted]
User Fees and Charges (trade waste charges, voluntary volumetric)

Manawatū District Council

Funding Impact Statement - Wastewater

For 1 July 2018 - 30 June 2028

	Annual Plan 2018 \$000	Year 1 2019 \$000	Year 2 2020 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	0	0	0
Targeted rates	5,052	5,291	5,580
Subsidies and grants for operating purposes	0	0	0
Fees and charges	1,240	1,764	1,806
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	31	31
Total operating funding	6,292	7,086	7,417
Applications of operating funding			
Payments to staff and suppliers	2,329	2,797	2,850
Finance costs	1,696	1,798	1,826
Internal charges and overheads applied	959	826	860
Other operating funding applications	0	0	0
Total applications of operating funding	4,984	5,421	5,536
Surplus (deficit) of operating funding	1,308	1,665	1,881
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	309	596	616
Increase (decrease) in debt	2,252	1,069	(129)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding	2,561	1,665	487
Applications of capital funding			
Capital expenditure			
- to meet additional demand	743	458	261
- to improve the level of service	2,341	1,546	625
- to replace existing assets	3,539	4,267	4,003
Increase (decrease) in reserves	(2,754)	(2,941)	(2,521)
Increase (decrease) of investments	0	0	0
Total applications of capital funding	3,869	3,331	2,368
Surplus (deficit) of capital funding	(1,308)	(1,665)	(1,881)
Funding balance	0	0	0

Year 3 2021 \$000	Year 4 2022 \$000	Year 5 2023 \$000	Year 6 2024 \$000	Year 7 2025 \$000	Year 8 2026 \$000	Year 9 2027 \$000	Year 10 2028 \$000
0	0	0	0	0	0	0	0
5,794	5,975	6,255	6,391	6,441	6,513	6,611	6,690
0	0	0	0	0	0	0	0
1,851	1,892	1,937	1,984	2,035	2,087	2,142	2,201
0	0	0	0	0	0	0	0
32	33	34	34	35	36	37	38
7,676	7,900	8,226	8,410	8,511	8,636	8,790	8,929
2,927	2,992	3,069	3,139	3,221	3,300	3,368	3,463
1,806	1,770	1,721	1,663	1,615	1,569	1,522	1,462
864	959	1,079	1,106	1,110	1,136	1,154	1,175
0	0	0	0	0	0	0	0
5,597	5,721	5,869	5,908	5,946	6,005	6,043	6,099
2,079	2,179	2,357	2,501	2,565	2,630	2,747	2,830
0	0	0	0	0	0	0	0
639	634	609	599	696	702	716	700
(422)	(730)	(720)	(740)	(786)	(665)	(998)	(1,029)
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
217	(96)	(111)	(141)	(89)	36	(281)	(330)
267	273	280	286	294	301	0	0
374	109	112	115	70	72	74	76
3,783	2,009	1,834	1,076	1,103	289	297	305
(2,128)	(308)	21	884	1,009	2,005	2,094	2,119
0	0	0	0	0	0	0	0
2,296	2,084	2,245	2,361	2,476	2,667	2,465	2,500
(2,079)	(2,179)	(2,357)	(2,501)	(2,565)	(2,630)	(2,747)	(2,830)
0	0	0	0	0	0	0	0



Water Supply Group

Improving public health through the provision of water that meets New Zealand Drinking Water Standards; and fostering development in the District by meeting the requirements for commercial premises or major industries.



ENVIRONMENT



ATTRACT AND RETAIN
RESIDENTS



BROAD ECONOMIC
BASE



QUALITY
INFRASTRUCTURE



SAFE BUILT
ENVIRONMENT



CUSTOMER FOCUSED
AND EFFICIENT

What we do:

Undertake water treatment to ensure that it is safe to drink and also ensure there is enough water for supply.

How we do it:

- Providing water supplies to meet residential, industrial/commercial and fire-fighting needs via Council's four urban drinking water schemes: Feilding, Himatangi Beach, Sanson, Rongotea
- Providing rural water schemes in Stanway/Halcombe and Waituna West to meet residential and agricultural needs.
- Maintaining Council's water treatment plants and water storage facilities
- Maintaining and repairing Council's reticulation network system
- Monitoring and managing the demand for water
- Administering the following two rural water supply schemes that are community-operated:
 - o Kiwitea
 - o Oroua No.1
- Ensuring that all Council water schemes meet the appropriate standards.

Contribution to Community

Outcomes:

The provision of a robust, safe water supply and infrastructure is one of Council's core functions. Council understands that there are many community and economic benefits attached to the provision of reticulated water schemes.

The Water Supply Group is proposing to focus on the following activities to achieve Community Outcomes:

- Work to renew and/or upgrade assets so that they meet desired levels of service
- Ensure compliance with resource consents and Drinking Water Standards
- Carry out works required to cater for projected future growth, development and demand.

Significant negative effects

Potentially, there are significant negative effects on public health if inadequate management systems of potable water supply are not in place. These can occur as a result of:

- Malfunction of utility installations, such as water treatment plants
- Insufficient flow or pressure
- Poor water quality to the extent that health issues arise from consumption.

The costs of providing and improving water supply infrastructure in some areas of the District may be beyond the ability of the community to pay. While there are always costs for delivering a service, Council promotes the best cost-efficient solution philosophy to water supply activities.

We live in a community with many different beliefs. One of these is the concern about the direct discharge of pollutants to the environment. Council works to minimise any cultural conflicts that may occur in the water activity, e.g. by consulting with affected groups through Ngā Manu Tāiko Manawatū District Council and the Te Kaunihera Working Group, and by complying with resource consent requirements. Council is also a party to the Manawatū River Leaders Accord, a collaborative pathway to improving the region's rivers and waterways.

Over-extraction and the use of water resources may impact on the life-supporting capacity or mauri of ecosystems (e.g. river systems) and the environment generally. Horizons (Manawatu-Wanganui Regional Council) through its resource consent process manages environmental effects. Council actively complies with resource consent conditions. Council will monitor the development of subdivision and industrial growth to ensure the correct level of service is delivered.

Key issues

Population Growth:

Over half of the District's population resides in Feilding, with 16,260 residents in 2016. The population of Feilding grew by 2.07% in the 2015/16 financial year, which is higher than the average District growth rate of 1.7% over this same period. The Feilding Framework Plan is Council's urban growth strategy for Feilding. Four residential and one industrial growth precinct have been rezoned through the Sectional District Plan Review. Council is currently undertaking detailed investigations for Residential Growth Precinct 4, to the north of Feilding, where there is a significant amount of development already occurring. The 3-Waters Asset Management Plan includes extensions of the existing water supply assets within Growth Precinct 4 to support this residential growth. Council is also undertaking preliminary investigations for another residential growth Precinct (Precinct 7).

Rural residential or 'Lifestyle' development has been concentrated in the Feilding node, followed by Hiwinui. Halcombe, Sanson, Kimbolton, Pohangina and Colyton have also experienced a modest increase in new building consents over the past 10 years to 2018. Properties within nodal areas are typically un-serviced for water, wastewater and stormwater.

No extensions to existing water schemes or new schemes are currently budgeted for in the Villages throughout the District. However, Council will monitor development in these communities and may include new infrastructure

at a later date to support new growth areas that may be identified through later stages of the Sectional District Plan Review. There is some capacity within the current network in Sanson to accommodate more larger serviced lots in the short to medium term.

Ageing Population:

The proportion of the District's population aged 65 years and over is projected to increase from 17.8% in 2018 to over 28% by 2048. An ageing population presents an issue of affordability, as there will be a sharp increase in the number of ratepayers on fixed incomes.

Increasing Compliance and Safety Requirements:

Council anticipates that the compliance and safety requirements for drinking water in New Zealand will increase over time as a result of the Department of Internal Affairs inquiry into the outbreak of gastroenteritis in Havelock North in August 2016. A Director-General Statement from the Minister of Health in December 2017 included an advisory that "to provide adequate protection to public health, suppliers providing drinking-water to untreated networked supplies should consider implementing appropriate and effective treatment without delay." Changes to the Health Act 1956 as amended by the Health (Drinking Water) Amendment Act 2007 and the associated Drinking Water Standards for New Zealand 2005 (Revised 2008) may include mandatory universal treatment of all drinking water and abolishment of "secure" bore classification in the Drinking Water Standards of New Zealand.

All of Council's urban and rural water supply schemes are chlorinated and all water supply bores have secure bore status. In addition, there is UV treatment of all surface water takes for urban drinking water supply schemes. Until any changes to the legal framework for drinking water have been finalised, we are unsure of the exact requirements and timeframes. Changes could have significant implications in terms of the management and delivery of drinking water in the District.

The 2018-28 Long Term Plan makes no budget allowance for additional capital that may be required to meet new requirements that may be introduced as a result of the Havelock North inquiry or changes to the New Zealand Drinking Water Standards.

Water Supply

You can expect that the potable water we supply is safe to drink

We will measure this by: the extent to which Council's drinking water supply complies with:

- Part 4 of the drinking-water standards (bacteria compliance criteria, and
- Part 5 of the drinking-water standards (protozoal compliance criteria).

Note: The drinking water standards referred to in the targets are the Drinking Water Standards for New Zealand 2005 (revised 2008).

Baseline:

Bacterial Compliance: All samples taken showed that the water was safe i.e. no positive E coli. However, there was technical non-compliance for Feilding in September 2016 and June 2017; Himatangi Beach and Rongotea from July – November 2016; and Himatangi Beach, Rongotea, Sanson, Stanway-Halcombe & Waituna West, May 2017.

Protozoal Compliance: Feilding did not demonstrate compliance in March and May 2016/17. The Sanson, Himatangi Beach, Rongotea and Stanway-Halcombe schemes did not comply in 2016/17.

Targets for the next 10 years:

Years 1 – 3:

- No public health risk with substantiated positive E-coli detected in the water supply
- 100% New Zealand Drinking Water Standard Compliance Criteria for protozoa are met, with the exception of the Stanway-Halcombe Rural Water Supply

Years 4 – 10:

- No public health risk with substantiated positive E-coli detected in the water supply
- 100% New Zealand Drinking Water Standard Compliance Criteria for protozoa are met, with the exception of the Stanway-Halcombe Rural Water Supply.

You can expect the water reticulation network to be well maintained

We will measure this by: the percentage of real water loss from Council's networked reticulation system. This will be calculated for each water supply scheme using Method 1 - Water Balance as per the Department of Internal Affairs guidelines.

Baseline: Water loss in Feilding was calculated at less than 10% in 2016/17. Water losses on the smaller schemes could not be measured in 2016/17 due to seasonal fluctuation in population at Himatangi Beach and because tankered water top-ups in Sanson were not captured in the metered flow. Water loss in Rongotea in 2016/17 was expected to be low as it is a new scheme.

Targets for the next 10 years:

Years 1 – 3: Estimated real water loss < 35% percent per water supply scheme

Years 4 – 10: Estimated real water loss < 35% percent per water supply scheme

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

We will measure this by: measuring the median response time for call-outs to a fault or unplanned interruption to Council's networked reticulation system:

- Attendance time for urgent call-outs: from the time the Council receives notification to the time that service personnel reach the site
- Resolution time of urgent call-outs: from the time that Council receives notification to the time that service personnel confirm that the water supply has been reinstated.
- Attendance time for non-urgent call-outs: from the time that Council receives notification to the time that service personnel reach the site
- Resolution time for non-urgent call-outs: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption.

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

Baseline: There were 43 urgent requests in 2016/17, with a median response time of 1.1 hours and a median resolution time of 1.9 hours. In 2016/17 there were 473 non-urgent request, with a median response time of 5.4 hours and a median resolution time of 21.3 hours.

Targets for the next 10 years:

Years 1 - 3:

- Median attendance time within 2 hours (urgent).
- Median resolution time within 9 hours (urgent)
- Median attendance time within 5 working days (non-urgent)
- Median resolution time within a further 5 working days (non-urgent)

Years 4 - 10:

- Median attendance time within 2 hours (urgent).
- Median resolution time within 9 hours (urgent)
- Median attendance time within 5 working days (non-urgent)
- Median resolution time within a further 5 working days (non-urgent)

You can expect satisfaction with our service

We will measure this by: monitoring the total number of complaints received by Council about any of the following:

- Drinking water clarity
- Drinking water taste
- Drinking water odour
- Drinking water pressure or flow
- Continuity of supply
- The local authority's response to any of these issues

Expressed per 1,000 connections to the Council's networked reticulation system.

Baseline: In 2016/17 there were 105 complaints were received. This represent 16.2 complaints per 1,000 connections

Targets for the next 10 years:

Years 1 – 3: <20 complaints received in total per 1,000 connections per annum

Years 4 – 10: <20 complaints received in total per 1,000 connections per annum

You can expect us to manage the demand for domestic water supply

We will measure this by: the average consumption of drinking water per day, per resident within Council's authority area.

Baseline: In 2016/17 water consumption for Feilding (including all water used by industrial and commercial customers) was 540 litres per person per day. If metered water is excluded this reduces to 218 litres per person per day. In 2016/17 we were unable to report on the other District schemes.

Targets for the next 10 years:

Years 1 – 3: 250 litres/person/day for domestic supply only

Years 4 – 10: 250 litres/person/day for domestic supply only

Projects:

Feilding Water Strategy

Feilding’s reservoir at Almadale and the trunk water main into town are nearing the end of their useful lives and are in need of replacement.

The Strategic Water Assessment evaluated whether the renewal of the Almadale water treatment plant is the most cost-effective and resilient option for Feilding’s water supply. The outcome of this assessment was that if the Almadale Water Treatment Plant was retired and replaced with a new bore, treatment plant and reservoir on the western side of the Oroua River, savings could be made.

Council will proceed with the construction of a new bore, treatment plant and reservoir, rather than renewing the various components of the Almadale Water Treatment Plant and trunk main. This was determined to be both the most cost-effective and resilient option for Feilding’s water supply.

Construction will cost \$1.8 million, \$1.6 million, \$1.7 million and \$1.4 million over years 2018/19, 2019/20, 2020/21 and 2021-28 respectively.

Water Supply

Council will continue to provide good-quality, safe drinking water. Supplies are treated with chlorine and surface water takes are treated with ultra violet (UV). Dependent on further directives from the Ministry of Health (in light of the recent Havelock North water contamination), Council may also implement additional UV treatment.

Continuing to supplying good-quality safe drinking water will require \$2.5 million in 2018/19, \$1 million in 2019/20, \$1 million in 2020/21 and \$1 million in years 2021-28.

Did you know...

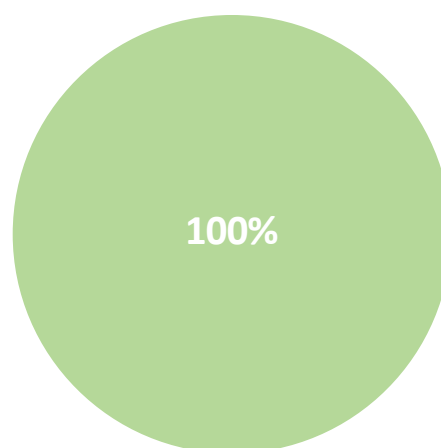


We supply water to nearly

15,000 people

across the District (55% of the population, excluding those on the Kiwitea rural and Oroua No. 1 rural schemes).

How the activity is funded:



■ PRIVATE: Targeted Rate (fixed) [connected/available/restricted]
User Fees and Charges [Water by metre - commercial, extraordinary users, voluntary volumetric]

Manawatū District Council

Funding Impact Statement - Water Supply

For 1 July 2018 - 30 June 2028

	Annual Plan 2018 \$000	Year 1 2019 \$000	Year 2 2020 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	0	0	0
Targeted rates	3,660	3,749	3,854
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0
Total operating funding	3,660	3,749	3,854
Applications of operating funding			
Payments to staff and suppliers	1,041	1,413	1,436
Finance costs	305	334	339
Internal charges and overheads applied	846	810	839
Other operating funding applications	0	0	0
Total applications of operating funding	2,192	2,557	2,614
Surplus (deficit) of operating funding	1,468	1,192	1,240
Sources of capital funding			
Subsidies and grants for capital expenditure	210	214	0
Development and financial contributions	247	538	556
Increase (decrease) in debt	555	421	192
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding	1,012	1,173	748
Applications of capital funding			
Capital expenditure			
- to meet additional demand	270	328	391
- to improve the level of service	528	833	26
- to replace existing assets	3,329	3,688	2,115
Increase (decrease) in reserves	(1,647)	(2,484)	(544)
Increase (decrease) of investments	0	0	0
Total applications of capital funding	2,480	2,364	1,988
Surplus (deficit) of capital funding	(1,468)	(1,192)	(1,240)
Funding balance	0	0	0

Year 3 2021 \$000	Year 4 2022 \$000	Year 5 2023 \$000	Year 6 2024 \$000	Year 7 2025 \$000	Year 8 2026 \$000	Year 9 2027 \$000	Year 10 2028 \$000
0	0	0	0	0	0	0	0
3,974	4,049	4,202	4,279	4,365	4,460	4,557	4,664
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
3,974	4,049	4,202	4,279	4,365	4,460	4,557	4,664
1,495	1,527	1,561	1,597	1,635	1,674	1,716	1,759
347	364	402	410	418	425	433	448
855	861	911	921	935	957	974	989
0	0	0	0	0	0	0	0
2,696	2,752	2,874	2,929	2,989	3,057	3,123	3,197
1,278	1,298	1,328	1,350	1,376	1,404	1,434	1,467
0	0	0	0	0	0	0	0
577	571	543	532	629	632	645	626
185	1,000	227	216	280	193	280	374
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
762	1,571	770	748	909	825	925	1,000
374	491	447	458	470	482	494	508
27	737	28	29	29	30	31	32
2,008	2,741	626	401	411	662	433	457
(368)	(1,101)	997	1,211	1,375	1,055	1,401	1,470
0	0	0	0	0	0	0	0
2,040	2,868	2,098	2,099	2,285	2,229	2,359	2,467
(1,278)	(1,298)	(1,328)	(1,350)	(1,376)	(1,404)	(1,434)	(1,467)
0	0	0	0	0	0	0	0



Manawatū District Council

Long Term Plan 2018-28

Part Three

PART THREE

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Icons

The following icons are used to show supplementary information



Example



Definition



More Information



Guides, tools and templates

Financial Strategy

The Local Government Act 2002 requires Council to prepare a Financial Strategy as part of its Long Term Plan. This Strategy outlines how the Council intends to manage its finances prudently. This means the Council will act with careful deliberation and will always consider the financial implications of decisions on the community. Council must make adequate and effective provision to meet expenditure needs identified in Annual and Long Term Plans.

Why have a strategy?

The Financial Strategy provides a financial framework for making decisions. Simply, it enables Council to assess proposed spending against rates and borrowing requirements over the whole ten years of the Long Term Plan 2018-28. It draws together all of the issues in the Long Term Plan along with the financial consequences and presents these along with the Council's response.

This will:

- Enable the community to readily identify what the financial issues are
- Provide the community with certainty about how expenditure will be met
- The impacts of proposals on levels of services, rates, debts and investment
- Enable the community to predict how the Council intends to manage the financial issues in the future
- Provide guidance to decision makers when considering implications of financial issues on communities now and in the future.



The Long Term Plan 2018-28 outlines all of the key projects and services Council will provide for the next ten years.

What are the financial issues during the next 10 years?

Council's vision is for a "connected, vibrant, thriving Manawatū District - best lifestyle in New Zealand". The services and projects outlined in the Long Term Plan will ensure this vision becomes a reality. The provision of services and projects comes at a cost. Council aims to spend within its means, achieving a balance between meeting the needs of the community with its ability to pay.

Some of the future financial issues Council faces in the future are:

- Managing our borrowing levels
- Infrastructure investment
- Rates affordability
- Balancing our budget
- Intergenerational issues.

Managing our borrowing levels

In year one Council has the capacity to borrow \$91 million. Council has taken a conscious step in the Financial Strategy to limit the level of debt to a cap that is \$5 million less than the limit. This buffer provides Council with capacity to respond to emergency works caused by natural disasters. By the end of the 2017/18 financial year Council is expected to have borrowed \$63 million, which will constrain our borrowing capacity over the next ten years. We are mindful that a single infrastructure project or significant emergency works could use up this remaining borrowing capacity.

Council is proposing to improve its financial resilience by building up reserves. Reserve funds will enable Council to pay debt, undertake repairs to infrastructure in the event of an emergency, and/or respond to unanticipated community requests. The 2018-2028 Long Term Plan proposes to build up reserve funds by \$430,000 in 2018/19, \$646,000 in 2019/20 and \$819,000 in 2020/21 and \$1.1 million per annum (on average) in each subsequent year. Reserve funds will be collected via the General Rate.

Infrastructure investment

Council owns \$670 million in assets including roads, water and wastewater treatment plants, parks, halls and buildings. The costs and impacts of maintaining assets and provision of current levels of services is a driver behind rates increases. Investment in “Three Waters” (drinking water, storm water and waste water) asset renewal is lower than recommended by Asset Management Plans due to Council’s debt cap constraints and is a short term cost-saving initiative. Reduced renewal investment increases the risk of network failure and may potentially lead to higher maintenance costs. Assets that do fail will require emergency repair works and may require unplanned funding.

Rates affordability

Council uses money collected through rates to fund the provision of services, carry out projects and maintain and replace assets necessary for the District to function to its full potential. Council carefully considers the affordability of the proposed rate requirements both for the Council and ratepayers. When setting rates Council considers:

- the levels of service provided
- intergenerational issues
- other sources of funds
- debt levels
- legislative requirements
- external factors e.g. interest, inflation and changes to external funding
- what our ratepayers can afford.

To provide certainty to the community Council sets a rates increase limit. Proposed rates increases for the next ten years have been limited to the Local Government Cost Index (LGCI) plus three per cent, excluding growth and new levels of service. This is one per cent lower than the previous Financial Strategy in 2015. The LGCI measures the year-on-year price change of goods and services typically used by local authorities.

Balancing our Budget

What is a balanced budget

Council is required to balance its budget by ensuring that operating expenses are covered by operating revenue. There are some permitted exceptions to this requirement; situations where Council is not required to balance its budget. These exceptions have to be stated clearly in the Financial Strategy. The Statement of Comprehensive Revenue and Expense shows a balanced budget for the term of the Long Term Plan. However, this may not always be the case. The main reasons for an unbalanced budget would be:

- not funding depreciation on non-strategic assets
- not funding depreciation on the portion of roading subsidised by the New Zealand Transport Agency (NZTA)
- using revenue for capital purposes
- funding growth-related capital expenditure from development contributions
- funding from prior or future years surpluses.



For a copy of the Prospective Statement of Comprehensive Revenue and Expense see page 196-197

Components of deficits or surpluses

Unfunded depreciation

- Council rates for depreciation to fund the renewal or replacement of assets. There are three activities where Council consider it prudent not to fully fund depreciation. These are roading, halls and recreation centres and parks, reserves and sports grounds.
- Roading is a strategic asset of Council and results in a significant depreciation charge. However, the renewal or replacement of the majority of our roading assets are funded through subsidy from the New Zealand Transport Agency (NZTA). Therefore, it would be double dipping if Council were to fully fund depreciation and also to get a subsidy for the replacement.
- With the exception of the Feilding Civic Centre and the Te Kawai Recreation Centre (both are considered strategic assets) depreciation on halls is not funded as the asset may not be replaced or alternative funding mechanism may be used to fund the replacement. For the same reasons we only fund 50% of the depreciation on parks, reserves and sports grounds.

Revenue for capital purposes

- The operating surplus in the Statement of Comprehensive Revenue and Expense includes revenue to fund capital expenditure. Through the life of the plan this type of revenue includes subsidy from NZTA for roading capital expenditure, grants for community facilities, development contributions received to cover growth related capital expenditure and contributions from ratepayer to fund the connection to Council infrastructures.

To be funded from future development contributions for growth related capital expenditure

- When new land is developed, the developer is charged a contribution fee toward the costs of infrastructure such as water pipes and sewerage pipes, and facilities such as parks and reserves.
- A twenty-year work programme has been developed and development contribution fees have been calculated according to this programme. Often Council is required to put the infrastructure in place to ensure we have the capacity to accommodate growth in advance of the development. In these instances loans are taken out to fund this expenditure. The servicing of these loans (both interest and principal repayments) is to be funded by future development contributions.

Funding from prior or future years surpluses

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

Intergenerational Issues

Council manages many different assets. Roads, footpaths, pipes, drains, parks and reserves all require careful management to provide services to the community now and in the future.

Some assets are useful for a long time and provide service to more than one generation. For example, pipes and bridges often have an estimated life of 60 to 100 years. When making financial decisions about how to fund assets, Council takes into account how today's decision will impact on current and future generations. Council considers that it is fair to expect those people who benefit from the service should pay for it. This principle assists Council to decide how to fund the costs of replacing existing assets and to build new assets. For example, long life assets may be partly funded by a loan. Loans spread the cost of the asset across current and future generations.

Expected Changes in the District

The population of the district is growing. Pressure is mounting for development to cater for the growing population. A number of changes are accounted for during our future financial planning period.

The population of the Manawatū District has grown at an average rate of 1.3 per cent a year over the last 10 years. Population growth has been particularly strong between 2014 to 2017, with the annual average rate of growth of 1.7 per cent. Future population growth is forecast to average 1.3 per cent a year from 2018 to 2023 declining to 1.1 per cent growth a year to 2028.

The number of households in the district are expected to increase at a different rate than population increases. Household growth for 2018/19 year is forecast to grow by 1.6 per cent. During 2018-28 period household growth is expected to increase by between 1.3 per cent to 1.6 per cent per annum.

In June 2017, our population was 30,300. During the 10-year life of this Long Term Plan Manawatū District Council forecasting indicates that the population is likely to increase to 34,715 (June 2028).

The Council does not expect any significant impact to current ratepayers on the costs of providing current activities from the forecast growth. Additional costs to provide network services, including water, waste water and storm water, to cater for this growth will be recovered through development contributions. The costs of meeting higher standards have been more significant than the impact of forecast growth over the last 10 years.

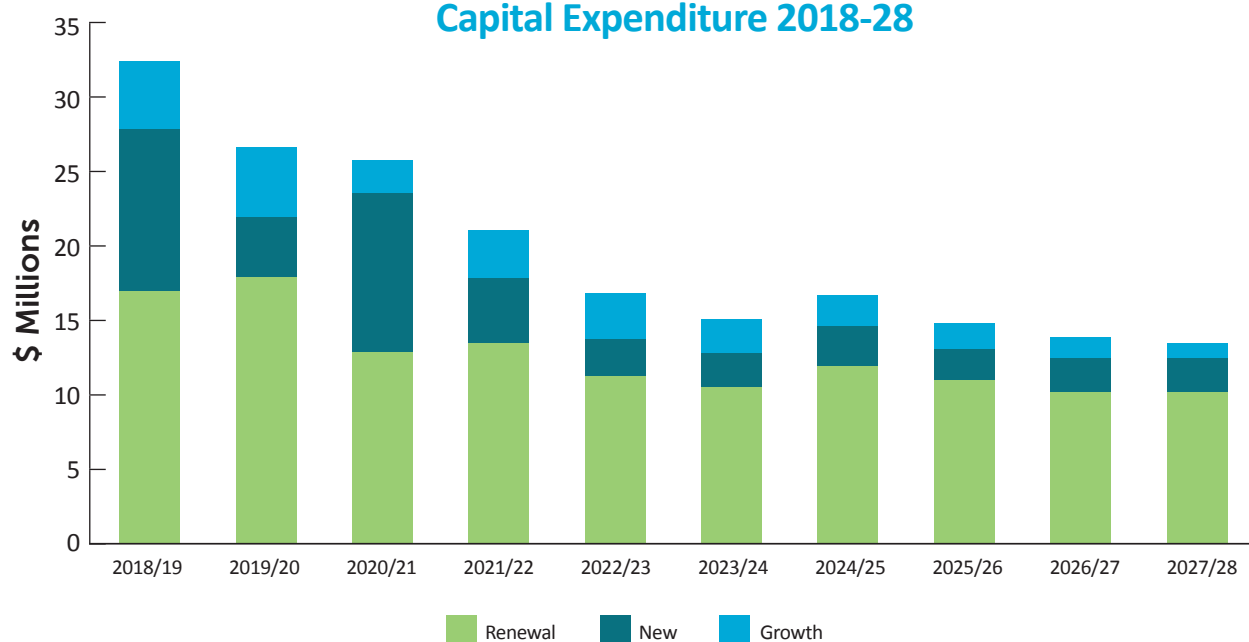
One of the major changes in the forecasted population is the increase in older people. This is a similar trend nationally. This will have an impact on the type of services delivered by the Council and the way services are delivered.

Capital expenditure



The graph shows the amount of capital expenditure required to maintain existing levels of service and meet any additional demand on Council's infrastructure.

Capital Expenditure 2018-28



Roading expenditure is a significant component of capital expenditure. In 2018/19 Council plans to spend \$9.7 million on the roading network. This figure fluctuates over the 2018-28 period. The spikes in this expenditure throughout the 10 years accommodate significant projects such as the Mangaweka Bridge replacement in 2019/20.

Work is planned to extend our services to cater for the expansion of the Feilding Township.

Council believes the resources made available in the Long Term Plan give us the ability to meet levels of service requirements.

Managing our borrowing levels



For a copy of the Liability Management Policy see www.mdc.govt.nz

Borrowing Terms

The term of borrowings is to be the lesser of the estimated useful life of the asset or 30 years. While a 30-year ceiling does not fully address all of the intergenerational issues, it provides a suitable timeframe to repay debts. The loan repayments are offset by lower maintenance requirements for newer assets.

Loan principal is to be repaid over the life of the loan by either regular principal repayments throughout the life of the loan or a contribution to a loan redemption fund.

Liability Management Policy Limits

The borrowing limit ratios established in the Liability Management Policy are:

- Net interest must not exceed 20 per cent of total revenue
- Net interest must not exceed 25 per cent of annual rates revenue
- Net debt must not exceed 175 per cent of total revenue
- Available financial accommodation must not be less than 110 per cent of external indebtedness

This provides Council the capacity to borrow \$91 million at the start of the 2018-28 Long Term Plan (June 2018). The Council's balance sheet can prudently sustain this level of debt. However, Council does not wish to impose this high level of debt for two primary reasons:

- The debt servicing charges will result in rates affordability issues for ratepayers, and
- To ensure borrowing facilities are available for unexpected circumstances such as a natural disaster.

Debt limits for planning purposes

Council's planned estimated debt limit is \$86 million by the end of 2018/19. This figure gradually increases over the remaining years of the 2018-28 Long Term Plan reaching \$117 million in 2028/29. Inflation is the main reason the debt limit is increasing over the life of the plan.



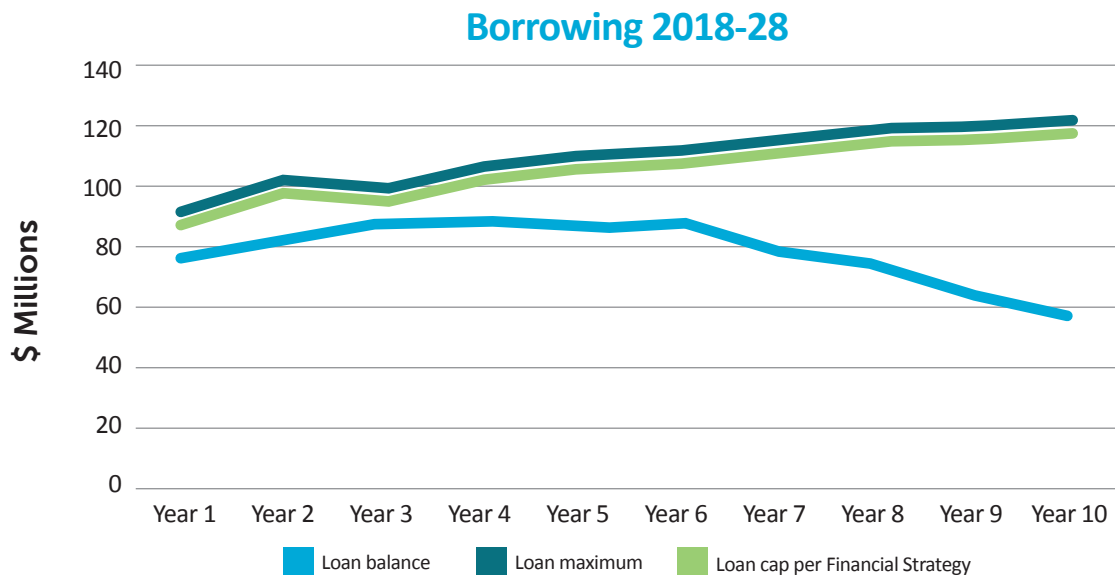
The estimated debt limit for financial strategy and planning purposes is reached by:

1. calculating each of the borrowing limit ratios in the Liability Management Policy;
2. choosing the ratio that results in the lowest limit;
3. subtracting \$5 million from this result to provide borrowing capacity in the event that the unexpected occurs.

The estimate assumes interest rates will not rise significantly. This level of debt enables Council to fund the capital spending programme in the 2018-28 Long Term Plan. Debt levels will be reviewed every three years during Long Term Plan development or periodically as risk profiles, revenue and asset levels change.

During the 10 years of the Long Term Plan, Council comes close to the cap in 2020/21 as it funds significant capital expenditure to enable growth and new compliance requirements. In 2021/22 the reduction of capital expenditure and loan repayments have enabled debt levels to stabilise. The debt cap is a maximum limit and Council is not planning on operating near the limit in the long term.

The graph below shows Council's proposed debt over the next 10 years, together with the maximum planned debt allowed according to the Financial Strategy. The maximum debt allowed in the Financial Strategy is based on whichever limit in the Liability Management Policy yields the lowest debt, less a \$5 million emergency buffer. In this case the lowest debt limit not exceeding 175% of revenue.



How will Council meet its financial requirements?

Rates



Rates are a property tax set annually by Council. Rates are one source of revenue the Council uses to fund projects and operating services.

Council considers the affordability of the proposed rate requirements both for the Council and ratepayers. When setting rates Council considers:

- the levels of service provided
- intergenerational issues
- other sources of funds
- debt levels
- legislative requirements
- external factors e.g. interest, inflation and changes to external funding
- what our ratepayers can afford.

Rates increases

The Council has decided on the following limit for rate increases:



Rates increases: Rates increases are based on the previous year's total rates revenue multiplied by LGCI +3 per cent (excluding increases that are the result of new levels of service and increases absorbed by forecasted household growth). Rate increases do not include rates levied through water by meter charges as these are volume related and are outside the control of Council.

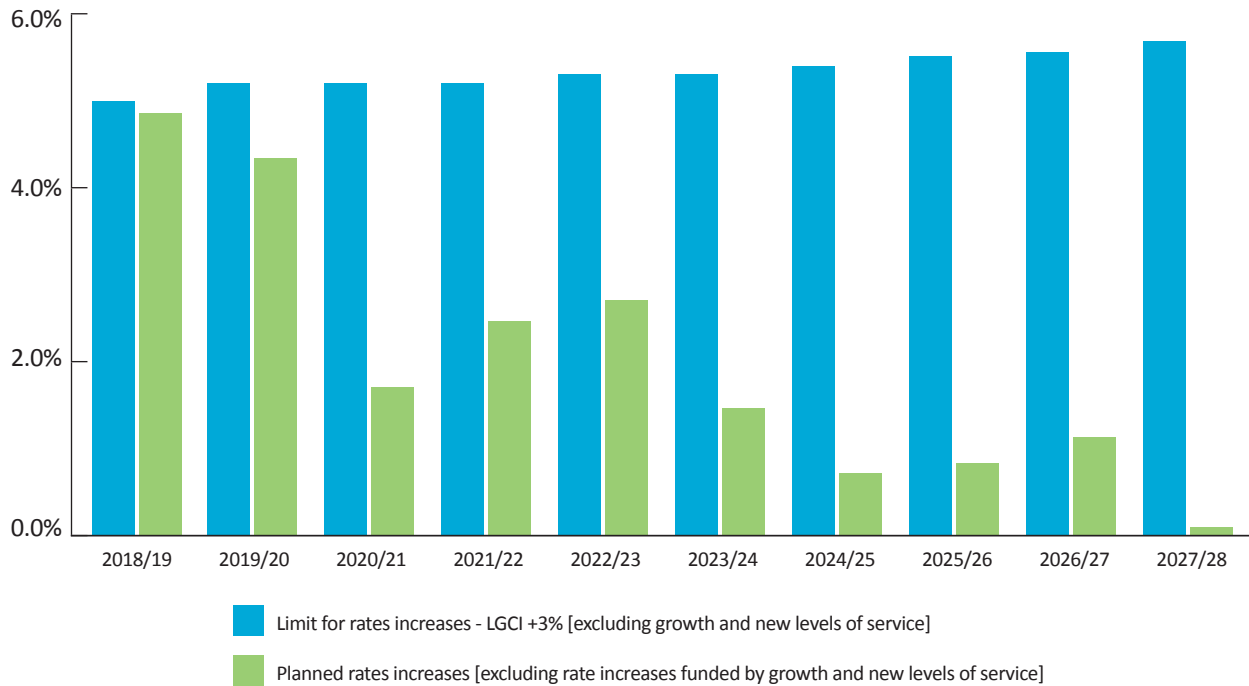
Rates Percentage Increases 2018-28

The graph below indicates total rates increases against set limits over the ten years 2018-28. The most significant rise is forecast in 2018/19 at 4.9 per cent with the lowest in 2027/28 at 0.1 per cent. Over the next ten years, the average total rates increase per annum is 2.0 per cent. Smaller increases beyond 2021/22 are likely to rise when reviewed as part of the three-yearly Long Term Plan process.

The percentage increases reflect Council's total rate revenue increases for existing ratepayers receiving a similar level of service as the prior year. They do not reflect individual rates rises. The change in rates on individual properties will be different from the average increase. The rates for individual properties are dependent on valuation changes, the mix of rate charges and the combination of services provided. The rates and the percentage increases below exclude increases in growth, new levels of service and water by meter.

Added to these increases is rates revenue received as a result of new rateable properties (growth in the number of households in the district) and new levels of service. For the 2018/19 year Council is forecasting the number of properties in the district to grow by 1.6 per cent. In addition to that Himatangi Beach, Tangimoana, Halcombe and Cheltenham are receiving a new level of service for stormwater. These residents will be rated for stormwater services for the first time, amounting to an additional 0.2 per cent of rates revenue.

Rates Limits and Planned Increases 2018-28



What are CPI and LGCI?

The Council recognises rates need to remain affordable. In other industries the Consumer Price Index (CPI) is often used to determine affordability. However, the CPI is only marginally useful for Councils as they face a different mix of cost pressures compared to households. Council's costs pressures include roading and pipeline costs that are influenced by commodity prices and the availability of specialist people. This issue has been recognised by Local Government New Zealand who commissioned Business and Economic Research Limited (BERL) to develop a cost index. The cost index is called the Local Government Cost Index (LGCI).

Council has decided to use the LGCI, which examines the main cost drivers for local government activity and measures their annual changes. This has created a local government cost index to parallel the household CPI. The LGCI is updated yearly and does not always grow faster than the CPI. In one out of the last seven years it has had a lower annual increase.

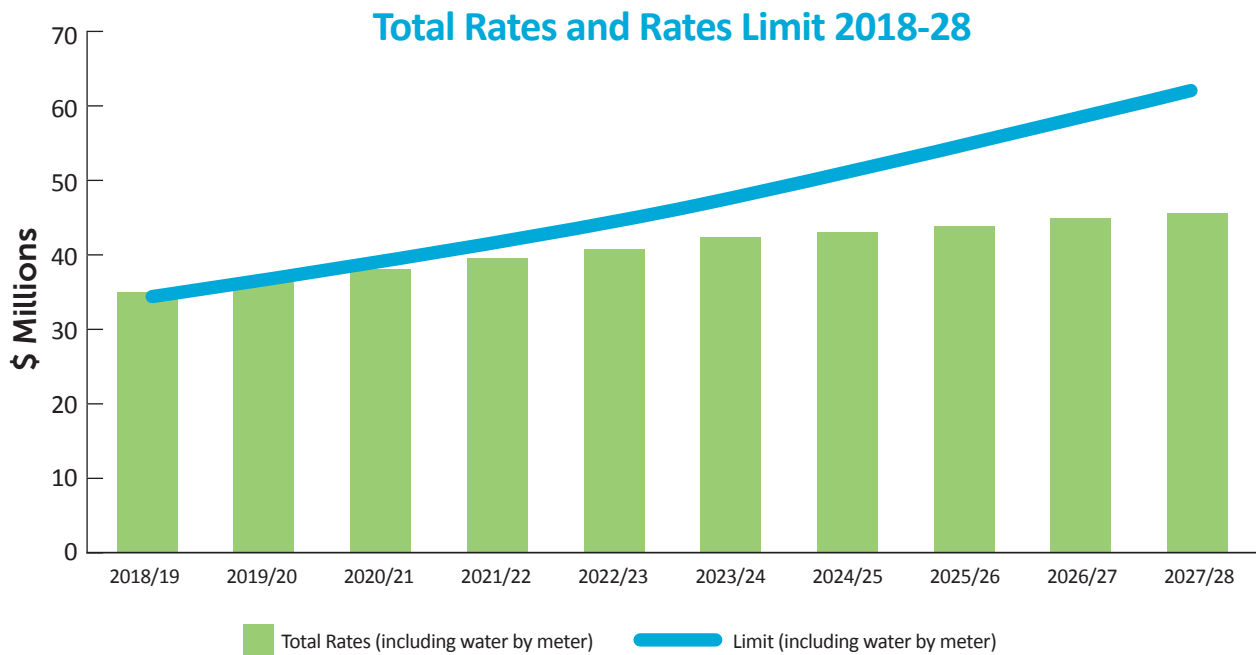
Rates limits

The graph below shows the rates revenue and rates limits for the next 10 years. Rates limits include the upper limit of rates increases plus rates generated from new levels of service, plus forecast growth in households, plus rates generated by water by meter. Water users include extraordinary users as defined in Council's Water Supply Bylaw 2015 and ratepayers who opt for volumetric charging.

Total rates commence at \$34.3 million for the 2018/19 year and increases to \$45.3 million over the next 10 years.

The growth in the rating base can also affect the rates limits. Additional properties result in more rates to cover the additional costs of providing services. Household growth forecasts are used as an estimate of the future growth in the number of properties.

The base rates level is the budgeted 2017/18 rates income being rates revenue (net of GST) of \$32.3m, which includes rates penalties and water by meter.



What does Council consider when making financial management decisions?

The following principles assist Council to make prudent financial decisions.

Borrowing

Governing Policy



For a copy of the Liability Management Policy go to www.mdc.govt.nz

Council utilises external borrowing to fund the acquisition of assets. Council’s Liability Management Policy governs the borrowing mechanisms and current limits.

Internal borrowing is a mechanism available to manage both the level of funds available and external debt.

This facility enables an activity to borrow from the Council treasury function as opposed to borrowing externally, with an appropriate interest rate charged.

Utilising internal borrowing enables Council to manage its cash/investment portfolio to take advantage of the moving margins between interest rate receivable and interest rates payable. Internal borrowing is used when external borrowing costs are higher than allowed investment returns

Security for Borrowing

Many of Council’s assets are not readily saleable so are less attractive as security items. Council will secure borrowings by a charge over our rating revenue either directly or through a debenture trust deed.

Council will not secure other assets unless circumstances show it to be appropriate (e.g. leased assets).

Investments



For a copy of the Investment Policy go to www.mdc.govt.nz

Governing Policy

Council is a risk-averse entity. Council will not undertake transactions where the level of return or benefit is dependent on an unacceptable level of risk. The Investment Policy expressly forbids any form of purely speculative activity.

Adequate liquid funds are to be kept to allow all expected payments to be made on the due date. Investment levels should ensure adequate funds are maintained so special funds and reserves are backed by suitable investments.

Objectives for holding and managing investments:

Equity investments

- Shares are held for strategic purposes that allow other activities within Council. Shares are not purchased solely for investment purposes
- While Council receives a dividend from these investments, the benefits of holding these shares are not always related to the dividend. Consequently, the target on these investments is a nil return
- The performance of these investments is reviewed regularly to ensure strategic and economic objectives are being met.

Treasury Investments

- Treasury investments include cash investments such as government stock, local government stock, bank bonds, debentures, and bank deposits.
- These are held:
 - To ensure Council's specific reserves (separate, special and loan redemption funds) are backed up by realisable cash assets except where Council approves otherwise
 - To manage Council's cash position in a manner that maximises interest returns and minimises operational cash deficits and the associated costs incurred
 - To maximise interest returns from surplus funds.
 - For these investments, Council expects an average market return.

Community Loans

- The main objective of providing loans to community organisations is social, economic, cultural and environmental benefits provided to the District.
- While a market return is received from a number of these investments, others provide no return. Council individually approves this type of investment, with community benefits and the targeted return is addressed at that time. The targeted return on these investments (taken as a group) is nil.

Expenditure Classifications

To assist in identifying the reason for expenditure and finding the most appropriate funding source, Council has four expenditure classifications. Classification reflects good practice and new legislative requirements for financial reporting.

Type of Expenditure	Description
Operational expenditure	Operating expenditure is the day-to-day costs associated with providing a service. It includes expenditure not linked to an asset. It includes work required to keep an asset operating at the required level.
Capital – renewal expenditure	Renewal work is expenditure required to replace or refurbish an existing asset that will bring the asset back to the original service potential. For example, replacing an ageing water pipe with another pipe to provide the same water capacity and pressure.
Capital - new works to improve the service level	In meeting desired Council outcomes and working to achieve its vision, Council may invest in additional facilities and/or upgrade existing assets. There will be changing service level requirements because of new technology, changing legislative requirements and resource consent requirements.
Capital - new works to accommodate growth	Capital expenditure to accommodate growth in resident population and business activity.

Funding Mechanisms

Council has a number of funding mechanisms available. Council's Revenue and Financing Policy details the funding mechanisms used for each activity. In summary, how an activity is funded is determined by:

- contributions to community outcomes
- who causes the costs to be incurred
- who receives the benefit
- when the benefit is likely to be enjoyed.

Funding mechanisms include, but are not limited to those detailed in the table below.

Key



primary source of funding if available



secondary source on a case-by-case basis



funding will be considered if necessary on a case-by-case basis



main source of revenue is from the New Zealand Transport Agency for roading



depreciation is charged through rates and is used to fund the renewal of assets

	Operating Expenditure	Renewal Expenditure	New Works	Growth Works
User pays fees and charges				
Subsidies and grants				
Interest and dividends				
Rates (including Targeted Rates)				
Capital contributions				
Development contributions				
Funding from prior or future years' funds				
Loan funding				



Targeted rates are used to fund activities where the benefit is enjoyed by a specific group in the community. Where targeted rates are used to fund an activity, any over or under spending in any one year is separately accounted for and not used to offset other activities.

For example the targeted rates collected to fund the activity e.g. solid waste can only be used for solid waste. These funds cannot be used to fund any other activity.

Depreciation

Most assets lose their value over time (in other words, they depreciate), and must be replaced once the end of their useful life is reached. Depreciation is a method of allocating the cost of an asset over its useful life. For example, as a bridge ages and comes to the end of its useful life it is worth less than when new.

Depreciation represents the charge to the current ratepayers for the use of the asset during each year. If operating costs, including depreciation, are not covered by operating revenues, it can be argued the current users of the service are not paying for the benefits they are receiving. Depreciation will be charged on all assets by allocating the cost/or valuation of the asset over the estimated remaining useful life of the asset.

Assets are regularly revalued (operational assets at least every three years and infrastructural assets annually) with the depreciation expense based on the revalued amount. This ensures the amount of depreciation reflects current market values.

As depreciation is a charge for the use of the asset by current users, Council has elected not to create individual depreciation reserves.

There are some assets depreciated in the financial statements, but their depreciation is not included in the calculation of rates. This includes local halls (except for Te Kawau and Feilding Civic Centre) and approximately 50 per cent of parks and reserves assets. If these assets were replaced, Council would work with the relevant communities to determine the most appropriate funding mechanism.

The proportion of depreciation on roading assets funded by the New Zealand Transport Agency (NZTA) subsidy is also removed from the rating calculation. Currently Council receives 53 per cent of the maintenance and renewal expenses on the majority of roading assets. Including this in our rating calculation would be funding the expense twice.

Significant land use changes

Council is currently undertaking a review of the Manawatū District Plan. One of the initial parts of the review has involved consideration of urban growth requirements for Feilding. A total of four residential growth precincts and one industrial growth precinct were identified in the Feilding Urban Growth Framework Plan, which Council adopted in 2013. To date residential growth precincts One, Two and Three and the industrial growth precinct (Precinct 5) from the 2013 Framework Plan have been through the public plan change process under the Resource Management Act 1991. The new residential areas are located to the west of Feilding and detailed structure plans have been prepared to guide land development. The combined total household yield of the three residential precincts is 1,860 new residential lots, at minimum lot

sizes between 800m² and 2000m². Some areas have been identified as deferred residential zoning, meaning that these areas will remain rural and be rezoned to full residential, at a later date as demand requires. In 2017 the industrial landbank at Kawakawa Road was extended by a further 16ha to meet long term demand for industrial land in Feilding. A Structure Plan has been developed for this land (Kawakawa Industrial Park) and has been incorporated with the District Plan.

Research and analysis is being undertaken on the residential growth area which is located around Pharazyn Street/Reids Line (Precinct Four). This future residential area will provide a total yield of 1,778 residential lots and an additional 29ha of open space for future amenity and recreational land use. A Plan Change to rezone this land from rural to residential is being formulated and is scheduled to be publicly notified in 2018.

Maintaining Levels of Service

Throughout the life of the Long Term Plan Council expects to maintain existing levels of service and meet additional demand as a result of growth. Council considers it has adequate planned income to fund these expected levels of service. There are some significant factors that may affect our ability to maintain the existing levels of service including:

- Increasing standards for drinking water, wastewater and stormwater compliance (set by central government and Horizons Regional Council)
- Legislation changes requiring new levels of service
- Costs increasing faster than CPI for a number of our key activities due to rising commodity prices
- Compliance costs in the environmental and regulatory group of activities (set by central government)
- Retaining and attracting skilled staff
- Continuing to deliver savings through efficiencies, partnerships and collaboration.
- Planned capital expenditure is provided on Page 125.

Infrastructure Strategy

Infrastructure is essential for health, safety and transport and has a significant impact on the physical environment. Infrastructure that has the capacity to meet desired growth profiles and if well maintained, enables communities to increase their wealth. Poor infrastructure will block economic growth and put at risk the health and safety of residents and visitors.

Infrastructure makes up a major part of the core activities of Council, accounting for 51% of operating expenditure and 85% of capital expenditure (2016/17 year). This Infrastructure Strategy considers the following significant assets owned and maintained by Council¹:

- roading (including footpaths and all roading structures)
- water supplies (storage, treatment and supply)
- wastewater (sewage collection, treatment and disposal) and
- stormwater.

The purpose of this Infrastructure Strategy is to identify:

- the key infrastructural service issues the Manawatū district is forecast to face over the next 30 years, including financial and non-financial consequences;
- the main options for dealing with those issues;
- the cost and service delivery implications for residents and businesses of those options; and
- the Council's current preferred scenario for infrastructure provision.

This Infrastructure Strategy covers the statutory minimum requirement of 30 years so as to align with the periods covered by our Roding Activity Management Plan and 3-Waters Asset Management Plan.

The roading network extends across the district and into the foothills in the northern area. The majority of rural townships now have reticulated water and wastewater services.

Typically Council uses good asset data and maintenance data to drive good asset management practices and efficient lifecycle management. Based on this data and network knowledge, we renew assets prior to failure. In the 2018-28 Long Term Plan the expenditure required to deliver the asset renewal profile is projected to contribute to the exceedance of the Council Corporate Debt Cap. As a result of this, Council has reduced the Water and Wastewater renewals programme by \$10 million over the 2018-28 period which means Council has re-positioned its risk profile, balancing a criticality needs framework with a higher risk of network failure. The risk of failure is considered acceptable given that Council has made a

considerable investment in water and wastewater renewals over the past six years.

The move from proactive asset renewal towards a more reactive approach means that maintenance costs could increase. However, it is difficult to quantify what this will look like as it is dependent on the actual level of asset failure and the specific asset(s) that fail. There may be no increase in maintenance costs if the increased risk of failure is not realised.

Government regulations and standards can override community wishes and make large investments mandatory – regardless of affordability or the asset condition.

1.1 Replacement Value of Assets

The District Council's infrastructure assets are revalued annually on 1 July by internal staff members in accordance with Council's policy. Although accounting standard PBE IPSAS 17 Property, Plant and Equipment no longer requires internal revaluations to be subject to external peer review, the Council has chosen to obtain an independent peer review every third year. A peer review was undertaken for the revaluation as at 1 July 2016.

Table 1 summarises the current value of the core infrastructural assets, as at 1 July 2016:

Table 1: 1 July 2016 Valuation

Activity Group	Replacement Value (\$)	Depreciated Replacement Cost (\$)	Annual Depreciation (\$/year)
Roding	575,980,942	356,093,002	7,049,762
Water	95,907,299	50,130,480	1,428,856
Wastewater	96,574,149	62,244,310	1,671,497
Stormwater (Urban)	43,129,403	20,705,767	444,764
Stormwater (Rural)	1,874,975	N/A*	N/A
TOTALS	813,466,768	489,173,559	10,594,879

*Rural drainage schemes are not depreciated but they are given a base life of 70 years in the asset register.

¹ Council also provides other community infrastructure such as libraries, pools and community civic and administration buildings and provides solid waste activities. This infrastructure is not included in this strategy due to our Asset Information not being sufficiently sophisticated for inclusion in the Strategy at this time. However, Community Facilities and Solid Waste activities and assets are detailed elsewhere in the Long Term Plan and the Waste Minimisation Activity Plan. The inclusion of these facilities in future Infrastructure Strategies is something that Council is aspiring to.

Annual Depreciation is the charge to ratepayers for the use of the asset during each year. Most assets lose their value over time as they wear out or become obsolete (depreciate) and must be replaced once their useful life is reached. Depreciation is a method of allocating the cost of an asset over its useful life.

The threshold for inclusion in the strategy is set at \$1 million and assets have been considered at a grouped level, such as a complete pipe network. Some smaller assets are included as they are critical to the future operations or set the level of service. The Significance and Engagement Policy has been referred to for guidance on what assets should be included.

2. Our District

The Manawatū District covers 256,693 hectares and stretches from Rangiwahia in the north to Himatangi Beach in the south and the boundary with Palmerston North City. The western boundary of the District follows the Rangitikei River and the eastern boundary is the Ruahine Ranges. Within the Manawatū District are a range of natural features, including the Ruahine Ranges, Pohangina Valley and the West Coast beaches and sand dunes.

The Manawatū District is a thriving rural district with agriculture as its leading industry. Feilding Township is the heart of the District and maintains a role as a service centre to its rural community. Our Villages provide lifestyle choices and business opportunities for the surrounding rural community.

2.1 Demographic Context and Forecast Growth

The resident population of the Manawatū District at 30 June 2017 is estimated at 30,300. Council has determined the that Most Likely Scenario (MLS) in terms of population change is an average increase of 1.03% per year over the 30 year period covered by the Infrastructure Strategy (2018-2048). The growth rate over the 30-year period is projected to range between 1.3% in 2018 slowing to 1.1% in 2028, declining steadily to 0.6% in 2048. The population is forecast to total 40,324 people by 2048.

Over half of the District's population resides in Feilding, with 16,260 residents in 2016. The population of Feilding grew by 2.07% in the 2015/16 financial year, which is higher than the average District growth rate of 1.7% over this same period.

The MLS in terms of household growth is an increase from 12,329 households in 2018 to 17,532 households by 2048. This is equivalent to a 42% increase in the number of households over the 30 year period covered by the Infrastructure Strategy (2018-2048).

The proportion of the population aged 65 years and older is forecast to increase significantly in the long term from approximately 17.8% of the total population in 2018 to 28.1% in 2048.

Population and household forecasts are also included in the Financial Strategy and the Significant Forecasting Assumptions. As these other documents are concerned with a 10 year period from 2018 to 2028, the forecasts differ. The following tables (Table 2 and 3) provide population and household forecasts over 10 year periods from Years 1 to 30 to show that the projections are consistent across the Infrastructure Strategy, Financial Strategy and the Significant Forecasting Assumptions.

Population and Household Forecasts

Forecasting population and household growth and changes in demographics is vitally important for asset management planning for roading, water, wastewater and stormwater. Council needs to ensure that services are provided in the right places, at the right level and at the right time, to ensure that infrastructure provision does not constrain development. Likewise, Council needs to ensure that the funding of infrastructure is equitable and affordable for ratepayers.

Table 2: Population Forecasts

	In Year 10 (2028)			In Year 20 (2038)			In Year 30 (2048)		
	Total	Change from 2018	Annual Growth Rate	Total	Change from 2018	Annual Growth Rate	Total	Change from 2018	Annual Growth Rate
Population	34,715	3,893	1.10%	37,794	6,972	0.80%	40,324	9,502	0.60%

Table 3: Household Forecasts

	In Year 10 (2028)			In Year 20 (2038)			In Year 30 (2048)		
	Total	Change from 2018	% increase from 2018	Total	Change from 2018	% increase from 2018	Total	Change from 2018	% increase from 2018
Households	14,263	1,935	15.7%	16,038	3,709	30.1%	17,532	5,203	42.2%

2.1.1 Planning for Residential and Industrial Growth

Residential and Industrial Growth in Feilding

The Feilding Framework Plan is Council’s adopted urban growth strategy for Feilding. It presents the results of strategic analysis of the needs and challenges for Feilding’s urban growth and development and the opportunities to enhance the ‘urban form’ of Feilding through the application of good urban planning principles. The Feilding Framework Plan addresses residential and industrial growth planning to 2031.

Seven Growth Precincts are identified in the Framework Plan – six to accommodate residential growth (Precincts 1 – 4, 6 and 7) and one (Precinct 5) to accommodate industrial growth (Figure 1). Detailed outcomes for each Growth Precinct are included in the Framework Plan, and show more detail of density patterns and local street network, off-road cycleway and walkways networks, potential stormwater attenuation pond locations and open space network.

Residential Growth Precincts 1, 2 and 3 were rezoned to deferred residential through Plan Change 45 (PC45) in 2015. PC45 also introduced three new structure plans into the District Plan to direct and co-ordinate subdivision and development within these areas.

Precinct 5 (Manfeild Park and Special Development Zone) was rezoned in 2014, while the Kawakawa Industrial Park was rezoned in 2017 (PC52). PC52 introduced a structure plan to guide the development and orderly provision of infrastructure in the Kawakawa Industrial Park. A key infrastructural requirement is the extension of Turners Road, which is included in the 2018-28 Long Term Plan as a

key project. Council is continuing its programmed roll-out of ultrafast broadband in the Kawakawa Road Industrial Growth Park.

Figure 1: Growth Precincts from the Feilding Framework Plan



Council has carried out detailed infrastructure investigations to support the proposed rezoning of residential Growth Precinct 4 (Plan Change 51A). The current District Plan Review programme has Clause 3 consultation for PC51A commencing in March 2018.

Council will consider other residential growth areas identified in the Framework Plan once Precinct 4 is nearing capacity. This will help Council achieve compliance with the National Policy Statement on Urban Development Capacity 2016. These requirements include providing sufficient (10 year supply) feasible development capacity at any one time, to meet market demand, and provide consumer choice of areas in which to purchase houses.

Himatangi Beach Growth

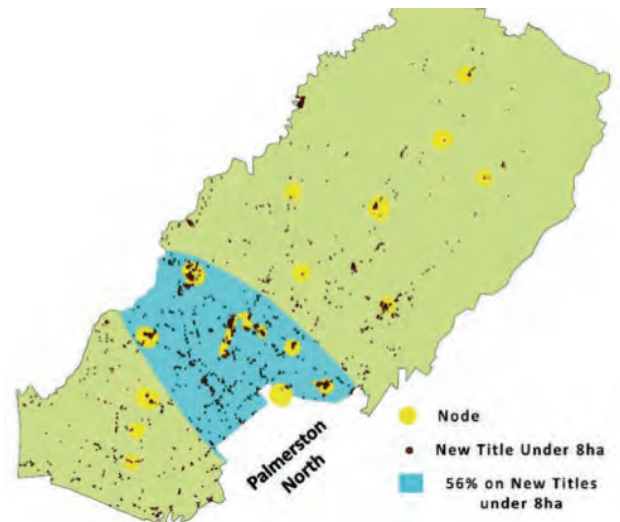
Council is aware of two potential large-scale resident developments in Himatangi Beach within the planning horizon of this Infrastructure Strategy. Consent applications are yet to be lodged with Council. If either of these developments were to proceed, the existing urban water supply and wastewater networks (and possibly the stormwater network) would need to be extended. Due to budgetary constraints there is no allowance for new infrastructure within Himatangi Beach to facilitate these developments. If one or both of these developments was to proceed, the infrastructural requirements would be considered at that time.

Subdivision and Development in Rural Areas and Villages

Rural landscapes and pastoral farmland are significant in our district for our local economy. Maintaining and protecting the productive capacity of rural land is imperative for the Manawatū District. One of the biggest threats to the future of farming is the subdivision of land to a size that is unsuitable for productive activities.

The Operative Manawatū District Plan seeks to concentrate rural subdivision for 'lifestyle' sections to a 1km node around Feilding and existing Villages and other community focal points by providing for smaller lot subdivision within nodal areas. However, a review of subdivision and building consent data has found that a greater percentage of subdivision is occurring outside of the node overlays than within the existing nodes. As illustrated in Figure 2 below, the Feilding node had the most growth, followed by Hiwinui. Halcombe, Sanson, Kimbolton, Pohangina in the 10 year period between 2005 and 2015. Colyton also experienced a modest increase in new building consents between 2005 and 2015.

Figure 2: Subdivision in the Rural Zone (as at 2015)



The Feilding Nodal areas are proposed to be deleted through Proposed Plan Change 51 (the Residential Zone Review) to direct urban development towards the Feilding residential growth precincts. Proposed Plan Change 53 is looking to introduce a new rural lifestyle zone to those Villages in which there is a demonstrated demand for rural residential development and to delete the existing nodal areas from areas experiencing low or no demand. Properties within nodal areas are typically un-serviced for water, wastewater and stormwater.

Through future Plan Change 53, Council is looking to introduce a uniform Rural Zone. The Rural Zone will encompass the majority of the District's rural environment.

2.1.2 Planning for Economic Growth

The Manawatū District Council's Economic Development Strategy "Growing Manawatū" defines the goals and actions necessary to shape the social and economic potential of the community. The Economic Development vision for 2028 is "The District economy of Manawatū is prosperous and diverse, offering a high quality of life for all residents."

One of the three strategic outcomes from this vision is that:

Core infrastructure in key sectors and the quality of our physical and community infrastructure have been leveraged in our economic development approach.

This strategy recognises the importance of quality physical and social infrastructure, including roads, services, libraries and sports grounds in encouraging new residents into the District. It also recognises that new residents and the corresponding growth in the local economy will increase demand for local goods and services.

The Economic Development Strategy (to 2028) anticipates that local businesses will be better connected to the market through investment in new transportation infrastructure and technology, including national roads of significance and the national fibre communication network.

Strategic Outcome Two of the Economic Development Strategy that is:

“Our infrastructure enables and supports a wide range of economic activity. Utilising our economic development infrastructure, we will develop businesses that improve quality of life and provide employment to attract and retain residents who want to strengthen our communities.”

The Turners Road extension is a key project that is intended to boost economic development through providing access to newly rezoned industrial land. Council also provides funding to the Central Economic Development Agency (CEDA) which is a jointly owned Council Controlled Organisation (CCO) between the Manawatū District Council and the Palmerston North City Council, with the purpose of increasing prosperity within the Manawatū Region.

The Vision and Outcomes specific to infrastructure in the Economic Development Strategy are consistent with our Infrastructure Strategy to 2028.

3.0 Strategic Context

The Local Government Act 2002 requires that Council include an Infrastructure Strategy covering a period of at least 30 consecutive financial years in its Long Term Plan. Both the Infrastructure and Financial Strategy tell a story about levels of service, costs, risks, and trade-offs. A wide variety of activity information informs the preparation of the infrastructure and financial strategies. For example, the Infrastructure Strategy relies on robust and accurate asset and activity management plans to give effect to the strategy. The Infrastructure Strategy also provides the strategic context to guide the development of the Asset and Activity Management Plans. In developing responses to the key strategic issues for infrastructure, the preparation of the Infrastructure and Financial Strategies inform the development of the Long Term Plan as a whole.

The following diagram (Figure 3) summarises the relationship between the key planning documents. However, it is noted that the relationship is not strictly hierarchical, as documents are developed through an iterative process.

Figure 3: Relationship between key planning documents



3.1 Council’s Vision and Outcomes

Council’s overarching vision is:

“Connected, vibrant and thriving Manawatū District – the best lifestyle in New Zealand.”

Within this overarching vision, key community visions are further defined:

Feilding Vision – An attractive, progressive and inclusive country town that offers lifestyle choices, and is the agri-business hub of the region.

Villages’ Vision – Attractive and prosperous communities that offer lifestyle choices and business opportunities within a unique environment.

Rural Vision – Providing world-leading food, products and services within a beautiful sustainable rural landscape that offers outstanding recreational opportunities.

Underpinning the vision statements, a set of outcomes was developed which shows the priorities Manawatū District Council is working towards. While infrastructure contributes to the achievement of all of Council’s outcomes, of particular relevance are:

Manawatū District is connected via quality infrastructure, services and technology

Manawatū District’s built environment is safe, resilient and attractive

Manawatū District protects the natural environment through stewardship of the District’s natural and physical resources

The Manawatū District attracts and retains residents and businesses

3.2 Financial Strategy

The Financial Strategy sets out the financial implications, constraints and consequences of Council's policy and service delivery decisions and how these will be managed. The Infrastructure Strategy is developed in conjunction with the financial strategy to ensure that the two are aligned and tell the same 'story.' The Infrastructure Strategy is informed by the Financial Strategy and the Financial Strategy outlines Council's approach to funding the infrastructure needs identified in the Infrastructure Strategy.

3.3 Asset Management Plans

The Rooding Activity Management Plan and the 3-Waters Asset Management Plan (covering water, wastewater and stormwater infrastructure) are key documents that have informed the development of the Infrastructure Strategy.

Asset Management Plans are a tool for combining management, financial, engineering and technical practices to ensure that the level of service required by customers is provided at the lowest long-term cost to the community. The plan is intended to demonstrate that Council is managing the assets responsibly and that customers will be regularly consulted over the price/quality trade-offs resulting from alternative levels of service.

The Rooding Activity Management Plan consists of two parts – the Programme Business Case and the Activity Management Plan. The Programme Business Case outlines the strategic context and case for Manawatū District Council's investment in the Rooding activity. It draws on the evidence provided in the Activity Management Plan (AMP) which prioritises and addresses key transportation issues and illustrates how assets are intended to be managed.

The Objectives of the 3-Waters Asset Management Plan are:

- To ensure strategic and operational decisions regarding the activity will be based on "best for asset" principles. Levels of service will be cascaded down through all levels of operational practices to enhance the network performance and ratepayer satisfaction. The management and renewal of the assets will be carried out within budget constraints.
- To provide clear linkages to the Annual Plan, Long Term Plan, and all other key planning processes and documents.
- To comply with the Local Government Act 2002 (LGA), specifically in relation to our activities, services and assets.

4.0 Significant Infrastructure Issues

Our goal for the strategy is "to provide the Manawatū community with resilient infrastructure in a cost effective way, meeting both current needs and future growth and demand." Infrastructure decision-making requires a balance between facilitating growth and meeting community expectations and agreed levels of service within debt limits and at a rate that the community can afford.

Table 4 identifies the significant issues that affect existing infrastructure and influence decision-making for infrastructure expenditure in the Manawatū District. The second column outlines Council's action plan for responding to these issues, aligned with the strategic goal. The third column contains the visionary outcomes of the strategy for the year 2048, based on Council's response to the key issues.

Table 4: Significant Issues for Infrastructure

	Significant Infrastructure Issues	Response	Outcome in 2048
1	The suitability and accessibility of infrastructure to meet the needs of an ageing population	<p>Footpath and intersection improvements consider the accessibility needs of an ageing population. For example, the engineering standards include increased footpath widths and improved street lighting.</p> <p>Planning for 3-Waters infrastructure (water, wastewater and stormwater) within the Feilding residential growth Precinct 4 includes capacity for intense housing pockets, such as for retirement villages and smaller unit housing.</p>	<ul style="list-style-type: none"> • <i>Our roading design accommodates the needs of all life stages, contributing to the wellbeing of residents.</i>
2	Affordability associated with demographic and social changes, whereby a higher proportion of the population is on a fixed income	<p>Use of established funding models including:</p> <ul style="list-style-type: none"> • Using loans to spread payments over a longer period of time (intergenerational) • Harmonising costs so the burden for new infrastructure does not lie with one community that does not have the ability to pay <p>Note: refer to Financial Strategy for further detail</p>	<ul style="list-style-type: none"> • <i>Forecast expenditure and loans fit within the Financial Strategy rating and debt limits for the first 10 years of the Long Term Plan, and are consistent with the Financial Strategy funding strategies for years 11 to 30.</i> • <i>Council has harmonised costs for 3-Waters infrastructure to provide a good level of service at an affordable rate for all communities.</i>
3	The costs and uncertainty of resource consent renewals. Uncertainty has increased as a result of the recent High Court Challenge to Horizons One Plan.	<p>Council is seeking to maintain existing Levels of Service but is looking at different ways of delivering these services. Council is maximising the value of existing investments, utilising spare capacity where possible.</p>	<ul style="list-style-type: none"> • <i>Council has reduced the number of wastewater consents that it manages by utilising available capacity at the Feilding Wastewater Treatment Plant (WWTP) to collect and treat wastewater from the Villages.</i>
4	Increasing frequency and severity of stormwater flooding as a result of climate change	<p>The 2018-28 Long Term Plan includes a District-wide Stormwater project that involves a full assessment of the stormwater networks in Feilding, Tangimoana, Rongotea, Himatangi Beach, Sanson, Cheltenham and Halcombe. The purpose of this assessment is to determine a prioritised work plan to increase the stormwater Levels of Service provided.</p> <p>Levels of service are reviewed with each Long Term Plan and Annual Plan. Increases in levels of service are traded off against rating impact and affordability.</p> <p>New developments are required on a case-by-case basis to demonstrate that they achieve stormwater neutrality so that their stormwater discharges do not cause or exacerbate flooding of any other property.</p>	<ul style="list-style-type: none"> • <i>The stormwater LOS in the villages has been increased to protect those communities from stormwater flooding as a result of climate change.</i> • <i>Council has achieved hydrological neutrality for new developments through both requiring on-site stormwater detention and by constructing communal detention areas for stormwater.</i>

	Significant Infrastructure Issues	Response	Outcome in 2048
5	Public, Iwi and Regional Council expectations around the discharge of wastewater	Council has been developing land based irrigation at the Feilding WWTP. Council is proposing to utilise existing capacity at the Feilding WWTP for the land-based discharge of treated wastewater from the Villages through a new piped network.	<ul style="list-style-type: none"> • <i>The land-based application of treated wastewater has improved the quality of water in the Oroua River, in accordance with Council's commitments under the Oroua River Declaration and the Manawatū River Leaders Accord.</i>
6	The need to improve the resilience and safety of our networks	<p>Forward planning for maintenance and renewal budgets factor in the effects of climate change.</p> <p>The resilience of three-waters networks is increased as part of new works and renewals by using resilient design materials and pipe laying techniques. The level of investment is highest for critical infrastructure.</p> <p>Lifelines and assets of strategic importance are prioritised for renewal over other assets of a similar age, to increase resilience and reduce our risk profile.</p> <p>Improvements will be made to the safety of the roading network through interventions to minimise and reduce the risk and consequences of crashes.</p> <p>A resilience plan is in place and operational for roading infrastructure. The plan includes preventative actions to mitigate against moderate scale events that could interrupt customer journeys. The roading improvement plan identifies areas of significant vulnerability and criticality. The improvement plan includes proactive preventative intervention procedures for regular events such as rain and ice, as well as a capital improvement programme.</p> <p>Road maintenance programmes anticipate the potential effects of forestry clearance and include measures to reduce these effects.</p>	<ul style="list-style-type: none"> • <i>The resilience of our infrastructure has improved, with key lifeline assets given priority.</i> • <i>The rural drainage network is proactively managed, with no significant issues in capacity or performance.</i> • <i>We have achieved continuous improvement in District road safety, through targeted interventions in areas of highest risk, minimising the risk and consequences of crashes.</i> • <i>Additional investment in roading structures maintenance, drainage and resilience projects has reduced the cost of Emergency Works and ensured that we are prepared for forestry harvest.</i>
7	The need to improve the quality of asset information held by Council, particularly for 3-Waters assets. Most assets are buried and cannot be easily inspected.	<p>Most of the asset information held by Council has been derived from historic plans. New schemes will generally have the most up-to-date information.</p> <p>Asset revaluations have highlighted the need for improved data quality.</p> <p>The quality of data held has improved over the last 5 years. Work such as renewals and extensions to the network have been accurately mapped. It is now standard practice to request sufficient asset information from contractors to update the system.</p> <p>Council has an improvement plan in place for improving the quality of its 3-Waters (water, wastewater and stormwater) asset information. This Improvement Plan is included in the 3-Waters Asset Management Plan, a copy of which is available on the Manawatū District Council's website.</p>	<ul style="list-style-type: none"> • <i>The quality of our asset information has improved over time, providing greater certainty for programming and better use of existing assets.</i>

	Significant Infrastructure Issues	Response	Outcome in 2048
8	<p>Infrastructure is an enabler of economic growth</p>	<p>Through Asset Management Planning, Council ensures that the capacity, quality and connectivity of our infrastructure networks is sufficient to enable the Manawatū District to achieve its growth potential. The 3-Waters and Rooding AMPs include budget for new networks in growth areas and existing schemes have sufficient capacity to facilitate growth.</p> <p>Council's Economic Development Strategy – <i>Growing Manawatū has a vision for 2028 which is that "The District economy of Manawatū is prosperous and diverse, offering a high quality of life for all residents." One of the strategic outcomes of this strategy is that "our infrastructure enables and supports a wide range of economic activity."</i></p> <p>The key growth sectors identified in Growing Manawatū are food, agriculture, defence, education, visitor/tourism, and services and logistics.</p> <p>Council is continuing its programmed roll-out of ultrafast broadband in the Kawakawa Road Industrial Growth Park. These works are outside of the Government subsidised scheme.</p> <p>The Feilding water supply network has the resilience to provide the firefighting capacity for wet industries in Feilding.</p> <p>The Feilding WWTP has sufficient capacity for high strength industrial waste.</p>	<ul style="list-style-type: none"> • <i>Our roading network is efficient, supports economic activity, is fit for purpose and meets the One Network Rooding Customer Levels of Service.</i> • <i>The transport network provides safe and efficient linkages with national transport corridors, supporting the movement of freight within and throughout the District.</i> • <i>The Turners Road extension provides essential accessibility for the new industries that have established within the Kawakawa Road Industrial Growth Area.</i> • <i>The new Mangaweka Bridge has reconnected residents of the Manawatū and Rangitikei District and supports the local economy through the uplifting of the bridge weight restrictions and shortening travel times.</i> • <i>The Manawatū District is recognised as providing world-leading food, products and services.</i> • <i>Council supports other economic enablers such as ultrafast broadband.</i>
9	<p>Accommodating forecast growth</p>	<p>The maintenance, renewal and upgrade programmes contained in the Rooding Activity Management Plan and the 3-Waters Asset Management Plan are based on the growth forecasts contained in the Forecasting Assumptions (Part 3 of the Long Term Plan).</p> <p>Council is providing for residential and industrial growth in Feilding through the rezoning of land through the District Plan Review. Planned new roading, stormwater, wastewater and water networks are concentrated within Feilding residential growth precinct 4 within the 10 year period to 2028.</p> <p>No money has been allocated in this Long Term Plan for growth projects within the Villages. These communities will have an opportunity to shape their future development through the residential zone review plan change (PC51) commencing in 2018.</p> <p>Provisions are made within the 3-Waters Asset Management Plan to ensure that there is sufficient capacity for forecast water demand.</p>	<ul style="list-style-type: none"> • <i>Our rural townships are attractive and prosperous with affordable infrastructure that has sufficient capacity for a growing population.</i> • <i>There has been strong residential development in the Feilding growth precincts 1 – 4, facilitated through good quality roading, water, wastewater and stormwater infrastructure.</i> • <i>We have planned for and proactively responded to demographic change and impacts of land use change.</i>

	Significant Infrastructure Issues	Response	Outcome in 2048
10	Compliance with mandatory requirements for drinking water	<p>Council is committed to providing an urban potable water supply that complies with the Drinking Water Standards for New Zealand. These are reported via the mandatory measures of the Department of Internal Affairs.</p> <p>Changes to drinking water standards and treatment requirements are likely as a result of the recommendations of the Havelock North Water Inquiry Stage 2 Report.</p> <p>All of Council’s drinking water supplies are already chlorinated. However, the likely abolishment of “secure” bore status may result in additional barriers or protection measures, such as UV treatment for all water supplies, to achieve protozoal compliance with the New Zealand Drinking Water Standards.</p> <p>Council’s projected debt profile places Council at risk financially if there are significant changes in standards and requirements for drinking water supplies.</p> <p>The 2018-28 Long Term Plan makes no budget allowance for additional capital that may be required to meet new requirements introduced as a result of the Havelock North inquiry or future changes to the New Zealand Drinking Water Standards.</p> <p>Council has chosen to wait for clear direction from the Ministry of Health, before investing in additional treatment upgrades for water supplies.</p> <p>Council is evaluating options to improve the Stanway-Halcombe rural water supply to ensure that the water supplied to the Township of Halcombe complies with the NZ Drinking Water Standards for protozoa. While Council is aware of the drinking water implications for the Stanway-Halcombe Rural Water Scheme with regards to protozoal compliance, there is insufficient budget available within Years 1 – 10 to achieve compliance. Council will continue to evaluate options.</p>	<ul style="list-style-type: none"> • <i>Our potable water supply complies with the NZ Drinking Water Standards and meets current and forecast domestic, rural, commercial and industrial needs.</i>

This strategy will help the Council and the community decide on the required rating and debt levels in the next 10 years, and the indicative position over the next 10 to 30 years. The strategy will show that Council is acting prudently in providing services that are affordable for the community, while meeting stated levels of service. In this regard the Infrastructure Strategy will reflect the financial parameters set by the Financial Strategy, particularly in years 1 to 10. These two strategies together form the overall summary of the key financial and forecasting information held by Council for the funding of infrastructural assets. Council sees this 30 year strategy, coupled with sound asset management plans, as an integral part of best practice management of the Council's community owned assets and future finances.

5.0 Risks to Infrastructure

This section provides further detail on some of the risks to Council's infrastructure that are included in the list of Significant Infrastructure Issues in Table 4 above. Our response to some of these key risks is included in more detail in the risk sections of the Asset Management Plans. Further detail on Council's Risk Management Approach is included as Appendix 1.

5.1.1 Natural Hazards

Natural hazards can impact significantly on infrastructure assets, causing damage and interrupting delivery of services. Council aims to reduce the vulnerability of infrastructure to natural hazards by increasing its resilience over time. Minor events resulting in damage are generally dealt with through normal operating budgets and existing reserves. Council has an insurance reserve of around \$900,000 for unforeseen damages to assets. For more major events Council has four external sources of funds to repair assets:

1. Council water supply, stormwater and wastewater infrastructure is insured at replacement cost value with AON Insurance. The insurance cover relates to 40% of the replacement value of the assets. There is a \$250,000 excess on any claim for underground assets.
2. In the event of a disaster, it is anticipated that the remaining 60% of reinstatement costs will be recovered from central government in accordance with the National Civil Defence Emergency Management Plan 2015.
3. Above ground assets such as reservoirs and buildings are insured with AON Insurance through the Manawatū-Wanganui Local Authority Shared Services agreement. There is a \$100,000 excess on any claim.
4. Council self-insures the un-subsidised portion of roading. Roading major event repairs are largely funded (73%) through the NZTA emergency works programme. The government has historically increased the level of funding repairs to a higher level for very

large events. If there is a shortfall in external funding, the renewal programme is changed in the short term to repair the network.

Council has also taken a conscious step in the Financial Strategy to limit the level of debt to a cap that is \$5 million less than the limit set in the Borrowing Management Policy. This is to allow Council further flexibility to respond to natural disasters in the future. Council also has a \$10 million credit facility with the Bank of New Zealand to allow access to funds if required.

Flooding Risk

Flooding is the most frequently experienced natural hazard in the District. While the likelihood of a large scale flood occurring in any year is relatively low, the frequency of flooding is likely to increase over time as a result of climate change. Recent flood events include the February 2004 flood (likely return period of greater than 150 years) and the June 2015 flood that had an average recurrence interval (ARI) of 50 years in the Oroua River and 100 years in the Makino Stream (Blackwood, 2015).

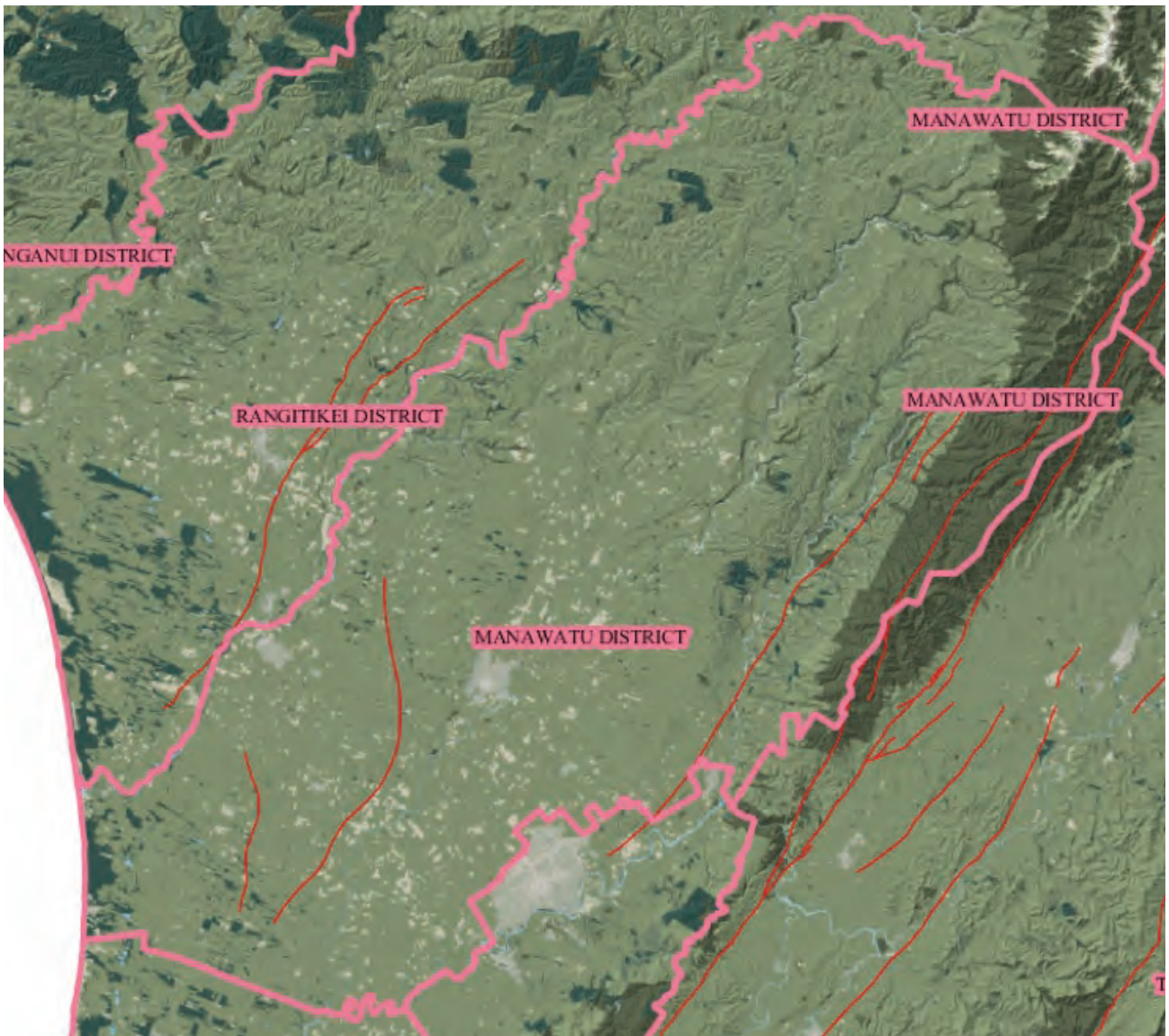
Land in the Oroua River and Manawatū River floodplains areas are subject to flooding as historically these were natural swamps. While responsibility for flood control sits with Horizons Regional Council, large scale flood events have a significant impact on the ability of the Council to continue to deliver its services addressed in this Strategy. Council has put some mitigation measures in place by way of development controls in the District Plan which determine where development can take place, in turn determining where infrastructure is required.

Earthquakes and Liquefaction

The Manawatū District has been categorised by the Ministry of Business, Innovation and Employment as being within a high seismic risk area (based on the hazard factors contained in NZS1170.5:2004 – Earthquake actions - New Zealand and subsequent modifications made after the Canterbury earthquakes). Seismic hazard is the most potentially damaging hazard from an infrastructure perspective. An earthquake could potentially cause devastation to both above and below ground infrastructure in developed areas through ground rupture, liquefaction or ground deformation. Fault or ground rupture can occur during a very large earthquake where the movement creates discrete breaks at the ground surface, which is of particular risk to buildings, structures and infrastructure.

Information on active faults is sourced from the New Zealand Active Faults Database from GNS Science. The location of these known fault lines are illustrated in Figure 4 (over page):

Figure 4: Active Fault-lines (red lines) from the GNS Science “New Zealand Active Faults Database”



Legend:

- Territorial Authority Boundary
- Active Fault

- Wellington Fault – laying 27 km southeast of Feilding;
- Ruahine Fault – laying 24 km southeast of Feilding;
- Northern Ohariu Fault – laying 28 km southwest of Feilding; and
- Mt Stewart-Halcombe Fault – laying 4 km to the south of Feilding.

An infrastructure vulnerability assessment was included in the 2005 and 2016 Manawatū-Whanganui Lifelines Reports. This assessment found that the largest area of liquefaction risk lies in the area between Palmerston North, Levin and Bulls. Disruption to almost all lifelines networks can occur in those areas.

Coastal Erosion and Inundation

Horizons has assessed the shoreline of Himatangi Beach for coastal hazards. This assessment found there to be no risk to properties at Himatangi Beach from either coastal inundation or erosion over the 100 year planning timeframe considered by this investigation. (Horizons Regional Council, 2015) Coastal erosion risks at the Tangimoana township are currently low due to an accreting shoreline. Inundation is more likely from the Rangitikei River than from storm surge and wave run-up due to the configuration of the Rangitikei River mouth. However, a change in the configuration of the Rangitikei River mouth could increase vulnerability to coastal hazards.

Tsunamis

The District has a very low probability of tsunami hazards on the west coast around Himatangi Beach and Tangimoana townships. The following table from the CDEM Group Plan summarises modelled tsunami wave heights for all sources on the west coast. For evacuation and planning purposes, the 84th percentile wave height is doubled to provide on-shore heights (the wave run-up) from which evacuation zones are derived. There are three evacuation zones for the west coast of the Manawatū District.

Table 5: Modelled Tsunami Wave Heights

	Wave height regional and distant sources 500 YR		Wave height all sources 2500 YR	
	Median	84%	Median	84%
West Coast	2.6m	3.6m	5.2m	7.8m

The impacts of tsunami events vary greatly depending upon the type and size of the event, local topography and in the case of human life and safety, the time of day. On the national scale, the consequences of tsunami events on the District are considered to be relatively low.

Other Natural Hazards

Other natural hazards such as ash clouds from volcanic eruption occur less frequently, but have the potential to cause significant adverse effects and pose a risk to people and property. These risks have low likelihoods and have been identified in Horizons reports, and no specific capital budgets have been allocated above the general insurance reserve, Local Authority Protection Programme Disaster Fund (LAPP) cover and insurance cover.

5.1.2 Climate Change

Climate change forecasts from the Ministry for the Environment, based on the fifth assessment from the Intergovernmental Panel on Climate Change, suggest there will be changes in weather patterns over the next 20 to 30 years. Likely changes include an increase in average temperatures by +0.7°C to +1.1°C by 2040 and +0.7°C to +3.7°C by 2110. Droughts are likely to increase in both intensity and duration. Daily temperature extremes are also projected to increase, with a 40% to 100% increase in the number of hot days (maximum temperature of 25°C or higher) by 2040.

The risk of flooding could become up to four times as frequent by the end of the Century. Drier than average conditions and more intense rainfall at times could lead to increase problems with erosion, landslides and sedimentation in rivers. Tide records between 1915 and 2015 show an average increase in relative mean sea level for New Zealand of 1.8mm per year. However, the rate of sea-level rise will be projected to progressively increase faster than over the last century. The Ministry for the Environment is predicting a sea level rise of between 0.2m to 0.4m by 2060 and between 0.3m and 1.0m by 2100. However, the collapse of parts of the Antarctic ice sheets could substantially increase the upper end of this range (Ministry for the Environment, 2016).

Impacts of climate change over the next 10 to 30 years may not be significant in terms of the overall Council activities. However, climatic changes will impact upon the way that activities allocate resources and the type of proactive projects undertaken. Potential impacts on infrastructure as a result of climate change include:

- Roading – Increased frequency and intensity of rainfall events means that additional investment is required in structures maintenance, drainage and resilience projects to reduce the cost of emergency works.
- Water - Longer periods of drought result in increased demand, while flood events create turbidity.
- Wastewater - Increased frequency and intensity of rainfall events results in infiltration and inflows that increase volumes to be treated. Programmes to address include leak detection and stormwater works are already underway. More frequent or prolonged periods of drought also has implications for wastewater discharge as it limits river discharge options.

- Stormwater - Increased frequency and intensity of rainfall events results in service levels falling. Increasing size and coverage of networks may be required.

Rural Zone through the sectional District Plan Review will consider whether rural subdivisions are adversely affecting agricultural productivity through land fragmentation and the loss of high quality soils.

5.1.3 Changing Demographics

Council needs to forecast and monitor changes in demographics as this can affect the priorities and needs of the community in terms of infrastructure provision. The following demographic trends are considered to be of particular importance for this Infrastructure Strategy:

1. Ageing Population

Based on the statistics New Zealand forecasts 28% of the District's population will be aged 65 years and over by 2048. This will have implications for the roading activity, particularly in ensuring that footpaths are accessible and suitable, with crossing places for mobility scooters. The increasing proportion of the population on a fixed income also has implications for affordability.

An ageing population is likely to result in increased demand for retirement villages and aged care facilities. The Property Economics report forecasts retirement village demand equating to an additional 1,500 dwellings by 2038. Adoption rates for retirement village living are also influenced by the standard of supply, so demand has the potential to increase with the provision of high quality retirement villages within the market. Many people live within easy driving distance of Palmerston North where they can access specialist services. This proximity is a contributing factor of the desirability of the Manawatū District for ageing people.

2. Household Growth Rates

Household growth will increase at a rate that is proportionately higher than the population growth rate due to a projected fall in the person per dwelling ratio over the forecast period. This trend is projected to occur across the country due to an ageing population, smaller families and a higher proportion of 'split' or single households (Property Economics, 2016). Council is required by the National Policy Statement on Urban Development Capacity 2016 to demonstrate that there is sufficient zoned and serviced land available for residential and business growth over a 10 year period. Council also has to provide choice for a range of dwelling types and locations, working environments and places to locate businesses.

3. Rural Subdivision

Rural land owners may subdivide off surplus farm houses to raise capital for retirement, to service debt, to reinvest in farming infrastructure, or to free up income for additional land purchase. The review of the

5.1.4 Failure to deliver renewals programmes or upgrades programmes

The failure to deliver on the water supply, wastewater and stormwater renewals or upgrades programmes have a net risk rating of "high" in the Risk Register contained within the 3-waters AMP. The key factors that contribute to non-delivery of these programmes are insufficient funds and insufficient resources. Council mitigates these risks through ensuring qualified and experienced staff are hired, maintaining sufficient staffing levels and proposing realistic programmes.

5.1.5 Compliance with the Feilding Stormwater Consent

Compliance with the consent conditions for the Feilding Stormwater discharge consent was identified as a net "high" risk in the 3-water AMP. The types of risks associated with consent compliance include compliance, environmental, financial and reputation. Council manages these risks by monitoring performance, maintenance of the network and through capital works. Council also works with premises to manage stormwater flows and quality. Council is reviewing the Feilding stormwater network as part of the District-wide Stormwater Assessment which is one of the key projects in this Long Term Plan.

6.0 What will it cost?

6.1 Current Financial Position

Council's current debt level is \$62 million. Some of the reasons for the current debt position is the significant investment made in upgrades of the Feilding Wastewater Treatment Plant and the Makino Aquatic Centre.

Traditionally Council has underspent its budget for roading and the 3-waters, principally due to carry forwards required to mitigate future resource consent conditions. However, in the 2016/17 financial year Council achieved 85% of forecast budget across infrastructure (including roading). Council has smartened its game by restructuring our asset management, project delivery and operations functions and recruited suitably qualified engineering staff with the required experience and skill set to deliver the 3-waters work programmes. 2017/18 and beyond is using that structure and staff resource to deliver on our asset management requirements and work programmes. Staff also keep track of new technologies such as slip lining (trenchless technology) and industry changes to optimise infrastructure delivery.

6.2 Overall Financial Impacts

Based on the most likely scenario as set out in the strategy, the following are the forecast capital and operating expenditure. For clarity, the capital expenditure has been split into 3-Waters and roading and renewal capital and growth related capital. Projects are categorised into purpose of expenditure based on the majority of expenditure, with individual projects not split between renewal and LOS increases/growth.

To keep within our financial envelope we have reduced our 3-waters renewal budget by \$10 million over years 1 to 10 and reduced capital spending in years 6 to 10. Expenditure on growth projects has also been constrained, with all expenditure focussed in Feilding Residential Growth Precinct 4, including the downstream 3-waters network within Feilding, and the Turners Road extension in Industrial Growth Precinct 5, in years 1 to 10 of the strategy.

Significant capital expenditure in wastewater in years 1 to 5 relates to the Wastewater Centralisation project. However, this project represents a cost saving when compared to likely costs to upgrade existing Village Wastewater Treatment Plants and renew the associated wastewater

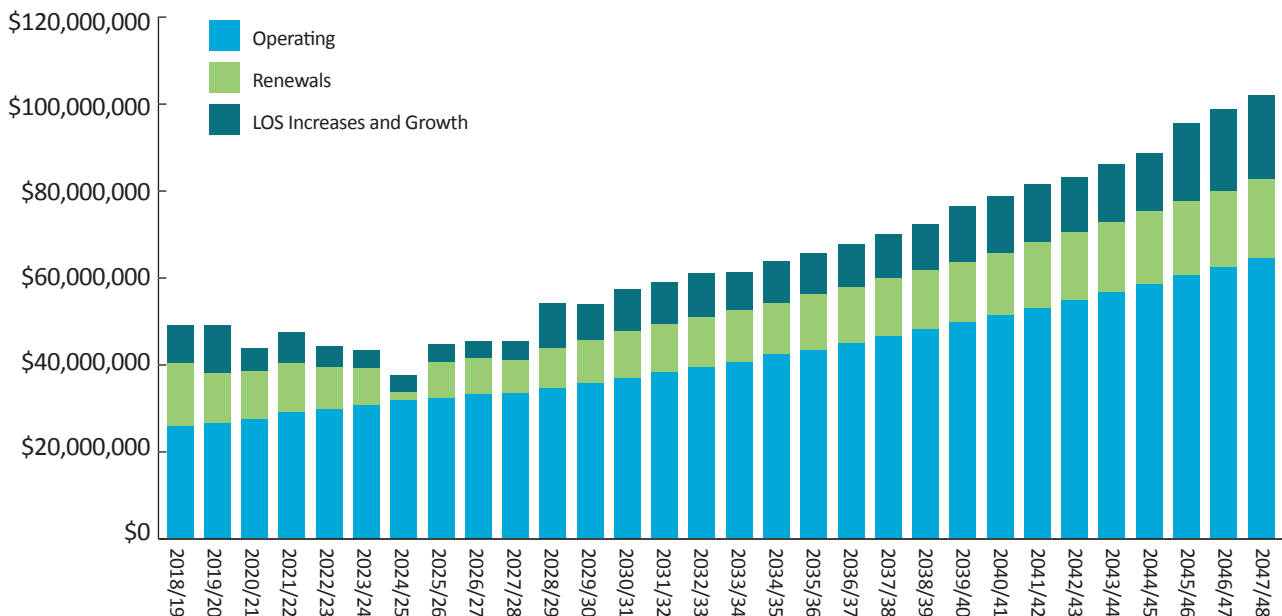
discharge consents. There is also capital and renewal works required to give effect to the Feilding Wastewater Treatment Plant consent, including irrigation works. These projects have been spread across years 1 to 5 to fit within our financial envelope.

Council approved a project to increase stormwater levels of service in Feilding, Tangimoana, Rongotea, Himatangi Beach, Sanson, Cheltenham and Halcombe. The cost of this project is approximately \$500,000 (adjusted for inflation) per annum in years 1 to 10.

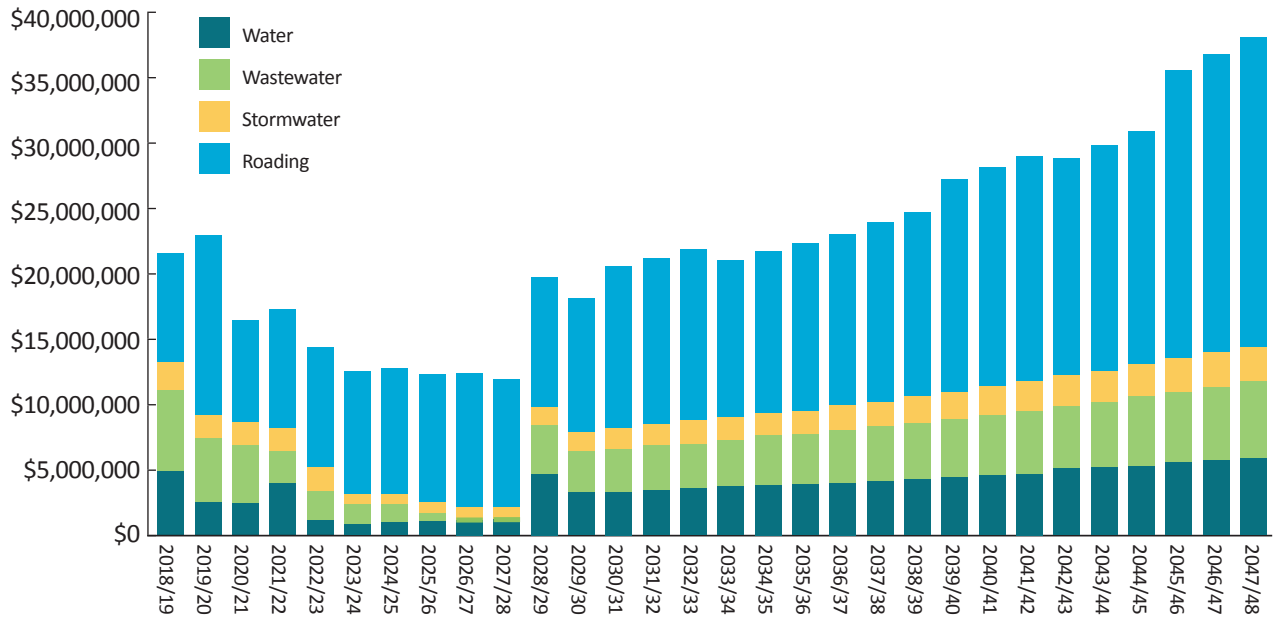
Expenditure on the Feilding Water Strategy totals \$6,582,219 (inflated) over the first 3 years of the Long Term Plan, including up to \$1,500,000 of carry forwards from the 2017/18 financial year. The total project budget is \$7,963,959, inflated over the 10 year period. However, as detailed in section 7.1.2 of the Strategy, the construction of a new bore, treatment plant and reservoir is still considerably cheaper than renewing infrastructure associated with the Almadale Water Treatment Plant.

There is a peak in roading expenditure in year 2 due to the replacement of the Mangaweka Bridge and the construction of the Turners Road extension.

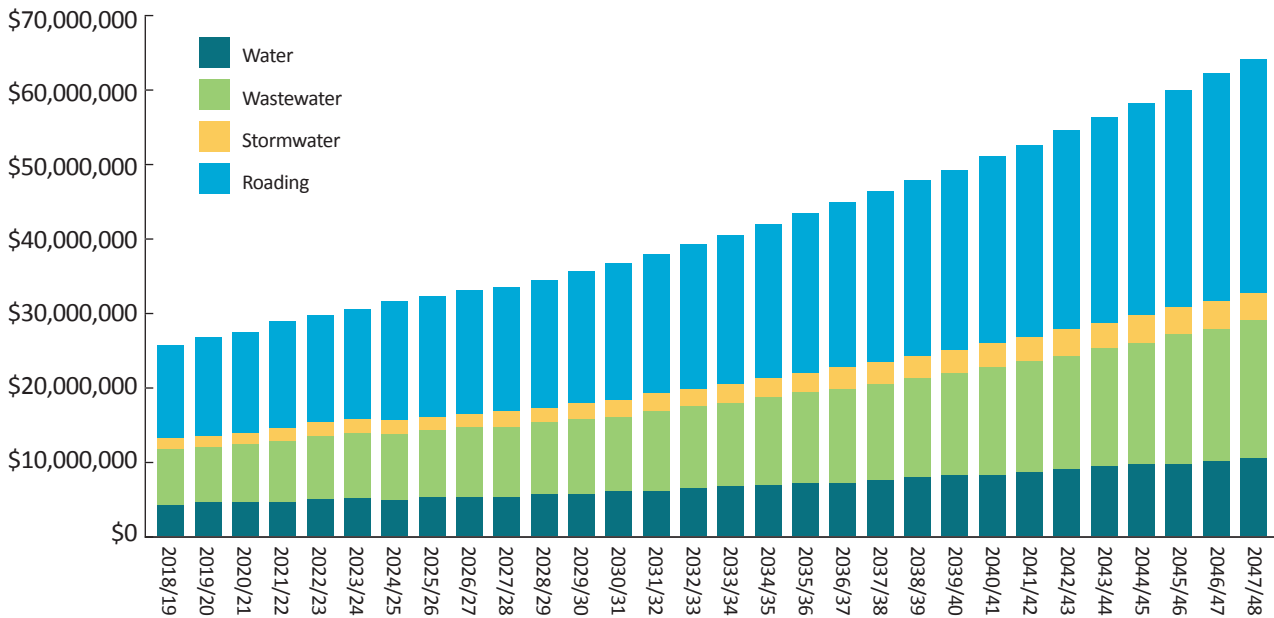
Annual Operating and Capital Expenditure Roding and 3 Waters 2018-28



Annual Capital Expenditure Roding and 3 Waters



Annual Operating Expenditure Roding and 3 Waters



6.3 Funding Strategies

Council will fund the forecast expenditure from a variety of sources depending on the asset type and whether it is for renewal, growth or levels of service increases. These funding strategies are supported by the Revenue and Financing Policy. Overall rating and debt levels can be found in the Financial Strategy.

Maintenance costs are funded through rates and reflect levels of service, the size of each network and the age of the network. Renewal costs are funded from depreciation reserves which are in turn funded by rates over time. Rating for depreciation reflects the long term average replacement costs and as such the depreciation reserve can swing between surplus and deficit depending on the amount of assets that need renewing in the short term.

The depreciation reserves covering all assets for the Council is currently at \$2 million. Funded depreciation in 2017/18 is \$9 million. Total infrastructure renewals forecast for the next 30 years total \$310 million, including \$138 million for roading to be funded from NZTA. In the first few years of this plan the overall depreciation reserve goes into deficit as it funds the renewal of large, older assets such as the Mangaweka Bridge. The depreciation reserve fluctuates and builds up over time, which reflects the renewal curve. The fund is expected to remain positive over the very long term (up to 100 years).

Council commenced funding depreciation 2009, at which time a significant number of assets were at the end of their expected useful life. As a result, it is expected that the depreciation reserve will periodically go into deficit and require short term loan funding to fund renewals. The more detailed condition assessment work underway may result in an extension to asset lives.

This Strategy includes the funding of all renewals as programmed in the Roothing Activity Management Plan and the 3-Waters Asset Management Plan. Currently there is sufficient funding for all renewals and maintenance requirements. If the improved asset data compiled in the next two years indicates that substantial additional renewals are required (asset lives are shorter and / or replacement values are higher) then additional rates funding may be required.

For Roothing the funding is different as NZTA fund 53% of maintenance and renewal costs. This means that Manawatū ratepayers will fund less than half of approved operational renewal costs. Depreciation funded is adjusted to account for this external funding. While NZTA funding is approved in three year roading programmes, Council is assuming this will continue into the future. Not all roading work is included in the approved programme, but the large majority is. Details can be found in the Roothing Activity Management Plan.

Levels of service increases for existing residents are loan funded to meet intergenerational equity issues. The Council has capacity to borrow over and above the current forecast

project levels if required. Growth related increases such as the Precinct 4 and 5 projects are funded by development contributions. The level of funding available results from the amount of new developments in the District, and the Development Contributions Policy adopted by Council. Council has little control in the short term on development activity. The growth related projects set out in this Strategy will not proceed without sufficient development and subdivision. As such the funding is tied to the level of activity. Some debt funding may be required to smooth the available funds in the development contributions account.

Council has not forecast any significant funding issues to maintain levels of service in the next 30 years. The following funding issues may impact Council finances:

1. If development contributions revenue from developments is lower than expected then Council will need to consider alternative sources of funding for growth projects.
2. Council has reduced its water and wastewater renewals programme by \$10 million over the 2018-28 period. The higher risk of failure could mean increased maintenance costs, depending on the level of asset failure and the specific asset(s) that fail.

7.0 Significant Capital Expenditure Decisions

This section of the Infrastructure Strategy is to give effect to Clause (4) of Section 101B (Infrastructure Strategy) of the Local Government Act 2002. This clause requires the Infrastructure Strategy to:

...“outline the most likely scenario for the management of infrastructure assets over the period of the strategy, and in that context, must –

- (a) Show indicative estimates of the projected capital and operating expenditure associated with the management of those assets –
 - a. In each of the first 10 years covered by the strategy; and
 - b. In each subsequent period of 5 years covered by the strategy; and
- (b) Identify –
 - a. The significant decisions about capital expenditure the local authority expects it will be required to make; and
 - b. When the local authority expects those decisions will be required; and
 - c. For each decision, the principal options the local authority expects to have to consider; and
 - d. The approximate scale or extent of the costs associated with each decision; and
- (c) Include the following assumptions on which the scenario is based:
 - a. The assumptions of the local authority about the life cycle of significant infrastructure assets:

- b. The assumptions of the local authority about growth or decline in the demand for relevant services:
- c. The assumptions of the local authority about increases or decreases in relevant levels of service; and
- (d) If assumptions referred to in paragraph (c) involve a high level of uncertainty, -
 - a. Identify the nature of that uncertainty; and
 - b. Include an outline of the potential effects of that uncertainty.”

The full summary of the projected capital and operating expenditure is included in Section 6 of this Strategy.

For the purposes of this section, Council has assessed the threshold for a significant capital expenditure decision based on the criteria contained in the Significance and Engagement Policy (refer to Part 3 of the Long Term Plan). Projects that include a staged programme of investment have been treated on an aggregated basis. Projects are categorised into purpose of expenditure based on the majority of expenditure. The chart of Significant Capital Expenditure decisions below has been adjusted for inflation by applying the relevant inflation assumption as supplied by BERL. Council decisions on these significant projects will be made in the Long Term Plan prior to the forecast date of expenditure. In some cases this will occur as part of a prior Annual Plan process. Some of these decisions are reliant on resource consent conditions, and as such these may change in timing or scope.

7.1 Key Projects

The following key infrastructure projects are included in the Long Term Plan 2018-28. Cost estimates have been factored into the budgets but are subject to change once the detailed business cases have been completed. Council has also approved a range of carry forwards of unspent budget from the 2017/18 financial year to continue or complete projects. These budget carry forwards will be confirmed at the end of the 2017/18 financial year. Project budgets will be reviewed through subsequent Annual Plans.

7.1.1 Wastewater Centralisation Project

The Manawatū wastewater centralisation project will pipe untreated or pre-treated wastewater from the Villages of Halcombe, Sanson, Rongotea, Awahuri, Cheltenham and Kimbolton to the Feilding Wastewater Treatment Plant (WWTP). Each of these villages currently has a wastewater treatment plant with discharge consents that have expired or are due to expire over the next few 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 not be seeking the renewal of these discharge consents as a result of this project.

Council is also working with the New Zealand Defence Force to consider the future options for the Ohakea Airforce Base wastewater management. We are also working constructively with the industrial trade waste sector to better manage their wastewater.

The Three Waters Asset Management Plan has further details about the Wastewater Centralisation Project.

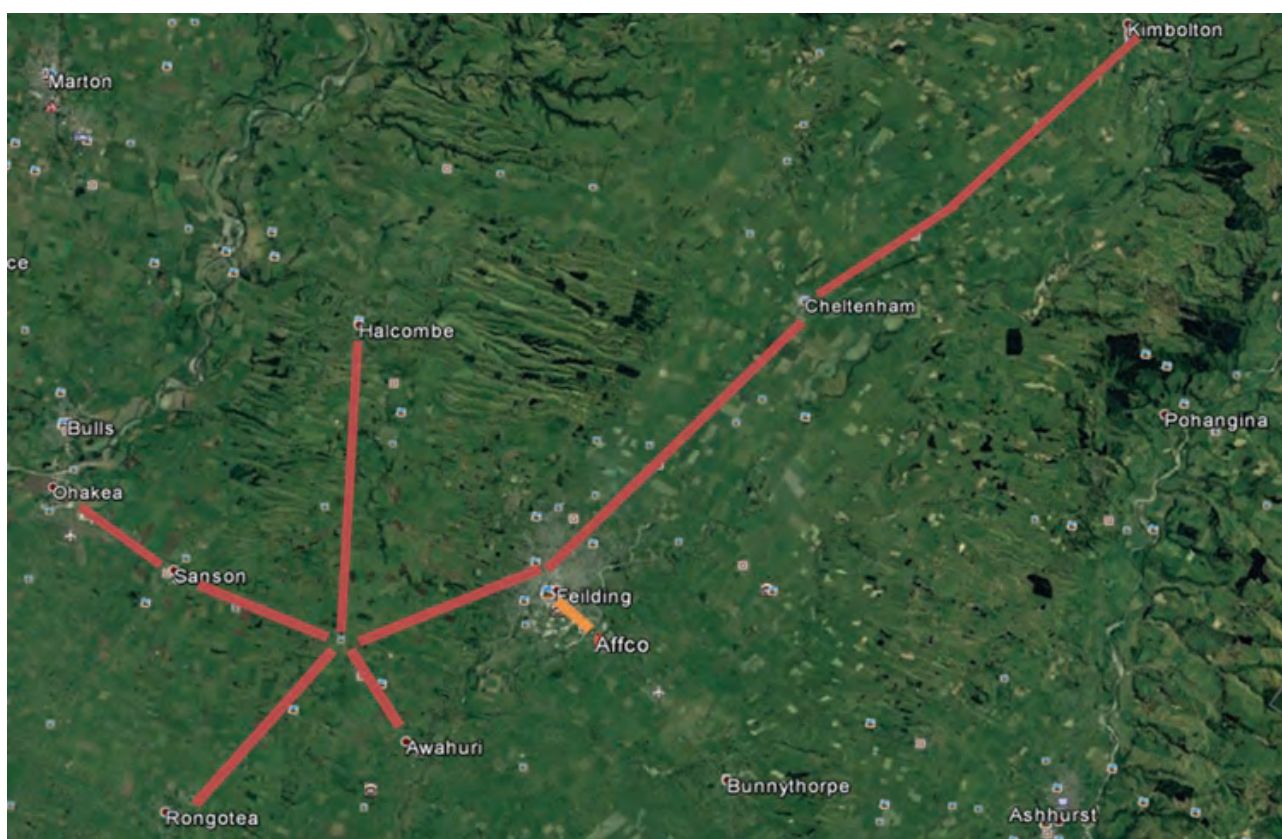
Policy 5-11 of Horizons One Plan requires, on renewal of an existing consent, that before entering a surface water body all treated human sewage is applied onto or into land, or flows overland, or passes through an alternative system that mitigates the adverse effects on the mauri of the receiving water body. There is limited suitable land currently available around the treatment plants for land-based irrigation of treated wastewater at Rongotea, Halcombe, Sanson, Kimbolton and may not be available at Cheltenham. The re-consenting of these treatment plants would therefore involve significant upgrades to achieve consistency with Policy 5-11 of the One Plan and to meet Council’s commitments to the Oroua River Declaration.

The Centralisation Project is preferred to the re-consenting of the existing Village WWTPs for the following reasons:

- It will reduce the number of resource consents Council manages, making more efficient use of operational staff.
- the volume of effluent from the Villages will not affect Feilding WWTP operations and the additional flow is within consent limits for the Feilding WWTP.
- Feilding consents already in place – one renewal process
- Lowest technical risk
- Lowest financial risk
- Higher initial capital cost, lower lifecycle and operational costs
- Avoids the need to purchase additional land at Village WWTPs and to upgrade each of the WWTPs to comply with new consent conditions
- Have technical capability within Council to deliver
- Long sewer pipelines not uncommon (Bunnythorpe to Feilding, Ashhurst to PN, Inglewood to New Plymouth)
- Consistent with the Oroua Declaration, and statutory obligations under the Local Government Act 2002, Health Act 1956 and Resource Management Act 1991.

Figure 5 shows the general location of the proposed pipelines, which will largely be located within the road reserve.

Figure 5: Proposed Wastewater Pipelines from the Villages to Feilding WWTP



Timing and costs (adjusted for inflation) will be as follows:

	Long Term Plan Year				
	2018-19	2019-20	2020-21	2021-22	2022-23
Budgeted Expenditure (\$)	1,832,400	1,875,600	1,922,400	1,747,200	1,565,200
Subtotal	\$8,942, 800				
Carry forwards (\$)	1,230,255				
Total	\$10,173,056				

Re-consenting and renewal projects at the Halcombe, Rongotea, Cheltenham, Kimbolton and Sanson Wastewater Treatment Plants were deliberately delayed to allow for a future options assessment. As Council has agreed to proceed with the Wastewater Centralisation Project, these re-consenting and renewal projects will not be required. Council has agreed to carry forward the re-consenting and renewal budgets allocated to these Village Wastewater Treatment Plants from the 2017/18 year to the 2018/19 budget for the Wastewater Centralisation Project. The total budget for Year 1 of the Wastewater Centralisation Project has increased from \$1,832,400 to \$3,062,655 as a result of these carry forwards and the total project budget (2018-2023) has increased to \$10,173,056.

The project will be partially funded by loans, partly by renewals. Council intends to apply for Crown subsidies as part of the ongoing Freshwater Improvement Fund. The project represents and improved LOS in environmental terms.

7.1.2 Feilding Water Strategy

Feilding’s reservoir at Almadale and the trunk water main into town are nearing the end of their useful lives and are in need of replacement. The clarifier at the Almadale Water Treatment Plant requires seismic strengthening. Also, all of the Feilding water supply pipelines involve pipe bridges over streams. This makes the network susceptible to natural hazards. The 2015-25 Long Term Plan contained \$11.96M of funding for water supply capital to renew the Almadale Water Treatment Plant.

The Strategic Water Assessment evaluated whether the renewal of the Almadale water treatment plant is the most cost-effective and resilient option for Feilding’s water supply. The outcome of this assessment was that if the Almadale Water Treatment Plant was retired and replaced with a new reservoir and a new bore on the western side of the Oroua River, savings could be made. The capital required would reduce from \$11.96M to \$6.47M. There is

also an estimated \$400,000 annual saving in depreciation and operating costs if Almadale is retired. When the extra costs associated with utilising another bore source are considered, the net saving in operational costs will be around \$250,000 per year.

Council will proceed with the construction of a new bore, treatment plant and reservoir, rather than renewing the various components of the Almadale Water Treatment Plant and trunk main. This was determined to be both the most cost-effective and resilient option for Feilding’s water supply. The timeline and budget for these works contained in this Long Term Plan are as follows:

2018/19:	\$1,791,680
2019/20:	\$1,625,520
2020/21:	\$1,666,080
2021/28:	\$1,381,740
Sub Total:	\$6,465,020
Carry forwards	\$1,498,939
Total	\$7,963,959

Included in the Year 1 budget is a carry forward of up to \$1,498,939 from the 2017/18 financial year. This carry forward relates to Almadale Water Treatment Plant Renewals that are no longer required as a result of this project. The funding will be used towards Water Strategy outcomes noted above.

7.1.3 Precinct 4 Growth Works

In 2013, Feilding’s Urban Growth Strategy identified areas in the town suitable for development. Precinct 4 was identified as a priority for development. This Precinct is located to the north of the existing residential area of Feilding, as shown on the Feilding Framework Plan map in Section 2.1.1. Up to now development in this area has been largely piecemeal and developer-driven. Council is looking to move towards more planned, orderly and structured infrastructure development.

The required infrastructure, such as roads, footpaths, wastewater and town water supply networks will necessitate considerable investment. Consultancy Company, GHD, has undertaken a review of servicing for Precinct 4 which underpins the Asset Management Planning for this precinct. Trunk main infrastructure is based on projected yield within the Precinct 4 development area to ensure that infrastructural capacity does not constrain residential development.

Council is looking to progress infrastructure development in an approximately linear fashion that follows the current patterns of development. Strategic arterial road corridors have been identified throughout Precinct 4 and Council is

working through the designation process to protect these routes. Council is working in partnership with landowners where possible.

Three key stages have been identified for the development of Precinct 4. However, Council wishes to retain a degree of flexibility so development is able to be responsive to market dynamics and housing demand.

Growth works within Precinct 4 have been costed in detail for years 1 – 10 (2018/19 to 2027/28). An allowance has been made in the budget for expenditure in Precinct 4 beyond year 10, however, these budgets have a lower level of accuracy and will be constantly re-evaluated based on how development progresses.

The detailed budget for Years 1 to 10 for this project are as follows:

2018/19:	\$2,692,414
2019/20:	\$2,410,950
2020/21:	\$2,479,725
2021/22:	\$2,478,978
2022/23:	\$2,476,654
2023/24:	\$1,421,734
2024/25:	\$1,534,209
2025/26:	\$1,569,683
2026/27:	\$1,282,331
2027/28:	\$1,162,235

Total for Years 1 – 10 (2018/19 to 2027/28) = \$19,508,913

The budget for Feilding Water Supply growth works were reduced following deliberations on the Draft Long Term Plan 2018-28 as it was determined that there is sufficient budget to implement the outcomes of the Feilding Water Strategy within the existing Feilding Water Treatment Plant budget and the carry forward of the 2017/18 Water Treatment Plant Renewal budget. These changes have resulted in a reduction in the total budget for Precinct 4 growth works from what was originally consulted in the Draft Long Term Plan 2018-28.

Council has also agreed to carry forwards of unspent roading, water, wastewater and stormwater growth funds from the 2017/18 financial year to complete the Port Street East, Feilding Growth Project.

7.1.4 Mangaweka Bridge

The Mangaweka Bridge on Ruahine Road at Mangaweka has reached the end of its useful life. A detailed inspection in 2016 revealed a large increase in deterioration of the structure. This resulted in the severe restriction of 6,000-kilogram gross vehicle limit, with a maximum axle

weight of 3,000-kilograms. This effectively restricted the bridge to cars, campervans and other light vehicles.

A detailed business case, including community engagement and the replacement options is currently being completed. Funding for the replacement bridge will be shared with Rangitikei District Council and NZTA. The business case indicated that a full replacement is required.

The preferred option is a new single-lane vehicle bridge adjacent to the existing Mangaweka Bridge. Optimisation in design and bridge width will be determined during the Detailed Business Case, guided by the NZTA Bridge Manual 2016. The new bridge will have a service life of 100 years.

The cost for the bridge will be shared with the Rangitikei District Council. The Manawātū District Council's share of the total project cost is \$5,038,430, split across Years 1 and 2 of the Long Term Plan as follows:

2018/19:	\$825,390
2019/20:	\$4,213,040

This project will attract an NZTA subsidy. Based on the current FAR rate of 53%, the total actual cost to the Manawātū District Council for the replacement of the Mangaweka Bridge will be approximately \$2,368,062.

The timeline is as follows:

Detailed Business Case	2017/18
Pre-Implementation (Design)	2018/19
Implementation (Construction)	2019/20

The design and construction phases of this project will be partly funded from the renewals reserve and partly from loans. If the bridge is widened this will mean a higher level of service, which must be loan funded. This project will temporarily put the depreciation reserve into deficit. Council therefore will need to loan fund to pay for this deficit.

7.1.5 Turners Road Extension

Enhancing economic growth is one of Council's priorities, and providing good quality industrial land is one of the components of successful economic growth. Council is proposing to construct an adequate but basic road from Turners Road to Kawakawa Road as a first step in developing this area. Further enhancements to the road will occur in future years. The extension will enable access to an initial 24 hectares of high-quality industrial land, attracting investment into the District. Council will work in partnership with current landowners and stakeholders to fund and construct this initial stage of the industrial growth area.

This project was included in previous Annual Plans but

Council has reduced the scope and cost of the project to save costs.

The new road will have a 6.0m wide sealed carriageway, constructed to a rural standard. Simple swale drains will be used to manage stormwater. No reticulated water supply or wastewater services will be installed. However, Council will work with developers and industrial businesses in relation to the cost to extend reticulated services to meet the requirements of each development, on a case-by-case basis.

The Long Term Plan includes a budget of \$1,297,900 for the construction of this road and associated works. \$101,900 is allocated in Year 1, with the balance in Year 2. This budget includes \$300,000 for intersection improvements on Kawakawa Road and an allowance of \$100,000 for consenting (including earthworks and the discharge of cleanfill). Council has agreed to carry forward roading growth funds and stormwater from funds from the 2017/18 financial year to the 2018/19 financial year to supplement the funding already allocated in years 1 and 2 of the 2018-28 Long Term Plan for the development of the Turners Road Extension. The carry forwards will be confirmed and added to the budget at the end of the 2017/18 financial year.

This cost estimate is based on the following assumptions:

1. There are no land purchase costs
2. The project will be designed and managed in-house
3. Cut material can be disposed of on site
4. 6.0m wide sealed carriageway
5. Simple swale drains are provided.

As this project is to facilitate future industrial development loans will be taken out to fund the initial expenditure. The servicing of this loan (both interest and principal repayments) is to be funded by future development contributions.

7.1.6 Re-consenting of the Feilding Wastewater Treatment Plant

The Feilding Wastewater Treatment Plant Consent expires in November 2026. The budget includes \$1,622,143 spread across years 5 and 6 (2024/25 and 2025/26) 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.

7.1.7 Growth Works in Feilding Growth Precincts 1, 2, 3, 5, 6 and 7

The 30 year budget includes budget for stormwater, water supply and wastewater growth works in Feilding Growth Precincts 1, 2, 3, 5, 6, and 7. These works are spread across years 20 to 30 (2038 to 2048). The total expenditure is budgeted as follows:

- Stormwater Growth Works - \$23,392,025

- Water Supply Growth Works - \$11,696,013
- Wastewater Growth Works - \$11,696,013

As these budgets have been projected beyond Year 10 of the Long Term Plan there is a lower level of accuracy associated with them. The budgets will be frequently re-evaluated based on how development progresses in these Precincts and Growth Precinct 4. As these works are growth projects they will be funded by development contributions.

7.1.8 Bridges and Structures

The Transport Activity Programme to 2048 also includes several projects that are considered to be significant. These projects include:

Dates	Project Description	Forecast Cost
2027 to 2048	Replacement of 20 existing bridges and structures	\$31,923,790
2032/33	Vehicle bridge across the Makino Stream to connect Port Street East and West	\$4,263,426
2036/37	Pedestrian/cycle bridge across the Makino Stream to connect Roots Street East and West	\$2,417,954
2040/41	Vehicle bridge across the Makino Stream to connect proposed Road 2 East and West	\$5,485,254

The replacement of existing bridges and structures are renewal projects so will attract a subsidy from the New Zealand Transport Agency. These projects would be subject to the NZTA business case process, so projected costs and timing is subject to change.

The new vehicle bridges and new pedestrian/cycle bridge across the Makino Stream are growth projects so would not attract a subsidy but will be paid for by development contributions.

Access to the northern part of the district is via three key bridges. These are the Mangaweka Bridge, the Toe Toe Road Bridge and the Otara Road Bridge. At present, the Otara Road Bridge has a weight restriction to 80% of Class 1 (36 tonnes). As a result of submissions, Council has amended the funding schedule for district wide bridge replacements to prioritise repairs to the Otara Road Bridge. The proposed budget (inflated) for the Otara Road Bridge Repairs are as follows:

2018/19:	\$1,008,409
2019/20:	\$89,494

Total expenditure on district wide bridge replacements is unchanged over the life of the Long Term Plan (2018-28).

7.1.9 Water and Wastewater Renewals Expenditure

Council has reduced the water and wastewater renewals programme by \$10 million over the 2018-28 period. While Council's asset data indicates that assets are in good condition and can continue to operate without interruption, there is a higher risk of network failure. It may therefore be necessary to increase the water and wastewater renewals budget to address issues with the network.

We will manage renewal programmes in subsequent Long Term Plans to review renewal spending as our borrowing capacity allows. Additional renewals expenditure is not currently included in the 30 year budget. However, Council has estimated that the budget that may be required would be in the vicinity of \$10 million to \$20 million over the period from 2028 to 2038.

7.1.10 Stormwater Improvement Project

Council sought community feedback on funding options to establish new stormwater networks in Cheltenham, Tangimoana, Himatangi Beach and Halcombe as well as making further improvements to existing schemes in Feilding, Sanson and Rongotea. As a result of submissions, Council agreed to proceed with the preferred option to establish a harmonised targeted rate to fund improvements to stormwater systems in the District. All residents that are part of a stormwater scheme will receive the same level of service, being the protection of habitable buildings from stormwater flooding.

All rating units that are part of a stormwater scheme will pay the same targeted rate of \$103 per rateable unit in 2018/19. This figure will increase to approximately \$140 by 2028 (as a result of inflation). The budget for stormwater improvements is \$500,000 per annum (or a total of \$5,683,500) (inflation adjusted) over the life of the Long Term Plan (2018-28).

7.1.11 Palmerston North to Feilding Cycleway

Following deliberations on the Draft Long Term Plan 2018-28, Council has re-introduced the Palmerston North to Feilding cycleway to the Long Term Plan. A budget of \$1.2 million (inflated to \$1,303,200) has been included in Year 4 of the Long Term Plan for this project. Also, Council approved a carry forward of up to \$38,000 (inflated to \$39,093) from the 2017/18 financial year to the 2018/19 financial year to complete the indicative business case.

8.0 Assumptions

This Infrastructure Strategy outlines the projected capital and operating expenditure for infrastructure over the next 30 year period. The basis of this strategy is built on a series of assumptions that impact across all Council activities. These forecasting assumptions are included in Part 3 of the LTP. Alternative scenarios are considered for each of the forecasting assumptions, as well as the impact

and likelihood that these scenarios are realised, and any mitigating factors. Council has assigned risk scores to each assumption to recognise the uncertainty that comes with forecasting over a 30 year period.

The key is for Council to carefully plan for the future, ensuring capacity is available, while not over-investing in assets that may be obsolete in a few years. Generally, the risks to infrastructure are not expected to significantly affect our ability to deliver on the strategy.

This strategy shows Council is prudent and has the capacity and ability to cater for expected growth with currently known assets. The assumption is, if new technologies occur then these will be used where appropriate and will be within the costs forecast for existing asset types. In many cases, the renewal costs of assets will be lower for the same level of service, or if at similar costs, do a better job.

Population change, including demographic and household occupancy trends are some of the key drivers for growth or decline in demand for relevant services. The MLS in terms of population growth between 2018 and 2043 is based on the Statistics New Zealand high projections. The 2018 baseline population has been projected from the 2016 estimated resident population, assuming that the population growth rate of 2016-17 will continue through to 2017-18. Growth rates between 2043 and 2048 have been extrapolated. Household growth rates are based on the forecast population and the Statistics New Zealand average household occupancy rates. The Roading Activity Management Plan and the 3-Waters Asset Management Plan are based on the same growth assumptions as this Infrastructure Strategy.

This strategy assumes that assets will deliver the required level of service over their documented useful life. Council's confidence in this assumption is moderate to guarded (refer to Part 3 of the LTP) as various factors can affect when an asset is replaced, including an extraordinary event, increased demand, or an increased rate of deterioration. It is difficult to predict for each asset component which factor will determine its need for replacement. Significant unanticipated asset deterioration either due to external events or inadequate condition rating could result in insufficient depreciation funding for renewals. Longer asset lives overall would mean that Council is currently rating too high for depreciation. The risk assets failing before reaching their useful life is mitigated through ongoing condition monitoring of assets and updating of asset management condition information regularly.

The Roading AMP includes some specific assumptions around population change (Section 1.5 Key Planning Assumptions and Limitations) and valuation of assets (Section 4.2). The 3-Waters AMP includes assumptions around the valuation of assets (Section 8.3, Asset Valuation). Copies of these plans can be found on the MDC website.

9. Asset Management

This section of the Strategy provides more detail on each of the four infrastructure asset groups covered by the strategy, including an overview of the current assets, the current condition and performance of the assets, data confidence, customer satisfaction, key issues and Council's response to those issues, and significant decisions relating to that asset.

The objective of Asset Management is:

“To meet a required level of service in the most cost effective way (through the creation, operation, maintenance, renewal and disposal of assets) to provide for existing and future customers”.

The Activity Management Plan for roading assets was developed following the Activity Management Guide for Approved Organisations Road Networks (February 2015) Local Government New Zealand Equip – Road Transport Unit. The network is relatively stable so the majority of the programme in the AMP is focussed on maintaining the network to the agreed customer levels of service, and performance measures.

The “3-Waters” (water, wastewater and stormwater) Asset Management Plan (AMP) is focused on ensuring that strategic and operation decisions are based on “best for asset” principles. Levels of service are cascaded down through all levels of operational practices to enhance the network performance and ratepayer satisfaction, within budget constraints.

Council uses Road Assessment and Maintenance Management (RAMM) software to manage Road Inventory Assets and Condition for the Network. As outlined in Section 9.1.3, Council has a high level of confidence over the roading asset information.

The grading of data confidence for 3-Waters assets is through Council's AssetFinda asset register. The following table (Table 6) outlines the confidence grading for the 3-Waters data collected. The grade references refer to the International Infrastructure Manual.

Table 6: Confidence Grades

Grade	Description	Accuracy
1	Accurate	100%
2	Minor inaccuracies	± 5%
3	50% estimated	± 20%
4	Significant data estimated	± 30%
5	All data estimated	± 40%

Most of the 3-Waters asset information held by Council has been derived from as-built plans. There are varying amounts of historic data available for each water, wastewater and stormwater scheme. As the day-to-day operations have not highlighted major concerns with the integrity of the data it can be safely assumed that the data is

materially correct. Where errors have been identified, they have been corrected. Procedures are in place to collect verification data during routine maintenance work.

Council has an Improvement Plan in place for its 3-Waters AMP to achieve an Intermediate Level of Asset Management maturity (as defined by the International Infrastructure Management Manual). The 3-Waters AMP will be subject of ongoing monitoring, review and updating to improve the quality of Asset Management Planning and accuracy of the financial projections.

9.1 Rooding

9.1.1 Overview of Rooding Assets

Rooding assets include the following:

- 1,370 km of roads
- 380 bridges (including 240 major culverts) ranging in size from small timber bridges to the 140m long Mangaweka Bridge.
- Footpaths and cycle paths to provide multi-modal transport
- Concrete kerb and channelling to aid urban street drainage
- Stormwater sumps and chambers to manage the removal of surface water
- Small diameter culverts as part of land drainage
- Rural roadside drains as part of land drainage
- Structural retaining walls to support road pavements
- Advisory and safety signage to provide awareness to road users
- Safety lighting for night time driving

9.1.2 Condition and Performance

Rather than providing a uniformly high operating condition across all roads in the network, different levels of service are assigned to roads based on their road classification. Adopting this approach helps to achieve a consistent standard along roads with the same strategic importance and presents an economic return on investment.

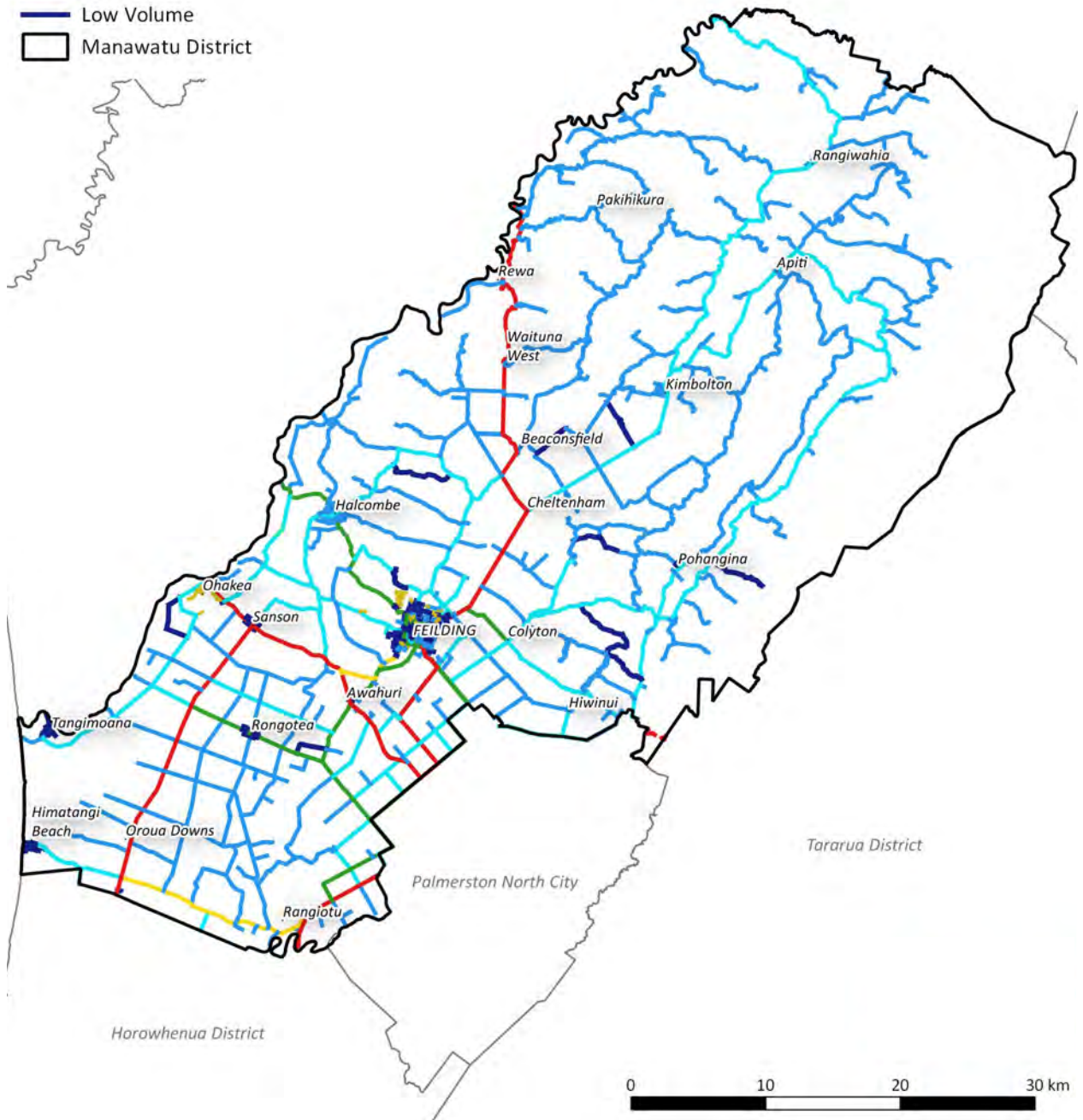
The performance of a road asset is assessed in terms of its function (safety, serviceability, physical appearance, quality of service) and structural condition (load-carrying capacity, structural integrity, durability). Where applicable, condition measures for the rooding network are reported in terms of the One Network Rooding Classification (ONRC). The Rooding Activity Management Plan considers not only the extent of the network beyond a certain threshold limit, but also performance trends within individual road classifications. The key trends for each of the conditions measures is summarised in Table 7:

Figure 6: One Network Roding Classification of Roads in the Manawatū District

Roding Classification in Manawatu District

One Network Roding Classification (Reference NZTA)

- Highways
- - - Highway (Saddle Road)
- Primary Collector
- Secondary Collector
- Access
- Arterial
- Low Volume
- Manawatu District



0 10 20 30 km

Table 7

Condition Measure	Performance Trend	Details/Comments
Roughness Distribution by road classification, percentage above threshold levels and smooth travel exposure (percentage of assessed network length where roughness is under the relevant threshold).	Generally constant	The immediate trend suggests that a very slight improvement is being achieved on higher classification roads with a slight reduction on those roads with less than 1000 vehicles a day (Access and Low Volume). All road classifications currently exhibit travel exposure performance greater than 98%.
Texture Percentage of assessed network where texture is less than 0.5mm mean profile depth.	Improving	The extent of texture below the acceptable minimum continues to improve and is well within the 0.9% Intervention Level and the 2% Maximum Allowable threshold.
Rutting Percentage of assessed network in each wheel path, where; rutting is between 10mm and 20mm depth and rutting is greater than 20mm depth.	Slight improvement over the past year, particularly on Low Volume roads	Some data reliability issues as rutting data only covers 9.2% of the Low Volume and 36.6% of the Access classification roads respectively.
Skid Resistance Percentage exceeding the skid reporting threshold and adequate skid exposure (where skid resistance exceeds the relevant threshold value by site category).	Slight deterioration overall	For the last two years more than 98% of the network is above the Adequate Skid Resistance Exposure threshold. All but the Low Volume road classification show slight improvements. Council has instigated a programme to identify locations where skid resistance is reported as substandard.
Condition Index The average index score - utilising visual rating of surface condition defects - distributed by road classification.	The average condition index shows slight improvement, but within margins of error	Generalizing condition scores across each classification is a relatively broad analysis tool, which may lead to masking any real underlying trend. Council therefore focuses on the underlying defects that drive individual condition scores to inform any management action.

9.1.3 Data Confidence

Maintenance works programs for road assets are developed using Road Assessment and Maintenance Management (RAMM) software. This software is used by Council to manage Road Inventory Assets and Condition for the Network.

Road asset information is generally good. The Council holds data for 100% of pavements, bridges, footpaths, street lights, curb and channel and signs in the District. This data has been assessed as being approximately 95% accurate. The data confidence and coverage for road markings is also good (95% coverage and 95% accuracy). However, data confidence for minor culverts in RAMM is lower (50% complete and 50% accurate).

Monitoring of road pavements is done annually for high volume roads (sealed roads carrying 500 or more vehicles per day), bi-annually for the remaining sealed local road network, and three yearly for other roads.

Routine visual inspections for drainage assets, structures such as bridges, culverts and retaining structures, and safety features such as road markings and signs are generally done annually by road maintenance contractors and Council's roading staff. Additional inspections are carried out after natural hazard events. Some assets, such as street lights are inspected and maintained more frequently by a maintenance contractor.

9.1.4 Customer Satisfaction

The 2017 Annual Survey of Residents, conducted by Key Research in August 2017 found that 80% of residents evaluated the overall roading infrastructure as performing well (score of 6 – 10). However, the survey found that residents are less satisfied with the provision of dedicated walkways, cycleways (72% satisfied) and footpaths/crossing points for mobility scooters (65% satisfied). These have been identified as areas for potential improvement. Overall satisfaction with roading infrastructure was greatest in the Feilding Ward and lowest in the Northern Ward.

9.1.5 Key Issues

The key roading infrastructure issues over the life of this strategy are as follows:

1. Maintenance
2. Low resilience of the Network
3. Forestry Harvest
4. Safety
5. Population Growth

Each of these key issues is discussed in more detail below, along with potential implications and Council's response to the issue through the LTP 2018-28.

Issue Description	Potential Implications	Response
<p>Maintenance</p> <p>Land use changes and transport requirements are placing increasing stresses on the form and function of the network. The changing demands and needs of road users are impacting on the customer Levels of Service (CLoS) previously provided, resulting in an increase in reactive interventions.</p> <p>Road maintenance is essential in order to:</p> <ol style="list-style-type: none"> 1. Preserve the road asset; 2. Protect adjacent resources and user safety; and 3. Provide efficient, convenient travel along the route 	<p>If maintenance is neglected or improperly performed there will be a rapid deterioration of the road and eventual failure from both climatic and vehicle use impacts. Reduced investment in maintenance would result in a more patched and rougher network, particularly on Access and Low Volume roads. There would also be a risk of occasional pavement failures if maintenance treatments fall below the base preservation levels. This would likely attract increased complaints from road users in the community, and negative media coverage</p>	<p>Additional investment to be made in structures maintenance, drainage and resilience projects to reduce the cost of Emergency Works and prepare for Forestry Harvest.</p> <p>The proposed strategy is to:</p> <ul style="list-style-type: none"> • Improve the reliability and cost effectiveness of the road network. • Deliver optimised programmes that are affordable and consistent in cost within like classifications (ONRC) • Communicate to the public (via the LTP consultation phase) the proposed changes to the maintenance strategy and what the likely benefits and consequences might be.

Issue Description	Potential Implications	Response
<p>Low Resilience of the Network</p> <p>During periods of intense rainfall Feilding, Rongotea, Kairanga/Bainesse and Tangimoana are prone to flooding. Also mudslides, debris flows and rock slides occur in the rural hinterland. The existing drainage system is unable to cope with the increasingly frequent intense rainfall events.</p>	<p>Trend of increasing costs of emergency works following rainfall events (averaging \$1.2m per annum and trending towards \$1.6m).</p> <p>Potential damage of roads and bridges resulting with potential loss of serviceability and road closures.</p> <p>If the investment in routine drainage maintenance and renewals is reduced and the additional investment required is not forthcoming, the average annual cost of emergency reinstatement is likely to be in the region of \$3.9 million.</p> <p>Increased likelihood of unplanned events on routes causing inconvenience to customers, detrimental effects on the economy, complaints from road users and the community, and negative media coverage.</p>	<p>Additional investment is required for Resilience Improvements (non-routine work). For example:</p> <ul style="list-style-type: none"> • new works that protect existing roads and bridges from river damage • new drainage to drain incipient slips • toe-weighting of unstable slopes • protection planting designed to arrest the slumping or displacement of a road platform, and • work to overcome changes in a river’s course or bed level that threaten roads, bridges or other road-related structures, but which is not attributable to one climatic event. <p>The proposed strategy is to:</p> <p>Develop operational systems and capabilities and immediate action plans</p> <ul style="list-style-type: none"> • Identify risks and reduce magnitude of their impact and likelihood of occurring • Increased drainage maintenance, and renewals • Increase unsealed road metalling • Increase in structural maintenance and component renewals
<p>Forestry Harvest</p> <p>There was Large scale forest establishment in the Manawatū District in the 1990s. The increase in logging traffic has commenced and there will be a peak between 2024 and 2029 with 1.3 million tonnes of timber predicted to be extracted during that period. The size and remote locations of some major forest lots will require road maintenance and harvest regimes that maintain both public use and harvest sustainability.</p>	<p>Logging traffic is expected to cause pavement damage and adversely affect CLoS performance measures for safety, accessibility, efficiency, amenity and travel time reliability. This will place pressure on rural road maintenance schedules.</p>	<p>The rural road maintenance schedule included in this LTP seeks to minimise the impact and likelihood of forestry harvest adversely affecting Customer Levels of Service (CLoS) to ensure that the network is fit for purpose.</p> <p>The proposed strategy is to:</p> <ul style="list-style-type: none"> • Communicate with forest owners and logging contractors to discuss non-fiscal solutions such as agreements on harvest programmes and ‘fit for purpose’ maintenance regimes • Improve the reliability and cost effectiveness of the road network • Deliver optimised programmes that are affordable and consistent in cost within like classifications (ONRC)

Issue Description	Potential Implications	Response
<p>Safety</p> <p>The Manawatū District has a high level of serious and fatal crashes per vehicle kilometre travelled. A number of factors contribute to the risk of collision, including vehicle design, speed of operation, road design, road environment, and driver skill, impairment due to alcohol or drugs, and behaviour.</p>	<p>High social and economic cost. Traffic collisions may result in injury, death and property damage. Motor vehicle collisions lead to death and disability as well as financial costs to both society and the individuals involved.</p>	<p>The proposed strategy is to reduce the number and severity of crashes on the network by:</p> <ul style="list-style-type: none"> • Installing, upgrading or amending signage throughout the network • Removal of a number of trees that are road side hazards • Improve visibility by sight-benching • Traffic calming for schools • Minor safety improvements such as intersection upgrades, safety barriers and seal widening.
<p>Population Growth</p> <p>The District is experiencing significant growth rates (an average of 1.03% per annum to 2048) with forecasts, both economic and population, expected to continue. This will require additional un-subsidised investment for new infrastructure and upgrading the existing. To enable economic growth and productivity investment, it is necessary to provide transport access for housing development in high urban growth areas and the growth expected at the Kawakawa Road Industrial Park.</p> <p>Council is reaching its limit on how much it can borrow for infrastructure. As a direct consequence, Council will have difficulties releasing the economic potential of the District and Region as a whole.</p>	<p>Additional un-subsidised investment in new infrastructure and upgrades to existing roads will be required to ensure that infrastructure provision does not become an impediment to development.</p>	<p>The proposed strategy will be to assist in the development of residential growth precinct 4 and the Kawakawa Road Industrial Park in Feilding in Years 1 – 10 of the LTP. Growth works are budgeted for in the remaining residential growth precincts identified in the Feilding Framework Plan within Years 11 to 30 of the Infrastructure Strategy.</p> <p>Future infrastructure provision in the Villages will be considered as part of the wider Residential Zone Review (PC51).</p>

9.1.6 Levels of Service

Council has adopted NZTA's One Network Road Classification Customer Levels of Service. The Customer Levels of Service are:

- Mobility (travel time reliability, resilience of the route)
- Safety
- Amenity (travel quality and aesthetics)
- Accessibility (land access and road network connectivity)

Over time all roads in a particular category should deliver a consistent, fit for purpose customer level of service for road users, as follows:

- **Arterial:** Variable road standards, lower speeds and extra care required on some roads/sections particularly depending on topography, access, density and use. Road user safety guidance provided at high risk locations. Some separation of road space for active road users in urban areas.
- **Primary and Secondary Collector:** Variable road standards and alignment. Lower speeds and greater driver vigilance required on some roads/sections particularly depending on topography, access, density and use. Active road users should expect mixed use environments with some variability in the road environment, including vehicle speed. Road user safety guidance provided at high risk locations.
- **Access (Including Low Volume Roads):** Variable road standards and alignment. Lower speeds and greater driver vigilance required on some roads/sections particularly depending on topography, access, density and use. Road users should expect mixed use environments with some variability in the road environment, including vehicle speed. Road user safety guidance may be provided at high risk locations.

Achievement of the Customer Levels of Service is measured by performance against the ONRC Performance Measures. The full list of ONRC performance measures and targets are contained in Section 8 of the Roding Activity Management Plan. Council reports against the achievement of these targets to NZTA annually.

In addition, Part 2 of the Long Term Plan includes a set of measures and targets for the Roding Activity that are reported against through Council's Annual Report. For ease of reference, a copy of the Long Term Plan measures and targets for the Roding Activity are included in Appendix 2 of this report.

9.1.7 Significant Decisions

The following key projects included in this LTP relate to roading assets:

- Mangaweka Bridge
- Turners Road Extension
- Precinct 4 Growth Works
- Bridges and Structures (including the Otara Road Bridge)
- Feilding to Palmerston North Walkway / Cycleway
- Hiwinui Walkway and Intersection Improvements
- Pohangina Road Resilience Project.

9.2 Water Supply

9.2.1 Overview of Water Supply Assets

Council aims to provide a potable water supply to meet domestic, commercial, rural and industrial requirements via a public reticulation network. This water supply network serves the urban communities of Feilding, Rongotea, Himatangi Beach and Sanson, as well as rural supplies at Stanway-Halcombe and Waituna West. Council owns assets for the Kiwitea Rural and Oroua No. 1 Rural water supplies, but these are operated entirely by community committees.

Table 8 and Figure 7 summarise the key features of the water supply network:

Table 8

Parameter	Value
Urban networks	4
Rural networks	4
Length of mains	326 km

Figure 7: Locations of Council's Water Supply Assets



9.2.2 Condition

Water supply assets are generally in good condition and are operating well within their expected asset life. However, water reticulation renewals are not solely based on replacing those assets that have reached their expected life. There is an ongoing programme to replace asbestos cement pipes with Polyethylene (PE) (or similar), particularly in the Feilding Central Business District (CBD). However, due to budget constraints Council has moved from a proactive programme to a reactive heavy maintenance programme. Where possible, Council also prioritises the replacement of cast iron pipes with PE, to improve water quality outcomes.

The largest budgeted items in this LTP for water assets include:

- Feilding Water Strategy outcomes, with the status quo option estimated at \$15 million; and
- Consent renewals.

Figure 8 summarises the age and replacement costs for water supply assets.

Council has spent a considerable amount of money on water supply renewal programmes over the past six years, as evidenced by the high value of assets aged between 0 and 9 years and the historic expenditure illustrated in Figure 9.

Figure 8:

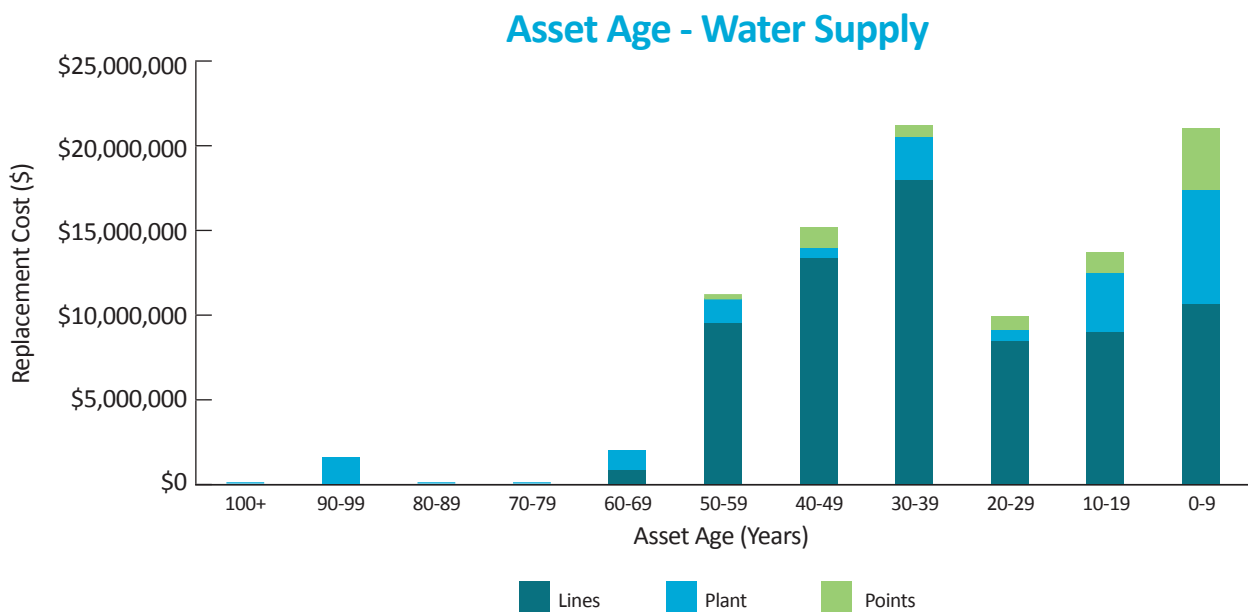
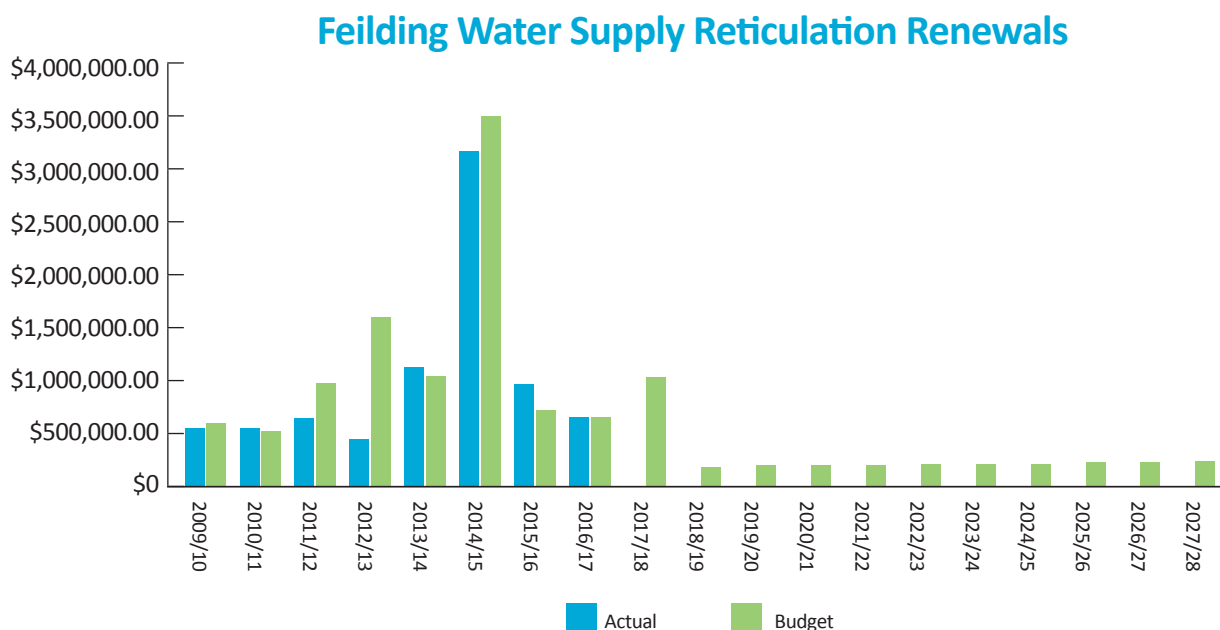


Figure 9:



Council is anticipating a wave of renewals for water mains, given the installation date of these pipes throughout the network. The decision to move from a proactive to reactive renewals programme will increase the risk of failure. It is envisaged that Council will 'catch up' on its renewals programme in subsequent Long Term Plans. There is some limited capacity in years 6 to 10 of the Long Term Plan 2018-28 for an accelerated renewals programme, should the network need arise (due to network failure) or Council adopts a different approach to managing network risk.

9.2.3 Performance

Table 9 summarises Council's performance against the mandatory performance measures of the Drinking Water Standards for New Zealand (DWSNZ) and the Department of Internal Affairs (DIA) in the 2016-17 financial year and measures that are in place to address any non-compliances.

Table 9: Water Asset Performance Measures

Performance Measure	Performance in 2016-17	Details/Comments
DWSNZ Bacteriological compliance	<p>The Feilding zone (distribution network) was technically non-compliant as not enough samples were collected and analysed for E. coli.</p> <p>Monitoring of chlorine concentrations in water leaving the treatment plants and chlorine residual in the reticulation ensured the water was still safe to drink.</p>	<p>Measures have been taken to ensure the correct sampling regime will be followed from now on to help achieve full compliance.</p> <p>Himatangi Beach and Rongotea have now been granted secure bore status meaning that bacterial compliance can be achieved going forward</p>
DWSNZ protozoal compliance	<p>The Sanson, Himatangi Beach, Rongotea and Stanway-Halcombe Rural water supplies did not achieve compliance with the protozoal performance measures.</p>	<p>Improvements at Almadale WTP in Feilding are ongoing to ensure that protozoal compliance can be demonstrated consistently. There were two months in the 2016-2017 compliance year for which this did not occur. The bulk of these improvements are focussed on reporting of compliance for the UV disinfection system.</p> <p>Sanson is in the process of having its water supply fully upgraded. The new water supply will be able to achieve protozoal compliance, based on the requirements of the DWSNZ 2005 (revised 2008).</p> <p>Himatangi Beach and Rongotea have now been granted secure bore status, meaning protozoal compliance against the DWSNZ 2005 (revised 2008) can be achieved going forward.</p> <p>Council is aware of the drinking water implications for the Stanway-Halcombe Rural Water Scheme with regards to protozoal compliance against the DWSNZ 2005 (revised 2008).</p> <p>Council is aware that there may be future changes to the DWSNZ as a result of the Havelock North Water Inquiry Stage 2 Report.</p>
Response and Resolution times (DIA mandatory measure)	<p>Targets not met</p>	<p>3 of the 4 relevant targets for response were met in the 2016-2017 compliance year. The median time taken to attend urgent call-outs was 1.1 hours, 6 minutes longer than the target of 1 hour. The Operations team will continue to staff accordingly so that response times can be met.</p>

Customer Satisfaction

Customer satisfaction ratings in the Annual Survey of Residents by Key Research in August 2017 found that 75% of residents were satisfied with overall water management and 25% of residents were dissatisfied. This survey found that the reliability, pressure and clarity of the water supply is very satisfactory across the district, but the taste and odour is cause for some dissatisfaction among users, particularly in the Southern Ward.

9.2.4 Data Confidence

Council updated its 3-Waters Asset Management software from Hufner to Asset Finder to enable more accurate data entry, recording and retrieval and its improved functionality for forward works planning. The quality of the asset data Council holds has improved over the last 5 years.

All post 2005 data has now been accurately recorded and updated into Asset Finder. It is now standard practice to request sufficient asset information from contractors to update Council's system. Recently completed works are now directly imported into Asset Finder via digital data files including Coordinates in terms of NZTM 2000 and vertical datum in terms of Wellington Vertical datum 1953, the common Horizons vertical datum. This has greatly improved the quality and reliability of the vertical height data.

Pre 2005 data is on a rolling continuous improvement plan of auditing and updating as appropriate. This body of work is to be completed by 2021. A data reliability improvement plan has been identified within the 3-Waters AMP, a copy of which is available on the Manawatū District Council's website.

All 3-Waters assets are revalued annually to fair value on depreciated replacement cost basis as determined by an independent valuer. This valuation exercise is performed in-house and independently audited.

Table 10 summarises the data confidence grades for Council's water supply assets. "Above ground assets" include water treatment plants and associated assets, including reservoirs, valves, pumps, clarifiers, electronics control systems and sediment settlement ponds.

Table 10: Data Confidence for Council's Water Supply Assets

	Confidence Grades	
	Underground Assets	Above Ground Assets
Quantity	2	1
Size	2	2
Material	2	3
Construction Date	2	2
Depth	3	NA
Cost	2	3

There is a varying amount of historic data available for each water supply scheme. New schemes such as the Himatangi Beach, Rongotea and Sanson water treatment schemes have the most up-to-date information. There is comprehensive information on wastewater treatment plants, although work is needed to verify asset valuations. Currently, valuations are assessed as the original installation cost plus inflation. There are no Optimised Replacement Costs.

Council has extensive information on the Feilding Water Supply Network, including videos, hard copies of reports and plans. This will be incorporated into the Asset Register (refer to the Improvement Plan Section of the 3-Waters Asset Management Plan).

Information on the Sanson Water Supply Network is largely complete, but there still some data gaps that Council is addressing through the Improvement Plan.

Information on rural water supplies is incomplete. Improvements have been made recently on Stanway-Halcombe Rural Water Supply information by digitising hard copy plans. More work is planned to survey this scheme with GPS. No information is held electronically on the Kiwitea Rural Water Supply. MDC hold some information on the Oroua No. 1 Rural Water Supply. There is good information on the Waituna West Rural Water Supply bore and treatment plant, but most reticulation assets are not mapped.

9.2.5 Key Issues

The availability of water is closely associated with development. Industrial, agricultural, business and residential development all depend on the availability, quantity and quality of water. Development in one sector ultimately has a flow on effect onto the other sectors. Therefore, the District's future development will rely heavily on the availability of water and the responsible management, distribution and protection of water sources.

Table 11 summarises the key issues for water supply assets, potential implications and Council's response to these issues.

Table 11: Key Issues for the Water Supply Network

Issue Description	Potential Implications	Response
<p>Sustainability of the Feilding Water Supply</p> <p>The Almadale Water Treatment Plant cannot operate when the turbidity of the water in the Oroua River is too high, such as after very heavy rain.</p> <p>All of the Feilding water supply pipelines involve pipe bridges over streams</p>	<p>When the Almadale Water Treatment Plant is switched off the water supply comes from the Awa St Water Treatment Plant.</p> <p>The pipeline is susceptible to natural hazards due to the reliance on pipe bridges over streams.</p>	<p>The sustainability of the Feilding water supply network is being considered as part of the broader Feilding Water Strategy (refer to Section 7.1.2)</p>
<p>Capacity for future growth</p> <p>In the past, dry summers have made it difficult to abstract sufficient water from the infiltration gallery to keep up with the Sanson water supply demand.</p> <p>The Waituna-West rural water scheme is almost at full capacity during summer months and has very little capacity for future growth.</p> <p>The current water take consent for Feilding may need to be varied to increase the maximum consented volumes to ensure that water supply does not constrain growth</p>	<p>On occasion it has been necessary to supplement the Sanson water supply with tanker water from Feilding. However, this supply issue is being address by the current upgrades to the Sanson water supply network.</p> <p>Potential to constrain development in Waituna-West.</p> <p>Council has prepared water demand forecasts for Feilding.</p> <p>The water demand forecasts suggest that if low growth occurs the existing consent for the Feilding reticulated water supply with provide sufficient capacity. However, if Feilding growth exceeds the growth assumptions, additional volume will be required in 20 years, or in 30 years if a water management programme is in place that reduces water demand by 10%.</p>	<p>Any decisions in relation to the capacity of the Waituna-West rural water scheme to cope with growth are made by the Committee who manages this rural water scheme.</p> <p>Water demand can be managed in a number of ways, including public information campaigns, working with industries, businesses and farms, acoustic leak detection and metering extraordinary water users.</p>
<p>No firefighting Capability</p> <p>There is currently no firefighting capability in the Sanson, Stanway-Halcombe or Waituna West water supply systems.</p>	<p>Fire and Emergency New Zealand would need to bring water tankers to manage fires in these areas. For example, tankers could be brought from Bulls or Ohakea to fight fires in Sanson.</p>	<p>Any decisions in relation to the firefighting capability of the Waituna-West rural water scheme to cope with growth are made by the Committee who manages this rural water scheme.</p>

Issue Description	Potential Implications	Response
<p>Compliance with Mandatory Requirements for Drinking Water</p> <p>There was some delay in establishing the reporting system for capturing customer requests and so unfortunately some data has not been collected. For this reason customer response and resolution time targets have been assessed as not having been met for 2015-16.</p>	<p>Council is required to undertake monitoring and reporting to confirm compliance with the Drinking Water Standards for New Zealand 2005 (revised 2008) and the response and resolution time requirements of the DIA. Any non-compliances against these requirements must be reported in the LTP and Annual Report and programmes put in place to remedy any non-compliance.</p>	<p>The upgrades to the Sanson water supply should ensure future protozoal compliance against the DWSNZ 2005 (revised 2008).</p> <p>Himatangi Beach and Rongotea have now been granted secure bore status, meaning protozoal compliance against the DWSNZ 2005 (revised 2008) can be achieved going forward.</p> <p>Council is aware that there may be future changes to the DWSNZ as a result of the Havelock North Water Inquiry Stage 2 Report.</p> <p>Council is aware of the drinking water implications for the Stanway-Halcombe Rural Water Scheme with regards to protozoal compliance against the DWSNZ 2005 (revised 2008).</p> <p>Measures for response and resolution times are now built into the Ozone customer request maintenance system. Now that a new reporting system is in place, it will be easier to track progress and meet targets.</p> <p>Council has recently employed a Water Compliance Officer to improve its focus and resource in this area.</p>
<p>Changes in Demand as a result of changing land use, growth or changes in consumption trends</p>	<p>If demand exceeds availability of water this can constrain residential, industrial, commercial and agricultural development. If growth in water demand exceeds forecasts the consent limits on Council's water supply consents will be breached. Additional volume will then be required via alternative water supplies or a variation to existing consents.</p> <p>Changes in industrial and agricultural/ farming practices can result in changes in water demand.</p>	<p>The growth in demand can be partially offset through water management programmes, water saving practices in industry and agriculture and upgrading of leaky pipes.</p> <p>Forecasts in water demand need to take into account changes in industrial and agricultural/farming practices to ensure that forecasting is as accurate as possible.</p>

9.2.6 Levels of Service

Urban water supplies are required to achieve the minimum standards that are mandatory under the Health Act 1956 (Drinking-Water Standards for New Zealand 2005 (Revised 2008)).

Council treats drinking water supplies to ensure that the water is safe to drink. Council also monitors demand for water to ensure that there is sufficient water available to meet residential, industrial and commercial needs in its urban drinking water schemes and to meet residential and agricultural needs in rural water schemes.

Part 2 of the Long Term Plan includes a set of measures and targets for the Water Supply Activity that are reported against through Council's Annual Report. For ease of reference, a copy of the Long Term Plan measures and targets for the Water Supply Activity are included in Appendix 2 of this report.

9.2.7 Significant Decisions

The following key projects included in this LTP relate to water supply assets:

- Feilding Water Strategy
- Precinct 4 Growth Works
- Growth works in Feilding Growth Precincts 1, 2, 3, 5, 6 and 7 (in years 20 to 30)
- Water Renewals Expenditure from 2028 to 2038
- Sanson Water Supply – New Treatment Plant
- Stanway-Halcombe Rural Water Scheme Physical Works.

9.3 Wastewater

Wastewater services are provided by Manawatū District Council to protect public health and the environment. The Council owns and maintains reticulated wastewater systems in Feilding, Awahuri, Cheltenham, Halcombe, Kimbolton, Rongotea, Sanson and Himatangi Beach. These systems consist of a network of pipes that transport wastewater from residential and commercial properties to each town's wastewater treatment plant. Council holds resource consents for discharges of treated wastewater to either land or water from these plants. New wastewater pipes continue to be laid to provide infrastructure to new development in Residential Growth Precinct 4.

The standards for each urban wastewater treatment plant is set through a resource consent process administered by Horizons Regional Council with decisions usually made by independent commissioners or the Environment Court. On-line reporting and monitoring of all plants has enabled MDC to improve the management of these plants and allows full transparency to Horizons Regional Council for their own monitoring. However, few of the MDC wastewater treatment plants are yet to achieve full compliance with all consent conditions.

Table 12 and Figure 10 below summarise the key features of the wastewater network (in 2017):

Table 12

Parameter	Value
Wastewater networks	8
Length of mains	153 km

Figure 10: Locations of Council's wastewater assets



9.3.1 Condition

Figure 11 below illustrates the asset ages and replacement costs of the wastewater assets. This figure shows that the majority of the wastewater assets are less than 50 years old. However, the useful life of an asset does not always correspond to its asset age.

The most significant expenditure in the LTP budget for wastewater is to fund renewals and capital at the Feilding Wastewater Treatment Plant. There are assets at the plant that are currently in poor condition.

Council has spent a considerable amount of money on wastewater renewal programmes over the past six years, as evidenced by the high value of assets aged between 0 and 9 years, and the historic expenditure illustrated in Figure 12.

Figure 11:

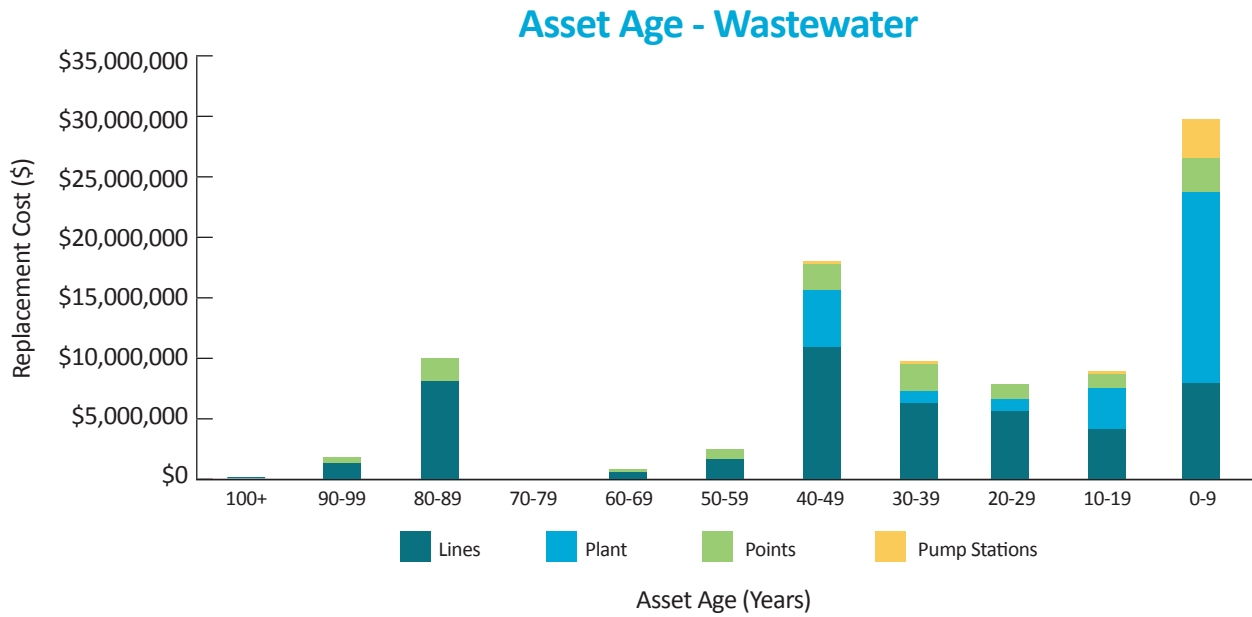
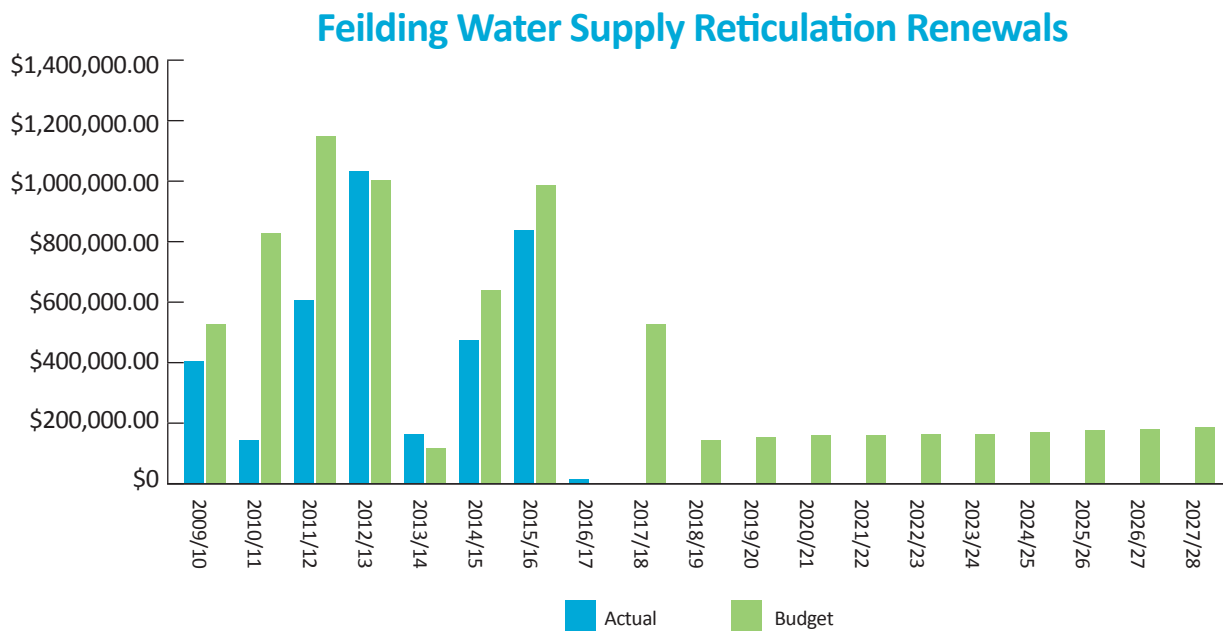


Figure 12:



9.3.2 Performance

Response and Resolution Times

Measures for response and resolution times were introduced for the 2015-2016 year as mandatory requirements from the DIA (Department of Internal Affairs). All of the mandatory DIA targets were met in the 2016-17 year except for the number of dry weather sewage overflows from Councils sewerage system, expressed per 1000 connections. There were eight overflows in the Feilding scheme in 2016-17, which exceeds the target of less than six overflows per scheme.

Mains renewals and capacity upgrades are planned for the Feilding wastewater network. These will contribute to the performance of the network, and help to ensure that wastewater flows through the system in the correct manner without overflows occurring. This programme has been slowed due to budget constraints.

Customer Satisfaction

The annual survey of residents conducted by Key Research in August 2017 found that residents are very satisfied with the reliability of the sewage system (75%) and nearly half are very satisfied with Council's treatment and disposal of sewage (49%).

9.3.3 Data Confidence

Council updated its 3-Waters Asset Management software from Hufner to Asset Finder to enable more accurate data entry, recording and retrieval and its improved functionality for forward works planning. The quality of the asset data Council holds has improved over the last 5 years.

All post 2005 data has now been accurately recorded and updated into Asset Finder. It is now standard practice to request sufficient asset information from contractors to update Council's system. Recently completed works are now directly imported into Asset Finder via digital data files including Coordinates in terms of NZTM 2000 and vertical datum in terms of Wellington Vertical datum 1953, the common Horizons vertical datum. This has greatly improved the quality and reliability of the vertical height data.

Pre 2005 data is on a rolling continuous improvement plan of auditing and updating as appropriate. This body of work is to be completed by 2021. A data reliability improvement plan has been identified within the 3-Waters AMP, a copy of which is available on the Manawātū District Council's website.

All 3-Waters assets are revalued annually to fair value on depreciated replacement cost basis as determined by an independent valuer. This valuation exercise is performed in-house and independently audited.

Table 13 summarises the data confidence grades for Council's wastewater assets. "Above ground assets" include

wastewater treatment plants and associated assets, including pump stations, electronics control systems, screens, digesters, clarifiers, reservoirs, centre pivot irrigation systems and sediment settlement ponds.

Table 13: Data Confidence for Wastewater Assets

	Confidence Grades	
	Underground Assets	Above Ground Assets
Quantity	2	1
Size	2	2
Material	2	3
Construction Date	2	2
Depth	4	NA
Cost	2	3

There is a varying amount of historic data available for each wastewater scheme. New schemes such as Himatangi Beach wastewater scheme will have the most up-to-date information. There is comprehensive information on wastewater treatment plants, although work is needed to verify asset valuations. Currently, valuations are assessed as the original installation cost plus inflation. There are no Optimised Replacement Costs.

Council has extensive information on the Feilding wastewater network, including videos, hard copies of reports and plans. This will be incorporated into the Asset Register (refer to the Improvement Plan Section of the 3-Waters Asset Management Plan).

There is work underway to improve information on the Kimbolton wastewater reticulation network. Hard copy plans are being sourced, so that the Asset Register and GIS can be updated with the relevant details.

Other schemes such as Sanson and Rongotea wastewater are in the process of data verification. Kimbolton and Cheltenham have the least complete data out of all our wastewater schemes, with only hard copy plans. Assets in these schemes are not yet fully mapped.

9.3.4 Key Issues

Demand for wastewater services closely follows demand for water, since most water delivered to a property ultimately leaves as wastewater. Development across the District, in particular Feilding, will generate an increased demand for wastewater services which needs to be catered for through our wastewater infrastructure. Large industrial premises are the most significant components of demand for wastewater, in terms of flow and pollutant loadings.

The following table (Table 14) outlines the key issues for the District's wastewater infrastructure, potential implications and Council's response to these issues.

Table 14:

Issue Description	Potential Implications	Response
Risk and uncertainty with resource consent renewals	As outlined in the Forecasting Assumptions (Part 3 of the LTP), Council has assumed that applications to renew existing discharge consents will be granted but that Council will face additional costs through the application process. Council is also anticipating that monitoring costs and requirements will be higher for consent renewals due to more stringent consent conditions.	Council is addressing this issue by proposing to centralise wastewater from the Villages to the Feilding Wastewater Treatment Plant (refer to the Section 7.1.1). This will mean that Council is only responsible for managing and consenting one wastewater treatment plant. Existing Village treatment plants can be de-commissioned.
Limitations in land availability for the onsite discharge of treated wastewater, particularly at the Village Wastewater Treatment Plants	Due to concerns about river water quality and cultural concerns the discharge of treated wastewater is becoming increasingly unacceptable. Therefore, upgrades are required to each of the WWTPs at the time that resource consents are updated. The availability of land for irrigation of treated wastewater is a limiting factor at several of the existing wastewater treatment plants. The change in treatment requirements is forecast to result in significant cost increases for consent renewals, land acquisition and wastewater treatment.	Council is addressing this issue by proposing to centralise wastewater from the Villages to the Feilding Wastewater Treatment Plant which has recently been re-consented and has capacity to deal with the additional wastewater volumes. Council is acquiring additional land around the Feilding Wastewater Treatment Plant for the irrigation of treated wastewater to ensure sufficient capacity to accept wastewater from the villages and to provide for forecast growth in demand.
Stormwater inflow into the network	If high volumes of stormwater are directed into the sewer system, sewers can overflow, resulting in wastewater contaminating streams and rivers. Increases the volume of wastewater that needs to be collected and treated, adding to the cost of treatment and discharge volumes.	This issue is addressed through inspection programmes to identify illegal connections of stormwater into the wastewater network. Low lying gully traps are identified and remediated.
Groundwater infiltration into the network	The infiltration of stormwater into the sewer network through broken or cracked pipes increased demand on pumps and treatment facilities.	There is a programme in place within Feilding to reduce flows within the wastewater system.
Capacity to meet growth demand	The existing Feilding Wastewater Treatment Plant resource consent has sufficient flow capacity to accept wastewater from the Villages included within the Wastewater Centralisation Project. However, if wastewater is also accepted from AFFCO, the consented limits will be exceeded. The demand forecasts suggest that even with the additional flow from the Villages and AFFCO, BOD loadings will not be a limiting factor to the operation of the Plant. A nitrogen and ammonia reduction strategy will determine how Ammonia will be managed as this may become a limiting factor over time.	Forecasts have been created for Feilding WWTP in the 3-Waters (water, wastewater and stormwater) Asset Management Plan. If the maximum flow rate for the Feilding WWTP is exceeded, a variation to the existing consent will be required. Management options for nitrogen and ammonia include reduction at sources and more land treatment.

Issue Description	Potential Implications	Response
Treatment of trade waste	Trade waste customers are industrial customers with high strength waste, high volume waste, or both. The volume of trade waste treated by the Feilding Wastewater Treatment Plant is increasing over time. Significant increases in trade waste can place additional pressure on the Feilding Wastewater Treatment Plant and can impact on the quality of the treated wastewater.	Council is increasing the monitoring of trade waste customers. Council is working with these customers to put into place a regime that ensures they pay a fair proportion of related additional costs for the handling and treatment of trade waste. Council has recently employed a Trade Waste Officer to improve its focus and resource in this area.
Compliance with mandatory response and resolution time targets from the DIA	Any non-compliances against these requirements must be reported in the LTP and Annual Report and programmes put in place to remedy any non-compliance.	Measures for response and resolution times are now built into the Ozone customer request maintenance system. It is now possible to track compliance against these targets.

9.3.5 Levels of Service

Council collects, treats and disposes of wastewater, including domestic, commercial and industrial waste, to protect public health and the environment. As set out in the Wastewater Activity Statement in Part 2 of the Long Term Plan, the Wastewater Group seeks to achieve the following Community Outcomes:

- Work to renew and/or upgrade assets so that they meet desired levels of service
- Carry out works required to cater for projected future growth, development and demand
- Monitor quantity and quality of treated wastewater discharges in each scheme.

Council seeks to protect the environment, minimise risk and health hazards from sewerage overflows by having a service that is cost-effective, compliant with relevant discharge consents and operated in a social and culturally acceptable manner.

Part 2 of the Long Term Plan includes a set of measures and targets for the Wastewater Activity that are reported against through Council's Annual Report. For ease of reference, a copy of the Long Term Plan measures and targets for the Wastewater Activity are included in Appendix 2 of this report.

9.3.6 Significant Decisions

The following key projects included in this Long Term Plan relate to wastewater assets:

- Wastewater Centralisation Project
- Precinct 4 Growth Works
- Re-consenting the Feilding Wastewater Treatment Plant
- Growth works in Feilding Growth Precincts 1, 2, 3, 5, 6 and 7 (in years 20 to 30)
- Wastewater Renewals Expenditure from 2028 to 2038

9.4 Stormwater

9.4.1 Overview of Stormwater Assets

Council provides a collection and disposal system for surface and, in some instances, sub-surface stormwater across the District. This links both private and public reticulation through the urban communities of Feilding, Rongotea and Sanson. There are also some stormwater assets in Himatangi Beach, Halcombe, Tangimoana, Apiti, Kimbolton, Pohangina, Rangiwhia and Cheltenham but these assets provide a lower level of service than the urban schemes and are currently not rated for. Council also has four rural drainage schemes at Bainesse, Maire, Makowhai and Oroua Downs. Residents of these rural drainage schemes pay a targeted rate.

Tables 15 and 16, and Figure 13 summarise the stormwater assets:

Table 15 – Urban Stormwater Networks

Parameter	Value
Stormwater networks (rated)	3
Length of mains	78 km

Figure 13: Locations of Council's Stormwater Assets



Table 16: Council's Rural Stormwater Drainage Schemes

Parameter	Bainesse	Maire	Makowhai	Oroua Downs
Rated properties	68	44	85	230
Length of drains	16.7	13.8	13.6	137.2

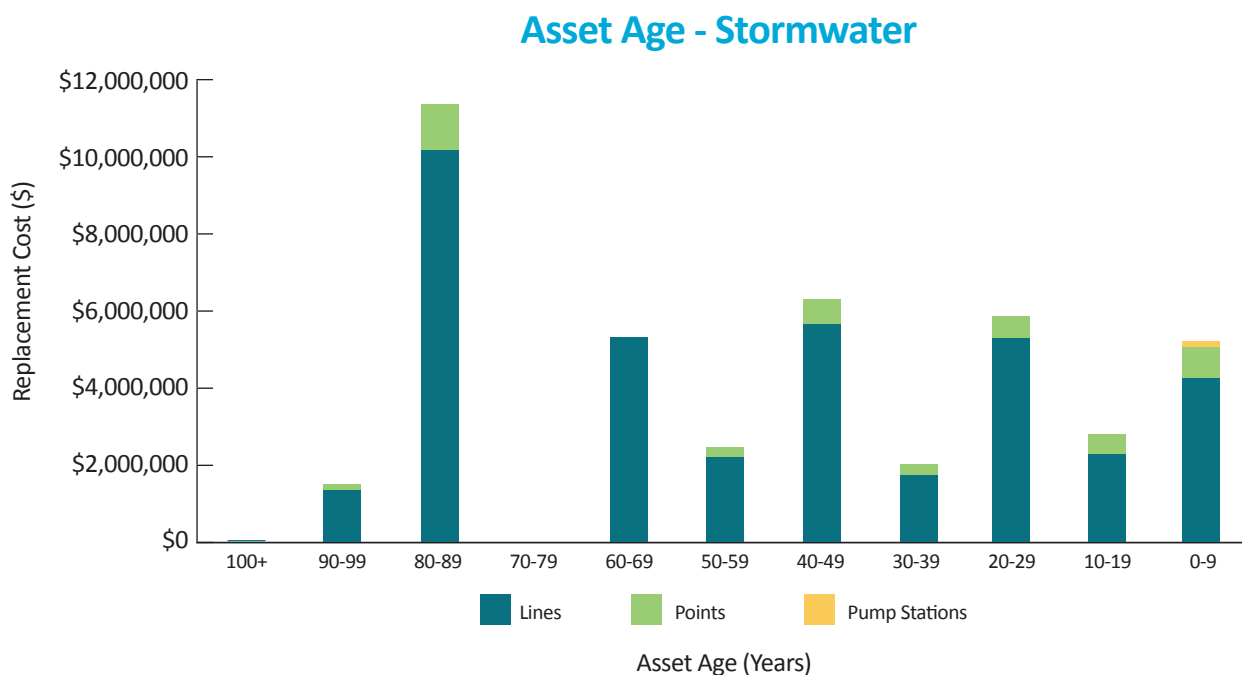
9.4.2 Condition

For the stormwater activity, one of the challenges is the fact that there is cross-over with Rooding assets, Horizons assets and private assets. Council's stormwater network is considered to be in generally good condition. However, stormwater asset information, particularly for the rural stormwater drainage schemes, is incomplete.

Improvements on the quality of asset information are being made, such as in the digitising of hard copy plans for the Stanway-Halcombe Rural Water Supply. Council has an improvement plan in place for improving the quality of its stormwater asset information. This Improvement Plan is included in the 3-Waters (water, wastewater and stormwater) Asset Management Plan, a copy of which is available on the Manawatu District Council's website.

Figure 14 illustrates the age of Council's stormwater assets.

Figure 14:



9.4.3 Performance

The annual survey of residents conducted by Key Research in August 2017 found that overall management of stormwater is satisfactory, with 21% of residents very satisfied with stormwater management. However, there are some concerns around maintenance of the system in the southern ward, with only 42% of residents in this ward satisfied (rating of 6 – 10). Some residents were also dissatisfied with Council’s management of stormwater with respect to keeping roads and footpaths free of flooding (32% dissatisfied) and protecting their property from flooding (28% dissatisfied).

Part of the stormwater management plan is the use of the roading network as a secondary overland flow path to help protect dwellings from inundation. This approach does not always meet residents expectations that roads remain free from stormwater at all times.

9.4.4 Data Confidence

Council updated its 3-Waters Asset Management software from Hufner to Asset Finder to enable more accurate data entry, recording and retrieval and its improved functionality for forward works planning. The quality of the asset data Council holds has improved over the last 5 years.

All post 2005 data has now been accurately recorded and updated into Asset Finder. It is now standard practice to request sufficient asset information from contractors to update Council’s system. Recently completed works are now directly imported into Asset Finder via digital data files including Coordinates in terms of NZTM 2000 and

vertical datum in terms of Wellington Vertical datum 1953, the common Horizons vertical datum. This has greatly improved the quality and reliability of the vertical height data.

Pre 2005 data is on a rolling continuous improvement plan of auditing and updating as appropriate. This body of work is to be completed by 2021. A data reliability improvement plan has been identified within the 3-Waters AMP, a copy of which is available on the Manawatū District Council’s website.

All 3-Waters assets are revalued annually to fair value on depreciated replacement cost basis as determined by an independent valuer. This valuation exercise is performed in-house and independently audited.

Table 17 summarises the data confidence grades for Council’s reticulated stormwater assets. All of Council’s stormwater assets are “underground.”

Table 17: Data Confidence for Stormwater Assets

	Confidence Grades
Quantity	2
Size	2
Material	2
Construction Date	2
Depth	4
Cost	2

There is a varying amount of historic data available for each stormwater scheme. Council has extensive information on the Feilding stormwater network, including videos, hard copies of reports and plans. This will be incorporated into the Asset Register (refer to the Improvement Plan Section of the 3-Waters Asset Management Plan).

One of the challenges with the stormwater activity is the cross-over with roading assets, Horizons assets and private assets. Of the 3 Waters, stormwater is the activity with the most work needed on capturing and verifying asset information.

9.4.5 Key Issues

Table 18 outlines the key issues for the District’s stormwater infrastructure, potential implications and Council’s response to these issues.

Table 18:

Issue Description	Potential Implications	Response
Higher intensity and more frequent storm events as a result of climate change	<p>The existing channel size will not handle increased flows, resulting in erosion of the banks. In a large event where receiving environments such as the Rangitikei River are in flood, this can generate upstream issues affecting the rural drainage network.</p> <p>The historic design parameters the stormwater network is constructed to are no longer sufficient to provide the community with the level of flood protection that expect due to changes in recent rainfall patterns. Additional stormwater management methods will be required to meet stormwater LOS.</p>	<p>Due to concerns about the flood carrying capacity of our waterways and the direction of Horizons Regional Council, there is an increasing trend towards requiring private property owners or developers to detain stormwater on-site to achieve hydrological neutrality. Council is also exploring communal detention options to manage stormwater from residential growth areas in Feilding.</p>
Inadequate investment in maintenance	<p>Delayed or infrequent maintenance work or work carried out to a poor standard may impact on the capacity of the network to manage stormwater, causing damage or overflows.</p>	<p>Council is proposing to increase the funding for stormwater, recognising historic under-investment.</p>
Community expectations	<p>The public is becoming less tolerant of surface flooding. Stormwater systems need to be adequate to deal with flows without inconveniencing the public or allowing damages to occur.</p> <p>The stormwater networks in Sanson and Rongotea are primarily open surface water channels and drains, with some piping in certain areas. Feedback received by Council suggests a preference for piped networks rather than open drains.</p>	<p>Council undertakes customer surveys and assessments of the complaints/service request records to obtain information on the delivery of levels of service to customers. Community Committee and Board meetings throughout the District are also useful for information gathering and highlighting issues to be addressed.</p> <p>Following public consultation, Council approved a project to increase stormwater LOS in those areas that currently do not have rated stormwater networks (refer to Section 7.1.11).</p>

Issue Description	Potential Implications	Response
Stormwater is not rated for except in Feilding, Sanson and Rongotea	Council is constrained in the level of service that can be provided in those areas that are not rated for stormwater as maintenance, renewals and improvements must come out of general rates, and the funding available is insufficient to achieve a desirable level of service.	Council consulted on and approved a project to increase stormwater LOS in those areas that currently do not have rated stormwater networks (refer to Section 7.1.11). These level of service increases are proposed to be funded by a harmonised stormwater rate across the District.
Urban development increases impermeable/impervious surfaces	Increases in impervious surfaces results in increased stormwater runoff volumes and shorter response times to rainfall. The effect of this is larger flows through the immediate drainage systems as well as the larger downstream land waterways. This can cause and exacerbate flooding.	There is an increasing trend towards requiring private property owners or developers to detain stormwater on-site to achieve hydrological neutrality. Council is also investigating community detention areas to manage stormwater discharges from residential growth areas in Feilding. The development of a Stormwater Management Plan for Feilding assisted in determining the impact of urban growth on the existing stormwater systems and identifying areas requiring system upgrades.
Poor quality or limited information on stormwater assets	Council has limited information on some parts of the stormwater network, such as in Tangimoana, due to taking over ownership from Horizons Regional Council.	Council has an improvement plan in place for improving the quality of its 3-Waters (water, wastewater and stormwater) asset information. This Improvement Plan is included in the 3-Waters Asset Management Plan, a copy of which is available on the Manawatū District Council's website.
Improvements to rural drainage	Runoff volumes are increasing as farmers improve rural land drainage.	Rural drainage schemes are managed by elected Committees who are familiar with the local issues. 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.
Demand forecasting	Demand forecasting for stormwater relies on modelling of various scenarios.	This work is already happening in certain areas such as Feilding, but needs to be expanded to cover the District over the long term.

9.4.6 Levels of Service

Council seeks to protect the environment, people, property and roadways from flooding during heavy rain events by having a service that is sustainably managed, compliant, adequately deals with flows, is cost-effective and operated in a social and culturally acceptable manner.

As set out in the Stormwater Activity Statement in Part 2 of the Long Term Plan, the Stormwater Group focuses on achieving the following Community Outcomes:

- Work to renew or upgrade assets so that flows are diverted away from buildings at risk of flooding
- Upgrades are carried out when and where needed to reduce the risk of stormwater flows capturing contaminants and to meet resource consent and compliance standards
- Carry out works required to cater for projected future growth, development and demand so as not to increase the effects of stormwater flows on downstream properties
- Work with private property owners and developers to deal with stormwater on-site that is unable to be collected and dealt with effectively by existing Council network by managing stormwater within property boundaries (this is known as the principle of hydrological neutrality)
- Work with Horizons (Manawatū-Wanganui Regional Council) to help manage stormwater risks within the Manawatū District.

Part 2 of the Long Term Plan includes a set of measures and targets for the Stormwater Activity that are reported against through Council's Annual Report. For ease of reference, a copy of the Long Term Plan measures and targets for the Stormwater Activity are included in Appendix 2 of this report.

9.4.7 Significant Decisions

The following key projects and key issues included in this Long Term Plan relate to stormwater assets:

- Stormwater Improvement Programme
- Precinct 4 Growth Works
- Growth Works in Feilding Growth Precincts 1, 2, 3, 5, 6 and 7 (in years 20 to 30)
- Derby Street, Feilding Stormwater Renewal Project

9.5 Service Delivery and Shared Service Arrangements

The Manawatū District Council has a shared service contract with the Rangitikei District Council for roading maintenance services, roading professional services and 3-waters professional services, operations and treatment. The Manawatū District Council employs staff and delivers services to the Rangitikei District Council. The Rangitikei

District Council pays a share of the costs. Each Council owns their own assets and sets rates and charges. Opportunities continue to be explored with all neighbouring local authorities to advance collaboration of specialist work functions.

Council went through a s17A review process in late 2017. Roading maintenance services were exempt from review under s17A(3)(a) as there is an existing contract commitment. Roading Professional Services were exempt from review under s17A(3)(b) (where the cost of undertaking a review outweighs the benefits). The Roading maintenance contract is up for renewal in June 2018. A s17A review will be undertaken as part of that process and this review will also consider professional services arrangements.

A s17A review of the 3-waters services in 2015/16 found an in-house model to be the most cost-effective model. The Rangitikei District Council is considering what model they want for 3-waters services in the 2018/19 year. Future service delivery in the 3-waters sector is uncertain as a result of LGNZ and Government Reviews and the Havelock North Water Inquiry. Council's review of the 3-waters was that the cost of undertaking a s17A review of service delivery outweighed the benefits (s17A(3)b). However, the Manawatū District Council may need to carry out a s17A review in 2017/18 if the Rangitikei District Council withdraws from the shared service arrangement or if there are significant changes to sector service delivery as a result of Government reviews and the Havelock North Water Inquiry.

9.6 Levels of Service

There are several drivers behind the levels of service Council provides for roading, water supply, wastewater and stormwater within the Manawatū District. These include:

- Customer expectations.
- Community Outcomes for the Council, as stated in our Long Term Plan.
- Legislative requirements, including DIA requirements for mandatory performance measures.

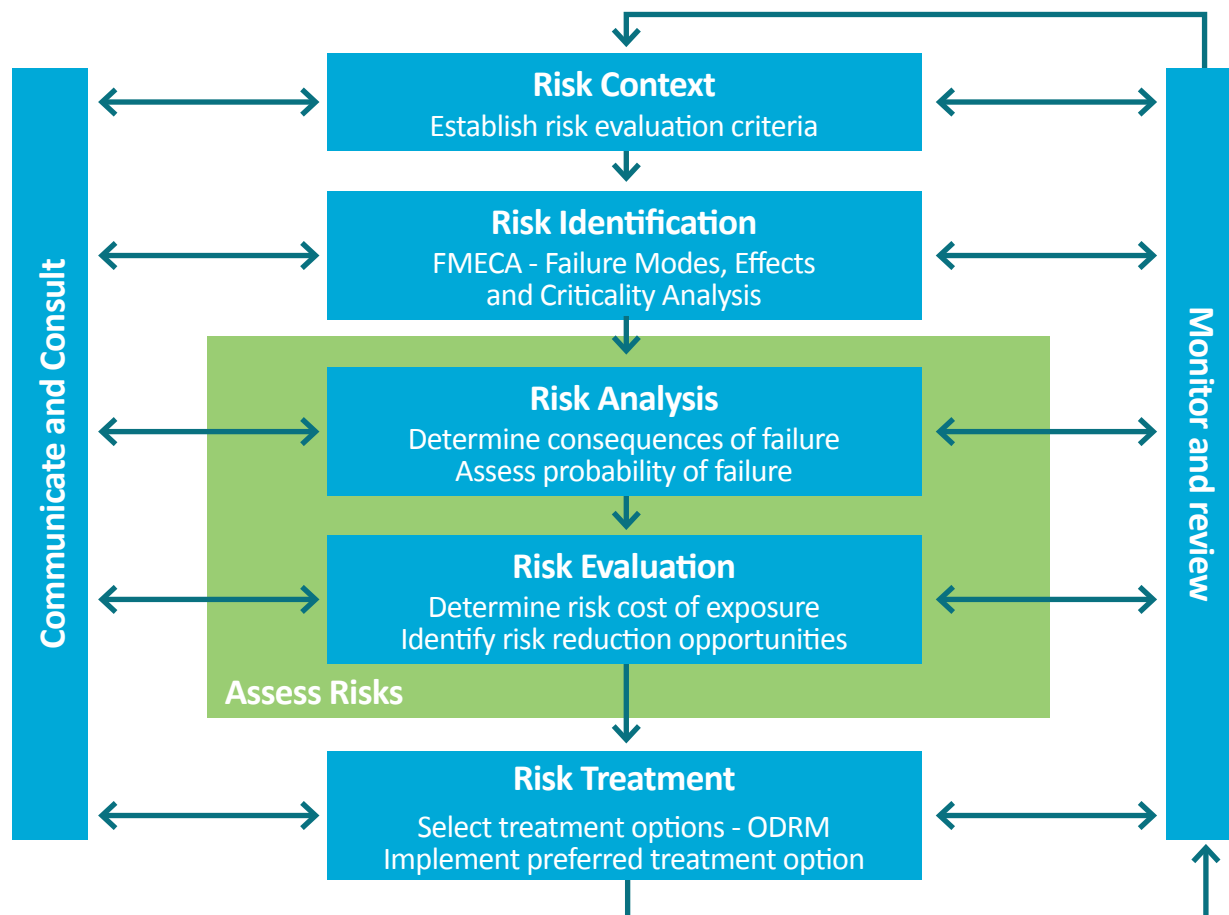
Council undertakes customer surveys and assessments of the complaints/service request records to obtain information on the delivery of levels of service to customers. Community Committee meetings throughout the District are also useful for information gathering and highlighting issues to be addressed. This information complements the regular inspections of assets undertaken by Council and their agents.

LOS can also be influenced by changing environmental factors. For example, recent rainfall patterns have challenged historic stormwater design parameters. This means that Council needs to continually review LOS to ensure that community expectations can be met within financial limits.

Appendix 1 - Risk Management Approach

To manage risks to infrastructure, including those risks mentioned above, Council follows the risk management process specified in AS/NZS ISO 31000:2009. Figure 15 below summarises this process:

Figure 15: AS/NZS ISO 31000:2009 Risk Management Process



Council's Risk Appetite Statement 2016 outlines the varying degrees to which Council will accept risk across these categories:

- Build people and culture
- Achieve purposeful growth and development
- Achieve service levels
- Achieve strategic organisational transformation
- Maintain public confidence
- Deliver work programmes
- **Maintain legal compliance**
- **Operate within financial targets**

Council has no appetite for operating outside of financial limits. It has no appetite for breaches of regulations or legislation, but is willing to accept minimal risk to seek benefits where certain aspects of compliance may be negotiable. These key categories are indicated in **bold** above.

For all other categories indicated above, Council is more open to accepting higher levels of risk.

The majority of risks to the roading network are able to be managed through the detailed network knowledge gained from continual observations and monitoring of the network. However, risks are further reduced by following the risk management process specified in AS/NZS ISO 31000:2009. Council's approach to risk management of the roading network conforms to the General approach as defined in NZ Transport Agency Minimum standard Z/44 – Risk management.

Council adopts risk treatments on the basis of cost/benefit, where a reduction in risk exposure is seen as an organisational benefit.

A risk register for water, wastewater and stormwater assets is included in the 3-Waters Asset Management Plan. In the future, a thorough re-evaluation of this risk assessment will be undertaken. Efforts will be made to align risk management practices at a corporate level, for consistency with other activities.

Appendix 2 – Long Term Plan Levels of Service Statements, Measures and Targets

Roading

Level of Service Statement

You can expect to get to where you need to go safely using our road network

Council will maintain the infrastructure in a safe condition.

Measure

We will measure this by: Reporting to you the change from the previous financial year in the number of fatalities and serious injury crashes on the local road network.

Baseline

The Police Crash Analysis System (CAS) is only available to 1 April 2017. For the period 1 April 2016 to 1 April 2017 there were two fatal crashes and 12 serious injury crashes. For the period 1 April 2015 to 31 March 2016 there were eight fatal crashes and 22 serious injury crashes.

Target for Years 1 – 3

The total number of fatalities and serious injury crashes on the local road network is lower than the previous financial year, measured on a per capita basis.

Target for Years 4 - 10

The total number of fatalities and serious injury crashes on the local road network is lower than the previous financial year, measured on a per capita basis.

Level of Service Statement

You can expect the road to be in good condition

A High Speed Data Survey will be carried out every two years on Arterial, Collector (primary and Secondary) and Access Roads with traffic counts greater than 500 Annual Average Daily Traffic (AADT).

The condition of the asset is described by a set of attributes. The quality of these attributes changes over the lifetime of the asset. Sound decisions about interventions and investments rely to a large degree on knowledge of the current condition and the rate of change in the condition of the asset.

Measure

We will measure this by: The average quality of ride on a sealed local road network, measured by Smooth Travel Exposure (STE) index ratings (percentage of assessed network length where roughness is under the relevant threshold).

Baseline

In 2016/17 the STE index ratings were as follows:

- Urban roads – 91%
- Rural roads – 95%
- All roads – 94%

Target for Years 1 – 3

The annual average, as per the Smooth Travel Exposure (STE) index, is 90

Target for Years 4 - 10

The annual average, as per the Smooth Travel Exposure (STE) index, is 90

Level of Service Statement

You can expect the roading network to be well maintained

Measure

We will measure this by: the percentage of the sealed local road network that is resurfaced.

Baseline

Council maintained a sealed roading network of 990.9 km (as at 30 June 2017). In the 2016-17 financial year 58.86 km or 5.9% of the sealed road network was resealed.

Target for Years 1 – 3

5% of the local road network is resurfaced each year.

Target for Years 4 - 10 5% of the local road network is resurfaced each year.

Level of Service Statement

You can expect well maintained footpaths

Measure

We will measure this by: the percentage of footpaths within the district that fall within the level of service or service standard for the condition of footpaths that is set out in Council's Activity Management Plan

Baseline

99.7% of the of District's footpaths (by length) were rated as acceptable (condition rating 1-4) in 2016/17

Target for Years 1 – 3

95% of the districts footpaths are within acceptable defect levels (condition rating 1 – 4), for example, cracking, breaks, high lips, trip hazards etc

Target for Years 4 - 10 95% of the districts footpaths are within acceptable defect levels (condition rating 1 – 4), for example, cracking, breaks, high lips, trip hazards etc

Level of Service Statement

You can expect to easily get to where you want to go

Measure

We will measure this by: monitoring residents satisfaction in the residents perception survey that the road network is easy to navigate, with sufficient signage.

Baseline

88% of residents were satisfied that the road network is easy to navigate with sufficient signage in the August 2017 residents perception survey

Target for Years 1 – 3

85% residents satisfaction that the network is easy to navigate and that there is adequate signage

Target for Years 4 - 10 85% residents satisfaction that the network is easy to navigate and that there is adequate signage

Level of Service Statement

You can expect a timely response to your request for service

Measure

We will measure this by: The percentage of customer service requests relating to roads and footpaths that meet the following response timeframes:

- For urgent requests for service, a member of Council's Roading Team and/or contracted service personnel will be on site within three hours of the request being lodged with Council. Where possible, the problem will be remedied immediately. If this cannot be achieved, the site will be made safe and the remedial action carried out as soon as is reasonably practicable.
- For non-urgent requests for service the contractor will include the repairs in the 3 month rolling programme or as instructed by Council's Roading Team.

Baseline

New

Target for Years 1 – 3

90% of the different types of requests for service are responded and remediated within the timeframes set

Target for Years 4 - 10

90% of the different types of requests for service are responded and remediated within the timeframes set

Water Supply

Level of Service Statement

You can expect that the potable water we supply is safe to drink

Measure

We will measure this by: the extent to which Council's drinking water supply complies with:

- Part 4 of the drinking-water standards (bacteria compliance criteria), and
- Part 5 of the drinking-water standards (protozoal compliance criteria).

Note: The drinking water standards referred to in the targets are the Drinking Water Standards for New Zealand 2005 (revised 2008).

Baseline

Bacterial Compliance:

All samples taken showed that the water was safe i.e. no positive E coli. However, there was technical non-compliance for Feilding in September 2016 and June 2017; Himatangi Beach and Rongotea from July – November 2016; and Himatangi Beach, Rongotea, Sanson, Stanway-Halcombe & Waituna West, May 2017.

Protozoal Compliance:

Feilding did not demonstrate compliance in March and May 2016/17. The Sanson, Himatangi Beach, Rongotea and Stanway-Halcombe schemes did not comply in 2016/17.

Target for Years 1 – 3

- No public health risk with substantiated positive E-coli detected in the water supply
- 100% New Zealand Drinking Water Standard Compliance Criteria for protozoa are met, with the exception of the Stanway-Halcombe Rural Water Supply

Target for Years 4 - 10

- No public health risk with substantiated positive E-coli detected in the water supply
- 100% New Zealand Drinking Water Standard Compliance Criteria for protozoa are met, with the exception of the Stanway-Halcombe Rural Water Supply

Level of Service Statement

You can expect the water reticulation network to be well maintained

Measure

We will measure this by: the percentage of real water loss from Council's networked reticulation system. This will be calculated for each water supply scheme using Method 1 - Water Balance as per the Department of Internal Affairs guidelines.

Baseline

Water loss in Feilding was calculated at less than 10% in 2016/17. Water losses on the smaller schemes could not be measured in 2016/17 due to seasonal fluctuation in population at Himatangi Beach and because tankered water top-ups in Sanson were not captured in the metered flow. Water loss in Rongotea in 2016/17 was expected to be low as it is a new scheme.

Target for Years 1 – 3

Estimated real water loss < 35% per cent per water supply scheme

Target for Years 4 - 10 Estimated real water loss < 35% per cent per water supply scheme

Level of Service Statement

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

Measure

We will measure this by: measuring the median response time for call-outs to a fault or unplanned interruption to Council's networked reticulation system:

- Attendance time for urgent call-outs: from the time the Council receives notification to the time that service personnel reach the site
- Resolution time of urgent call-outs: from the time that Council receives notification to the time that service personnel confirm that the water supply has been reinstated.
- Attendance time for non-urgent call-outs: from the time that Council receives notification to the time that service personnel reach the site
- Resolution time for non-urgent call-outs: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption.

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

Baseline

There were 43 urgent requests in 2016/17, with a median response time of 1.1 hours and a median resolution time of 1.9 hours. In 2016/17 there were 473 non-urgent request, with a median response time of 5.4 hours and a median resolution time of 21.3 hours

Target for Years 1 – 3

- Median attendance time within 2 hours (urgent).
- Median resolution time within 9 hours (urgent)
- Median attendance time within 5 working days (non-urgent)
- Median resolution time within a further 5 working days (non-urgent)

Target for Years 4 - 10

- Median attendance time within 2 hours (urgent).
- Median resolution time within 9 hours (urgent)
- Median attendance time within 5 working days (non-urgent)
- Median resolution time within a further 5 working days (non-urgent)

Level of Service Statement

You can expect satisfaction with our service

Measure

We will measure this by: monitoring the total number of complaints received by Council about any of the following:

- Drinking water clarity
- Drinking water taste
- Drinking water odour
- Drinking water pressure or flow
- Continuity of supply
- The local authority's response to any of these issues

Expressed per 1,000 connections to the Council's networked reticulation system.

Baseline

In 2016/17 there were 105 complaints were received. This represent 16.2 complaints per 1,000 connections

Target for Years 1 – 3

<20 complaints received in total per 1,000 connections per annum

Target for Years 4 - 10

<20 complaints received in total per 1,000 connections per annum

Level of Service Statement

You can expect us to manage the demand for domestic water supply

Measure

We will measure this by: the average consumption of drinking water per day, per resident within Council's authority area.

Baseline

In 2016/17 water consumption for Feilding (including all water used by industrial and commercial customers) was 540 litres per person per day. If metered water is excluded this reduces to 218 litres per person per day. In 2016/17 we were unable to report on the other District schemes.

Target for Years 1 – 3

250 litres/person/day for domestic supply only

Target for Years 4 - 10

250 litres/person/day for domestic supply only

Wastewater

Level of Service Statement

You can expect us to adequately manage our wastewater system

Measure

We will measure this by: monitoring the number of dry weather sewerage overflows from Council's sewerage system, expressed per 1000 sewerage connections.

Baseline

In 2016/17 there were 8 dry weather overflows in Feilding and one in Sanson. From a district wide perspective this represent 1.2 overflows per 1,000 connections across the district

Target for Years 1 – 3

< six dry weather overflows per 1000 connections

Target for Years 4 - 10

< six dry weather overflows per 1000 connections

Level of Service Statement

You can expect discharge compliance

Measure

We will measure this by: Compliance with the Council's resource consents for discharge from its sewerage system measured by the number of:

- Abatement notices
- Infringement notices
- Enforcement orders, and
- Convictions received by Council in relation to those resource consents.

Baseline

No abatement notices, infringement notices, enforcement orders or convictions were received by Council in 2016/17

Target for Years 1 – 3

- < two abatement notices advising breaches of resource consent conditions per scheme
- zero infringement notices, enforcement orders or convictions advising breaches of resource consent conditions per scheme

Target for Years 4 - 10

- < two abatement notices advising breaches of resource consent conditions per scheme
- zero infringement notices, enforcement orders or convictions advising breaches of resource consent conditions per scheme

Level of Service Statement

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

Measure

We will measure this by: measuring the following median response times where Council attends to sewerage overflows resulting from a blockage or other fault in Council's sewerage system:

- Attendance time: from the time the Council receives notification to the time that service personnel reach the site
- Resolution time: from the time Council receives notification to the time service personnel confirm resolution of the blockage or other fault.

Baseline

In 2016/17 there were 13 overflows, as follows:

- 8 dry weather overflows in Feilding
- 1 dry weather overflow in Sanson
- 4 wet weather overflows in Feilding

The median response time was 0.9 hours. The median resolution time to the 13 overflows above was 3.3 hours

Target for Years 1 – 3

Median attendance time within 2 hours. Median resolution time within 5 hours

Target for Years 4 - 10

Median attendance time within 2 hours. Median resolution time within 5 hours

Level of Service Statement

You can expect satisfaction with our service

Measure

We will measure this by: monitoring the total number of complaints received by Council about the following:

- Sewage odour
- Sewerage system faults
- Sewerage system blockages
- Council's response to issues with its sewerage system

Expressed per 1000 connections to the council sewerage system.

Baseline

In 2016/17 there were 58 complaints received. This represent 8.7 complaints per 1,000 connections (the overall target for all categories is 24 per 1,000 connections)

- 30 relating to system failures (4.5 per 1,000 connections)
- 2 relating to the level of response (0.3 per 1,000 connections)
- 24 relating to blockages (3.5 per 1,000 connections)
- 2 relating to odour (0.3 per 1,000 connections)

Target for Years 1 – 3

< 20 complaints in total per 1,000 connections per annum

Target for Years 4 - 10

< 20 complaints in total per 1,000 connections per annum

Stormwater

Level of Service Statement

You can expect stormwater system adequacy

Measure

We will measure this by:

- The number of flooding events that occur in the district
- For each flooding event, the number of habitable floors affected. (Expressed per 1000 properties connected to Council's stormwater system).

Baseline

No flooding of habitable floors was reported in 2016/17

Target for Years 1 – 3

<10 habitable floors per 1000 properties affected by flooding per flooding event that occurred in the district

Target for Years 4 - 10

<10 habitable floors per 1000 properties affected by flooding per flooding event that occurred in the district

Level of Service Statement

You can expect us to comply with discharge consent conditions

Measure

We will measure this by: Compliance with the Council's resource consents for discharge from its stormwater system measured by the number of:

- Abatement notices
- Infringement notices
- Enforcement orders, and
- Convictions received by Council in relation those resource consents.

Baseline

No abatement notices, infringement notices, enforcement orders or convictions were received by Council in 2016/17

Target for Years 1 – 3

- < Two abatement notices advising breaches of resource consent conditions per scheme
- Zero infringement notices, enforcement orders or convictions advising breaches of resource consent conditions per scheme

Target for Years 4 - 10

- < Two abatement notices advising breaches of resource consent conditions per scheme
- Zero infringement notices, enforcement orders or convictions advising breaches of resource consent conditions per scheme

Level of Service Statement

You can expect us to respond to flooding events in a timely manner

Measure

We will measure this by: 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.

Baseline

No flooding events occurred during 2016/17

Target for Years 1 – 3

Median response time within 2 hours

Target for Years 4 - 10

Median response time within 2 hours

Level of Service Statement

You can expect satisfaction with our service

Measure

We will measure this by: 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).

Baseline

Council received 34 complaints relating to the stormwater service in 2016/17. This represents 5.1 complaints per 1,000 property connections

Target for Years 1 – 3

<six complaints per 1,000 property connections per annum

Target for Years 4 - 10

<six complaints per 1,000 property connections per annum

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Manawatū District Council Funding Impact Statement Whole of Council

	Annual Plan 2018 \$000	Year 1 2019 \$000	Year 2 2020 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	3,923	11,576	12,392
Targeted rates	28,394	22,716	23,883
Subsidies and grants for operating purposes	3,021	2,974	3,037
Fees and charges	5,264	6,450	8,152
Interest and dividends from investments	217	242	327
Local authorities fuel tax, fines, infringement fees, and other receipts	3,069	3,543	3,816
Total operating funding	43,888	47,500	51,606
Applications of operating funding			
Payments to staff and suppliers	34,115	36,563	38,086
Finance costs	2,969	3,491	4,006
Other operating funding applications	0	0	0
Total applications of operating funding	37,084	40,054	42,092
Surplus (deficit) of operating funding	6,804	7,446	9,515
Sources of capital funding			
Subsidies and grants for capital expenditure	5,010	4,764	5,960
Development and financial contributions	1,021	2,860	2,943
Increase (decrease) in debt	10,253	13,906	6,677
Gross proceeds from sale of assets	2,000	1,800	1,100
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding	18,284	23,330	16,680
Applications of capital funding			
Capital expenditure			
- to meet additional demand	6,987	4,671	4,829
- to improve the level of service	6,460	10,916	3,922
- to replace existing assets	17,733	17,049	18,110
Increase (decrease) in reserves	(5,976)	(2,624)	(383)
Increase (decrease) of investments	(115)	764	(283)
Total applications of capital funding	25,089	30,776	26,195
Surplus (deficit) of capital funding	(6,804)	(7,446)	(9,515)
Funding balance	0	0	0

Year 3 2021 \$000	Year 4 2022 \$000	Year 5 2023 \$000	Year 6 2024 \$000	Year 7 2025 \$000	Year 8 2026 \$000	Year 9 2027 \$000	Year 10 2028 \$000
12,777	12,909	13,443	13,821	14,009	14,165	14,719	14,726
24,687	26,029	27,082	27,844	28,583	29,398	29,958	30,602
3,067	3,473	3,591	3,674	3,896	3,992	4,093	3,974
8,864	9,454	10,213	10,459	10,724	10,977	11,264	11,416
271	266	261	276	329	321	314	330
3,822	3,902	3,598	3,602	3,680	3,843	3,854	3,947
53,489	56,034	58,187	59,676	61,223	62,697	64,202	64,995
38,922	40,512	42,156	42,954	44,124	45,460	46,635	47,126
4,266	4,405	4,388	4,354	4,170	3,823	3,477	3,058
0	0	0	0	0	0	0	0
43,188	44,916	46,544	47,308	48,294	49,283	50,112	50,185
10,301	11,117	11,643	12,368	12,928	13,413	14,090	14,811
3,434	5,068	4,478	4,583	4,652	4,768	4,892	4,707
3,055	3,021	2,880	2,821	3,320	3,336	3,401	3,304
3,727	1,815	(2,477)	1,109	(8,453)	(5,428)	(8,414)	(8,332)
5,000	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
15,217	9,904	4,881	8,514	(481)	2,676	(121)	(321)
2,378	3,288	3,156	2,285	2,042	1,567	1,451	991
10,717	4,298	2,441	2,361	2,753	2,236	2,205	2,331
12,970	13,562	11,239	10,614	11,927	10,898	10,331	10,317
(256)	173	(3)	4,363	(3,899)	1,777	359	(605)
(292)	(300)	(309)	1,259	(375)	(387)	(378)	1,455
25,517	21,022	16,524	20,882	12,448	16,089	13,969	14,489
(10,301)	(11,117)	(11,643)	(12,368)	(12,928)	(13,413)	(14,090)	(14,811)
0	0	0	0	0	0	0	0

Rating System

Rating System

Council provides local public services and infrastructure that the community needs to survive and prosper. Providing these services comes at a cost and a large portion is collected from the rates that Council charge property owners. This document explains how rates are calculated.



The law that enables Councils to collect rates is the Local Government (Rating) Act 2002.

It is important to us that our rating system

- Provides enough revenue to cover costs
- Spreads the costs of providing services as fairly as possible
- Meets legal requirements
- Can be understood by the ratepayer and promotes accountability.



The rating system forms a part of the Funding Impact Statement and should be read in conjunction with the Council's Revenue and Financing Policy.

How Council calculates your rates

Rates are a property tax that is charged each year by the Council.

Council decides what services it will provide in the future and how much it will cost. The cost is then allocated over the properties in the district.

Changes in rates can be because of changes to buildings (or other improvements) or land values, changes in Council costs, and changes in the services provided (amongst other reasons).

Rating base

Rates are assessed on all rating units as at 30th June of the preceding year. For example the 2018/19 rates are assessed on rating units at 30 June 2018.

Financial year	Projected rating units in the district	Financial year	Projected rating units in the district
2017/18 Annual Plan	13,689		
2018/19	14,177	2023/24	15,287
2019/20	14,399	2024/25	15,491
2020/21	14,623	2025/26	15,722
2021/22	14,852	2026/27	15,951
2022/23	15,076	2027/28	16,180



Inspection of Rating Information Database

In accordance with the Local Government (Rating) Act 2002, the District Valuation Roll and Rates Records are available for public inspection at the Council Offices, 135 Manchester Street, Feilding, between the hours of 8am and 5pm on all business days of the week (except Wednesday - 9am to 5pm).



Definition of Separately Used or Inhabited Part of a Rating Unit

A separately used or inhabited part of a rating unit includes any part of a rating unit that can be used separately or inhabited by either the owner or any other person who has the right to use or inhabit that part by virtue of a tenancy, lease, licence or other agreement. As a minimum, the land or premises intended to form the separately used or inhabited part of the rating unit must be capable of actual habitation, or separate use.

Separately Used or Inhabited Part - for a Residential Rating Unit

Includes a building or part of a building that is, intended to be used as, or is able to be used as, an independent residence with independent kitchen with connected cooking facilities.

Separately Used or Inhabited Part - for a Commercial Rating Unit

Means a building or part of a building that is, or intended to be, or is able to be, separately tenanted, leased or subleased for commercial purposes.



Not rated as separately used parts of a rating unit:

- A residential sleep-out or granny flat without independent kitchen facilities
- A hotel/motel/hostel room with or without kitchen facilities
- Individual storage garages/sheds/partitioned areas of a warehouse
- Individual offices/premises of partners in a partnership
- Bed and Breakfast, Home Stay

Types of rates

- General Rates – generally used by the Council to fund activities that are of public benefit and cannot be charged to specific users
- Targeted Rates – generally used by Council to fund specific activities.

For the purpose of differentiating certain rate types, each rating unit is categorised by the Council using the following matters:

- where it is situated in the district
- what the rating unit is used for
- what activities are allowed.

The Council sets and assesses the General Rate, the Roading Targeted Rate and the Parks Reserves and Sports Grounds Targeted Rate differentially.

Differential Category	Description
1. Feilding Residential	Being all rating units situated within the 2009 Feilding differential rating area (refer to the map below) used solely or principally for residential or farming purposes or is vacant, but excluding those rating units included in Category 2 and 3.
2. Feilding Rural	Being all rating units situated within the 2009 Feilding differential rating area (refer to the map below) being properties zoned Rural 1, Rural 2 or Flood Channel 2 under the Manawatū District Plan.
3. Feilding CBD	Being all rating units situated within the 2009 Feilding Central Business differential rating area (refer to the map below), not used solely or principally for residential purposes.
4. Rural	Being all rating units situated outside the 2009 Feilding differential rating area excluding those rating units included in Category 5 and 6.
5. Industrial and Commercial	Being all rating units zoned Industrial under the Manawatū District Plan and used solely or principally for commercial or industrial purposes excluding those rating units included in Category 3 OR all rating units in the 2009 Feilding differential rating area used solely or principally for conducting a business but excluding those rating units in Category 3.
6. Utilities	Being all rating units situated within the Manawatū District that have been identified as infrastructure utility networks.

“Feilding Differential Rating Area 2009”



“Feilding Central Business District Differential Rating Area 2009”



More detailed maps are available at Council’s office

Goods and Services Tax (GST)

All amounts stated in this rating system document are GST inclusive.

General Rate

The Council sets and assesses a general rate on capital value (CV) on all rating units in the district on a differential basis. The CV of the relevant rating unit is multiplied by the relevant rate in the \$ depending on the rating unit's differential category.

Differential Category	Basis	Differential	Rate in the \$ of CV	Estimated Revenue \$
1. Feilding Residential	CV	1.00	0.00106	1,723,869
2. Feilding Rural	CV	0.50	0.00053	170,978
3. Feilding CBD	CV	2.25	0.00239	350,084
4. Rural	CV	0.40	0.00043	2,337,451
5. Industrial and Commercial	CV	1.60	0.00170	279,841
6. Utilities	CV	1.60	0.00170	153,787

Total revenue collected from General Rates for 2018/2019 is \$5,016,010.

Uniform Annual General Charge

The Uniform Annual General Charge is assessed on all rating units in the district as a fixed amount per separately used or inhabited part of a rating unit.

Uniform Annual General Charge \$599.00

Total revenue collected from Uniform Annual General Charge for 2018/2019 is \$7,975,852.

Parks, Reserves and Sports Grounds Targeted Rate

The Parks, Reserves and Sports Grounds Targeted Rate is assessed on all rating units in the district on a differential basis. The capital value (CV) of the relevant rating unit is multiplied by the relevant rate in the \$ depending on the rating unit's differential category.

Differential Category	Basis	Differential	Rate in the \$ of CV	Estimated Revenue \$
1. Feilding Residential	CV	1.00	0.00066	1,075,512
2. Feilding Rural	CV	0.30	0.00020	64,003
3. Feilding CBD	CV	2.75	0.00182	266,952
4. Rural	CV	0.30	0.00020	1,093,741
5. Industrial and Commercial	CV	1.50	0.00099	163,679
6. Utilities	CV	1.75	0.00116	104,942

Total revenue collected from Parks and Sport Grounds targeted rate for 2018/2019 is \$2,768,829.

Parks, Reserves and Sports Grounds Uniform Targeted Rate

The Parks, Reserves and Sports Ground Uniform Targeted Rate is assessed on all rating units in the district as a fixed amount per separately used or inhabited part of a rating unit.

Parks, Reserves and Sports Ground Uniform Targeted Rate \$25.00

Total revenue collected from Parks Reserves and Sports Grounds Uniform Targeted Rate for 2018/2019 is \$332,500.

Roading Targeted Rate

The Roothing Targeted Rate is assessed on all rating units in the district on a differential basis. The capital value (CV) of the relevant rating unit is multiplied by the relevant rate in the \$ depending on the rating unit's differential category.

Differential Category	Basis	Differential	Rate in the \$ of CV	Estimated Revenue \$
1. Feilding Residential	CV	1.00	0.00092	1,493,236
2. Feilding Rural	CV	0.65	0.00060	192,534
3. Feilding CBD	CV	2.75	0.00253	370,635
4. Rural	CV	0.65	0.00060	3,290,184
5. Industrial and Commercial	CV	1.50	0.00138	227,251
6. Utilities	CV	1.75	0.00161	145,701

Total revenue collected from Rooding Targeted Rate for 2018/2019 is \$5,719,541.

Rooding Uniform Targeted Rate

A Rooding Uniform Targeted Rate is assessed on all rating units in the district as a fixed amount per separately used or inhabited part of a rating unit.

Rooding Uniform Targeted Rate \$100.00

Total revenue collected from Rooding Uniform Targeted Rate for 2018/2019 is \$1,330,000.

Makino Aquatic Centre Targeted Rate

This rate is assessed on all rating units in the district on a differential basis, as a fixed amount per separately used or inhabited part of a rating unit.

Within Feilding Differential Rating Area \$192.00

Outside the Feilding Differential Rating Area \$137.00

Total revenue generated by the Makino Aquatic Centre Targeted Rate for 2018/2019 is \$2,200,612.

Library Targeted Rate

This rate is assessed on all rating units in the district on a differential basis, as a fixed amount per separately used or inhabited part of a rating unit.

Within Feilding Differential Rating Area \$135.00

Outside the Feilding Differential Rating Area \$96.00

Total revenue generated by the Libraries Targeted Rate for 2018/2019 is \$1,545,478.

Kerbside Recycling Targeted Rate

This rate is assessed on all rating units in the district as a fixed amount per separately used or inhabited part of a rating unit that have the kerbside recycling service available (excluding vacant land) as a fixed amount per separately used or inhabited part of a rating unit.

Kerbside Recycling Targeted Rate \$116.00

Total revenue to be generated by Kerbside Recycling Targeted Rate for 2018/2019 is \$794,346

Feilding CBD Redevelopment Targeted Rate

This rate is assessed on all rating units in the Feilding CBD differential category at \$0.00195 per \$ of capital value.

Total revenue generated by Feilding CBD Redevelopment Targeted Rate for 2018/2019 is \$266,205.

Feilding CBD Security Targeted Rate

This rate is assessed on all rating units in the Feilding CBD differential category as a fixed amount per separately used or inhabited part of a rating unit.

Feilding CBD Security \$305.00

Total revenue to be collected by Feilding CBD Security Targeted Rate for 2018/2019 is \$78,718.

Ultra-Fast Broadband Infrastructure Targeted Rate

This rate is assessed on all rating units in Kawakawa Road/ Darragh Road industrial area within 10 metres of the Ultra-Fast Broadband infrastructure as a fixed amount per separately used or inhabited part of a rating unit.

Ultra Fast Broadband Infrastructure \$1,804.00

Total revenue to be collected by Ultra Fast Broadband Infrastructure Targeted Rate for 2018/2019 is \$39,677.

Stormwater Targeted Rate

The Stormwater Targeted Rate is assessed on all rating units within the Feilding Differential Rating Area AND all rating units zoned as "village" in the district plan located in Rongotea, Sanson, Himatangi Beach, Tangimoana, Halcombe and Cheltenham. This rate is a fixed amount per rating unit.

Stormwater Targeted Rate \$103.00

Total revenue to be generated from Stormwater Targeted Rates for 2018/2019 is \$787,534.

Rural Land Drainage Targeted Rates

This rate is assessed on all rating units that are part of one or more of the drainage schemes listed in the table below on a differential basis, based on the land value (LV) of the rating unit. Details scheme maps are available at Council's office.

Category	Rate in \$ of LV	Estimated Revenue \$
Bainesse drainage district		
Bainesse Class A	0.000450	4,426
Bainesse Class B	0.000220	2,766
Bainesse Class C	0.000190	1,107
Makowhai drainage district		
Makowhai Class A	0.000300	4,560
Makowhai Class B	0.000220	3,040
Makowhai Class C	0.000040	1,520
Maire drainage district		
Maire Class A	0.000300	1,595
Maire Class B	0.000100	1,276
Maire Class C	0.000120	957
Maire Class D	0.000160	638
Oroua Downs drainage district		
Oroua Downs Class A	0.000860	32,804
Oroua Downs Class B	0.000420	24,603
Oroua Downs Class C	0.000270	16,402

Total revenue to be generated from Rural Land Drainage Targeted Rates for 2018/2019 is \$95,694.

Wastewater Disposal Targeted Rate

The Wastewater Disposal Targeted Rate is assessed on all rating units either connected, or capable of connection, to the Council's wastewater system, and is assessed on differential basis bases on the level of wastewater service provided to the rating unit.

“Connected”

A charge for each toilet or urinal, that is connected to a Council operated wastewater scheme, excluding restricted service or those that have chosen volumetric charging. Any separately used or inhabited part of a rating unit that is used exclusively or principally as a residence will be charged for one toilet for each residence.

“Serviceable”

50% of the connected rate per rating unit that is not connected but is capable of being connected to a Council wastewater scheme as the reticulations system is within 10 meters of the rating unit.

“Restricted”

80% of the connected rate for each toilet or urinal, that is connected to a Council operated wastewater scheme, receiving a restricted service. Any separately used or inhabited part of a rating unit that is used exclusively or principally as a residence will be charged for one toilet for each residence. This includes Mount Taylor.

Wastewater disposal - Connected	\$760.00
Wastewater disposal - Serviceable	\$380.00
Wastewater disposal - Restricted	\$608.00

Total revenue to be generated from Wastewater Disposal Targeted Rates for 2018/2019 is \$6,084,509.

Water Supply Targeted Rates – Urban

The Water Supply Targeted Rate is assessed on all rating units either connected, or capable of connection, to the Council's wastewater system, and is assessed on differential basis bases on the level of wastewater service provided to the rating unit.

“Connected”

A charge for each separately used or inhabited part of a rating unit that is connected to a Council operated water supply, excluding restricted service, extraordinary connections or those that have chosen volumetric charging.

“Serviceable”

50% of the connected rate per rating unit that is not connected but is capable of being connected to a Council water supply scheme as the reticulations system is within 10 meters of the rating unit.

“Restricted”

80% of the connected charge for each separately used or inhabited part of a rating unit that is connected to a Council operated water supply, receiving a restricted service. This includes Mount Taylor and Sanson.

Water supply - Connected	\$350.00
Water supply - Serviceable	\$175.00
Water supply - Restricted	\$280.00

Total revenue to be generated from Water Supply – Urban Targeted Rates for 2018/2019 is \$2,351,309.

Volumetric Water Charges (water by meter)

These rates are assessed on rating units that are extraordinary water supply users (as defined in Council's Bylaws) and those that have chosen volumetric charging. The rate is assessed on a differential basis based on the level of service provision (connection size and number of connections).

Connection size	Charge per connection
15 mm to 20 mm	\$660.00
25 mm	\$700.00
32 mm	\$700.00
40 mm	\$744.00
50 mm	\$744.00
100 mm	\$864.00
150mm	\$948.00

Where a rating unit is supplied, in any rating year, in excess of 380 cubic meters, an additional consumption charge of \$1.45 per cubic meter of water supplied in excess of 380 cubic meters will be charged.

Water Supply Targeted Rates - Rural

A water supply targeted rate is assessed on all rating units in the schemes listed below, based on the units allocated/supplied.

Stanway/Halcombe Rural Water Scheme – per unit allocated	\$240.00
Waituna West Rural Water Scheme – per unit allocated	\$370.00
Kiwitea Rural Water Scheme – per unit allocated	\$207.00
Kiwitea Rural Water Scheme –per additional unit used but not allocated	\$269.10

Total revenue to be generated from Water Supply Targeted Rates – Rural for 2018/2019 is \$1,019,375

Capital Contribution Targeted Rate

Capital contribution targeted rates are assessed on rating units where ratepayers have signed an agreement to pay their capital contribution over a set term for the Himatangi Beach wastewater scheme and the Rongotea water scheme. Each of the rates is a fixed amount per rating unit, as set out in the table below.

Capital Contribution	Targeted Rate
Himatangi Beach wastewater scheme - ten year term, 1 July 2013 to 30 June 2023	\$1,392
Himatangi Beach wastewater scheme – twenty year term, 1 July 2013 to 30 June 2033	\$923
Rongotea water scheme - five year term, 1 July 2015 to 30 June 2020	\$966
Rongotea water scheme - ten year term, 1 July 2015 to 30 June 2025	\$564
Rongotea water scheme – twenty year term, 1 July 2015 to 30 June 2035	\$374

Rates invoice and penalty dates

The rates detailed in this Rating System (excluding the metered water) are calculated annually and detailed on the Rates Assessment. This covers the year 1 July 2018 to 30 June 2019.

Rates are collected in four instalments. Council sends an invoice in August, November, February and May. The due date for payment of the invoice is the last Friday of the month it is invoiced (as set out in the table below).

The following penalties will be added to unpaid rates

- A 10 per cent penalty will be added (on the penalty date as set out in the table below) to the unpaid balance of an instalment that is not paid by the due date (on the payment due date in the table below)..
- A 10 per cent penalty will be added on 11 July 2018 to any unpaid rates from previous financial years that remains unpaid on 6 July 2018. Another 10 per cent will be added on 8 January 2019 to any unpaid rates from previous financial years that remain unpaid on 3 January 2019.

If annual rates are paid in full by 30 November 2018, any penalty charged for instalment one will be reversed.

All payments received will be allocated to the oldest rates outstanding.

	Instalment One	Instalment Two	Instalment Three	Instalment Four
Invoice Date	1 August 2018	1 November 2018	1 February 2019	1 May 2019
Payment Due Date	31 August 2018	30 November 2018	22 February 2019	31 May 2019
Penalty Date	5 September 2018	5 December 2018	27 February 2019	5 June 2019

Volumetric Water Charges will be invoiced at the end of each quarter and are due for payment on the last working day of the following month.

	Quarter One	Quarter Two	Quarter Three	Quarter Four
Invoice Date	30 September 2018	31 December 2018	31 March 2019	30 June 2019
Payment Due Date	31 October 2018	31 January 2019	30 April 2019	31 July 2019

Individual 2018/2019 property rates assessments can be viewed on the website www.mdc.govt.nz, using the Property and Rates search function, or call 06 323 0000.

Rates Remission and Postponement Policies

This policy explains the conditions and criteria under which the Council might consider it appropriate to assist a ratepayer by providing rates relief.

Definitions

'District wide uniform rates' includes the following:

- uniform annual general charge
- parks reserves and sports grounds uniform targeted rate
- roading uniform targeted rate
- Makino Aquatic Centre targeted rate
- Library targeted rate

'Contiguous properties' is defined in section 20 of the Local Government (Rating) Act 2002.

"Two or more rating units must be treated as one rating unit for setting a rate if those units are:

- a) owned by the same person or persons; and*
- b) used jointly as a single unit; and*
- c) contiguous or separated only by road, railway, drain, water race, river or stream."*

Remission for properties farmed as one

Objective

This policy is to provide relief from 'district wide uniform rates' for non-contiguous rating units that are farmed as a single farming operation.

Conditions and criteria

The following criteria must be met to be granted this remission:

- Ratepayers must own or occupy more than one non-contiguous rating unit
- The rating units must be used as a single farming operation

Note: The ratepayer must pay one 'district wide uniform rate' for the combined rating units and for each additional dwelling.

Application Process

Application must be submitted on the required form. This includes a statutory declaration signed by the owner or ratepayer confirming that the rating units are and will continue to be operated as a single farming operation.

Applications must be received before the end of the first quarter of the rating year (30 September). Applications received after this date will have the remission applied to the next rating year. Applications will not be applied retrospectively.

Delegations

The Chief Executive, General Manager - Corporate and Regulatory or Chief Financial Officer have the delegated authority to approve or decline applications under this policy.

Remission for additional dwellings that are unoccupied

Objective

This policy is to provide relief from 'district wide uniform rates' applicable to an additional unoccupied dwelling on a rating unit.

Conditions and criteria

The policy applies to ratepayers who have additional dwellings that:

- Are currently uninhabited and will be uninhabited for the next 12 months
- Have had the power, water and telephone services disconnected
- Are part of contiguous or non-contiguous rating units that are owned or occupied by the same ratepayer
- Each rating unit will be charged at least one 'district wide uniform rate'

Application Process

Annual reapplication is required on a form supplied by Council. This includes a statutory declaration signed by the owner or ratepayer confirming that the additional dwelling is uninhabited and will be uninhabited for the next 12 months, and that the power, water and telephone services are disconnected.

Applications must be received before the end of the first quarter of the rating year (30 September). Applications received after this date will have the remission applied to the next rating year. Applications will not be applied retrospectively.

Delegations

The Chief Executive, General Manager - Corporate and Regulatory or Chief Financial Officer have the delegated authority to approve or decline applications under this policy.

Remission of penalties

Objective

This policy is to provide relief from the penalty incurred for non-payment of rates.

Council is to act fairly and reasonably in its consideration to provide this relief due to circumstances outside the ratepayer's control.

Conditions and criteria

The Council will remit the penalty incurred in the following circumstances:

- Automatic remission of the penalty incurred on instalment one will be made where the ratepayer pays the total amount due for the year on or before the due date of the second instalment
- Instalment penalty will be remitted if a direct debit has been established to pay the rates in full by the end of the financial year

The Council may remit the penalty incurred where the application meets the following criteria:

- Remission of penalty will be considered in any one rating year where payment has been late as a result of significant family disruption. Remission will be considered in the case of death, illness or accident of a family member
- Remission of the penalty may be granted if the ratepayer is able to provide evidence that their payment has gone astray in the post, or the late payment has otherwise resulted from matters outside their control. Each application will be considered on its merits and remission will be granted where it is considered just and equitable to do so

- The Council may remit small balances because of cash rounding
- Where the ratepayer has entered into an arrears repayment agreement for the duration of the agreement and provided that the conditions are adhered to, the account will be exempt from current instalment penalty charges and fifty per cent of arrears penalties

In implementing the policy, it is conditional that the full amount of rates due has been paid and circumstances of each case be taken into consideration on their individual merits.

Application Process

Unless the remission is initiated by Council staff, all requests for penalty remissions must be in writing (including email).

Delegations

The Chief Executive, General Manager - Corporate and Regulatory or Chief Financial Officer have the delegated authority to approve or decline applications under this policy.

Remission of the serviceable wastewater / water targeted rate (half charge)

Objective

This policy is to provide relief from the serviceable wastewater targeted rate (half charge) and/or the serviceable water targeted rate (half charge) charged for rating units that had an existing on-site wastewater disposal and/or water supply system prior to Council extending their reticulation system to the property.

Conditions and criteria

The following criteria must be met to be granted this remission:

- On-site wastewater disposal and/or water supply systems were in place prior to Council extending the reticulation system to the property

Application Process

A written application is required from the ratepayer of the rating unit.

This remission will continue until such time as the ratepayer connects to the Council services available. This remission will not be approved retrospectively.

Delegations

The Chief Executive, General Manager - Corporate and Regulatory or Chief Financial Officer have the delegated authority to approve or decline applications under this policy.

Remission of school sewerage charges

Objective

To recognise that schools may be disproportionately disadvantaged by Council's present "pan charge system" and to ensure schools are fairly charged for sewerage services based on their staff and student numbers rather than number of connections.

Conditions and criteria

The following criteria must be met to be granted this remission:

- Schools must meet the definition of an "Educational Establishment" as defined in schedule 1 of the Local Government (Rating) Act 2002

The remission will be calculated based on the following:

- Council will remit sewerage rates by subtracting the sum of calculation (b) from the sum of calculation (a)

Calculation (a) - Council's standard sewerage charge (based on the number of water closets/urinals)

Calculation (b) - the number of full time equivalent on-site students and staff divided by 20 and multiplied by the Uniform Targeted Rate for Sewerage. If the sum of calculation (b) is greater than (a) no remission will apply.

Application Process

No application is required. Council will liaise with the Ministry of Education each year to obtain rolls numbers as at 1st March. The remission will be applied automatically, based on the roll numbers.

Delegations

The Chief Executive, General Manager - Corporate and Regulatory or Chief Financial Officer have the delegated authority to approve or decline applications under this policy.

Remission of rates charged to utilities owned by not-for-profit organisations

Objective

To provide rates relief for utilities in differential category 6 that are owned by not-for-profit organisations or local authorities.

Conditions and criteria

The following criteria must be met to be granted this remission:

- The rating unit(s) must be a utility rated under differential category 6
- The utility is owned by a recognised not-for-profit organisation (defined by the Charities Commission or determined through common law) or a local authority.

Application Process

Council will apply this remission automatically if the ownership structure of the utility owner is known. In other cases written application is required.

Delegations

The Chief Executive, General Manager - Corporate and Regulatory or Chief Financial Officer have the delegated authority to approve or decline applications under this policy.

Remission of rates charged to charitable organisations

Objective

The purpose of granting rates support is to reduce the rating obligations on those charitable organisations that benefit the community.

This policy provides for additional rating support than is statutorily required through the Local Government (Rating) Act 2002 to support the arts, culture and heritage, sport and recreation and welfare, where these organisations support Council's Vision and Outcomes.

This includes those organisations whose land may be non-rateable under Schedule 1 Section 9 of the Local Government (Rating) Act 2002.

Conditions and criteria

Rates remissions for charitable organisations under this policy will be administered annually and may be made for a multi-year term to a maximum of three years.

Council may remit rates where the application meets the following criteria:

- Directly links with the Council's Vision and Outcomes; and
- A rating unit that may be owned by Council or owned and occupied by a charitable organisation, which is used principally for sporting, recreation, art or community purposes; or
- A rating unit that is leased by a charitable organisation for a period of at least one year; is used principally for recreation, sporting or community purposes, and where the organisation is liable for the payment of the Council's rates under the property's lease agreement

The definition of "charitable organisation" is a charitable entity which means a society, an institution, or the trustees of a trust that is or are registered as a charitable entity under the Charities Act 2005.

The policy does not apply to organisations that are not income tax exempt.

In allocating the rates support, Council will prioritise against the following:

- Activities that support sport and recreation
- Activities that will attract and retain residents
- Activities that will encourage the arts and contribute to a vibrant, thriving Manawatū

Applications will also be assessed against:

- Opportunity for participation/accessibility to Manawatū District residents
- Compliance with previous reporting requirements.

Remission scale

Council may remit 50% of the total rates payable, including the annual water meter charge, for those organisations that qualify under this policy.

Application process

All applications must be submitted on the required form. Applications must be received before the end of April to apply to the following financial year. Applications will not be applied retrospectively.

Organisations who apply need to include (where applicable):

- Statement of organisation's objectives
- Current financial statement
- Proof of charitable status
- Information on activities and programmes
- Details of membership or client numbers
- Any other information that supports the application in relation to the eligibility criteria

Council will consider each application on its merits, and provision of rates support in any year does not set a precedent for similar level of support in any future years.

Delegations

The Community Funding Committee has the delegated authority to approve or decline applications under this policy.

Remission of rates for small dwellings

Objective

This policy is to provide relief from 'district wide uniform rates' for ratepayers in respect of rating units that have two or more separately used and inhabited parts, where one or more dwellings are considered to be small.

Conditions and criteria

The following criteria apply:

- Floor area of each dwelling (not including garage) is less than 65sq metres
- The dwelling(s) must be used for residential purposes only
- The dwelling(s) must be located on one rating unit

The Council may reduce each 'district wide uniform rate' charge up to 35% where an excess of one 'district wide uniform rate' applies. i.e. the first 'district wide uniform rate' will be at the full rate with 35% remission applying to each subsequent 'district wide uniform rate'.

Application process

Application must be submitted on the required form. This includes a statutory declaration signed by the owner or ratepayer confirming that the dwelling(s) have a floor space of less than 65 square metres.

Applications must be received before the end of the first quarter of the rating year. Applications received after this date will have the remission applied to the next rating year. Applications will not be applied retrospectively.

Delegations

The Chief Executive, General Manager - Corporate and Regulatory or Chief Financial Officer have the delegated authority to approve or decline applications under this policy.

Remission of water by meter rates in the event of a water leak

Objective

To provide relief from excess water by meter charges resulting from a water leak on a property.

Conditions and criteria

Ratepayers are liable for water supplied through the water meter and are responsible for the maintenance of the supply system on their property. However they may experience a leak or damage to the supply of which they are unaware. Council considers it reasonable to allow a remission of water charges in these circumstances.

In certain circumstances Council may provide for relief of water by meter charges that occur as a result of leaks. The following criteria apply:

- Council is satisfied a leak on the property has caused the excessive consumption and the leak has been repaired
- The remission granted will be based on the excess water usage, less the normal consumption of water for similar periods
- The remission will apply to the quarter the leak was identified and the following quarter, providing adequate time to repair the leak. Where there are extenuating circumstances, the period of the remission may be extended
- It is the ratepayer's responsibility to maintain the water assets on their property. Recurring leaks may be an indication of systemic failure and the remission may be declined

Application process

Application must be made in writing explaining the circumstances of the situation and providing evidence of the remedial action taken to repair the leak.

Delegations

The Chief Executive, General Manager - Corporate and Regulatory or Chief Financial Officer have the delegated authority to approve or decline applications under this policy, following the recommendation from the General Manager – Infrastructure or Utilities Manager.

Remission of rates for land affected by natural calamity

Objective

To assist ratepayers experiencing financial hardship due to a natural calamity.

Conditions and criteria

Remissions approved under this policy do not set a precedent and will be applied only for each specific event and only to properties affected by the event.

The Council may remit all, or part of, any rate on any rating unit where the application meets the following criteria:

- Where erosion, subsidence, submersion or other natural calamity has affected the use or occupation of any rating unit
- It is applicable for each single event. This does not apply to erosion, subsidence etc. that may have occurred without a recognised major event

Council has discretion in applying this remission and may change criteria with each event. In exercising this discretion Council will consider the nature and the severity of the event and available funding at the time.

The Council may require financial or other records to be provided as part of the remission approval process.

Application process

The application process will be determined by Council at the time of determining the criteria for each event.

Delegations

An individual event or calamity is to be approved by Council.

Remission of rates for Queen Elizabeth II National Trust Open Spaces Covenants

Objective

To provide rates relief where land is legally protected under a Queen Elizabeth II (QE II) Open Space Covenant.

Conditions and criteria

Council may remit rates where the application meets the following criteria:

- The land, or portion of land, has a legal binding QE II Open Space Covenant registered on the title
- The land, or portion of land, is not being used for other purposes
- There are no buildings on the land

Calculation of the remission is on a case-by-case basis, with the determination of the capital value for the covenanted land to be made by Council's valuation service provider.

Application process

This remission will be applied automatically if Council is aware of the QE II Open Space Covenant. In other cases written application is required.

Delegations

The Chief Executive, General Manager - Corporate and Regulatory or Chief Financial Officer have the delegated authority to approve or decline applications under this policy.

Remission of rates for miscellaneous circumstances

Objective

Council recognises that not all situations in which the Council may wish to remit rates will be provided for in Council's specific policies or necessarily be known about by the ratepayer in advance.

Conditions and criteria

The Council, rates on a rating unit where it considers it just and equitable to do so:

- The application does not meet the circumstances provided for in any of the Council's other remission policies
- Financial records may be required.

Application process

Council may apply this remission if it considers the rating system is inequitable. In other cases written application from the ratepayer is required.

Delegations

The Chief Executive and the General Manager - Corporate and Regulatory have the delegated authority to approve or decline applications under this policy.

Rates postponement policy

Council does not have a rates postponement policy.

Remission and postponement policy for Māori freehold land

Council is required pursuant to section 102 of the Local Government Act 2002 to have a policy on the remission and postponement of rates on Māori freehold land.

Māori freehold land is defined in the Local Government (Rating) Act 2002 as land whose beneficial ownership has been determined by a freehold order issued by the Māori Land Court.

Section 108 of the Local Government Act 2002 prescribes that policy does not require Council to provide for remission of, or postponement of, the requirement to pay rates on Māori freehold land.

Council is aware that there is little, if any, undeveloped Māori freehold land within the District that may require a policy to provide rates relief. It is also aware that applications for rates relief that meet certain criteria can be considered under existing Council policies and legislation. As a consequence the Council will not provide for any remissions or postponements under this policy.



Manawatū District Council Prospective Statement of Comprehensive Revenue and Expense

	Annual Plan 2018 \$000	Note	Year 1 2019 \$000	Year 2 2020 \$000
Revenue				
Rates revenue	32,318		34,291	36,275
Financial revenue	217		242	327
Subsidies and grants	8,031		7,738	8,996
Development and financial contributions	696		2,860	2,943
Other revenue	8,657		11,018	12,321
Other gains/(losses)	417		0	0
Total revenue	50,336	1	56,149	60,863
Expenditure				
Personnel costs	11,984		12,578	13,019
Depreciation and amortisation	13,192	2	13,211	13,931
Finance costs	2,969		3,491	4,006
Other operating expenses	22,131		23,985	25,067
Total operating expenditure	50,276	1	53,265	56,023
Operating surplus/(deficit) before tax	60		2,884	4,840
Income tax expense	0		0	0
Net surplus/(deficit) after tax	60	3	2,884	4,840
Other comprehensive revenue and expense				
Gains on the revaluation of property, plant and equipment	13,083		11,175	16,318
Impairment losses on restricted buildings through other comprehensive revenue and expenses	0		0	0
Gains/(losses) on financial assets at fair value through other comprehensive revenue	0		0	0
Total other comprehensive revenue and expense	13,083		11,175	16,318
Total comprehensive revenue and expense for the year	13,143		14,059	21,158

Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
2021	2022	2023	2024	2025	2026	2027	2028
\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
37,464	38,939	40,524	41,665	42,592	43,563	44,677	45,328
271	266	261	276	329	321	314	330
6,502	8,541	8,070	8,257	8,549	8,760	8,986	8,681
3,055	3,021	2,880	2,821	3,320	3,336	3,401	3,304
12,686	13,421	14,032	16,159	14,405	15,462	15,240	15,363
0	0	0	0	0	0	0	0
59,978	64,188	65,768	69,179	69,195	71,442	72,617	73,006
13,296	13,514	13,774	14,039	14,310	14,586	14,867	15,154
14,724	15,400	15,990	16,517	16,989	17,473	17,939	18,419
4,266	4,405	4,388	4,354	4,170	3,823	3,477	3,058
25,626	26,998	28,383	28,915	29,815	30,875	31,767	31,972
57,912	60,316	62,534	63,825	65,284	66,757	68,050	68,604
2,066	3,872	3,233	5,354	3,911	4,686	4,567	4,402
0	0	0	0	0	0	0	0
2,066	3,872	3,233	5,354	3,911	4,686	4,567	4,402
12,984	13,960	19,496	15,433	16,432	22,702	18,357	19,488
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
12,984	13,960	19,496	15,433	16,432	22,702	18,357	19,488
15,051	17,832	22,729	20,787	20,343	27,387	22,924	23,890

Manawatū District Council Prospective Statement of Changes in Net Assets/Equity

	Annual Plan 2018 \$000	Note	Year 1 2019 \$000	Year 2 2020 \$000
Opening Equity Balance	589,259	5	618,572	632,630
Total other comprehensive income and expense	13,143		14,059	21,158
Closing Equity Balance	602,402		632,630	653,789

Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
2021	2022	2023	2024	2025	2026	2027	2028
\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
653,789	668,839	686,671	709,401	730,188	750,531	777,918	800,842
15,051	17,832	22,729	20,787	20,343	27,387	22,924	23,890
668,839	686,671	709,401	730,188	750,531	777,918	800,842	824,732

Manawatū District Council Prospective Statement of Financial Position

	Annual Plan 2018 \$000	Note	Year 1 2019 \$000	Year 2 2020 \$000
Assets				
Current assets				
Cash and cash equivalents	2,962		2,196	1,863
Accounts receivable	7,729		6,682	6,824
Investment in Council Controlled Entities	279		292	309
Other financial assets	0		42	36
Non-current assets held for sale	0		0	0
Total current assets	10,970		9,212	9,031
Non-current assets				
Property, plant and equipment	660,460		703,117	731,566
Intangible assets	818		828	844
Investment in associate	0		1	1
Investment in Council Controlled Entities	4,336		4,910	4,732
Other financial assets	2,953		318	282
Total non-current assets	668,567		709,174	737,425
Total assets	679,537		718,386	746,456
Liabilities				
Current liabilities				
Accounts payable	9,657		7,629	7,855
Provisions	103		44	39
Employee entitlements	801		797	814
Borrowings	5,000		8,359	11,892
Total current liabilities	15,561		16,829	20,601
Non-current liabilities				
Provisions	606		506	502
Borrowings	60,968		68,420	71,564
Total non-current liabilities	61,574		68,926	72,066
Total liabilities	77,135		85,755	92,667
Equity				
Retained earnings	464,711	7	478,839	482,978
Other reserves	137,691	7	153,791	170,811
Total equity	602,402		632,630	653,789
Total Liabilities and Equity	679,537		718,386	746,456

Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
2021	2022	2023	2024	2025	2026	2027	2028
\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
1,660	1,889	1,944	7,926	2,575	4,421	4,849	4,309
6,972	7,126	7,293	7,460	7,640	7,833	8,033	8,245
318	328	340	419	436	425	338	350
38	39	20	20	21	22	24	25
0	0	0	0	0	0	0	0
8,987	9,381	9,597	15,825	10,672	12,701	13,244	12,929
750,783	770,447	790,953	807,168	823,273	843,781	858,245	872,888
914	986	1,006	1,027	1,049	1,073	1,099	1,125
1	1	1	1	1	1	1	1
4,560	4,268	3,895	3,564	4,415	4,245	3,826	4,991
244	205	185	165	144	122	98	73
756,502	775,907	796,039	811,925	828,882	849,222	863,269	879,078
765,490	785,288	805,636	827,750	839,554	861,924	876,513	892,007
8,098	8,243	8,333	8,547	8,458	8,868	8,948	8,923
47	48	50	51	53	54	93	57
832	850	870	890	911	934	958	984
7,399	7,406	413	10,421	5,428	8,414	8,332	8,000
16,376	16,547	9,666	19,908	14,850	18,271	18,331	17,964
490	477	461	444	423	400	337	308
79,785	81,593	86,108	77,210	73,750	65,335	57,003	49,003
80,275	82,070	86,569	77,654	74,173	65,735	57,340	49,311
96,650	98,617	96,235	97,562	89,023	84,006	75,671	67,275
484,684	487,423	489,180	492,944	495,060	497,536	499,609	501,303
184,155	199,248	220,220	237,244	255,471	280,383	301,233	323,429
668,839	686,671	709,401	730,188	750,531	777,918	800,842	824,732
765,490	785,288	805,636	827,750	839,554	861,924	876,513	892,007

Manawatū District Council Prospective Statement of Cash Flows

	Annual Plan 2018 \$000	Year 1 2019 \$000	Year 2 2020 \$000
Cash flows from operating activities			
Cash was provided from:			
Receipts from rates revenue	32,318	34,291	36,275
Interest received	209	234	319
Dividend received	8	8	8
Receipts from other revenue	17,384	21,091	23,908
Cash was disbursed to:			
Payments to suppliers and employees	(34,074)	(36,563)	(38,086)
Interest paid	(2,969)	(3,491)	(4,006)
Income tax paid	0	0	0
Goods and services tax (net)	0	0	0
Net cash from operating activities	12,876	15,570	18,418
Cash flows from investing activities			
Cash was provided from:			
Proceeds from sale of property, plant and equipment	2,000	1,800	1,100
Net investments movements	411	(1,095)	334
Cash was disbursed to:			
Purchase of intangible assets	(52)	(99)	(54)
Purchase of property, plant and equipment	(31,128)	(32,537)	(26,808)
Net cash from investing activities	(28,768)	(31,931)	(25,427)
Cash flows from financing activities			
Cash was provided from:			
Proceeds from borrowing	15,278	24,652	15,036
Cash was disbursed to:			
Repayment of borrowings	(5,000)	(10,746)	(8,359)
Net cash from financing activities	10,278	13,906	6,677
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	(5,615)	(2,454)	(332)
Cash, cash equivalents and bank overdrafts at the beginning of the year	8,577	4,650	2,196
Cash, cash equivalents and bank overdrafts at the end of the year	2,962	2,196	1,863

Year 3 2021 \$000	Year 4 2022 \$000	Year 5 2023 \$000	Year 6 2024 \$000	Year 7 2025 \$000	Year 8 2026 \$000	Year 9 2027 \$000	Year 10 2028 \$000
37,464	38,939	40,524	41,665	42,592	43,563	44,677	45,328
263	258	253	268	321	313	306	322
8	8	8	8	8	8	8	8
22,243	24,918	24,760	25,140	26,273	26,917	27,505	27,348
(38,922)	(40,512)	(42,156)	(42,954)	(44,124)	(45,460)	(46,635)	(47,126)
(4,266)	(4,405)	(4,388)	(4,354)	(4,170)	(3,823)	(3,477)	(3,058)
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
16,790	19,207	19,002	19,773	20,900	21,518	22,384	22,821
5,000	0	0	0	0	0	0	0
345	356	367	360	(1,076)	457	447	(1,391)
(108)	(111)	(58)	(59)	(60)	(62)	(63)	(65)
(25,957)	(21,038)	(16,778)	(15,201)	(16,662)	(14,638)	(13,924)	(13,574)
(20,721)	(20,792)	(16,469)	(14,900)	(17,798)	(14,244)	(13,541)	(15,030)
15,620	9,214	4,928	1,522	1,968	0	0	0
(11,892)	(7,399)	(7,406)	(413)	(10,421)	(5,428)	(8,414)	(8,332)
3,727	1,815	(2,477)	1,109	(8,453)	(5,428)	(8,414)	(8,332)
(203)	229	55	5,983	(5,351)	1,846	428	(541)
1,863	1,660	1,889	1,944	7,926	2,575	4,421	4,849
1,660	1,889	1,944	7,926	2,575	4,421	4,849	4,309

Notes to the Financial Statements

Note 1

Reconciliation of Prospective Statement of Comprehensive Revenue and Expense to the Funding Impact Statement (FIS)

The Funding Impact Statements (FIS) throughout the document are prepared in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014. They do not comply with Generally Accepted Accounting Practices (GAAP). However, the core financial statements (prospective statement of comprehensive revenue and expense, prospective statement of changes in net assets / equity, prospective statement of financial position and the prospective statement of cash flows) are prepared in compliance with GAAP. The following is a reconciliation between the revenue and expenditure shown in the prospective statement of comprehensive revenue and expense and the Council's overall Funding Impact Statement.

	Annual Plan	Year 1	Year 2
	2018	2019	2020
	\$000	\$000	\$000
Operating Revenue in the FIS	43,888	47,500	51,606
Subsidies and grants for capital expenditure	5,010	4,764	5,960
Development and financial contributions	1,021	2,860	2,943
Vested Assets	0	1,025	353
Net gain and losses not included in FIS	417	0	0
Total Revenue in the Statement of Comprehensive Revenue and Expense	50,338	56,149	60,863
Applications of Operating Funding in the FIS	37,084	40,054	42,092
Depreciation not included in the FIS	13,192	13,211	13,931
Total Operating Expenditure in the Statement of Comprehensive Revenue and Expense	50,276	53,265	56,023

Year 3 2021 \$000	Year 4 2022 \$000	Year 5 2023 \$000	Year 6 2024 \$000	Year 7 2025 \$000	Year 8 2026 \$000	Year 9 2027 \$000	Year 10 2028 \$000
53,489	56,034	58,187	59,676	61,223	62,697	64,202	64,995
3,434	5,068	4,478	4,583	4,652	4,768	4,892	4,707
3,055	3,021	2,880	2,821	3,320	3,336	3,401	3,304
0	65	222	2,098	0	642	122	0
0	0	0	0	0	0	0	0
59,978	64,188	65,768	69,179	69,195	71,442	72,617	73,006
43,188	44,916	46,544	47,308	48,294	49,283	50,112	50,185
14,724	15,400	15,990	16,517	16,989	17,473	17,939	18,419
57,912	60,316	62,534	63,825	65,284	66,757	68,050	68,604

Note 2

Depreciation and Amortisation Expense per Group of Activities

	Annual Plan	Year 1	Year 2
	2018	2019	2020
	\$000	\$000	\$000
Community Facilities	1,421	1,303	1,466
District Development	0	0	0
Emergency Management	5	7	10
Regulatory	8	15	16
Governance and Strategy	0	0	0
Roading Network	7,271	7,251	7,410
Solid Waste	67	91	199
Stormwater and Drainage	443	503	515
Wastewater	1,654	1,848	2,088
Water Supply	1,631	1,498	1,534
Support Services	692	694	694
Total Depreciation and Amortisation	13,192	13,211	13,931

Year 3 2021 \$000	Year 4 2022 \$000	Year 5 2023 \$000	Year 6 2024 \$000	Year 7 2025 \$000	Year 8 2026 \$000	Year 9 2027 \$000	Year 10 2028 \$000
1,805	2,037	2,165	2,280	2,409	2,540	2,627	2,705
0	0	0	0	0	0	0	0
10	10	10	11	11	11	12	12
17	17	17	18	18	19	19	20
0	0	0	0	0	0	0	0
7,594	7,770	7,961	8,146	8,346	8,553	8,774	9,010
203	208	212	217	222	228	234	240
527	539	552	565	580	595	610	627
2,304	2,514	2,715	2,878	2,953	3,029	3,111	3,197
1,569	1,609	1,662	1,707	1,755	1,805	1,858	1,914
695	695	695	694	694	694	694	694
14,724	15,400	15,990	16,517	16,989	17,473	17,939	18,419

Note 3

Explanation of Net Operating Surplus (Deficit) after tax

Section 100 of the Local Government Act 2002 requires Council to ensure projected operating revenues are set at a level sufficient to meet that year's projected operating expenses. The table below details the make up of the net surplus/(deficit) as detailed in the Statement of Comprehensive Revenue and Expense.

	Annual Plan 2018 \$000	Year 1 2019 \$000	Year 2 2020 \$000
Net surplus/(deficit) after tax	60	2,884	4,840
The surplus/(deficit) consists of the following			
Roading subsidy received from NZ Transport Agency to fund capital expenditure	4,800	4,550	5,960
Subsidies and grants for capital expenditure	210	214	0
Capital contributions and connection fees used to fund capital expenditure	325	239	234
Development contributions recognised as revenue but used to fund past or future capital expenditure in relation to growth	696	2,621	2,709
Depreciation not funded			
- Roading (renewal funded by NZTA subsidy)	(3,507)	(3,497)	(3,574)
- Parks (only 50% of depreciation is funded)	(203)	(161)	(204)
- Halls (depreciation is only funded on recreation complexes)	(218)	(216)	(219)
Loans principal repayments funded from rates			
- CBD redevelopment loans	93	100	106
- Ultra Fast Broadband	4	6	7
Gain on property recognised	417	0	0
Write back of the impairment of debt	0	0	0
Vested Assets	0	1,025	353
Use of reserves and special funds (including interest on growth account, subdivision development etc.)	(2,557)	(1,997)	(532)
	60	2,884	4,840

Year 3 2021 \$000	Year 4 2022 \$000	Year 5 2023 \$000	Year 6 2024 \$000	Year 7 2025 \$000	Year 8 2026 \$000	Year 9 2027 \$000	Year 10 2028 \$000
2,066	3,872	3,233	5,354	3,911	4,686	4,567	4,402
3,434	5,068	4,478	4,583	4,652	4,768	4,892	4,707
0	0	0	0	0	0	0	0
240	246	252	258	264	271	278	286
2,815	2,775	2,629	2,564	3,055	3,065	3,123	3,018
(3,663)	(3,748)	(3,839)	(3,929)	(4,025)	(4,125)	(4,232)	(4,345)
(298)	(319)	(363)	(396)	(441)	(480)	(502)	(520)
(228)	(228)	(228)	(228)	(228)	(228)	(228)	(228)
113	119	127	135	143	152	161	171
7	8	8	9	9	10	10	1
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	65	222	2,098	0	642	122	0
(355)	(115)	(52)	260	481	611	943	1,313
2,066	3,872	3,233	5,354	3,911	4,686	4,567	4,402

Note 4

Water by meter included in Rates

Water charged by volume (water by meter) are included in rates revenue in the Statement of Comprehensive Revenue and Expense and in targeted rates in the Funding Impact Statements. The amount of water by meter included in rates is:

	Annual Plan	Year 1	Year 2
	2018	2019	2020
	\$000	\$000	\$000
Water by meter included in rates	959	1,201	1,230

Note 5

Opening Balances

The opening balances for 1 July 2018 do not agree with the closing balances for the prior year's Annual Plan (30 June 2018). The Annual Plan was approved by Council in June 2017 and the Annual Plan closing balances reflect the planned position at that time. Actual results for the 2017/18 financial year do not always reflect the position included in the plan. Potential changes include capital projects not progressing and therefore the associated funding is not uplifted, revaluations being different than planned, variances in cash requirements and the resulting impact on equity. To calculate the opening balances for the Long Term Plan we have reforecasted the closing balances at 30 June 2018 to reflect known changes. The main items impacted include cash, investments, property plant and equipment, borrowing and equity.

Note 6

Funding Impact Statements - transfer between operational and capital activities

	Annual Plan	Year 1	Year 2
	2018	2019	2020
	\$000	\$000	\$000
Surplus (deficit) of operating funding	6,804	7,446	9,515
Surplus (deficit) of capital funding	(6,804)	(7,446)	(9,515)
Funding Balance	0	0	0
Loan principal repayments funded by rates	97	106	113
Depreciation funded by rates but transferred to reserve to fund renewal (current and future years)	9,264	9,337	9,934
Operating items funded from the transfer of reserves included in the capital activities	(2,557)	(1,997)	(532)
	6,803	7,446	9,515

Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
2021	2022	2023	2024	2025	2026	2027	2028
\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
1,260	1,289	1,319	1,351	1,385	1,420	1,458	1,498

Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
2021	2022	2023	2024	2025	2026	2027	2028
\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
10,301	11,117	11,643	12,368	12,928	13,413	14,090	14,811
(10,301)	(11,117)	(11,643)	(12,368)	(12,928)	(13,413)	(14,090)	(14,811)
0	0	0	0	0	0	0	0
120	127	135	144	152	162	171	172
10,535	11,105	11,559	11,964	12,295	12,640	12,977	13,326
(355)	(115)	(52)	260	481	611	943	1,313
10,301	11,117	11,643	12,368	12,928	13,413	14,090	14,810

Note 7

Reserve Fund Movements

Equity is made up of a number of reserves - refer to the Statement of Accounting Policies. The following is a summary of reserve funds over the life of the Long Term Plan for each class of funds.

RETAINED EARNING	Annual Plan	Year 1	Year 2
	2018	2019	2020
	\$000	\$000	\$000
Accumulated Funds			
Included in the Accumulated Funds in the balance sheet are two types of reserves. These are separate funds and growth funds detailed below.			
Growth Funds			
These funds are created from Development and Financial Contributions levied. They are used for growth related expenditure for the creation of community assets. These include roads, parks and reserves, stormwater, wastewater and water supply.			
Opening balances	2,424	(681)	(2,731)
Transfers to reserves	696	2,621	2,709
Transfers from reserves	(3,084)	(4,671)	(4,829)
Closing Balance	36	(2,731)	(4,852)
Depreciation Reserves			
These funds are created from depreciation and amortisation funded through revenue sources. These funds are only applied to the renewal of existing assets and for principal repayments of loans.			
Opening balances	5,671	2,079	(1,824)
Transfers to reserves	9,264	9,337	9,934
Transfers from reserves	(16,627)	(13,240)	(12,603)
Closing Balance	(1,692)	(1,824)	(4,492)

Year 3 2021 \$000	Year 4 2022 \$000	Year 5 2023 \$000	Year 6 2024 \$000	Year 7 2025 \$000	Year 8 2026 \$000	Year 9 2027 \$000	Year 10 2028 \$000
(4,852)	(4,416)	(4,929)	(5,456)	(5,177)	(4,164)	(2,666)	(994)
2,815	2,775	2,629	2,564	3,055	3,065	3,123	3,018
(2,378)	(3,288)	(3,156)	(2,285)	(2,042)	(1,567)	(1,451)	(991)
(4,416)	(4,929)	(5,456)	(5,177)	(4,164)	(2,666)	(994)	1,033
(4,492)	(3,968)	(2,641)	1,552	6,863	11,247	17,107	23,976
10,535	11,105	11,559	11,964	12,295	12,640	12,977	13,326
(10,011)	(9,778)	(7,367)	(6,652)	(7,911)	(6,781)	(6,108)	(6,297)
(3,968)	(2,641)	1,552	6,863	11,247	17,107	23,976	31,005

OTHER RESERVES

Annual Plan	Year 1	Year 2
2018	2019	2020
\$000	\$000	\$000

Trusts and Bequests

Funds have been gifted to Council for specific purposes, and in many cases have other restriction placed on the fund. The purpose of the fund may not be revised without reference to the Courts or a third party. These include the Hook Bequest, Trewin Bequest, Wakerill Trust, Robert Dickson Library Trust, PA Broad Memorial Trust, Historical Trust, Children's Welfare Trust, Robert Dickson Educational Trust, Museum Trust and the Feilding and District Relief Trust.

Opening balances	200	200	207
Transfers to reserves	8	4	4
Transfers from reserves	3	3	3
Closing Balance	211	207	215

Special Funds

These are funds set aside by Council. The Council may alter them without references to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council. They include the General Purpose Reserve, Insurance Reserve and the Land Subdivision Reserve.

Opening balances	1,340	1,433	1,769
Transfers to reserves	51	642	858
Transfers from reserves	(141)	(306)	(104)
Closing Balance	1,250	1,769	2,523

Revaluation Reserves

These reserves have been created from the revaluation movements of the property, plant and equipment.

Opening balances	122,746	142,378	151,815
Transfers to reserves	13,083	11,175	16,318
Transfers from reserves	400	(1,738)	(60)
Closing Balance	136,229	151,815	168,073

TOTAL OTHER RESERVES

137,690	153,791	170,811
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Year 3 2021 \$000	Year 4 2022 \$000	Year 5 2023 \$000	Year 6 2024 \$000	Year 7 2025 \$000	Year 8 2026 \$000	Year 9 2027 \$000	Year 10 2028 \$000
215	222	229	237	245	253	261	269
4	4	5	5	5	5	5	5
3	3	3	3	3	3	3	3
222	229	237	245	253	261	269	277
2,523	3,446	4,571	6,040	7,623	9,410	11,612	14,097
1,029	1,233	1,491	1,606	1,810	2,226	2,509	2,725
(106)	(108)	(22)	(23)	(23)	(24)	(24)	(25)
3,446	4,571	6,040	7,623	9,410	11,612	14,097	16,797
168,073	180,488	194,448	213,943	229,377	245,808	268,510	286,867
12,984	13,960	19,496	15,433	16,432	22,702	18,357	19,488
(570)	0	0	0	0	0	0	0
180,488	194,448	213,943	229,377	245,808	268,510	286,867	306,355
184,155	199,248	220,220	237,244	255,471	280,383	301,233	323,429

Benchmark Graphs

Long Term Plan Disclosure Statement

Long Term Plan disclosure statement for the period commencing 1 July 2018.

What is the purpose of this statement?

The purpose of this statement is to disclose the Council's planned financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities and general financial dealings.

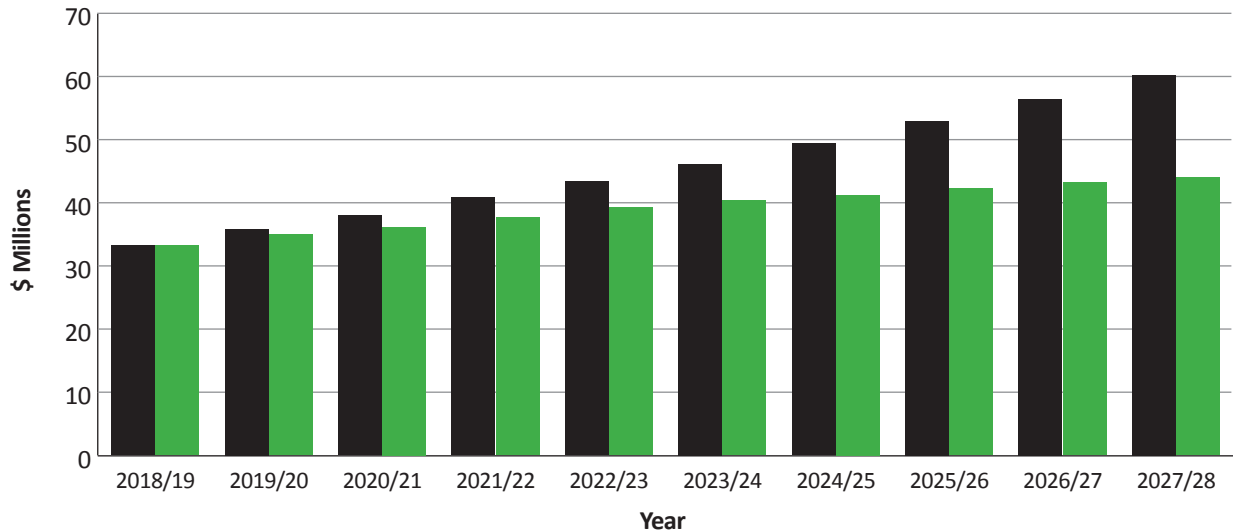
The Council is required to include this statement in its Long Term Plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Rates affordability benchmark

The Council meets the rates affordability benchmark if –

- Its planned rates income equals or is less than each quantified limit on rates; and
- Its planned rates increases equal or are less than each quantified limit on rates increases.

The following graph compares the Council's planned rates with a quantified limit on rates contained in the Financial Strategy included in this Long Term Plan. The quantified limit is the indicative rate increase limit.



■ Quantified Limit on rates income ■ Proposed rates income (at or within limit) ■ Proposed rates income (exceeds limit)

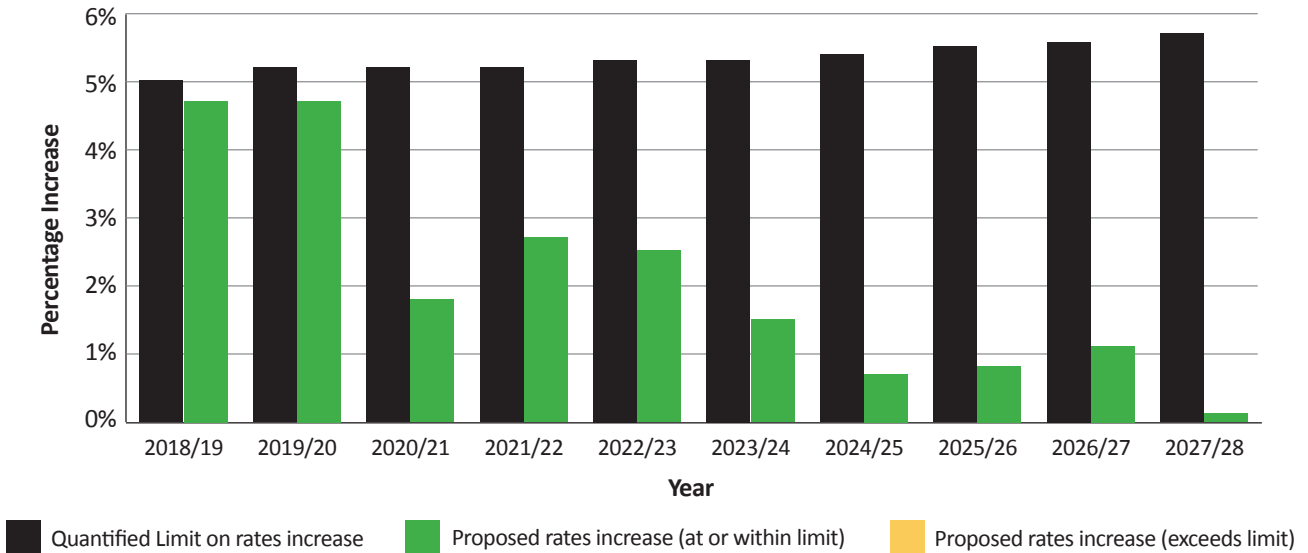
Rates in the funding impact statement and the statement of comprehensive revenue and expenses include rates revenue that is specifically excluded from this benchmark in line with Council's Financial Strategy. These include:

- new levels of service (ultrafast broadband, Rongotea water supply being brought on line, increases in kerbside recycling in the growth areas).
- growth in the number of ratepayers
- increases in the volume of water supplied that will be charged through metering.

Rates (increases) affordability benchmark

The following graph compares the Council's planned rates increases with quantified limit on rates increases contained in the Financial Strategy included in this Long Term Plan.

The quantified limit is the Local Government Cost Index plus 3%, excluding significant new levels of service and growth in ratepayer numbers.

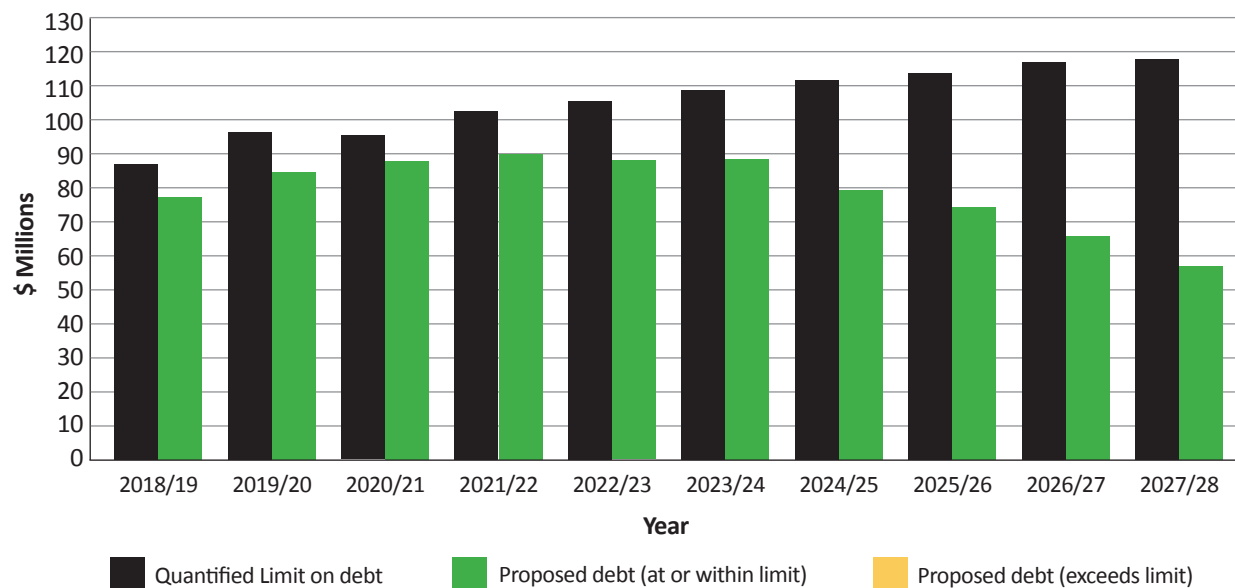


Debt affordability benchmark

The Council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

The following graph compares the Council's planned debt with a quantified limit on borrowing contained in the Financial Strategy included in this Long Term Plan. The quantified limit is based on the measure in Council's Liability Management Policy, which yields the lowest debt.

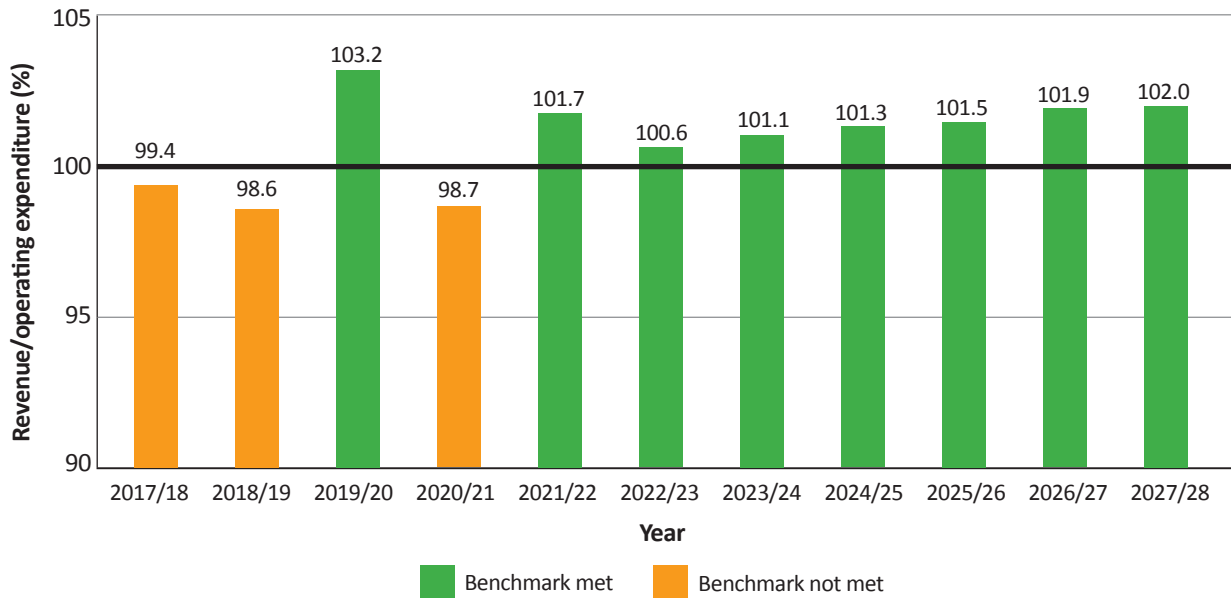
In this case, debt is not to exceed 175% of revenue, less a \$5 million emergency buffer.



Balanced budget benchmark

The following graph displays the Council’s planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant and equipment) as a proportion of planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant and equipment).

The Council meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses.



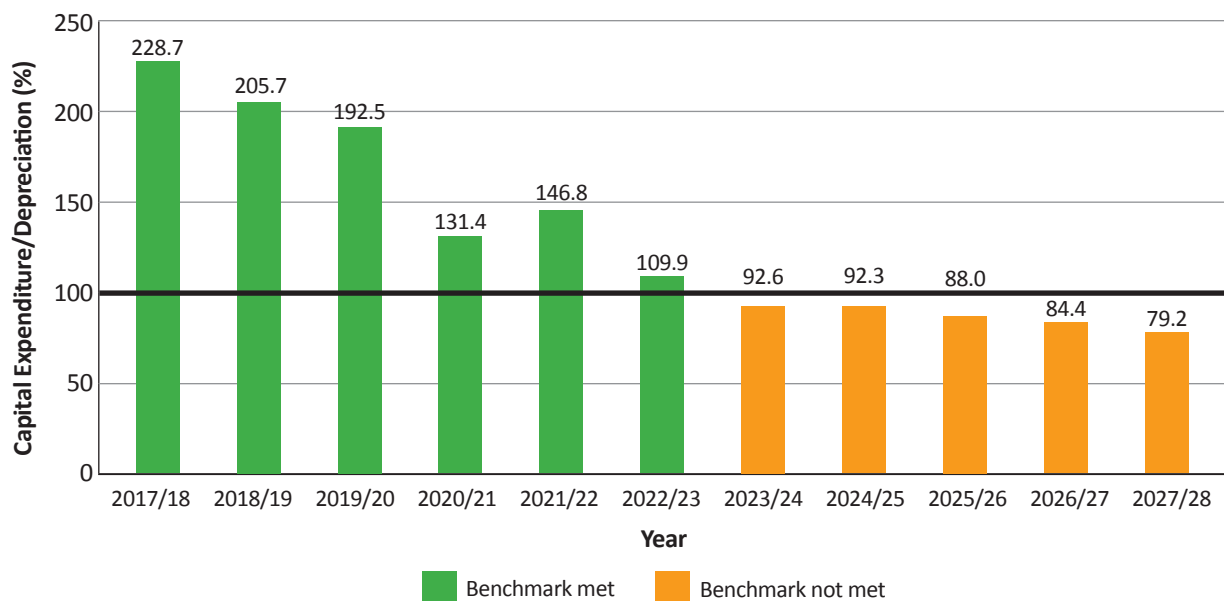
The main reasons for not meeting the benchmark are:

- excluding vested assets
- not funding depreciation on non-strategic assets
- not funding depreciation on the portion of roading subsidised by New Zealand Transport Agency
- not funding the interest expense on loans taken out for growth purposes when the interest and principal repayment will be met from future development contributions

Essential services benchmark

The following graph displays the Council’s planned capital expenditure on network services as a proportion of expected depreciation on network services.

The Council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.



For the 2018-28 period, Council has had to reduce the renewals programmes to ensure that projected expenditure remains under the Council’s debt cap.

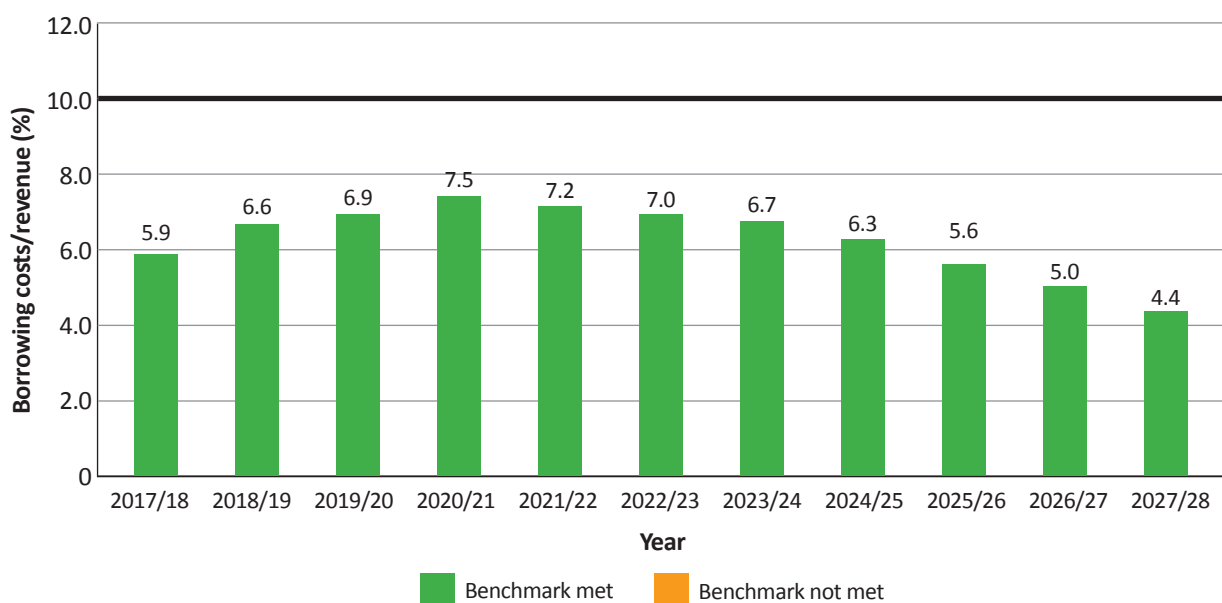
The decision to move from a proactive to reactive renewals programme means that Council will carry a higher risk of network failure and therefore potentially face higher maintenance costs and network disruptions.

Council will continue to actively manage its renewals programme in subsequent Long Term Plans to make up for reduced spending in 2018–28, as debt limits allow.

Debt servicing benchmark

The following graph displays the Council’s planned borrowing costs as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluation of property, plant and equipment).

Because Statistics New Zealand projects the Council’s population will grow as fast as the national population is projected to grow, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 10% of its planned revenue.



Statement of Accounting Policies

Reporting entity

Manawatū District Council (Council) is a territorial local authority governed by the Local Government Act 2002 and is domiciled and operates in New Zealand.

The Group consists of Manawatū District Council, which is the controlling entity and four controlled entities; The Feilding Civic Centre Trust, the Manawatū Community Trust, Awahuri Forest / Kitchener Park Trust and Heartland Contractors Ltd (100% owned). The Group also includes Central Economic Development Agency Limited, (50% owned) and Manawatū Wanganui LASS (14.3% owned). All entities are incorporated and domiciled in New Zealand.

The primary objective of Council is to provide goods or services for the community and social benefits, rather than making a financial return. Accordingly, Council has designated itself and the Group as Public Benefit Entities (PBEs) as defined under the Public Benefit Entities International Public Sector Accounting Standards (PBE IPSAS).

These prospective financial statements are for the Manawatū District Council as a separate legal entity. Consolidated prospective financial statements comprising the Council and its controlled entities have not been prepared because the differences to Council prospective financial statements are not material.

Basis of preparation

The accounting policies set out below have been prepared on a going concern basis and have been applied consistently to all periods present in these prospective financial statements. These prospective financial statements have also been prepared based on the assumptions stated.

The prospective financial statements have been prepared on an historical cost basis, except for assets and liabilities, which are recorded at fair value. These are detailed in the specific policies below.

Statement of compliance

The prospective financial statements of Council have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

The prospective financial statements have been prepared to comply with PBE accounting standards for a Tier 1 entity.

Presentation currency and rounding

The prospective financial statements are presented in New Zealand dollars and values are rounded to the nearest thousand dollars (\$'000). Consequently there may be rounding discrepancies in the financial statements.

The functional currency of Council and its controlled entities and associates is New Zealand dollars.

Summary of significant accounting policies

Basis of consolidation

Controlled entities

In the Group financial statements Council consolidates all entities where Council has the capacity to control its financing and operating policies, to obtain benefits from the activities of that entity. This power exists where Council controls the majority voting power on the governing body, or where such policies have been irreversibly predetermined by Council, or where the determination of such policies is unable to impact materially on the level of potential ownership benefits that arise from the activities of the controlled entity.

Council's investment in its controlled entities is carried at cost in Council's parent entity financial statements.

Associates

Council's associates are accounted for in the Group financial statements using the equity method. An associate is an entity over which Council has significant influence and that is neither a subsidiary nor an interest in a joint venture. The investment in an associate is initially recognised at cost and the carrying amount in the Group financial statements is increased or decreased to recognise the Group's share of the surplus or deficit of the associate after the date of acquisition.

Distributions received from an associate reduce the carrying amount of the investment. If the share of deficits of an associate equals or exceeds its interest in the associate, the Group discontinues recognising its share of further deficits. After the Group's interest is reduced to zero, additional deficits are provided for, and a liability is recognised, only to the extent that Council has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports surpluses, the Group will resume recognising its share of those surpluses only after its share of the surpluses equals the share of deficits not recognised.

Where the Group transacts with an associate, surpluses or deficits are eliminated to the extent of the Group's interest in the associate. Dilution gains or losses arising from investments in associates are recognised in the surplus or deficit.

The investment in the associate is carried at cost in Council's parent entity financial statements.

Joint ventures

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. For jointly controlled operations Council and Group recognises in its financial statements the assets it controls, the liabilities and expenses it incurs, and the share of income that it earns from the joint venture.

Exchange transactions

Exchange transactions are transactions where Council receives assets (primarily cash) or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services, or use of assets) to another entity in exchange.

Non-exchange transactions

In a non-exchange transaction Council either receives value from or gives value to another entity without directly giving or receiving approximately equal value in exchange.

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As Council satisfies a present obligation (recognised as a liability) in respect of an inflow of resources from a non-exchange transaction (recognised as an asset), it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Revenue

Revenue is measured at the fair value of consideration received or receivable. Revenue may be derived from either exchange or non-exchange transactions.

Specific revenue policies

Specific accounting policies for major categories of revenue are outlined below:

- Rates are set annually by a resolution by Council and are recognised at the start of the financial year to which the resolution relates. All ratepayers are invoiced within the financial year to which the rates have been set.
- Rates arising from late payment penalties are recognised as revenue when penalties are applied on overdue rates as per Council's rates resolution.

- Rates remissions are recognised as a reduction of rates revenue when Council has received an application that satisfies its rates remission policy.
- Water billing revenue is recognised on an accrual basis. Unbilled usage, as a result of unread meters at year-end, is accrued on an average usage basis.
- Government grants and subsidies are recognised upon entitlement, which is when the conditions pertaining to eligible expenditure have been fulfilled. The most significant government grant is from New Zealand Transport Agency, which subsidises part of the costs in maintaining the local roading infrastructure network.
- Revenue from other services is recognised when the service has been rendered to a third party.
- Fees and charges for building and resource consent services are recognised on a percentage completion basis with reference to the recoverable costs incurred at balance date.
- Sales of goods are recognised when the goods are delivered.
- Interest revenue is accrued on a time basis, by reference to the investment principle and the effective interest applicable.
- Dividends (net of imputation credits) are recognised when the right to receive payment has been established.
- Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as revenue. Assets vested in Council are recognised as revenue when control over the asset is obtained.
- Revenue derived through acting as an agent for another party is recognised as a commission or fee on the transaction.
- Development contributions are recognised as revenue when Council provides, or is able to provide, the services that gave rise to the charging of the contribution. Otherwise, development contributions are recognised as liabilities until Council provides, or is able to provide, the service.

Borrowing costs

All borrowing costs are recognised as an expense in the period in which they are incurred.

Cost allocation

Costs directly attributable to an activity are charged directly to that activity. Indirect costs are charged to activities using appropriate cost drivers such as; actual usage, staff numbers and floor area.

Foreign currency

Foreign currency transactions are translated into New Zealand dollars (the functional currency) using the spot exchange rate prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denomination in foreign currencies are recognised in the surplus or deficit.

Grant expenditure

Non-discretionary grants are those grants that are awarded if the grant application meets a specified criteria. Expenditure is recognised when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where Council has no obligation to award on receipt of the grant application. Expenditure is recognised when a successful applicant has been notified of Council's decision.

Income tax

Income tax expense includes current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the prospective financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the economic entity expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting surplus nor taxable profit.

Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive revenue and expense or directly in equity.

Goods and Service Tax (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax, then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from, the IRD including the GST relating to investing and financing activities is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Financial instruments

Council is party to financial instruments as part of its normal operations. These include bank accounts, investments, accounts receivable, accounts payables and borrowings. All financial instruments are recognised in the statement of financial position and all revenues and expenses in relation to financial instruments are recognised in the statement of comprehensive revenue and expense.

Unless otherwise covered by a separate policy, all financial instruments are reported at their fair value.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. All these deposits are reflected at their fair value.

Debtors and other receivables

Debtors and other receivables are recorded at their face value, less any provision for impairment.

A provision for impairment is established when there is objective evidence that Council will not be able to collect all amounts due, according to the original terms of the agreements. The amount of the provision is the difference between the assets' carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or

deficit. When the receivable is uncollectible it is written off against the allowance account for receivables.

Financial assets

Financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit, in which case the transaction costs are recognised in the surplus or deficit.

Financial assets are categorised into the following four categories for the purpose of measurement: financial assets at fair value through surplus or deficit; held-to-maturity investments; loans and receivables; and financial assets at fair value through other comprehensive revenue and expense. The classification depends on the purpose for which each investment was acquired. Management determines the classification of its investments at initial recognition.

The fair value of financial instruments traded in active markets is based on the quoted market prices at the balance date. The quoted market price used is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

Financial assets at fair value through surplus or deficit

This category has two sub-categories: financial assets held for trading, and those designated at fair value through surplus or deficit at inception.

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading. Gains or losses due to change in fair value are recognised in the surplus or deficit.

Currently, Council does not hold any financial assets in this category.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

After initial recognition, they are measured at amortised cost using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Loans to community organisations made at nil or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return of a similar financial instrument. The difference between the face value and the present value of the expected future cash flows of the loan recognised in the surplus or deficit as grant expenditure. The loans are subsequently measured at amortised costs using the effective interest method.

Council has provided a number of loans or advances to community-based organisations that have specific conditions attached. In some circumstances these loans are only repayable should the community-based organisation cease to operate in accordance with the loan conditions. Those loans that are not expected to be repaid to Council in the foreseeable future are recorded at fair value and shown as a contingent asset.

Receivables are classified as "Accounts Receivables" in the statement of financial position. Advances and loans are classified as "Other Financial Assets" in the statement of financial position.

Held-to-maturity investments

Held-to-maturity investments are assets with fixed or determinable payments and fixed maturities that Council has the positive intention and ability to hold to maturity, e.g. Local Government Stock and Bonds.

After initial recognition they are measured at amortised cost using the effective interest method less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Financial assets at fair value through other comprehensive revenue and expense

Financial assets at fair value through other comprehensive revenue and expense are those that are designated as fair value through equity or are not classified in any of the other categories above.

This category encompasses:

- Investments that Council intends to hold long-term, but may be realised before maturity; and
- Shareholdings held for strategic purposes (other than Council's investments in its controlled entity).

Gains and losses are recognised directly in other comprehensive revenue and expense except for impairment losses, which are recognised in the surplus or deficit. In the event of impairment, even though the asset has not been derecognised, any cumulative losses previously recognised in other comprehensive revenue and expense will be recognised in the surplus or deficit. On de-recognition of the asset the cumulative gain or loss previously recognised in other comprehensive revenue and expense is recognised in the surplus or deficit.

Impairment of financial assets

Financial assets are assessed for objective evidence of impairment at each balance date. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the surplus or deficit.

Non-current assets held for sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit. Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal economic entity) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal economic entity classified as held for sale continue to be recognised.

Property, plant and equipment

Property, plant and equipment consists of:

- Operational assets: includes land, buildings, library books, plant and equipment, and motor vehicles.
- Restricted assets: includes parks, reserves and associated assets owned by Council, which provide a benefit or service to the community and cannot be disposed of because of legal or other Council restrictions.
- Infrastructure assets: the fixed utility systems that provide a continuing service to the community and are generally regarded as non-tradeable. Each asset class includes all items that are required for the network to function. For example, sewer reticulation includes reticulation piping and sewer pump stations.

Property, plant and equipment are shown at cost or valuation, less accumulated depreciation and impairment losses.

Cash and non-cash generating assets

Non-cash generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach

used to measure value in use depends on the nature of the impairment and availability of information.

Cash generating assets are those assets that are held with the primary objective of generating a commercial return. Council does not hold any cash-generating assets.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land (which is not depreciated), at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The residual value and useful life of an asset is reviewed and adjusted, if applicable, at each financial year-end.

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Asset class	Useful life	Depreciation Rate
Buildings	40 – 80 years	1.25 – 2.5%
Plant and equipment	4 – 10 years	10 – 25%
Motor vehicles	3 – 5 years	20 – 33%
Library books	10 years	10%
Infrastructural assets		
Roading network		
Top surface (seal)	5 – 18 years	5.5 – 20%
Pavement (base course)	67 years	1.49%
Sealed	25 – 60 years	1.6 – 4%
Unsealed	5 – 15 years	6.6 – 20%
Formation	-	not depreciated
Culverts	50 – 100 years	1 – 2%
Footpaths	25 – 70 years	1.4 – 4%
Kerbs	50 – 100 years	1 – 2%
Signs	13 years	7.5%
Streetlights	50 – 70 years	1.4 – 2%
Bridges	80 – 120 years	0.8 – 1.25%
Water system		
Pipes	60 – 100 years	1 – 1.66%
Valves, hydrants	25 – 50 years	2 – 4%
Pump stations	25 years	4%
Treatment, supply and storage	15 – 50 years	2 – 6.66%

Asset class	Useful life	Depreciation Rate
Wastewater system		
Pipes	50 – 90 years	1.1 – 2%
Manholes	60 – 100 years	1 – 1.66%
Pump stations	25 years	4%
Treatment plant	25 – 50 years	2 – 4%
Drainage network		
Pipes	60 – 100 years	1 – 1.66%
Manholes, cesspits	60 – 100 years	1 – 1.66%

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that the asset will provide future economic benefits or service potential to Council and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

Work in progress

All assets constructed by Council are initially recorded as work in progress. Work in progress is recognised at cost less impairment and it is not depreciated. Upon completion, these assets are transferred to their relevant asset class and depreciation commences.

Revaluation

Those asset classes that are revalued are valued on either a one-year or a three-yearly valuation cycle on the basis described below. All other asset classes are carried at depreciated historical cost. The carrying values of revalued items are reviewed at each balance date to ensure that those values are not materially different to fair value. If a material difference exists, a revaluation will be undertaken.

- Operational and restricted – land and buildings
These assets are revalued to fair value as determined

from market-based evidence by an independent valuer. The most recent valuation was performed by Quotable Value NZ as at 30 June 2017. Council's policy is to revalue land and buildings every three years.

- Infrastructural asset classes: water supply, wastewater, stormwater, drainage systems and roads

These assets are revalued annually to fair value on a depreciated replacement cost basis. The valuation was performed internally by engineering staff and will be peer reviewed every three years. Council's policy is to revalue these assets annually. The most recent valuation was 1 July 2016.

- Land under roads

Land under roads was valued based on fair value of adjacent land determined by Tony Jones of Quotable Value NZ, effective 1 July 2005. Council has elected to use the fair value of land under roads as at 30 June 2005 as deemed cost. Land under roads is therefore no longer revalued.

- Library collections

The library collections were initially valued at depreciated replacement cost in accordance with the guidelines released by the New Zealand Library Association and the National Library of NZ. This is considered deemed cost and is no longer revalued.

Accounting for revaluations

Council accounts for revaluations of property, plant and equipment on a class of asset basis.

The results of revaluing are credited or debited to other comprehensive revenue and expense and are accumulated in an asset revaluation reserve in equity for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is recognised in the surplus or deficit. Any subsequent increase on revaluation that offsets a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then credited to other comprehensive revenue and expense.

Intangible assets

Software acquisition and development

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Staff training costs are recognised in the surplus or deficit when incurred.

Costs that are directly associated with the development of software for internal use by Council are recognised

as an intangible asset. Direct costs include the software development, employee costs and an appropriate portion of relevant overheads.

Software is amortised on a straight-line basis over the estimated useful life of the asset (usually 5 years). The amortisation charge for each period is recognised in the surplus or deficit.

Costs associated with development and maintenance of Council's website are recognised as an expense when incurred.

Easements

Easements that are an integral part of an infrastructure asset are included in the value of the asset. Other easements are not recognised.

Impairment of property, plant and equipment and intangible assets

Council's non-financial assets are split between cash generating assets and non-cash generating assets. Cash generating assets are assets held with the primary objective of generating a commercial return. Non-cash generating items are non-financial assets other than cash generating assets. The majority of Council non-financial assets are non-cash generating assets.

At each balance date, Council assesses whether there is any objective evidence that any non-financial asset has been impaired (unable to provide the intended level of service). Any impairment losses are recognised in the surplus or deficit.

If the carrying amount of a class of assets is increased as a result of a revaluation, the increase shall be credited directly to revaluation surplus. However, the increase shall be recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same class of assets previously recognised in surplus or deficit.

If the carrying amount of a class of assets is decreased as a result of a revaluation, the decrease shall be recognised in surplus or deficit. However, the decrease shall be debited directly to revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that class of assets.

Financial liabilities

Trade payables

Trade payables, (also income in advance, bonds and deposits) are initially recognised at their face value.

Loans and borrowings

Loans/borrowings are initially recognised at their fair value.

Borrowings are classified as current liabilities unless Council or group has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Short-term employee entitlements

Employee benefits are expected to be settled within 12 months after the end of the period in which services are rendered for current rates of pay. These include salaries and wages accrued up to balance date and annual leave earned, but not yet taken, at balance date.

Annual leave has been calculated on an actual entitlement basis at current rates of pay. Sick leave has not been included, as the amount of accumulated sick leave that is anticipated to be taken in future periods is not considered to be material.

Superannuation schemes:

Defined contribution schemes

Obligations for contributions to Defined Contribution Superannuation Schemes are recognised as an expense in the surplus or deficit as incurred.

Defined benefit schemes

The Council belongs to the Defined Benefit Plan Contributors Scheme (the scheme), which is managed by the Board of Trustees of the National Provident Fund. The scheme is a multi-employer defined benefit scheme.

Insufficient information is available to use defined benefit accounting, as it is not possible to determine, from the terms of the scheme, the extent to which the surplus/deficit will affect future contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a Defined Contribution Scheme.

Provisions – landfill closure and aftercare costs

As the previous operator of landfills, Council has a legal obligation to rehabilitate landfill sites post-closure and to provide ongoing maintenance and monitoring services after closure. The costs to meet these post-closure landfill obligations are recognised within the provision.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

Financial guarantee contracts

A financial guarantee contract is a contract that requires Council and group to make specified payments to reimburse the holder of the contract for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at fair value, even if a payment under the guarantee is not considered probable. If a guarantee contract was issued in a stand-alone arm's-length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received, a liability is recognised based on the probability that Council or economic entity will be required to reimburse a holder for a loss incurred discounted to present value. If the fair value of a guarantee cannot be reliably determined, a liability is only recognised when it is probable there will be an outflow under the guarantee. The portion of the guarantee that remains unrecognised, prior to discounting to fair value, is disclosed as a contingent liability.

Financial guarantees are subsequently measured at the higher of:

- The estimated amount determined if it is probable there will be an outflow to settle the guarantee; and
- The amount initially recognised less, when appropriate, cumulative amortisation as revenue.

Leases

Finance leases

A finance lease is a lease which transfers to the lessee substantially all the risks and benefits incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, Council recognises the leased asset and corresponding liability in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The asset is depreciated over the period Council is expected to gain benefit from the use of the asset.

Operating leases

An operating lease is a lease where the lessor effectively retains all the risks and benefits of ownership of an asset.

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Net assets/equity

Net assets or equity is the community's interest in Council and is measured as the difference between total assets and total liabilities.

The components of equity are:

- Retained earnings
- Restricted and Council created reserves
- Asset revaluation reserves
- Fair value through other comprehensive revenue and expense reserve

Restricted and Council created reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. These reserves may be legally restricted or created by Council.

Restricted reserves are those subject to specific conditions accepted as binding by Council and which may not be revised without reference to the Courts or a third party. Transfers from these reserves may be made for certain specified purposes or when certain specified conditions are met.

Also included in restricted reserves are reserves restricted by Council decision. Council may alter them without references to any third party or the Courts. Transfers to and from these reserves are at the discretion of Council.

Asset revaluation reserves

This reserve relates to the revaluation of property, plant, and equipment to fair value.

Fair value through other comprehensive revenue and expense reserve

This reserve comprises the cumulative net change in the fair value through other comprehensive revenue and expense assets.

Related parties

Related parties arise where one entity has the ability to affect the financial and operating policies of another through the presence of control or significant influence. Related parties include controlled entities and key management personnel, including the Mayor and elected members, the Chief Executive and members of the executive team.

Critical judgements in applying accounting policies, estimates and assumptions

All judgements, accounting estimates and assumptions are included in the accounting policies. None is considered critical, with the exception of the following:

Properties that receive rent

Properties that receive rent have been classified as Property Plant and Equipment rather than Investment Properties, as these are held for strategic purpose rather than to earn rentals or for capital appreciation.

Landfill aftercare provision

The exposure of Council in relation to the estimates and uncertainties surrounding the landfill aftercare provision is based on discounted cash flows of estimated liability costs.

Infrastructural assets

There are a number of assumptions and estimates used when performing depreciated replacement cost (DRC) valuations over infrastructural assets. These include:

- The physical determination and condition of an asset. For example, Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets which are not visible, for example, storm water, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessment of underground assets;
- Estimating any obsolescence or surplus capacity of an asset; and
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example, weather patterns and traffic growth.

If useful lives do not reflect the actual consumption of the benefits of the asset, then Council could be over or under estimating the annual depreciation charge recognised as an expense in the surplus or deficit.

To minimise this risk, Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Economic Entity, and have been adjusted for local conditions based on experience.

Asset inspections, deterioration and condition modelling are also carried out regularly as part of Council's asset management planning activities, which gives Council further assurance over its useful life estimates.

Experienced valuers perform Council's infrastructural asset revaluations.

Comparatives

To ensure consistency with the current year, certain comparative information has been reclassified where appropriate. This has occurred:

- where classifications have changed between periods;
- where Council has made additional disclosure in the current year, and where a greater degree of disaggregation of prior year amounts and balances is therefore required; and
- where there has been a change of accounting policy.

Standards issued and not yet effective, and not early adopted

Standards and amendments, issued but not yet effective that have not been early adopted, and which are relevant to the Council and group are:

Interests in other entities

In January 2017, the XRB issued new standards for interests in other entities (PBE IPSAS 34 – 38). These new standards replace the existing standards for interests in other entities (PBE IPSAS 6 – 8). The new standards are effective for annual periods beginning on or after 1 January 2019, with early application permitted.

The Council plans to apply the new standards in preparing the 30 June 2020 financial statements. The Council and group has assessed the effects of these new standards and the change required has been assessed as minimal.

Financial Instruments

In January 2017, the XRB issued PBE IFRS9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. PBE IFRS 9 is effective for annual periods beginning on or after 1 January 2021, with early application permitted. The main changes under PBE IFRS 9 are:

- new financial asset classification requirements for determining whether an asset is measured at fair value or amortised at cost.
- a new impairment model for financial assets based on expected losses, which may result in the earlier recognition of impairment losses.
- Revised hedge accounting requirements to better reflect the management of risks

The Council plans to apply this standard in preparing its 30 June 2022 financial statements. The Council and group have assessed the effects of the new standard and the change required has been assessed as minimal.

Public Benefit Entity Prospective Financial Reporting Standards

The Council has complied with PBE FRS 42 in the preparation of these prospective financial statements.

Description of the nature of the entity's current operation and its principal activities

The Council is a territorial local authority, as defined in the Local Government Act 2002. The Council's principal activities are outlined within this Long Term Plan.

Purpose for which the prospective financial statement are prepared

It is a requirement of the Local Government Act 2002 to present prospective financial statements that span 10 years and include them within the Long Term Plan. This provides an opportunity for ratepayers and residents to review the projected financial results and position of the Council. Prospective financial statements are revised annually in the Annual Plan to reflect updated assumptions and costs.

Basis for assumptions, risks and uncertainties

The financial information has been prepared on the basis of best estimate assumptions as the future events which the Council expects to take place. The Council has considered factors that may lead to a material difference between information in the prospective financial statements and actual results. These factors, and the assumptions made in relation to the sources of uncertainty and potential effect, are outlined within the Significant Forecasting Assumptions section of this Long Term Plan.

Cautionary Note

The financial information is prospective. Actual results are likely to vary from the information presented, and the variation may be material.

Other Disclosures

The prospective financial statements were authorised for issue on 28 June 2018 by Manawatū District Council. The Council is responsible for the prospective financial statements presented, including the assumptions underlying the prospective financial statements and all other disclosures. The Long Term Plan is prospective and as such contains no actual operating results.

Revenue and Financing Policy

The Local Government Act 2002 requires Council to adopt a Revenue and Financing Policy. This policy outlines how the expenditure needs of Council activities are funded. Council has developed this policy as part of the 2018-28 Long Term Plan

Process

There are three main steps for the development of the Revenue and Financing Policy.

Identify Activities

This step requires Council to determine the activities it will be involved with (e.g. community facilities, roading etc.).

Analysis at activity level

Step two requires Council to identify the most appropriate funding sources for each activity. Council is required to consider:

- Council Outcomes – what are the council outcomes the activity primarily contributes toward
- User/Beneficiary Pays principle – how the benefits of the activity are spread – across the community or to particular groups or individuals
- Intergenerational Equity principle – who will benefit from the activity in the future and how should the costs be shared between present and future generations
- Exacerbator Pays principle – are there parties whose actions or inactions contribute to the need for activities
- Costs and benefits of funding activities distinctly from other activities – are the funding sources for each activity efficient, transparent and accountable.

Consideration of impact on affordability

In this step, Council must consider the collated results of Steps 1 and 2 and identify the impacts on affordability. Changes to the selection of funding mechanisms may be made dependent on this analysis summarised below and in the Funding Impact Statement (FIS), which discloses information about all of the funding sources.

Funding of Operating Expenditure

- General rates
- Targeted rates
- Lump sum contributions
- Fees and charges
- Interest and dividends from investments

Council may choose not to fully fund operating expenditure in any particular year if the deficit can be funded from operating surpluses in the immediately preceding or subsequent years. An operating deficit will only be budgeted when beneficial to avoid significant fluctuations in rates, fees or charges.

Funding of Capital Expenditure

Council funds capital expenditure from borrowing and then spreads the repayment of that borrowing over several years. This enables Council to match charges placed on the community against the period of benefits from capital expenditure.

Borrowing is managed within the framework specified in the Liability Management Policy. While seeking to minimise interest costs and financial risks associated with borrowing is of primary importance, Council seeks to match the term of borrowings with the average life of assets when practical.

Council's overall borrowing requirement is reduced to the extent that other funds are available to finance capital expenditure. Such other funds include:

- Council reserves, including reserves comprising financial contributions under the Resource Management Act 1991
- Contributions towards capital expenditure from other parties such as Transfund (in relation to certain roading projects)
- Development contributions
- Annual revenue collected to cover depreciation charges
- Proceeds from the sale of assets
- Operating surpluses
- Any other sources.

Activity	Funding Split		Funding Mechanism	
	Public	Private	Public	Private
Community Facilities				
Cemeteries	70%	30%	UTR	User Fees and Charges [interment, plots etc]
Libraries	95%	5%	UTR (Feilding 60%, Rural 40%)	User Fees and Charges [fines, fees internet etc]
Makino Aquatic Centre	65%	35%	UTR (Feilding 60%, Rural 40%)	User Fees and Charges [admission, hireage, classes etc]
Parks, reserves and Sports grounds	95%	5%	Targeted Rate (cv) / UTR	User Fees and Charges [ground fees and hireage]
Property	70%	30%	General Rate (cv)	User Fees and Charges [leases and rent]
Halls and Recreation Complexes	100%	0%	UTR	n/a
Public Conveniences	100%	0%	UTR	n/a
District Development				
Community Development	100%	0%	General Rate (cv)	n/a
Economic Development	100%	0%	General Rate (cv)	n/a
Feilding CBD Security	20%	80%	General Rate (cv)	Targeted Rate (fixed) CBD only
Emergency Management				
Civil Defence	100%	0%	UTR	n/a
Regulatory				
Animal Control	40%	60%	UTR	User Fees and Charges [registration, impoundments, infringements etc]
Building Control	40%	60%	General Rate (cv) / UTR	User Fees and Charges [building consents, warrants, infringements etc]
Compliance and Monitoring	90%	10%	General Rate (cv) / UTR	User Fees and Charges [registration, licences, permits, certificates etc]
Consent Planning	70%	30%	General Rate (cv) / UTR	User Fees and Charges [consents, infringements etc]
District Planning	100%	0%	UTR	n/a
Governance and Strategy				
	100%	0%	UTR	n/a
Roading				
Feilding CBD Redevelopment	15%	85%	General Rate (cv)	Targeted Rate (cv) CBD only
Roading	55%	45%	Targeted Rate (cv) / UTR	Subsidies [NZTA subsidy]
Solid Waste				
Solid Waste Collection and Disposal	50%	50%	UTR	User Fees and Charges [blue bag sales, transfer station gate takings, fines]
Kerbside Recycling Collection	0%	100%	n/a	Targeted Rate (fixed) available only
Stormwater				
Rural Land Drainage	0%	100%	n/a	Targeted Rate (cv) scheme only
Urban Stormwater	20%	80%	General Rate (cv)	Targeted Rate (fixed) scheme only

Activity	Funding Split		Funding Mechanism	
	Public	Private	Public	Private
Wastewater	0%	100%	n/a	Targeted Rate (fixed) [connected/ available/ restricted] User Fees and Charges [trade waste charges, voluntary volumetric]
Water Supply	0%	100%	n/a	Targeted Rate (fixed) [connected/ available/ restricted] User Fees and Charges [water by metre – commercial, extraordinary users, voluntary volumetric]

Community Facilities

Cemeteries

Funding Analysis

Cemeteries provide both public and private benefits. While the Burial and Cremation Act 1964 requires local authorities to provide cemeteries, public benefits include reduced risk to public health, provision of an important historical resource for the District and maintenance of human respect and dignity. Significant private benefits exist in the provision of individual gravesites as specific places for burial and remembrance within a well maintained and park-like setting. Certain groups or individuals may be excluded from these benefits due to cost. Benefits are ongoing to the community, families and individuals.

Income from cemeteries may not cover burial costs or contribute to ongoing maintenance and administration costs. Vandalism and the failure of families to maintain headstones are sources of exacerbator costs.

Identified Funding Sources and Mechanisms

Funding Split >>



The public expect provision of a cemetery service that everyone can use, while the individual or family meet the costs of burial. Council decided the most appropriate means to fund this activity is through a combination of a uniform targeted rate (district wide) (public funding) and user fees (private funding).

The use of these funding sources is transparent through the Annual Plan.

Recovery of exacerbator costs will be in full where possible.

Libraries

Funding Analysis

Libraries represent a collective community resource. Significant community benefits are associated with the provision of library services. These include Wi-Fi and internet access for digital literacy, opportunities, programmes and experiences that building and promote lifelong learning, access to written, recorded and digital information, important spaces for the community to use, displays and learning and storage facilities for important historical and community information.

Library services also provide private benefits through individual access to written and online educational resources, research materials and leisure time reading. While the service is available to all, people can be excluded from its benefits through library hours, user charges and unavailability of particular books or resources.

Benefits accrue constantly to the community. Some benefits, such as capital expenditure on library facilities and books accrue over their expected lifetime. Additional costs to Council are caused through overdue, lost and damaged resources and the need for the Feilding Library building to comply with new earthquake prone building standards.

Identified Funding Sources and Mechanisms

Funding Split >>



Council decided the most appropriate means to fund this activity is through a combination of targeted rates (public funding) and fees (private funding). Due to the proximity of the library to Feilding residents, 60% of the expenditure will be recovered from ratepayers within the 2009 Feilding Differential Rating Area (FDRA), while 40% will be recovered from the remainder of the district.

The use of these funding sources is transparent through the Annual Plan and schedule of fees. Recovery of exacerbator costs, through fines and other charges, will be in full where possible.

Makino Aquatic Centre

Funding Analysis

The Makino Aquatic Centre provides public benefits such as:

- a safe, quality aquatic complex including indoor and outdoor swimming pools for water recreation
- Providing 'Learn to Swim', water confidence, recreation programmes and activities for all levels of ability year round
- Working with the District's schools to deliver 'Water Safety' programmes
- contributing to community health and well-being
- adding to the attractiveness of the district for current and prospective residents
- Two community meeting rooms
- Hosting Makino Aquatic Challenges and community events
- Hosting local, regional and national water events.
- Working with after-school and school holiday programme providers
- Providing advice and services to community pool providers throughout the District

The Makino Aquatic Centre is available to all and offers significant public benefit, whether members of the public choose to use the centre or not. Opening hours can exclude people from the venue. It also provides private benefits to individuals and groups such as providing supervised water play and swimming space, individual swim coaching, training, aqua fitness, relaxation, water confidence and water safety education. Council considers it is important that the Makino Aquatic Centre remains competitive with other pools in the region.

The benefits of the Makino Aquatic Centre are ongoing to the community and future generations. Vandalism and pool contamination cause additional costs to Council.

Identified Funding Sources and Mechanisms

Funding Split >>



Council decided the most appropriate means to fund this activity is through a combination of targeted rates (public funding) and user fees (private funding). Due to the proximity of the Makino Aquatic Centre to Feilding residents, 60% of the expenditure is recovered from ratepayers within the 2009 Feilding Differential Rating Area (FDRA), while 40% is recovered from the remainder of the district.

The use of these funding sources is transparent through the Annual Plan and schedule of fees and charges.

Recovery of costs for extra services, such as holiday programmes and swimming lessons will be in full from the participant.

Recovery of exacerbator costs (e.g. vandalism, pool contamination) will be in full where possible.

Parks Reserves and Sports Grounds

Funding Analysis

Parks reserves and sports grounds, including open spaces, gardens, trees and playgrounds, provide significant public benefits, including:

- provision of quality, safe spaces for recreation and leisure
- community pride
- contributing to community health and well-being
- adding to the beauty of the district
- education on the natural environment, including types of plants and wildlife
- providing a walking and cycling network that links neighbourhoods, schools and community facilities

Parks, reserves and sports grounds provide some private benefits to individuals and groups, such as participation in leisure and recreation opportunities (e.g. flying kites, walking the dog, exercise). Parks, reserves and sports grounds are available the majority of the time. Benefits are ongoing to groups and individuals. Future generations will benefit in areas set aside for parks, reserves and sports grounds. It is difficult to exclude people from enjoying the benefits of these areas. Misuse and vandalism can cause additional costs to Council.

Identified Funding Sources and Mechanisms

Funding Split >>



Council decided the most appropriate means to fund the public portion of this activity is through a combination of uniform targeted rate (district wide) and a targeted rate (based on capital value with differentials) (public funding) and fees and charges as well as donations (private funding).

The use of these funding sources is transparent through the Annual Plan and schedule of fees.

Recovery of exacerbator costs (e.g. vandalism) will be in full where possible.

Property

Funding Analysis

Council owned houses, buildings and land throughout the district provide significant public benefits as these form part of Council's asset portfolio. It also allows individuals, businesses and non-profit organisations the opportunity to rent or lease properties throughout the District. Council will only acquire and hold properties to assist in achieving the strategic objectives of Council. Accordingly, Council does not involve itself in acquiring properties for investment purposes.

The benefits of Council owned property is on-going, as long as property asset facilities are well maintained, safe and meet quality standards. Non- payment of leases or rent is an additional cost to Council.

Identified Funding Sources and Mechanisms

Funding Split >>



Council decided the most appropriate means to fund this activity is through a general rate (based on capital value with differentials) (public funding).

The use of this funding source is transparent through the Annual Plan. Private funding (gathered through leases or rent) is used to off-set the cost of the properties.

Recovery of exacerbator costs will be in full where possible.

Halls and Recreation Complexes

Funding Analysis

Rural and community halls and recreation complexes provide significant public benefits through provision of multi-use venues for local communities and a hub for the community in the event of a natural disaster. Halls contribute to enhancing the community's sense of social connectedness, cultural wellbeing and civic pride. Rural and community halls and recreation complexes provide private benefits through private events held in halls.

While halls are available to all, people can be excluded from its benefits through user fees, bookings and locked doors. Benefits are immediate and ongoing to individual communities and particular user groups.

Misuse and vandalism can cause additional costs to Council.

Identified Funding Sources and Mechanisms

Funding Split >>



Council decided the most appropriate means to fund this activity is through a uniform targeted rate (district wide) (public funding). The use of this funding source is transparent through the Annual Plan. Private funding (gathered through hall fees) is used at the discretion of the Hall Committee.

Recovery of exacerbator costs will be in full where possible.

Public Conveniences

Funding Analysis

Public conveniences provide significant public benefits such as maintaining appropriate standards in public health and meeting the expectations of residents and visitors. Council maintains public conveniences to ensure that they are clean, accessible and fit for purpose. Provision of public

conveniences provides some private benefits, in the form of personal comfort.

These services are generally available to all, although people can be excluded through facilities being closed. Benefits are immediate to the individual and ongoing for the community. Vandalism can be a major source of exacerbator costs.

Identified Funding Sources and Mechanisms

Funding Split >>



The provision of public conveniences is an essential service for the community. Council policy seeks to encourage the use of public toilets to maintain community standards, hygiene and lessen anti-social acts. It is impractical to collect payment

for the use of public conveniences without significant investment. Council decided the most appropriate means to fund this activity is through a uniform targeted rate (district wide) (public funding).

The use of this funding source is transparent through the Annual Plan.

Recovery of exacerbator costs will be in full where possible.

District Development

Community Development

Funding Analysis

The provision of funding and support for community organisations, individuals and community development initiatives is of significant public benefit to the district as a whole. Public benefits include the delivery of local projects, actions, events and programmes to promote economic, social, ecological and cultural wellbeing in our District. Participants of the Community Planning programme are able to implement identified projects and actions. Funding is also made available for individuals and teams that will be representing the Manawatū District on the national and world stage, events organised by the community for the community and District, and to assist non-Council operated swimming pools with chemical costs where they are open for public use.

Most benefits occur in the year of expenditure. Others occur over a specific time period (e.g. surf patrol during summer) or are ongoing over several years.

Identified Funding Sources and Mechanisms

Funding Split >>



Grants benefit the whole district. Council decided the most appropriate means to fund this activity is through a general rate (based on capital value with differentials) (public funding). Extra funding may be given in the form of low interest loans or reserve funds.

These funding sources are transparent through the Annual Plan, Annual Report and contracts.

Economic Development

Funding Analysis

The whole community benefits from Economic Development. Council, together with the Central Economic Development Agency (CEDA) and partners, provide support to businesses, to enhance the economic potential and employment opportunities of the district, promote the district to potential investors and increase the pride and quality of life of all residents. Providing sufficient land with suitable zoning, infrastructure and services supports the expansion of economic activity and well-being in the District.

Benefits from Economic Development occur across the community now and in the future, depending on where funding support is applied. Public benefit is gained through funding actions to increase access to new markets and expand opportunities for growth and job creation, enhancing employment opportunities for existing residents as well as attracting new residents.

A healthy district economy is vital to the present and future viability of the community. Business support programmes, labour market analysis and efforts to improve pathways to employment will support business innovation, enhance the prosperity of residents and ensure provision of skilled workers to expand local industry.

Some private benefits may accrue to private operators and businesses. It is difficult and illogical to recover the costs of these benefits, although indirect recoveries may occur through increases in the district's value, increased business activity, new opportunities for district residents and attractiveness to potential investors. No actions/inactions that cause additional costs to Council were identified.

Benefits of Feilding CBD security services are greatest for those businesses within the defined CBD area, with reduced risk of burglary or vandalism. Residents and visitors also benefit from security services which keep the CBD attractive and safe.

Identified Funding Sources and Mechanisms

Economic Development

Funding Split >>

100% Public

Council decided the most appropriate means to fund this activity is through the general rate (based on capital value with differentials) (public funding). Economic Development

benefits the whole district and the community expects Council to be involved in economic development activities. Introduction of a charge for economic development funding is illogical, would exclude groups who most need support and defeats the purpose for which funding is set aside.

The use of this funding source is transparent through the Annual Plan.

Feilding Central Business District (CBD) Security

Funding Split >>

20%

80% Private

Council decided the most appropriate means to fund this activity is through the general rate (based on capital value with differentials) (public funding) and a targeted rate on the defined CBD area (based on capital value) (private funding).

The use of these funding sources is transparent through the Annual Plan and rising property values.

Emergency Management

Civil Defence

Funding Analysis

Civil Defence provides significant public benefits through:

- increased preparedness for natural disasters
- helping minimise the effects of a natural disaster on people and property
- giving peace of mind for residents
- providing a system for recovery following a natural disaster.

The system aims to protect the whole community, although some individuals may benefit more than others. These benefits occur now through preparedness, awareness, in the future through response, and recovery during and after an emergency.

Identified Funding Sources and Mechanisms

Funding Split >>

100% Public

Council decided the most appropriate means to fund this activity is through a uniform targeted rate (district wide) (public funding). It is impossible to identify those who use the service more than others and impractical to recover costs.

The use of this funding source is transparent through the Annual Plan.

Recovery of exacerbator costs will be in full where possible.

Regulatory

Animal Control

Funding Analysis

Animal Control provides some public good through enhancing public health and safety, controlling problem animals, and preventing nuisances, potential injury and distress. It ensures animal owners are educated about appropriate animal behaviour and are held accountable for dangerous animal behaviour. Benefits occur mainly in the short-term. Animal owners also receive significant private benefits, such as recovery of their animals if they stray and protection from dangerous animals. Council incurs significant extra costs due to people who fail to keep their animals under adequate control.

Identified Funding Sources and Mechanisms

Funding Split >>



Council decided the most appropriate means to fund this activity is through a combination of a uniform targeted rate (district wide) (public funding) and user charges (private funding).

Council believes it is appropriate for Animal Control costs to be split between ratepayers and animal owners. The community expects an animal control system to exist and to contribute towards the costs of policy, running the system and unidentified ranging costs. Individuals, particularly dog owners, receive private benefit from dog ownership and should therefore pay for legal registration of dogs under the Dog Control Act 1996. In the event the animal control system is required to control or recover an animal, it is fair that the animal owner should pay.

The use of these funding sources is transparent through the Annual Plan and schedule of fees.

Exacerbator costs will be recovered from animal owners.

Building Control

Funding Analysis

Public benefits of Building Control include planned development of the district, protection of the public and a consistency in building standards. Applicants for consents receive significant private benefits through meeting legislative requirements and community expectations. Private benefits may include increases in property values over time.

Benefits occur now and in the future, such as protection from poor building practices for future generations.

Non-compliance (e.g. applicant's actions creating a need for extra inspections) can cause additional costs to Council.

Identified Funding Sources and Mechanisms

Funding Split >>



Council decided the most appropriate means to fund the public portion of this activity is through a combination of a general rate (based on capital value with differentials), a uniform targeted rate (district wide) (public funding) and user fees and charges (private funding).

The use of these funding sources is transparent through the Annual Plan and schedule of fees.

Recovery of the costs associated with extra inspections and other costs will be recovered in full where possible.

Consent and District Planning

Funding Analysis

District Planning provides both public and private benefits. The Resource Management Act 1991 requires development to conform to particular standards. Public benefits include safe and orderly development of the district, enhancement of public health and safety, consistent district standards for current and future generations, protection for the environment and opportunity for neighbours to comment on development proposals which exceed the norm. Applicants for consents receive significant private benefits through meeting legislative requirements and community expectations, monetary gain and increases in property values.

Non-compliance (e.g. applicants prolonging consent processes, extra inspections) can cause additional costs to Council.

Benefits occur now and in the future, such as through protection of the environment for future generations and developments that meet legislative standards.

Identified Funding Sources and Mechanisms

Consent Planning

Funding Split >>



Council decided the most appropriate means to fund the public portion of this activity is through a combination of a general rate (based on capital value with differentials), a uniform targeted rate (district wide) (public funding) and user fees (private funding).

The use of these funding sources is transparent through the Annual Plan and schedule of fees.

Recovery of costs such as extra inspections should be recovered in full. Other costs, including fees for additional professional advice, should be fully recovered where possible.

District Planning

Funding Split >>

100% Public

Council decided the most appropriate means to fund this activity is through the general rate (based on capital value with differentials) (public funding). The District Plan, monitoring the state of the environment and ensuring legislative compliance confer significant public benefits and public funding will meet the costs of the development and review of planning policies.

Compliance and Monitoring

Funding Analysis

Public benefits of Environmental Health include enhancing public health and meeting the community's expectation for safe food and alcohol premises. Applicants for consents receive significant private benefits through meeting legislative requirements and community expectations. The consent provides a signal that food and licensed premises are of an acceptable standard to the consumer.

Benefits occur now and in the future.

Non-compliance (e.g. applications not meeting standards) may cause additional costs.

Identified Funding Sources and Mechanisms

Funding Split >>

90% Public

10%

Council decided the most appropriate means to fund the public portion of this activity is through a combination of a general rate (based on capital value with differentials), a uniform targeted rate (district wide) (public funding) and user fees (private funding).

The use of these funding sources is transparent through the Annual Plan and schedule of fees.

Legislation sets alcohol-licensing fees, which impacts on funding recoveries.

Recovery of the costs associated with extra inspections and exacerbator costs will be in full where possible.

Policy work in the alcohol licensing area such as delivery of education initiatives will be met via public funding. Likewise, Council involvement in checking general legislative compliance confers significant public benefits.

Governance and Strategy

Funding Analysis

Governance provides significant benefits to all district residents. Benefits may include organised development, maintenance of key infrastructure, response to local community needs, advocacy on community issues, and development of community pride and ownership.

Benefits occur now and in the future for district residents and ratepayers, particularly developing for future generations.

Councillors or Mayors who do not serve their terms, vexatious submitters and complainants have been identified as sources of exacerbator costs.

Identified Funding Sources and Mechanisms

Funding Split >>

100% Public

Council decided the most appropriate means to fund this activity is through a uniform targeted rate (district wide) (public funding). Of the available systems, use of a uniform targeted rate comes closest to ensuring all pay equally for Governance.

The use of this funding source is transparent through the Annual Plan.

Roading

Feilding Central Business District (CBD) Redevelopment

Funding Analysis

There are significant public benefits associated with the development of an attractive business centre. Feilding CBD provides the main retail business area in the Manawatū district. A redeveloped CBD contributes to a sense of civic pride, promotes the district, creates a positive atmosphere and is available to everyone. It helps maintain the attractiveness of the area for retail and provides business and employment opportunities.

CBD businesses clearly receive private benefits from upgrades to their street locations and services, drawing more customers and greater business.

Benefits are immediate and long-term, dependent on the life of the infrastructure. There were no examples of actions or inactions identified that cause additional costs to Council.

Identified Funding Sources and Mechanisms

Funding Split >>

15%

85% Private

Council decided the most appropriate means to fund this activity is through reserves or loans. These would be repaid over twenty years by a uniform targeted rate (district wide) (public funding) and by a targeted rate on the defined CBD area (based on capital value) (private funding).

The use of these funding sources is transparent through the Annual Plan and rising property values.

Roading Network

Funding Analysis

The roading and footpaths network provide significant public benefits to the community, including:

- connections to other transportation networks
- contributions to the social and economic well-being of the district
- access and mobility for people, goods and services
- locality and property identification
- separation of pedestrians from the main flow of traffic (i.e. footpaths)

Road users also receive significant private benefits, through use of roads and footpaths, access to locations, mobility, and identification of properties and maintenance of property values.

Benefits are immediate to road users and the community and long-term for future generations. Additional costs are caused to Council through examples such as use that goes beyond normal wear and tear (e.g. heavy vehicles, rally driving), vandalism, accidents and livestock movements.

Identified Funding Sources and Mechanisms

Funding Split >>



Council decided the most appropriate means to fund the public portion of this activity is through a combination of a targeted rate and a uniform targeted rate (district wide). The private component of the activity would be recovered through the New Zealand Transport Agency (NZTA) subsidy. The use of these funding sources is transparent through the Annual Plan.

Recovery of exacerbator costs (e.g. vandalism) will be in full where possible. The use of loans and reserves are to fund Capital projects as appropriate.

Solid Waste

Solid Waste Collection and Disposal

Funding Analysis

Recycling provides significant public benefits through:

- preserving the environment
- saving landfill space
- meeting community expectations for waste minimisation

Recycling provides some private benefit by way of reducing personal cost of solid waste disposal and private contributions to protection of the environment.

Benefits are immediate to the individual or business and long-term for the community in the future through environmental protection, extended landfill life and Council delivering on the objectives outlined in the Waste Minimisation Plan. Incorrect use of the recycling system can cause additional costs to Council. It is not practical to recover these costs.

Solid waste disposal provides public benefits through:

- maintaining a healthy and safe environment
- preventing health hazards for the public
- enabling appropriate disposal of solid waste in common locations
- Private benefits of disposal services include provision of common locations for solid waste disposal by individuals or groups, health and environmental benefits.

Facilities are available to all. The level of user charges can exclude people from using this service. Inappropriate disposal of hazardous wastes (e.g. hot ash, mercury) and 'fly-tipping' cause additional costs to Council. Excessive packaging by manufacturers takes up valuable landfill space.

Solid waste collection provides public benefits through:

- preventing and avoiding health hazards
- keeping the district tidy and attractive
- creating a cleaner environment for current and future generations
- helping to reduce congestion at the landfill

Private benefits of solid waste collection include removal of household solid waste and reducing potential health risks from 'stock-piling' of solid waste and Council delivering on the objectives outlined in the Waste Minimisation Plan. Collection also saves residents time and costs of travelling to landfills and reduces litter on roadsides. As the volume of solid waste increases, costs increase. It is possible to exclude people from the service through the level of bag charges or non-provision of the service.

Benefits are ongoing and instant to users of the service. Inappropriate disposal of hazardous waste causes additional costs to Council.

Identified Funding Sources and Mechanisms

Funding Split >>

50% Public

50% Private

Council decided the most appropriate means to fund this activity is through a uniform targeted rate (district wide) (public funding) and fees (private funding).

The use of these funding sources is transparent through the Annual Plan, rates assessment and schedule of fees.

Recovery of exacerbator costs will be in full where possible.

Kerbside Recycling Collection

Funding Analysis

Kerbside recycling collection provides significant private benefit to Feilding residents and businesses by way of reducing personal cost of solid waste disposal and private contributions to protection of the environment.

Benefits are immediate to the individual or business and long-term for the community in the future through environmental protection and extended landfill life.

The incorrect use of the recycling system can cause additional costs to Council. It is not practical to recover these costs.

Identified Funding Sources and Mechanisms

Funding Split >>

100% Private

Council decided the most appropriate means to fund this activity is through a targeted rate (private funding) on those properties serviced by the Feilding kerbside recycling scheme.

The use of these funding sources is transparent through the Annual Plan.

Stormwater

Rural Land Drainage

Funding Analysis

Rural land drainage provides public benefits through managing risks from flooding, protecting the community (including people, property and community assets), maintaining the economic productivity of rural land and property values and encouraging residential development.

There are significant private benefits from rural land drainage. Each person connected to a service uses a proportion of the available capacity. Rural land drainage provides direct benefits to land owners through increasing the productive capacity of their land. It is difficult to exclude properties from being part of a rural scheme.

Benefits are ongoing.

Deliberate actions to restrict water flow and inadequate maintenance may cause additional costs to Council.

Identified Funding Sources and Mechanisms

Funding Split >>

100% Private

Council decided the most appropriate means to fund this activity is through targeted rates on areas serviced by individual schemes (private funding).

The use of this funding source is transparent through the Annual Plan. Loan funding over time will meet capital expenditure, such as expansions to the system.

Recovery of exacerbator costs will be in full where possible.

Urban Stormwater

Funding Analysis

Urban stormwater provides public benefits through managing risks from flooding, protecting the community (including people, property and community assets), maintaining the economic productivity of rural land and property values and encouraging residential development.

Urban stormwater provides significant private benefits to users with each connection using a proportion of the available capacity.

Benefits are ongoing. Incorrectly sized pipes installed by urban property owners cause additional costs to Council.

Identified Funding Sources and Mechanisms

Funding Split >>

20%

80% Private

Council decided the most appropriate means to fund this activity is through a combination of the general rate (based on capital value with differentials) (public funding) and targeted rates on areas served by the various schemes (private funding).

The use of these funding sources is transparent through the Annual Plan.

Over time capital expenditure, such as expansions to the system will be met.

Recovery of exacerbator costs will be in full where possible.

Wastewater

Funding Analysis

Wastewater services provide public benefits, including:

- a clean and healthy environment for present and future generations
- prevention of disease
- maintenance of public health standards.

A good quality and effective wastewater disposal system is a key service to attract people and businesses to the district and to help sustain economic growth. Scheme users receive significant private benefits from provision of a collective wastewater disposal scheme, including the removal of human waste and protection against disease. Services remain available assuming the system has not reached design limits. Theoretically, individuals can be excluded from the service through requiring payment or disconnection. Many rural and lifestyle properties have onsite wastewater disposal so do not directly benefit from Council's reticulated wastewater network.

Benefits are immediate and ongoing to scheme users, and long-term for future generations. Illegal stormwater connections, modifications to housing, disposal of toxic substances and overloading illegal stormwater connections, modifications to housing, disposal of toxic substances and overloading can cause additional costs to Council. The costs of providing and improving wastewater infrastructure in some areas of the District may be beyond the ability of the community to pay.

Identified Funding Sources and Mechanisms

Funding Split >>

100% Private

Council decided the most appropriate means to fund this activity is through targeted rates on areas serviced by individual schemes and user fees and charges (e.g. trade waste charges) (private funding).

The uses of these funding sources are transparent through the Annual Plan.

Loans and /or depreciation funding over time will meet capital expenditure, such as the renewal of pipes or expansions to the system.

Recovery of exacerbator costs will be in full where possible.

Water Supply

Funding Analysis

Water Supply provides public benefits, such as:

- availability of water for public health and services (e.g. fire-fighting) and recreational facilities (e.g. gardens, swimming pools)
- enhancing community well-being and economic development
- conveyancing system for wastes

It is not possible to reuse a unit of water without incurring extra costs. It is possible to exclude people from a water supply through disconnection and charges. The costs of providing and improving water supply infrastructure in some areas of the District may be beyond the ability of the community to pay.

There are significant private benefits attached to urban and rural water supplies. The benefits listed above also apply to private users. Water is a necessity of life and therefore individuals, businesses and farms receive direct benefits from water used. A good water supply contributes to personal health and well-being. Illegal connections, leaks, excessive use and deliberate or unintentional damage to infrastructure cause additional costs to Council. Over-extraction and the use of water resources may impact on the life-supporting capacity or mauri of ecosystems (e.g. river systems) and the environment generally.

Benefits are immediate and ongoing to scheme users and long-term for the district and future generations.

Identified Funding Sources and Mechanisms

Funding Split >>

100% Private

Council decided the most appropriate means to fund this activity is through targeted rates on areas serviced by individual schemes and user fees and charges (e.g. water meters) (private funding).

The use of this funding source is transparent through the Annual Plan.

Loans and /or depreciation funding over time will meet capital expenditure, such as the renewal of pipes or expansions to the system.

Recovery of exacerbator costs will be in full where possible.

Significant Forecasting Assumptions

Population Growth

Assumption: Steady and moderate growth of 1.7% a year to 2018, slowing to 1.1% a year out to 2028 and to 0.6% a year out to 2048.

Alternative	That the population growth rate is significantly greater than forecast
Impact	<p>Moderate</p> <p>Significantly higher population growth may impact negatively on levels of service as infrastructure has insufficient capacity to meet demand. Infrastructure may need to be extended or new infrastructure installed earlier than planned to accommodate additional growth.</p>
Likelihood	<p>Unlikely</p> <p>Population forecasts to 2018 are based on the assumption that the current population growth rate will continue. Population growth rate forecasts from 2018 to 2028 and between 2028 and 2043 are based on the StatsNZ high projections (2013 (base) – 2043 update). Growth rates between 2043 and 2048 have been extrapolated.</p> <p>The rates of population growth have been compared to historical growth rates, which typically exceed StatsNZ medium growth rates. The latest population forecasts from Infometrics support our recommendation of growth rates that are higher than the StatsNZ medium population projections. Skill shortages and resource constraints in the domestic economy support continued high levels of net migration, should government remain stable.</p>
Overall Risk	Guarded
Reasons & Financial Effect of Uncertainty	<p>Significantly higher population growth will put pressure on existing infrastructure and services. Council will need to find ways of raising the extra revenue required, or consider lower levels of service.</p> <p>Population growth will provide economic benefits to the District and will help with justifying and funding new growth projects.</p>
Mitigating Factors (if applicable)	<p>Higher than expected population growth will mean that Council receives more development contributions. This will help to partially offset higher expenditure.</p> <p>Council reviews the trends and strategic direction every three years as part of each Long Term Plan process. Council monitors the estimates annually and census results every five years provided by Statistics NZ. Major projects and significant changes to levels of service are assessed against affordability annually.</p> <p>The attractiveness of the District as a place to live and work has an impact on inward migrant levels, as does the attractiveness of Palmerston North City. Council invests in economic development, recreation and community support activities in order to support business development and provide an attractive lifestyle choice.</p>

Alternative		That the population growth rate is significantly less than forecast
Impact	Minor	A significantly lower population growth rate may mean that Council revenue from rates and development contributions is less than forecast. This may make it harder for Council to deliver agreed levels of service or increase costs for current ratepayers.
Likelihood	Unlikely	Population forecasts to 2018 are based on the assumption that the current population growth rate will continue. Population growth rate forecasts from 2018 to 2028 and between 2028 and 2043 are based on the StatsNZ high projections (2013(base) – 2043 update). Growth rates between 2043 and 2048 have been extrapolated. Population flows from migration can be volatile and often actual changes are far more significant than forecasts. Government immigration policy and potential for a change in government to one with more conservative views around immigration could curb current levels of net migration.
Overall Risk	Low	
Reasons & Financial Effect of Uncertainty		Lower rates of population growth could increase the costs per property of delivering agreed levels of service. Growth projects may be delayed due to insufficient demand or surplus capacity in existing infrastructure networks.
Mitigating Factors (if applicable)		Council reviews the trends and strategic direction every three years as part of each Long Term Plan process. Council monitors the estimates annually and census results every five years provided by Statistics NZ. Major projects and significant changes to levels of service are assessed against affordability annually. The attractiveness of the District as a place to live and work has an impact on inward migrant levels, as does the attractiveness of Palmerston North City. Council invests in economic development, recreation and community support activities in order to support business development and provide an attractive lifestyle choice.

Household Growth

Assumption: That the total number of households will increase by 15.7% on current (2018) household numbers by 2028. The total number of households will increase by 42.2% over the 30 year life of the Infrastructure Strategy (2018 to 2048).

Alternative		That the households growth rate will be significantly more than forecast
Impact	Moderate	Demand for land and infrastructure will be greater than anticipated. This may mean that additional land needs to be rezoned and new infrastructure provided to meet this demand.
Likelihood	Unlikely	The number of new households has been forecast based on the forecast population divided by the average household occupancy rates from StatNZ. If the population growth rate exceeds forecast rates or if the average household occupancy rate is less than forecast, the number of new households is likely to be higher than forecast.
Overall Risk	Guarded	

Reasons & Financial Effect of Uncertainty	Household growth generally results in new subdivisions and therefore an increase in the rating base. This spreads the costs of providing Council services, providing no major infrastructure growth is required. Growth in the number of households will increase the number of connections to reticulated water, wastewater and stormwater networks. There will also be increased stormwater runoff to manage from hard surfaces in urban areas. Rapid growth will place increased pressure on the development sector but will also mean economic benefits for local business.
Mitigating Factors (if applicable)	Asset Management Plans indicate that capacity is available and sufficient land is currently zoned for expected household growth. A higher increase in households might require additional investment by council but this would be partly funded by development contributions.

Alternative That the households growth rate will be significantly less than forecast	
Impact	Minor Demand for land and infrastructure will be less than anticipated.
Likelihood	Unlikely The number of new households has been forecast based on the forecast population divided by the average household occupancy rates from StatNZ. If the population growth rate is significantly less than forecast or if the average household occupancy rate is higher than forecast, the number of new households is likely to be lower than forecast.
Overall Risk	Low
Reasons & Financial Effect of Uncertainty	If the number of households in urban areas does not increase as forecast then there will be limited increases in the rating base. This will mean that the costs of providing the planned levels of service for network infrastructure will be higher per connection and there will be more rating pressure on existing households and businesses.
Mitigating Factors (if applicable)	Reduced development pressure will mean that the available land bank is not exhausted as quickly. Planned rezoning and new infrastructure can be delayed until such time as demand warrants the expenditure.

Ageing Population

Assumption: That the proportion of residents aged over 65 years will increase significantly over the long term, leading to some changes in the way Council delivers services.

Alternative That the proportion of residents aged over 65 years will be significantly more than forecast	
Impact	Moderate A major shift towards older people is likely to change the mix of services demanded from Council, and the ability to pay for those services. Council will come under increasing pressure to limit rate increases.
Likelihood	Unlikely An older population overall is reasonably certain. The actual outcomes are highly dependent on the age mix of the migration trends and employment prospects both locally and elsewhere.
Overall Risk	Guarded

Reasons & Financial Effect of Uncertainty	<p>Council may need to alter the mix of services delivered over time. This is Unlikely to result in new activities, but rather the types of services and facilities. This would include recreation assets and services, roading design and footpaths.</p> <p>Affordability of rates will increase in importance as a greater proportion of ratepayers will be reliant on benefit grants linked to CPI cost increases. Affordability is a key factor considered in setting rates limits in the Financial Strategy. The specifications of Council services may change but overall this is unlikely to result in higher costs.</p>
Mitigating Factors (if applicable)	<p>Council reviews the trends and strategic direction every three years as part of each Long Term Plan process. Council monitors the estimates annually and census results every five years provided by Statistics NZ. Major projects and significant changes to levels of service are assessed against affordability annually.</p> <p>Changes in demands for Council services is not new and is part of the political process. The range of Council services utilised by older people is not significantly different from younger people. While the need for organised active team sports as traditionally catered for may decline there will still be a demand for open spaces, walkways, pools, halls etc.</p>

Alternative That the proportion of residents aged over 65 years will be significantly less than forecast	
Impact	<p>Minor</p> <p>A smaller than predicted demographic shift towards older people will mean that there is less pressure on Council to alter levels of service or the types of services and activities delivered.</p>
Likelihood	<p>Unlikely</p> <p>An older population overall is reasonably certain. The actual demographics of the population is highly dependent on the age mix of the migration trends and employment prospects both locally and elsewhere.</p>
Overall Risk	<p>Low</p>
Reasons & Financial Effect of Uncertainty	<p>A lower than forecast demographic shift towards older people will mean less demand to alter current services and facilities in the short-term.</p>
Mitigating Factors (if applicable)	<p>Council reviews the trends and strategic direction every three years as part of each Long Term Plan process. Council monitors the estimates annually and census results every five years provided by Statistics NZ. Major projects and significant changes to levels of service are assessed against affordability annually.</p>

Land Use Change

Assumption: That current land uses will not change significantly over the next 30 years (to 2048)

Alternative That current land uses will change significantly over the next 30 years	
Impact	<p>Moderate</p> <p>Rapid changes in land use could result in unanticipated demand for new reticulated services and the need to undertake additional road maintenance or improvement works.</p> <p>New activities can generate additional employment that can increase the rate of population and household growth and increased economic development.</p> <p>If additional rural land needs to be rezoned to accommodate residential or industrial development this would impact on the District Plan Review Programme and may alter priorities for infrastructural investment.</p>

Likelihood	<p>Unlikely</p> <p>Council has already rezoned three of the four residential growth precincts identified in the Feilding Urban Growth Framework Plan (PC45) and 15.6 hectares of industrial land along Turners Road (PC52). Further research and analysis is being undertaken on an additional residential growth precinct located around Pharazyn Road/Reids Line. These plan changes should ensure that there is sufficient land available for greenfield residential and industrial development in Feilding beyond the life of this Long Term Plan. The Feilding Framework Plan did not identify a need for additional commercially zoned land in Feilding.</p> <p>Land use in the Village Zones and nodal areas will be considered as part of future plan changes through the Sectional District Plan Review.</p> <p>The rate of land uptake for residential and industrial development is dependent on several factors including population growth, household growth, migration and economic prosperity. Significant changes in any of these factors will affect when additional land needs to be rezoned.</p> <p>Transport connectivity improvements may be required to hubbing locations in the Manawatū District to support growth in distribution and logistics as identified in the Accelerate 25 Manawatū-Whanganui Economic Action Plan.</p> <p>Council is already aware that farmland in the District is being used more intensively than it was in the past, with increased dairy farming and more intensive livestock production. Also, large areas of forestry in the District will reach harvestable age between 2020-2030.</p>
Overall Risk	Guarded
Reasons & Financial Effect of Uncertainty	<p>Significant changes in land use will likely impact on the roading network, particularly in rural areas. Additional expenditure may be required to ensure that roads are fit for purpose.</p> <p>Significant changes in land use may also impact on Council's investment and priorities for infrastructural investment, particularly in relation to extensions to reticulated networks.</p> <p>The attraction of new industrial activities to the District may place increased demand on water, wastewater and stormwater networks, including the capacity of the Feilding Wastewater Treatment Plant to treat trade waste.</p>
Mitigating Factors (if applicable)	<p>Council monitors land use change through land use, subdivision and building consents. The zoning of land and the activities permitted on land is managed through the District Plan Review, informed by expert advice and investigations.</p> <p>New infrastructure and roading needed to support residential and industrial growth is controlled through Structure Plans that have been incorporated into the District Plan through the Plan Change process and will be funded by development contributions.</p> <p>The cost for new services to support new residential, industrial or commercial areas will be partially funded by development contributions.</p> <p>Rural land is largely self-serviced so changes in land use will not alter demand for reticulated networks, but may impact on roading.</p> <p>Council has already anticipated increased pressure on the rural roading network, with increasing numbers of heavy vehicles to service intensive farming and forestry harvest. As a result, additional funding has been set aside for road maintenance and renewals in the Roothing Activity Management Plan.</p>

Infrastructural Capacity

Assumption: That the infrastructure projects outlined in the Infrastructure Strategy are necessary to ensure that there is sufficient capacity to meet forecast population, household and business growth.

Alternative	That our infrastructure will have excessive capacity due to lower than forecast growth
Impact	<p>Minor</p> <p>Maintenance costs to maintain the current level of service may not be sustainable. This means that levels of service may need to be reduced.</p>

Likelihood	Unlikely Population forecasts are based on Census data, adjusted for local factors. Business growth is based on trends from past and current development. Decisions around infrastructure investment are based on past and current development trends and information that Council holds on the capacity of the current networks. Changes in population growth rates, growth demand and the location of growth within the District can all influence what infrastructure projects are needed and when.
Overall Risk	Low
Reasons & Financial Effect of Uncertainty	If the number of new households connecting to reticulated infrastructure networks is lower than forecast, the revenue from rates and development contributions will be lower. This means that the costs for maintenance and renewal will be higher per ratepayer.
Mitigating Factors (if applicable)	Any major changes to the growth trend will be identified through census analysis and building consent figures. As each project needs to be economically justifiable, projects are unlikely to proceed until there is sufficient demand.

Alternative That our infrastructure will have insufficient capacity to meet growth demand

Impact	Moderate Additional investment is required in new infrastructure if the level of service is to be met.
Likelihood	Unlikely Population forecasts are based on Census data, adjusted for local factors. Business growth is based on trends from past and current development. Decisions around infrastructure investment are based on past and current development trends and information that Council holds on the performance of the existing network. Changes in population growth rates, growth demand and the location of growth within the District can all influence what infrastructure projects are needed and when.
Overall Risk	Guarded
Reasons & Financial Effect of Uncertainty	Growth significantly above forecast rates will mean that major infrastructure networks will need to be expanded earlier than planned. If infrastructure is not able to keep up with demand levels of service may suffer, making the District a less attractive place to live.
Mitigating Factors (if applicable)	Funding for growth projects will be partially funded through development contributions. Growth will need to be significantly above forecast levels before additional investment in infrastructure is required. Any major changes to growth trends will be identified through census analysis and building consent figures.

Local Government Legislative Framework

Assumption: That the Manawatū District Council is prepared to respond to legislative change, except for changes to the drinking water standards for New Zealand, without significant impacts on Council's finances or levels of service.

Alternative	That legislative changes will have significant effects on Councils finances and ability to meet agreed levels of service
Impact	<p>Major</p> <p>If legislative changes included forced amalgamations then this could affect governance arrangements and our existing shared service agreements.</p> <p>Reformatting the District Plan to accord with new National Standards and new governance arrangements reached with mandated iwi could significantly increase the cost and timeframes for the District Plan review.</p> <p>Additional budget and resourcing may be required to give effect to Deeds of Settlement agreements reached with iwi in the Manawatū District iwi and their applications for customary rights to coastal areas under the Marine and Coastal Area (Takutai Moana) Act 2011.</p> <p>Insurance levies have doubled due to FENZ. Other legislative changes could also affect insurance levies.</p>
Likelihood	<p>Possible</p> <p>Government policy can change significantly, especially with a change of government.</p> <p>Proposed amendments to the RMA will likely impact from 2017/18, with any required changes to the District Plan phased over time.</p> <p>The government has stated that forced amalgamations will not occur. However, the proposed changes to the LGA lower the threshold required to initiate a reorganisation investigation and increase the power of the Minister of Local Government to direct the Local Government Commission to undertake an investigation.</p>
Overall Risk	<p>Moderate</p>
Reasons & Financial Effect of Uncertainty	<p>Council is already resourced to manage changes to the Health and Safety at Work Act 2015, the Building (Earthquake-prone Buildings) Amendment Act and the One Network Road Classification system for roading infrastructure, so these legislative changes are not considered to impact significantly on Council's resources and governance.</p> <p>Council is already anticipating cost and governance implications associated with the Resource Management Act reforms, particularly in relation to management of the District Plan Review Programme, reformatting the District Plan to accord with new National Standards and new governance agreements reached with mandated iwi. However, until such time as the details of the reforms have been finalised we will not be able to accurately quantify the likely impacts.</p> <p>Should local iwi apply for recognition of customary rights under the Marine and Coastal Area (Takutai Moana) Act 2011, this will likely mean some cost to Council in assisting iwi in this process. In addition, there will be a cost associated with the implementation of Treaty Settlements within the District. However, we are not able to quantify these costs at this time.</p> <p>Any changes to the structure of local government involving the Manawatū District would result in a new Long Term Plan and a different governance arrangement. Changes to the mode of delivery for services could result in different governance arrangements for those activities.</p> <p>Changes are proposed to the Local Government Act 2002 (LGA) that provide for greater use of Council-controlled Organisations, especially for water and transport services. Further collaborative agreements are likely over time, with any efficiency gains assumed to be considered at the time of establishment. No additional efficiency gains have been factored into the budgets.</p> <p>Any amalgamation process could result in policy resources being diverted or additional advice being sought.</p> <p>Any changes to the delivery of infrastructure services may remove these costs from the Council, but is unlikely to reduce the costs to ratepayers who receive the services.</p>

Mitigating Factors (if applicable) Council continues to enjoy close working relationships with neighbouring Councils at the governance and officer levels. MDC is a member of the Manawatū-Wanganui Local Authority Shared Service (MWLASS). This group of Councils works together to identify new ways of working together and to maximise efficiencies when procuring new goods and services.

Specific requirements from new legislation can be partially addressed through changes to fees and charges, or through additional targeted rates. For example, contract fees are likely to increase to offset the costs associated with meeting the compliance requirements of the Health and Safety at Work Act 2015

New Zealand Drinking Water Standards

Assumption: That there are changes to the Health Act 1956 as amended by the Health (Drinking Water) Amendment Act 2007 and the associated Drinking Water Standards for New Zealand 2005 (revised 2008) (DWSNZ) as a result of the recommendations in the Havelock North Water Inquiry Stage 2 Report. Changes include the uplifting of secure bore water status as a means of compliance with the DWSNZ and a requirement that all suppliers providing drinking-water to untreated networked supplies implement appropriate and effective treatment without delay.

Alternative	That the DWSNZ and associated regulations remain unchanged as a result of the outcomes of the Havelock North Water Inquiry Stage 2 Report.
Impact	Minor All drinking water supplies will continue to be required to comply with the DWSNZ. Water supply activities will continue as planned in the 3-Waters Asset Management Plan with no impact on budgets or programmes.
Likelihood	Unlikely
Overall Risk	Low
Reasons & Financial Effect of Uncertainty	Planned upgrades, renewals and maintenance works will continue as set out in the forward works programme in the 3-waters Asset Management Plan.
Mitigating Factors (if applicable)	Following completion of planned upgrades to water treatment plants all of Councils reticulated drinking water networks will comply with the current New Zealand Drinking Water Standards.

Alternative	Changes to the Health Act 1956 as amended by the Health (Drinking Water) Amendment Act 2007 and the DWSNZ are more substantial than forecast, such as requiring UV treatment of all urban water supplies and/or more rigorous water testing regimes.
Impact	Moderate All of Council's water supplies are already chlorinated and all surface water takes have UV treatment. However, abolishment of "secure" bore status will likely mean that UV treatment will be required for all water supplies to achieve protozoal compliance with the New Zealand Drinking Water Standards. The cost of UV treatment for water takes from the 'secure' bores in Feilding, Himatangi Beach, Rongotea, Sanson, Stanway-Halcombe and Waituna West has been estimated to be around \$2M. Council's projected debt profile places Council at risk financially if there are significant changes in standards and requirements for drinking water supplies. Monitoring costs may increase if there are more rigorous testing requirements. Fines for non-compliances may increase, meaning that Council must ensure robust reporting systems are in place to demonstrate compliance.

Likelihood	Possible The Department of Internal Affairs Report on the Havelock North Drinking Water Inquiry: Stage 2, recommends significant changes be made to the regulatory system for water supplies and to the Drinking Water Standards for New Zealand. While we do not yet know the exact requirements and timeframes, increased treatment standards (particularly related to the treatment of water from previously 'secure' sources) are possible.
Overall Risk	Guarded
Reasons & Financial Effect of Uncertainty	The 2018-28 Long Term Plan makes no budget allowance for additional capital that may be required to meet new requirements introduced as a result of the Havelock North inquiry or changes to the New Zealand Drinking Water Standards. By waiting for legislative changes, Council will not be investing in treatment upgrades for water supplies that exceed current requirements. Until such time as changes are made to the Health Act 1956 (as amended by the Health (Drinking Water Amendment Act 2007) or the New Zealand Drinking Water Standards, we are unsure of the exact requirements and timeframes. However, it is likely that changes will result in additional capital and operational expenses for Council.
Mitigating Factors (if applicable)	Council is already well placed as all urban drinking water supplies are chlorinated. In addition, all surface water takes for water supply networks are UV treated. The cost of UV treatment of water from previously 'secure' bores is significantly less than that of chlorination.

Climate Change

Assumption: That the intensity and frequency of extreme weather events will increase as a result of climate change, in line with projections released following the IPCC Fifth Assessment Report. Council is already prepared to respond to climate change effects over the life of the Plan (10 years) but impacts on Council activities will be more significant in the longer term.

Alternative	That climatic changes in the Manawatū District are more extreme than predicted by NIWA based on the IPCC Fifth Assessment Report
Impact	Major Any significant climatic changes would affect demand for Council services and could adversely affect infrastructure. Effects of climate change that are a concern for Council are primarily increased incidences of extreme weather. The risk is that storm damage from flooding becomes more frequent and that stormwater standards will not be met. This would increase costs from repair works, and also possibly lead to increasing levels of service.
Likelihood	Unlikely Ministry for the Environment reports have predicted change in weather patterns including wind and rainfall. There is more certainty that weather patterns in the short term due to climate change will have predictable impacts that can be provided for through our Asset Management Plans and Activity Management Plans. There is less certainty about impacts of weather patterns in the long term as predictions are less reliable.
Overall Risk	Moderate

Reasons & Financial Effect of Uncertainty	Significant impacts are not expected to be frequent in the next few decades. Council has a policy of holding depreciation renewal reserves. Insurance claims from damages associated with extreme weather are likely to rise as the incidence of these events increases in the future. This could increase the costs of insurance cover. Operating programmes to mitigate impacts of climate change such as reducing peak demand for Water and leak detection in Wastewater are already underway and are built into the operating budgets of Council.
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Mitigating Factors (if applicable)	Financial impacts will be mitigated by ensuring adequate insurance cover is used and appropriate maintenance is undertaken as a preventative measure. Major flood protection works (stopbanks) have been completed in the lower Manawatū and in the KIWITEA Stream and upgrades to the Oroua River stopbanks are due to be completed in 2017/18. These stopbanks are designed to withstand the current 1% Annual Exceedance Probability (AEP) flood event, 1 in 100 year flood. Technology is always changing and it is likely that new and cost effective plant and materials will be available to meet some of the challenges in the future.
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Alternative	That climatic changes in the Manawatū District are less extreme than predicted by NIWA based on the IPCC Fifth Assessment Report
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Impact	Minor If climatic changes are less extreme than predicted, expenditure on infrastructure repairs and maintenance will be lower.
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Likelihood	Unlikely Ministry for the Environment reports have predicted change in weather patterns including wind and rainfall. There is more certainty that weather patterns in the short term due to climate change will have predictable impacts that can be provided for through our Asset Management Plans and Activity Management Plans. There is less certainty about impacts of weather patterns in the long term as predictions are less reliable
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Overall Risk	Low
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Reasons & Financial Effect of Uncertainty	Fewer significant storm events means that expenditure on infrastructure repairs and maintenance and insurance claims from storm events will be lower. Renewal reserves will need to be retained to address climate change impacts in the longer term.
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Mitigating Factors (if applicable)	Financial impacts will be mitigated by ensuring adequate insurance cover is used and appropriate maintenance is undertaken as a preventative measure.
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Natural Disasters

Assumption: The Manawatū District Council is prepared to respond to any natural hazards, including floods, storms, earthquakes and volcanic activity that occur during the life of this Long Term Plan.

Alternative	That a natural disaster event occurs that exceeds our ability to respond
Impact	<p>Major</p> <p>Manawatū District and other district businesses could be subject to a break in business continuity in the event of a major natural event. Council services including water (treatment, drinking), the road network and wastewater networks and treatment could be disrupted for considerable periods of time. Depending on the severity or timing of disasters, Council may not have either enough staff to manage recovery and response.</p> <p>There is a risk that Council may not have access to Government support in the future.</p> <p>A series of natural disasters may exhaust Council reserves and prudent borrowing ability.</p> <p>Other natural hazard events elsewhere in New Zealand or the world mean that there may periods of time where insurance cover is not available, or not available for certain types of event.</p> <p>The repair or renewal of lower priority infrastructure may be delayed due to a lack of borrowing ability and the need to focus resources on high priority projects.</p>
Likelihood	<p>Unlikely</p> <p>A high level of uncertainty exists around natural disasters.</p> <p>Updated earthquake forecasts from GeoNet in December 2017 provide a best estimate of 30% (unlikely) of a magnitude 7 or higher earthquake occurring within the Central North Island within the next 10 years.</p> <p>To mitigate this risk Council holds emergency reserves and ensure that it is adequately insured.</p>
Overall Risk	Moderate
Reasons & Financial Effect of Uncertainty	A major natural event would impact on council by demanding immediate funding. This would reduce the resilience of the Council for meeting future unforeseen costs. Additional borrowing would impact on future rating levels.
Mitigating Factors (if applicable)	<p>The Council has prepared a detailed business continuity plan, which outlines both crisis response and recovery. Civil Defence emergency planning is in alignment with business continuity preparedness.</p> <p>The Council also continues to be part of the Manawatū-Wanganui Civil Defence and Emergency Management Group working to ensure preparedness for any natural disaster, co-ordinate a response and support recovery.</p> <p>Council has a \$5 million buffer between our financial strategy and the Borrowing Management Policy to ensure we have adequate borrowing facilities in case of emergencies. Major natural disasters are assumed to attract Government and private charitable sector support.</p>

Transport

Assumption: The Manawātū District Council will receive funding from NZTA for the maintenance and renewal of roads. The proportion of NZTA funding will be 53% of costs, remaining at this level over the period of the Long Term Plan. That the roading projects included in the Long Term Plan will meet the ONRC funding criteria for national funding. That Horizons will continue to financially support the passenger transport services that are currently provided in the Manawātū District.

Alternative	That the total level of funding is reduced, that delays in finalising NZTA funding impact on Council's delivery of roading projects, or that projects will not secure funding.
Impact	<p>Major</p> <p>If the total level of funding is reduced Council will need to make decisions about making up the difference or reducing the current level of service.</p> <p>Projects may be delayed due to the time and cost associated with preparing a business case to demonstrate that a project provides value for money in accordance with NZTA investment requirements.</p> <p>The New Zealand Transport Agency (NZTA) has advised that the National Land Transport Plan is expected to be published on 31 August 2018. While Council's maintenance and renewal programmes have already been approved by the New Zealand Transport Agency, no new funding approvals will be able to be made for improvement activities until the 2018-21 National Land Transport Programme is adopted. If the funding for improvement projects is not available at the start of the construction season (October 2018) this will affect Council's ability to deliver improvement projects within agreed timeframes. Projects that are not consistent with wider national and regional land transport priorities and objectives may not secure funding.</p> <p>Reduced investment in road maintenance on low use roads results in deterioration of the road and eventual pavement failure with increased complaints from road users.</p>
Likelihood	<p>Possible</p> <p>Investment in the Manawātū-Whanganui Region, as set out in the National Land Transport Plan (NLTP), is primarily focussed on developing and maintaining a resilient transport network that supports getting produce to market. A number of the priority projects will have indirect benefits to the Manawātū District, improving connections through the District and reducing travel time. However, none of the primary investment projects included in the NLTP are located within the Manawātū District. Any projects within the Manawātū District will need to be justified in accordance with the NZTA Business Case Approach.</p> <p>Council is aware of delays with the preparation of the Government Policy Statement on Land Transport, the National Land Transport Programme, and the Investment Assessment Framework in 2018. However, these delays are not expected to impact on Council's delivery of roading programmes.</p>
Overall Risk	Moderate
Reasons & Financial Effect of Uncertainty	<p>If NZTA reduced funding in the future and/or lowered levels of service, increased rates (local share) or further efficiencies (or a combination of these) would be required to maintain service levels. Roothing is a significant activity of Council and changes to NZTA funding can have a major impact on activity funding.</p> <p>Increased demand for cycleways and walkways will result in the need for increased funding. Given the need to economically justify projects under the One Network Road Classification (ONRC), marginal projects or projects that are not a good fit with the Government Policy Statement on Land Transport (GPS) are unlikely to proceed or would have to proceed without a subsidy from NZTA.</p>

Mitigating Factors (if applicable)	<p>More people walking or biking would slightly reduce the required maintenance on roads.</p> <p>New technology, better asset management and improved procurement practices may drive further efficiencies in the future reducing the costs of maintaining the roading network.</p> <p>Public transport is not traditionally a district Council function but Council is working closely with our provider, Horizons Regional Council, to ensure the best and most appropriate services for the Manawatū.</p> <p>NZTA has informed organisations of the funding arrangements and process for funding approvals during the interim period from July 2018 until the National Land Transport Plan is published. The delay in finalising the National Land Transport Programme is not expected to affect Council's delivery of roading programmes as maintenance and renewal budgets have already been approved by NZTA. Council anticipates that the approval of funding for improvements (after 31 August 2018) will coincide with the start of the construction season in October 2018.</p>
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Resource Consents Held By Council

Assumption: That applications to renew resource consents will be granted but that Council will face additional costs through the application process, particularly in relation to wastewater discharges. Monitoring costs and requirements will be higher for consent renewals due to more stringent conditions.

Alternative	That consents will be renewed and issued without major changes to conditions or requirements.
Impact	<p>Minor</p> <p>If conditions and requirements are the same as for existing consents then Council will not have to increase budgets to comply with consent conditions. Council has a good understanding of its existing consent requirements and monitors expiry dates through asset management plans.</p>
Likelihood	<p>Unlikely</p> <p>Consents already approved under the One Plan have been subject to more stringent conditions and requirements than those issued under the previous Regional Plans. Given the recent Environment Court decision that ruled against Horizons Regional Council (NZEVC ENV-2016-WLG-000038), we think it is likely that the trend towards more stringent consent requirements will continue.</p>
Overall Risk	Low
Reasons & Financial Effect of Uncertainty	If consents are renewed without major changes to conditions and requirements then there will be no need to increase the budget for consent monitoring and renewal included in the Asset Management Plans. Those that have already been adjusted in anticipation of new requirements may have a surplus.
Mitigating Factors (if applicable)	<p>Council has a good working relationship with Horizons. The Council will monitor and work with Horizons to ensure it has sufficient notice of and is well-placed to manage any change required.</p> <p>While Council can advocate on the community's behalf, there is limited flexibility in terms of consent conditions.</p>

Alternative	That consent applications will be declined.
Impact	<p>Severe</p> <p>If consents cannot be obtained new works could be delayed, impacting on provision of services. Council will need to develop alternative ways of managing infrastructure to find solutions that are able to be consented.</p>

Likelihood	Rare While we are anticipating increased costs in meeting new consent requirements we consider it highly unlikely that Council will fail to obtain consent. Council may need to make changes, such as eliminating any water-based treatment of wastewater discharges, but should be able to find solutions that meet the requirements of the One Plan and are supported by iwi and other stakeholders.
Overall Risk	Moderate
Reasons & Financial Effect of Uncertainty	If Council continued to operate without consent it may face enforcement action and fines. Affordability of services in small communities could become increasingly difficult.
Mitigating Factors (if applicable)	Council has a good working relationship with Horizons. The Council will monitor and work with Horizons to ensure it has sufficient notice of and is well-placed to manage any change required. While Council can advocate on the community's behalf, there is limited flexibility in terms of consent conditions. Council has recently been successful in obtaining government funding for both water and wastewater upgrades. Additional budget has been included in Asset Management Plans to offset the increased costs for consent renewals and to ensure compliance with new consent conditions. Council is also investigating options to pipe wastewater from the Villages to the Feilding Wastewater Treatment Plan for treatment. This will reduce the number of wastewater discharge consents that need to be renewed, thereby reducing the risk that consents will be declined or that significant upgrades will be required to wastewater treatment plans to meet new consent conditions.

Inflation

Assumption: Costs will increase as set out in the Local Government Cost Index (LGCI) prepared by Business and Economic Research Ltd (BERL).

Alternative	That inflation costs will increase at a significantly higher rate than forecast in the LGCI
Impact	Major Council may face increased costs if inflation rates differ significantly from forecasts. The biggest impact in the short term would be to threaten the viability of major projects. Significant (and unexpected) cost increases will raise questions over levels of service and affordability.
Likelihood	Unlikely The inflation forecasts in appendix one have been used to prepare the financial information within the Long Term Plan. These forecasts are updated each year and each new Long Term Plan uses the most recent update.
Overall Risk	Moderate
Reasons & Financial Effect of Uncertainty	Council may face increased costs if inflation rates differ significantly from forecasts. The biggest impact in the short term would be to threaten the viability of major projects.

Mitigating Factors (if applicable) Major projects and most infrastructure maintenance are subject to tenders. These tend to be multi-year contracts that reduce the risk to Council in the short term. Council can decide to not proceed with projects if tendered costs have exceeded the budget.

Council closely monitors its budget and performance against budget. Emerging trends in the economy affecting inflation can be identified at early stages and budgets and spending adjusted if necessary to ensure there are no sudden impacts. Council also utilises several sources of funds including external and internal borrowing and rates so the risk of inflation is not to all sources of funding.

Alternative That inflation costs will increase at a significantly lower rate than forecast in the LGCI

Impact **Minor**
It is possible that rates will vary significantly from that budgeted for, resulting in the need for major changes to future annual budgets.

Likelihood **Unlikely**
The inflation forecasts in appendix one have been used to prepare the financial information within the Long Term Plan. These forecasts are updated each year and each new Long Term Plan uses the most recent update.

Overall Risk **Low**

Reasons & Financial Effect of Uncertainty

Mitigating Factors (if applicable) Council closely monitors its budget and performance against budget. Emerging trends in the economy affecting inflation can be identified at early stages and budgets and spending adjusted if necessary to ensure there are no sudden impacts.

Interest Rates

Assumption: Council has budgeted for this long-term plan that interest on loans raised will be on average 5% over 10 years. It is assumed that return on investments made by Council will be on average 2.5% over 10 years.

Alternative That the interest rates on loans will be significantly higher than forecast

Impact **Minor**
Significant increases will impact the most on infrastructure and community activities with major upgrades or asset renewals planned.

Likelihood **Unlikely**
Investment rates will generally follow interest rates and maintain a consistent difference.

Overall Risk **Low**

Reasons & Financial Effect of Uncertainty Advice from the Local Government Funding Agency is that while interest rates are likely to rise over the next 10 years these will primarily be shorter dated interest rates. Longer term interest rates are likely to remain relatively stable, reflecting relatively low levels of inflation. A 10 year interest rate of 5% is considered to be conservative.

Mitigating Factors (if applicable) Interest rates are largely driven by factors external to the New Zealand economy. Council is not predicting a significant increase in borrowings over the 10-year period. Council has in place an interest rate strategy (swaps) to deliver greater certainty over the interest rate cost for the duration of the Long Term Plan. The Council is a member of the LGFA and as such has access to overseas sources of funds and lower interest rates.

Alternative That interest rates on loans will be significantly lower than forecast	
Impact	Minor Significant increases will impact the most on infrastructure and community activities with major upgrades or asset renewals planned.
Likelihood	Unlikely Investment rates will generally follow interest rates and maintain a consistent difference.
Overall Risk	Low
Reasons & Financial Effect of Uncertainty	Advice from the Local Government Funding Agency is that while interest rates are likely to rise over the next 10 years these will primarily be shorter dated interest rates. Longer term interest rates are likely to remain relatively stable, reflecting relatively low levels of inflation. A 10 year interest rate of 5% is considered to be conservative.
Mitigating Factors (if applicable)	Interest rates are largely driven by factors external to the New Zealand economy. Council is not predicting a significant increase in borrowings over the 10-year period. Council has in place an interest rate strategy (swaps) to deliver greater certainty over the interest rate cost for the duration of the Long Term Plan. The Council is a member of the LGFA and as such has access to overseas sources of funds and lower interest rates.

Alternative That returns on investments will be significantly higher than forecast	
Impact	Minor There will be no significant effect on the community or levels of service. Council does not rely on interest revenue for running its operations so the impact will be minimal.
Likelihood	Unlikely Investment rates will generally follow interest rates and maintain a consistent difference.
Overall Risk	Low
Reasons & Financial Effect of Uncertainty	Advice from the Local Government Funding Agency is that while interest rates are likely to rise over the next 10 years these will primarily be shorter dated interest rates. Longer term interest rates are likely to remain relatively stable, reflecting relatively low levels of inflation. A 10 year interest rate of 5% is considered to be conservative.
Mitigating Factors (if applicable)	Interest rates are largely driven by factors external to the New Zealand economy. Council is not predicting a significant increase in borrowings over the 10-year period. Council has in place an interest rate strategy (swaps) to deliver greater certainty over the interest rate cost for the duration of the Long Term Plan. The Council is a member of the LGFA and as such has access to overseas sources of funds and lower interest rates.

Alternative That returns on investments will be significantly lower than forecast	
Impact	Minor There will be no significant effect on the community or levels of service. Council does not rely on interest revenue for running its operations so the impact will be minimal.
Likelihood	Unlikely Investment rates will generally follow interest rates and maintain a consistent difference.
Overall Risk	Low

Reasons & Financial Effect of Uncertainty	Advice from the Local Government Funding Agency is that while interest rates are likely to rise over the next 10 years these will primarily be shorter dated interest rates. Longer term interest rates are likely to remain relatively stable, reflecting relatively low levels of inflation. A 10 year interest rate of 5% is considered to be conservative.
Mitigating Factors (if applicable)	Interest rates are largely driven by factors external to the New Zealand economy. Council is not predicting a significant increase in borrowings over the 10-year period. Council has in place an interest rate strategy (swaps) to deliver greater certainty over the interest rate cost for the duration of the Long Term Plan. The Council is a member of the LGFA and as such has access to overseas sources of funds and lower interest rates.

Useful Life of Assets

Assumption: That assets will deliver the required level of service over their documented useful life.

Alternative	That assets will fail earlier than their documented useful life
Impact	Major Insufficient renewals would impact on service reliability with increasing asset failures.
Likelihood	Possible Various factors can affect when an asset is replaced, including an extraordinary event, increased demand, or an increased rate of deterioration. It is difficult to predict for each asset component which factor will determine its need for replacement.
Overall Risk	Moderate
Reasons & Financial Effect of Uncertainty	Significant unanticipated asset deterioration either due to external events or inadequate condition rating could result in insufficient depreciation funding for renewals. The useful lives and associated depreciation rates of major classes of assets are disclosed in the Statement of Accounting Policies. Unbudgeted capital will have to be met either through higher than expected rates increases or increased borrowing. In the case of the latter, this will lead to unbudgeted interest payments.
Mitigating Factors (if applicable)	As outlined in the Infrastructure Strategy, monitoring the condition of assets on an ongoing basis and updating of asset management plans with condition scores should ensure there is little unanticipated replacement works required.

Alternative	That assets will continue to deliver their required level of service beyond their documented useful life
Impact	Minor This will mean that assets are able to be renewed later in their life.
Likelihood	Possible Various factors can affect when an asset is replaced, including an extraordinary event, increased demand, or an increased rate of deterioration. It is difficult to predict for each asset component which factor will determine its need for replacement.
Overall Risk	Guarded
Reasons & Financial Effect of Uncertainty	Longer asset lives overall would mean Council is currently rating too high for depreciation.

Mitigating Factors (if applicable) As outlined in the Infrastructure Strategy, monitoring of asset components via annual updating of Asset Management Plans will provide some advanced notice as to when asset components will need to be replaced.

Capital Work Costs

Assumption: Capital works costs will not vary significantly from those budgeted.

Alternative That capital works costs will be significantly more than budgeted	
Impact	Major The effect on the community depends on the scale of the variance. Council could face higher than budgeted costs that does not fit within the Financial Strategy limits.
Likelihood	Unlikely Financial budgeting is indicative and it is common for projects to incur cost overruns or under-budget results. There is a considerable cost associated with making project budgets more accurate. More time is spent on estimating projects in the first three years of the Long Term Plan, with generally less confidence given to projects in years 4-10.
Overall Risk	Moderate
Reasons & Financial Effect of Uncertainty	Higher than anticipated costs could result in increased debt levels and unbudgeted interest repayments, or deferral of programmes.
Mitigating Factors (if applicable)	Levels of service can be revised annually. Project planning and business case processes are in place to increase the accuracy of planned projects. Projects are re-assessed as part of each Long Term Plan process and costs are updated to reflect the latest costings and technology changes
Alternative That capital works costs will be significantly less than budgeted	
Impact	Moderate
Likelihood	Unlikely Financial budgeting is indicative and it is common for projects to incur cost overruns or under-budget results. There is a considerable cost associated with making project budgets more accurate. More time is spent on estimating projects in the first three years of the Long Term Plan, with generally less confidence given to projects in years 4-10.
Overall Risk	Guarded
Reasons & Financial Effect of Uncertainty	If costs are lower Council could increase levels of service or reduce rate increases.
Mitigating Factors (if applicable)	Levels of service can be revised annually. Project planning and business case processes are in place to increase the accuracy of planned projects. Projects are re-assessed as part of each Long Term Plan process and costs are updated to reflect the latest costings and technology changes

Valuations

Assumption: The value of infrastructure, land and buildings will increase at the same rate as the relevant inflation category over time

Alternative	That the value of infrastructure, land and buildings will increase at a higher rate than the relevant inflation category
Impact	Moderate Increased valuations would require higher than forecast depreciation funding and this will impact on Council's other spending.
Likelihood	Unlikely Infrastructure assets are revalued annually on 1 July by internal staff members in accordance with the District Council's Policy. As accounting standard PBE IPSAS 17 Property, Plant and Equipment no longer requires internal revaluations to be subject to external peer review, the District Council has chosen to obtain an independent peer review every third year rather than annually. A peer review was undertaken for the revaluation as at 1 July 2016.
Overall Risk	Guarded
Reasons & Financial Effect of Uncertainty	Higher valuations could result in higher depreciation requirements that impact on Council level of services able to be delivered within the forecast funding limits
Mitigating Factors (if applicable)	Revaluations are done annually in order to ensure the Council accurately reflects the renewal costs of assets

Alternative	That the value of infrastructure, land and buildings will increase at a lower rate than the relevant inflation category
Impact	Moderate Lower valuations will require lower than forecast depreciation funding.
Likelihood	Unlikely Infrastructure assets are revalued annually on 1 July by internal staff members in accordance with the Council Policy. As accounting standard PBE IPSAS 17 Property, Plant and Equipment no longer requires internal revaluations to be subject to external peer review, the District Council has chosen to obtain an independent peer review every third year rather than annually. A peer review was undertaken for the revaluation as at 1 July 2016.
Overall Risk	Guarded
Reasons & Financial Effect of Uncertainty	If depreciation costs are lower Council could increase levels of service or reduce rate increases.
Mitigating Factors (if applicable)	Revaluations are done annually in order to ensure the Council accurately reflects the renewal costs of assets

Renewability or Otherwise of External Funding

Assumption: Council will be able to borrow at the required level

Alternative	That Council is not able to borrow at the required level
Impact	<p>Severe</p> <p>If Council's ability to borrow is affected then three options exist – defer capital works, reduce levels of service or increase rates or other operating funding (fees and charges, grants) to fund capital works. If less capital works are undertaken this would lead to lower levels of service.</p>
Likelihood	<p>Rare</p> <p>Local government in New Zealand has no current or forecast issues in accessing debt funding. Risk is seen as low as Council have access to the LGFA funding market.</p>
Overall Risk	<p>Moderate</p>
Reasons & Financial Effect of Uncertainty	<p>The economic picture in New Zealand is positive. Indicators are that this will continue for some time. The Reserve Bank says New Zealand's financial system is sound and continues to operate effectively. Three key risks to future financial stability have been identified – housing market vulnerabilities, bank funding pressures and dairy sector indebtedness.</p> <p>The Council has access to finance through the New Zealand Local Government Funding Agency (LGFA), a dedicated financing vehicle for local government. While it is likely Council will be able to secure loans, it cannot be guaranteed.</p>
Mitigating Factors (if applicable)	<p>There is high demand for local government debt. The Council now has access to the LGFA that can source funds from overseas as well as NZ. The Council enjoys a strong relationship and loan facilities with its bankers, which could be drawn down if the need arose. The financial strategy is prudent in all regards with debt levels reflecting a prudent approach.</p>

Source of Funds for Future Replacement of Significant Assets

Assumption: That the depreciation reserves will adequately fund the renewals of assets over the 10 year period and the longer term (to 2048).

Alternative	That the depreciation reserves are insufficient to fund the renewals of assets over the 10 year period and the longer term.
Impact	<p>Major</p> <p>There will be a shortfall in funds available to replace assets. A shortfall in funds would require Council to either:</p> <ul style="list-style-type: none"> • Reduce service levels • Increase debt • Increase rates.
Likelihood	<p>Unlikely</p> <p>The depreciation reserves have a substantial positive balance currently so should be sufficient to fund renewals of assets, at least over the short term.</p>
Overall Risk	<p>Moderate</p>

Reasons & Financial Effect of Uncertainty	Since 2009 Council has built depreciation reserves over time to fund the long term renewals of assets. The impact of the uncertainty on rating levels is likely to be immaterial in the short term as the depreciation funds have an overall substantial positive balance (2017/18 opening balance \$1.8 million). This balance is forecast to reach \$33 million at the end of the 10 year period (June 2028). This reflects that renewals are forecast to be less than the amount funded for depreciation. The assumptions on Inflation, Asset lives and Revaluation of Property, Plant and Equipment will have an impact on the required funding levels for depreciation over the medium to long term.
Mitigating Factors (if applicable)	Council is able to access borrowings to supplement depreciation reserves if required at levels forecast within the Long Term Plan.

New Technology

Assumption: That Council will be able to take advantage of improvements in technology and asset management practices, resulting in minor efficiency gains and longer asset lives.

Alternative	That technological advancement is slower than anticipated and that Council continues to employ current technologies and asset management practices over the life of the plan
Impact	Minor Advances in digital technology over the past 10 years has enabled more efficient linkages between condition assessments in the field and asset management systems in the Council. Technological advancements in pipeline renewal such as the slip lining (trenchless technology) of wastewater lines has made wastewater renewals cheaper, with less disruption to the road network and a better overall customer experience for adjacent property owners. If current rates of technological advancement were to slow, Council would continue to manage, maintain, renew and replace assets using current technologies and best practice.
Likelihood	Unlikely Given recent trends in technological advancement it is considered unlikely that there will not be further advancements over the life of the plan (to 2028).
Overall Risk	Low
Reasons & Financial Effect of Uncertainty	Maintenance and renewals programmes are based on current information and best practice and therefore should be able to be completed to budget. Any advances in technology that make projects more or less viable would be considered at the time, so would affect Council's forecasting of future programmes and budget estimates.
Mitigating Factors (if applicable)	Through their professional memberships and ongoing training Council officers keep pace with technological advancements that could result in greater efficiencies for Council. It is therefore unlikely that Council will fail to take advantage of new technologies as they become available.

Alternative**That technological advancement progresses much more quickly than anticipated****Impact****Minor**

Technological improvements are likely to result in lower costs to deliver the same levels of service. If this occurs, the results could include:

- New road surfaces that last longer, reducing maintenance costs
- Pipelines are stronger and more flexible, resulting in longer asset lives and lower costs
- Stronger structures, such as bridges, are cheaper to build
- More efficient wastewater treatment that results in a cleaner discharge at the same or lower costs
- Improved data confidence and asset information means Council is able to make better decisions about what assets need to be replaced and when, optimising useful asset life.

Likelihood**Possible**

It is possible that the rate of technological advancement increases over time.

Overall Risk**Guarded****Reasons & Financial Effect of Uncertainty**

The price of some components may change relative to others due to changes in commodity prices and labour/plant/materials ratios as a result of technology and changes in work practices. As a result programmes may become more or less viable. Any advances in technology that make projects more or less viable would be considered at the time, so would affect Council's forecasting of future programmes and budget estimates.

Mitigating Factors (if applicable)

Through their professional memberships and ongoing training Council officers keep pace with technological advancements that could result in greater efficiencies for Council. It is therefore unlikely that Council will fail to take advantage of new technologies as they become available.

Appendix 1 – SOLGM / BERL Price Adjustors as at September 2017

The following figures are derived from base figures extracted from “Forecasts of Price Level Change Adjustors - 2017 Update Note to Society of Local Government Managers”, dated September 2017, prepared by Business and Economic Research Limited (BERL). The “Staff” inflation factors have been set as a minimum of 2%, to reflect anticipated market changes.

Table 19: Adjustors: Percentage (%) per annum change

	Road	Property	Water	Energy	Staff	Other	Earth moving	Pipelines	Private sector wages
Jun 18	1.90	1.50	1.80	1.80	2.00	1.80	1.90	1.50	1.50
Jun 19	2.06	1.38	2.36	2.06	2.00	2.06	1.96	2.17	1.97
Jun 20	2.21	1.85	2.50	2.12	2.00	2.12	2.31	2.70	1.84
Jun 21	2.16	1.91	2.25	2.17	2.00	2.17	2.35	2.44	1.90
Jun 22	2.30	1.97	2.38	2.21	2.00	2.21	2.39	2.47	1.58
Jun 23	2.34	1.93	2.42	2.35	2.00	2.35	2.51	2.33	1.74
Jun 24	2.46	2.07	2.53	2.29	2.00	2.29	2.63	2.36	1.71
Jun 25	2.49	2.03	2.56	2.41	2.00	2.41	2.65	2.39	1.86
Jun 26	2.60	2.08	2.66	2.53	2.00	2.53	2.83	2.42	1.91
Jun 27	2.69	2.12	2.75	2.55	2.00	2.55	2.83	2.36	1.88
Jun 28	2.78	2.16	2.83	2.64	2.01	2.64	3.07	2.39	2.01

Table 20: LGCI, annual average percentage (%) change

	CAPEX	OPEX	LGCI
Jun 18	1.80	1.80	1.80
Jun 19	2.06	2.06	2.06
Jun 20	2.21	2.12	2.12
Jun 21	2.17	2.17	2.17
Jun 22	2.21	2.21	2.21
Jun 23	2.34	2.26	2.35
Jun 24	2.38	2.29	2.29
Jun 25	2.50	2.42	2.41
Jun 26	2.43	2.44	2.53
Jun 27	2.62	2.55	2.55
Jun 28	2.72	2.65	2.64

Māori Capacity to Contribute to Decision Making

The Manawatū District is home to a number of Marae. In recognition of the important part they play within the community and because of a request from a Tangata Whenua Representative Group, Ngā Manu Tāiko Manawatū District Council (previously known as Marae Consultative Standing Committee) was established in 1998.

In 2015, Ngā Manu Tāiko Manawatū District Council established Te Kaunihera Working Group as a means of working through specific outcomes. This Working Group reports directly to Ngā Manu Tāiko Manawatū District Council.

The principal purpose of Ngā Manu Tāiko Manawatū District Council is to liaise between Council and local Tangata Whenua.

Ngā Manu Tāiko Manawatū District Council represents the interests of Tangata Whenua – the people of the land, as well as those with mana whenua status within the Manawatū District and is inclusive of all Māori in our community.

A continuing focus for Ngā Manu Tāiko Manawatū District Council will be to ensure:

- that all Māori of the district are represented
- that all Māori are able to contribute to Council decision making
- that Council is liaising with the people who have mana whenua

Membership of Ngā Manu Tāiko Manawatū District Council comprises one member from Aorangi, Kauwhata, Parewahawaha, Poupatate, Te Rangimarie, Taumata O Te Ra, Te Hiiri, Te Tikanga, Kotuku and Te Iwa Marae and the hapū of Ngāti Te Au and Ngāti Turanga, along with three elected members appointed by Council with the Chairperson being appointed by the Committee.



History of Ngā Manu Tāiko

The membership of the Marae Consultative Standing Committee (now known as Ngā Manu Tāiko Manawatū District Council) initially comprised one member from Aorangi, Kauwhata, Parewahawaha, Poupatate, Te Rangimarie, Taumata O Te Ra, Te Hiiri and Te Tikanga Marae, along with three elected members appointed by Council with the Chairperson being appointed by the Committee. The Marae of Kotuku and Te Iwa were added shortly after the Committee was established.

In May 2014, the Marae Consultative Standing Committee requested that Council give consideration to extending the membership of the Committee to include representation from the hapu of Ngāti Te Au, Ngāti Rakau (Motuiti Marae) and Ngāti Turanga (Paranui Marae) as although they are located in the Horowhenua District, they have mana whenua status within the Manawatū District. This is a similar situation to Parewahawaha Marae which is located in the Rangitikei District but who have mana whenua status in the Manawatū District. Council accepted the Committee's request and invited representation from the three suggested hapu. The hapu of Ngāti Te Au and Ngāti Turanga took up Council's invitation and are now represented on the Marae Consultative Standing Committee.

Ngā Manu Tāiko Manawatū District Council meets on a bi-monthly basis, with items of business reflecting the Council's current activities and issues identified by committee members. The committee meetings provide a forum for regular communication and is one avenue for Tangata Whenua to have input into the council's decision-making processes.

Te Kaunihera Working Group

The purpose of the Te Kaunihera Working Group is to progress the framework and develop an action plan for the following outcomes:

- Feilding Library
- Build and maintain relationship and profile of Tangata Whenua and Māori history, values and information.
- Information Centre
- Ensure iwi / hapū / and Māori Institutions / networks are recognised in contact lists and profiled where appropriate, at the Library and Information Centre.
- Visual images that will draw visitors inside.
- Town marketing of events
- Identify the current gaps i.e. Major Māori events not marketed, or opportunities for Iwi and wider Māori community participation in existing events.
- Developing shared understandings between Manawatū District Council and Iwi
- Identify events and/or specific awareness training opportunities for the community and relevant organisations – including Manawatū District Council staff.
- Manawatū District Council corporate training, including understanding concepts such as rangatiratanga, manaakitanga, kaitiakitanga, wairua and ūkaipōtanga in relation to local government responsibilities.

The Working Group is made up of representatives of Ngā Manu Tāiko Manawatū District Council.

Māori Ward

The Local Electoral Act 2001 provides for the establishment of Māori Ward(s).

In November 2017 the Council resolved to establish a Māori Ward in the Manawatū District for electoral purposes. The public notice detailed the public's right to demand a poll to countermand this decision.

A valid demand was received from electors and a poll held in May 2018 to determine whether Council's decision to establish a Māori Ward was final and would remain in force for the next two triennia (i.e. 2019-2022 and 2022-2025) or be overturned.

The majority of those electors who voted in the poll voted against the proposal to establish a Māori Ward. Under the current legislation the Council cannot consider establishing a Māori Ward in the Manawatū District until November 2023.

Statutory Obligation

The Development of Māori Capacity to Contribute to Decision Making Policy does not replace Council's statutory obligation to consult with Iwi Authorities under legislation e.g. Resource Management Act.



Glossary

kaitiakitanga means the exercise of guardianship by the tangata whenua of an area in accordance with tikanga Maori in relation to natural and physical resources; and includes the ethic of stewardship.

manaakitanga means hospitality, kindness, generosity, support - the process of showing respect, generosity and care for others.

mana whenua means customary authority exercised by an iwi or hapu in an identified area.

Manu Tāiko is used as the general term for Directional Governance. It focuses on the lead birds in a flock that take the responsibility from the leaders to coordinate and enhance the orientation, communication, and safety of the flock. Not only on the ground while feeding, grooming and frolicking but also in the air to follow a direct route to their goal. During a long distance flight abroad the front manu takes on the actual flying, the others catch the flow from the front participant and glide in its wake using perfect aerodynamics to fly hundreds of kilometres without tiring. Eventually another manu will move forward in rotation, drop down in front to take over the main drive and the directional course, giving the earlier manu a chance to rest. Ngā Manu Tāiko has been likened to all members of the Manawatū District Council who meet with local Marae and Hapu representatives on issues that may help guide our community to move forward together.

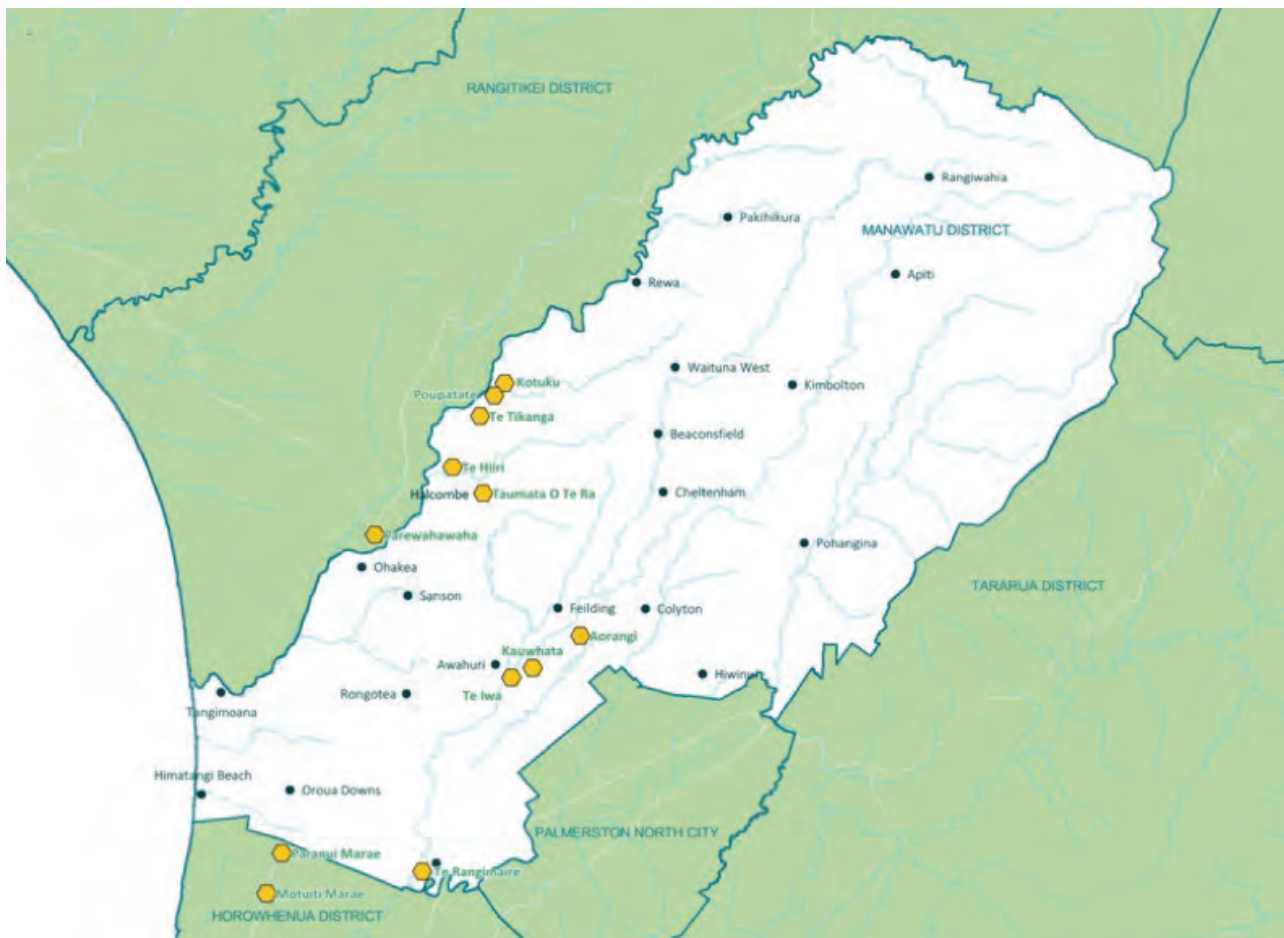
rangatiratanga means chieftainship, right to exercise authority, chiefly autonomy, chiefly authority, ownership, leadership of a social group, domain of the rangatira, noble birth, attributes of a chief.

ūkaipōtanga means recognition of origins.

tangata whenua, in relation to a particular area, means the iwi, or hapu that holds mana whenua over that area.

wairua means spirit, soul - spirit of a person which exists beyond death.

The District's Marae location map is as follows:



Significance and Engagement Policy

Engagement is about involving the community in the decisions that affect them. It is important to us that we understand the community views and preferences on issues, proposals, decisions, assets and activities we provide.

Council recognises issues range in degrees of significance and require different levels of engagement. For example, less significant issues require little engagement while other more significant decisions require a greater degree of engagement. This policy provides the Council and the community with guidelines about significant issues and appropriate levels of engagement to use.

Why have a policy?

- To enable the local authority and its communities to identify the degree of significance attached to particular issues, proposals, decisions, assets and activities.
- To provide clarity about how and when communities can expect to be engaged in decisions made by Council.
- To inform Council from the beginning of a decision making process about the extent, form and type of engagement required.
- To meet the legal requirements and intent of the Local Government Act 2002.



A Significance and Engagement Policy provides guidance about what decisions or matters the Council and the Community consider particularly important, how the Council will go about assessing the importance of matters, and how and when the community can expect to be consulted on both.



Issues requiring decisions by local authorities are wide-ranging and it is impossible to foresee all major decisions. Retaining some flexibility in the decision making process is important for Council to be able to respond quickly to some issues. Council has decided it will use a range of criteria to determine significance rather than specific thresholds

How does Council determine significance?

In determining the degree of significance Council will assess and consider the following criteria, and the appropriate level of engagement:

- There is a legal requirement to engage with the community
- The level of financial consequences of the proposal or decision
- Whether the proposal or decision will affect a large portion of the community
- The likely impact on present and future interests of the community, recognising Māori cultural values and their relationship to land and water
- Whether the proposal affects the level of service of a significant activity
- Whether community interest is high
- Whether the likely consequences are controversial
- Whether community views are already known, including the community's preferences about the form of engagement
- The form of engagement used in the past for similar proposals and decisions.

The degree of importance attached to each criterion will be considered on a case-by-case basis.

If a proposal or decision is affected by a number of criteria, it is more likely to have a higher degree of significance.

In general, the more significant an issue, the greater the need for community engagement.

Principles and forms of engagement

Engaging with the community is required to understand the views and preferences of the people likely to be affected by or interested in a proposal or decision.

Assessments regarding the degree of significance and the appropriate level of engagement will therefore be considered in the early stages of a proposal before decision-making occurs and, if necessary, reconsidered as a proposal develops.

The Council will apply a consistent and transparent approach to engagement.



Council's consideration of significance will be detailed in reports that are made public at www.mdc.govt.nz

Council is required to undertake a Special Consultative Procedure as set out in Section 83 of the Local Government Act 2002, or to carry out consultation in accordance with or giving effect to Section 82 of the Local Government Act 2002 on certain matters (regardless of whether they are considered significant as part of this policy).

For all other issues requiring a decision, Council will determine the appropriate level of engagement on a case-by-case basis.



The decision to waive an overdue penalty on rates outstanding on Mr. Smith's house might be important to Mr Smith, but generally won't have much of an impact on the rest of the community, or the Council. This decision has a low level of significance. On the other hand a decision to build a major sporting facility in Feilding will have large financial and other impacts on the community now and in the future. This decision has a very high level of significance

The Community Engagement Guide identifies the forms of engagement Council will use to respond to some specific issues. It also provides examples of issues and how and when communities could expect to be engaged in the decision-making process.

The Ngā Manu Tāiko Manawatū District Council Terms of Reference, Memorandum of Understanding or any other similar high-level agreements will be considered as a starting point when engaging with Māori.

When Council makes a decision that is significantly inconsistent with this policy, the steps identified in Section 80 of the Local Government Act 2002 will be undertaken.

What are the Strategic Assets?

For the purpose of this Policy, the Council considers its networks and other large assets as complete single assets. It is the group of assets as a whole that delivers the service.

Listed below are the Council's strategic assets. Council needs to retain these assets to maintain its capacity to achieve or promote outcomes that it determines to be important to the well-being of the community:

- Storm water network (urban)
- Land drainage networks (rural)
- Parks, reserves and sports grounds
- Council property
- Feilding Library
- Recreational buildings including halls, theatres and recreation complexes
- Makino Aquatic Centre
- Rooding network
- Wastewater reticulation networks and treatment assets
- Water supply reticulation networks, treatment assets and storage facilities.

Decisions on transferring the ownership or control of strategic assets have Special Consultative Procedure requirements



Special Consultative Procedure:

A Special Consultative Procedure is a defined and mandated form of consultation that must be used before certain types of decisions are made. It includes a formal proposal, provision of at least one month for public submissions, and a formal hearing before a decision can be made.

The Council does not expect to undertake significant engagement for decisions that relate to changes to a part of a strategic asset, unless that part substantially affects the level of service provided to the community.

In emergency situations physical alterations to strategic assets may be required without formal consultation to:

- Prevent an immediate hazardous situation arising, or
- Repair an asset to ensure public health and safety.

Does Council always have to consult?

There are times when Council will not normally consult with the community because the issue is routine, operational or because there is an emergency. These may include:

- Emergency management activities, such as during a state of emergency
- Decisions that have to be made urgently where it is not reasonably practicable to consult
- Decisions to act where it is necessary to comply with the law
- Decisions that are confidential or commercially sensitive as prescribed under the Local Government Official Information Act 1987
- Organisational decisions (such as staff changes and operational matters) that do not materially reduce a level of service
- Decisions with regard to regulatory and enforcement activities
- Procurement and tendering processes
- Standards set by National Policy Statements

- Any decisions that are made by delegation or sub delegation to officer
- Any matter where the costs of consultation outweigh the benefits
- An issue where Council already has a good understanding of the views of the persons or community likely to be affected by or interested in the matter
- A matter that Council has consulted on in within the last triennium.

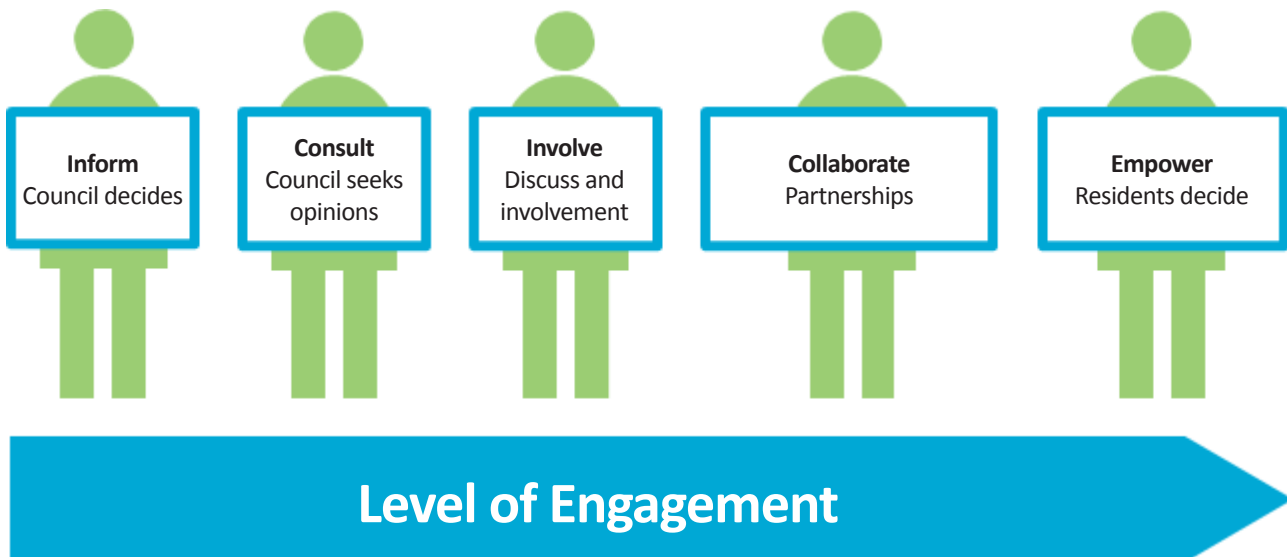
Some decisions made by Council are bound by legislation. In these situations, Council must follow the law and cannot use a flexible consultation process with the community.

When will this policy be reviewed?

The policy will be reviewed at a minimum of every three years during the first six months of the new triennium, as required by any legislative changes or other reason.

Changes to this policy do not have to be made through the Special Consultative Procedure and may be made by Council resolution.

Procedures and Guidelines



What does the policy look like in practice?

In considering the degree of significance of every issue requiring a decision, Council will be guided by the following criteria:

- There is a legal requirement to engage with the community
- The level of financial consequences of the proposal or decision
- Whether the proposal or decision will affect a large portion of the community
- The likely impact on present and future interests of the community, recognising Māori culture values and their relationship to land and water
- Whether the proposal affects the level of service of a significant activity
- Whether community interest is high
- Whether the likely consequences are controversial
- Whether community views are already known, including the community's preferences about the form of engagement
- The form of engagement used in the past for similar proposals and decisions.

On every issue requiring a decision, Council will consider the degree of significance and the corresponding level of engagement including how and when communities can expect to engage.

In general, the more significant an issue, the greater the need for community engagement. Levels of engagement range from Council making decisions to residents making decisions.

Council will make available background information on the options available relative to the issue, including previous reports and background documents that are not confidential. The level of information and the assessment of options will reflect the significance of the decision, the interest and involvement of the community and sections 76-79 of the Local Government Act 2002.

Significance and engagement will be considered in the early stages of a proposal before decision-making occurs and, if necessary, reconsidered as the proposal develops.

Differing levels of engagement may be required during the varying phases of decision-making on an issue, and for different stakeholders.

The Ngā Manu Tāiko Manawatū District Council Terms of Reference, Memorandum of Understanding or any other similar high-level agreements will be considered as a starting point when engaging with Māori.

When and how will Council engage?

When any issue is determined as being significant:

- The issue will be considered by Council
- The report to Council will include an assessment of the degree of significance of the issue, and a recommendation on the degree of engagement proposed.

Council will apply the principles of consultation (section 82 of the Local Government Act 2002) and consider the options stated in the Community Engagement Guide as a guide for engagement planning. This will provide a consistent but flexible process to guide Council on how and when communities can be engaged in decision making.

The Council will select the exact method that it considers appropriate after considering criteria and circumstances such as:

- Who is affected by, interested in, or likely to have a view on the issue, who else might be affected by the issue
- The significance of the matter, both to the local authority and those who are or may be interested in or affected by the issue
- The community's preferences for engagement
- What information already exists on community views on the proposal or decision and the circumstances in which that information was gathered (for example when was the information gathered, what changes in circumstances have there been since that time)
- The circumstances in which the decision is taken, or the issue arose.

What information must be made available when consulting?

The Council will consult in accordance with, or using a process or a manner that gives effect to the requirements of, section 82 of the Local Government Act 2002 where required to do so by law, including for the following specific issues requiring decisions:

- Adopting or amendment the Annual Plan if required under section 95 of the Local Government Act 2002
- Transferring responsibilities to another local authority under section 17 of the Local Government Act 2002
- Establishing or becoming a shareholder in a council controlled organisation
- Adopting or amending a revenue and financing policy, development contributions policy, financial contributions policy, rates remission policy, rates postponement policy, or a policy on the remission or postponement of rate on Māori freehold land.

The use of the Special Consultative Procedure

The Council will use the Special Consultative Procedure (as set out in section 83 of the Local Government Act 2002) where required to do so by law, including for the following issues requiring decisions:

- The adoption or amendment of a Long Term Plan (in accordance with section 93 A of the Local Government Act 2002)
- The adoption, amendment, or revocation of bylaws if required under section 156(1)(a) of the Local Government Act 2002
- The adoption, amendment or revocation of a Local Alcohol Policy
- The adoption or review of a Local Approved Products (Psychoactive Substances) Policy
- The adoption or review of a class 4 venue policy under the Gambling Act 2003
- The preparation, amendment or revocation of a waste management and minimisation plan.

Unless already explicitly provided for in the Long Term Plan, the Council will seek to amend its Long Term Plan, and therefore use the Special Consultative Procedure, when it proposes to:

- Alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of Council, including commencing or ceasing such an activity; or
- Transfer the ownership or control of Strategic Assets (Refer appendix)

Community Engagement Guide

Community engagement is a process involving all or some of the public, and is focused on decision-making or problem solving.

The following table provides an example of the different levels of engagement that might be considered appropriate, the types of tools associated with each level and the timing generally associated with these types of decisions/levels of engagement. The following table is not a definitive list of available engagement techniques. Other techniques may also be used in addition to those listed below.

Level	What does it involve	Types of issues that we might use this for	Tools Council might use	When the community can expect to be involved
Council decides	One-way communication providing balanced and objective information to assist understanding about something that is going to happen or has happened.	Water restrictions Procurement of goods and services Maintenance and renewals of existing Council assets Restricted fire season Opening hours of Council facilities	Websites Information flyer Public notices Council Reports	Council would generally advise the community once a decision is made.
Council seeks opinions	Two-way communications designed to obtain public feedback about ideas on rationale, alternatives and proposals to inform decision-making.	Gambling Policy Bylaw Reviews Long Term Plans and Annual Plans	Formal submissions and hearings, focus groups, surveys	Council would advise the community once a draft decision is made and would generally provide the community with up to four weeks to participate and respond.
Discussion and Involvement	Participatory process designed to help identify issues and views to ensure that concerns and aspirations are understood and considered prior to decision-making.	Rates Review District Plan Review CBD upgrades Earthquake prone public buildings Makino Aquatic Centre	Workshops Focus groups Email Panel	Council would generally provide the community with a greater lead in time to allow them time to be involved in the process.
Partnership	Working together to develop understanding of all issues and interests to work out alternatives and identify preferred solutions.	Manawatū River Leaders' Accord Redevelopment Community Plans	External working groups (involving community experts)	Council would generally involve the community at the start to scope the issue, again after information has been collected and again when options are being considered.
Residents Decide	The final decision-making is in the hands of the public.	Election voting systems (MMP, STV or FPP)	Binding referendum Local body elections	Council would generally provide the community with a greater lead in time to allow them time to be involved in the process e.g. typically a month or more.

Appendix: Definitions

Legal purpose of the Significance and Engagement Policy

The purpose of a significance and engagement policy is:

- to enable the local authority and its communities to identify the degree of significance attached to particular issues, proposals, assets, decisions, and activities; and
- to provide clarity about how and when communities can expect to be engaged in decisions about different issues, assets, or other matters; and
- to inform the local authority from the beginning of a decision-making process about -
 - o the extent of any public engagement that is expected before a particular decision is made; and,
 - o the form or type of engagement required.

Community

A group of people living in the same place or having a particular characteristic in common. Includes interested parties, affected people and key stakeholders. This may include:

- An urban area e.g. Feilding
- Rural township(s) e.g. Apiti, Rangiwahia
- Rural and/or urban residents
- Businesses

Decisions

Refers to all the decisions made by or on behalf of Council including those made by officers under delegation. Decisions include deliberations on any issue, proposal or other matter. Management decisions made by officers under approved delegations will generally not be deemed significant.

Engagement

A term used to describe the process of seeking information from the community to inform and assist decision-making. There is a continuum of community involvement.

Special Consultative Procedure (SCP)

A defined and mandated form of consultation that must be used for:

- adoption/amendment to the Long Term Plan (including significant alterations to levels of service, Financial Strategy or the rating system)

- adoption or amendment to a significant bylaw
- transfer of ownership of a significant strategic asset
- changes to some policies that are specified under other legislation, such as a Local Alcohol Policy, the Waste Management and Minimisation Plan or a class 4 venue policy under the Gambling Act 2003
- adoption of an Annual Plan (where a material change from the Long Term Plan is proposed)
- The SCP includes a formal proposal, at least one month for submissions, and a formal hearing.

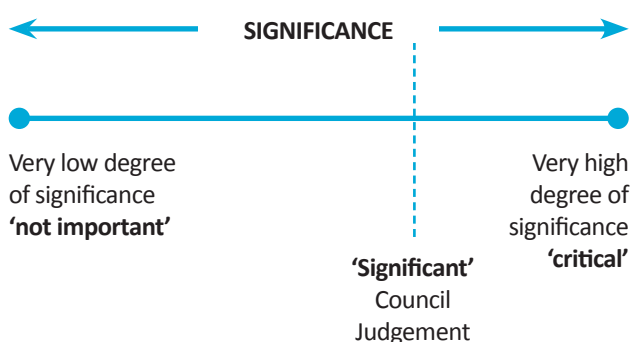
Significance

Significance, in relation to any issue, proposal, decision, or other matter that concerns or is before a local authority, means the degree of importance of the issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for -

- the district or region
- any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter
- the capacity of the local authority to perform its role, and the financial and other costs of doing so

Significant

Significant, in relation to any issue, proposal, decision, or other matter, means that the issue, proposal, decision, or other matter has a high degree of significance. The relationship between Significance and Significant is shown in the diagram below.



Strategic asset

Strategic asset, in relation to the assets held by a local authority, means an asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority's capacity to achieve or promote any outcome that the local authority determines to be important to the current or future well-being of the community.

Development Contributions Policy

Development Contributions are the fees payable to Council for capital expenditure already undertaken, or which is planned to be provided, so as to provide appropriately for additional community facilities (such as stormwater, roads, reserves and public amenities) required to service new developments. These contributions may be required on resource consents (subdivision and land use) and / or building consents in situations where the development will have additional impact on infrastructure. Council has elected not to recover Development Contributions for service connections.

This Policy applies when you subdivide, build, alter or expand a residential or non-residential building, or may apply when you change the use of an existing building. The extent of the Development Contribution required will depend on the type, size and location of the development. A glossary of the terms used in this policy can be found at the end of the document.

This Policy comes into effect on 1 July 2018.

1. Introduction

1.1 Purpose

Development Contributions are intended to enable Council to recover from developers a fair, equitable and proportionate portion of the total cost of capital expenditure necessary to service growth over the long term. Development Contributions can be levied if the effect of a development or developments requires the Council to provide new or upgraded infrastructure.

This Development Contribution Policy sets out the Development Contributions payable by developers, how and when they are to be calculated and paid, and a summary of the methodology and the rationale used in calculating the level of contribution required.

The purpose of this policy is to:

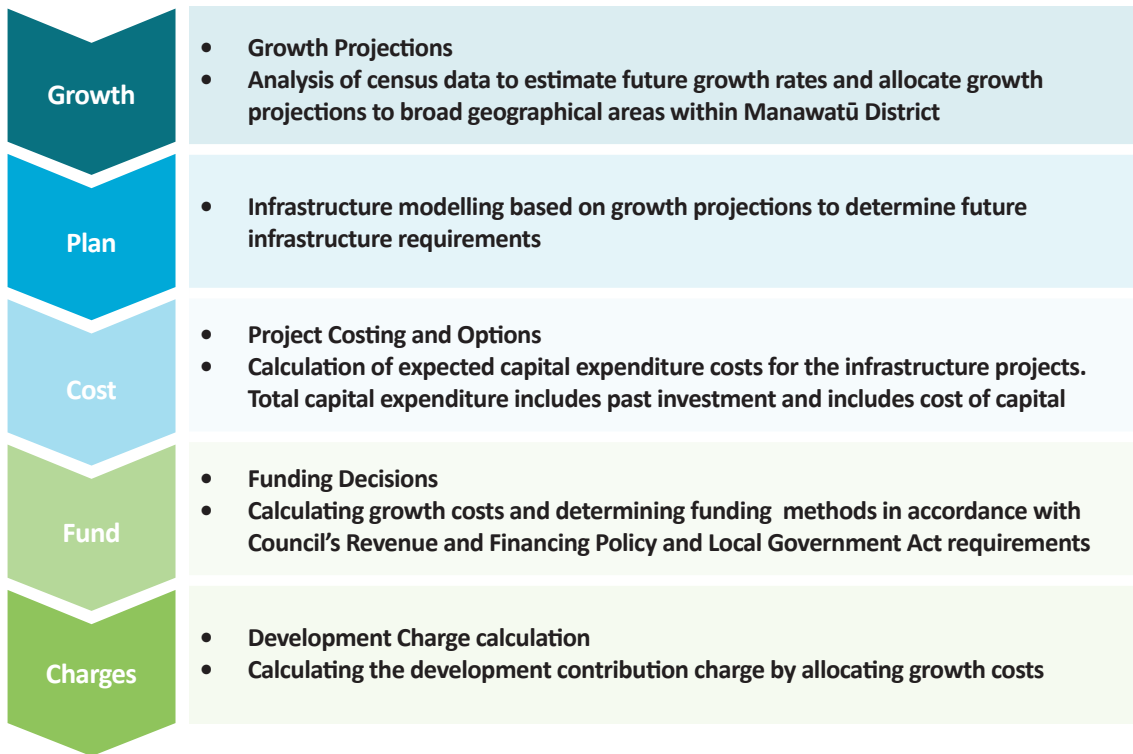
- a) enable Council to provide infrastructure and facilities to cater for growth, in a timely fashion and in a manner which is affordable for ratepayers;
- b) to provide the framework for Council to charge Development Contributions for residential and non-residential development in the District so as to fund capital expenditure for network infrastructure, reserve land and community infrastructure.

- c) provide predictability and certainty to stakeholders on how infrastructure for growth is to be funded, and establish a transparent, consistent and equitable basis for recovering Development Contribution from developers;
- d) to recover from developers a fair, equitable and proportionate portion of the total costs of the capital expenditure to service growth over the longer term;

This Development Contribution Policy has been developed to be consistent with the purpose of the Development Contribution provisions as stated in section 197AA of the Local Government Act 2002. In preparing the Development Contribution Policy Council has had regard to and taken into account the Development Contribution principles in section 197AB of the Local Government Act 2002. These have been used by Council to ensure the Development Contributions charged are fair and reasonable, as well as lawful.

Section 102 of the Local Government Act 2002 requires the Council to have a policy on Development and/or Financial Contributions as part of its funding and financial policies in its Long Term Plan. That policy is informed by the requirements of section 101 of that Act, as well as those in Sections 106 and 201 as to contents of this Development Contribution Policy. This policy must be reviewed at least every three years.

The process for Council to develop Development Contribution charges is set out below. The Development Contribution Policy has a considerable amount of planning and analysis that underpins the charges set by Council.



1.2 History

Council's first Development Contribution Policy was adopted in June 2006. Council had previously funded the growth related costs of development via financial contributions under the Resource Management Act 1991, and through rates. The Development Contribution Policy was subsequently revised during each 10-Year Plan cycle in 2009, 2012 and 2015. These policies were amended to reflect different growth forecasts, legislation changes, experience in implementing the Development Contribution Policy and changing Council policies.

This 2018 review has been developed as part of the 2018 Long Term Plan process and is based on the Council's capital expenditure programme as set out in the Long Term Plan and Infrastructure Strategy.

1.3 Proportion of Infrastructure Growth Funding Allocated

Development Contributions will be assessed based on the levels of service stated in the Long Term Plan across the District. Any future requirement to increase the level of service for existing users will not be funded by Development Contributions. Some works that are primarily driven by improving the level of service to the community have a component related to servicing future growth, or the increased population in 20 years' time. This component will be funded by Development Contributions.

Council has reviewed the proportion of infrastructure growth costs that will be funded from Development Contributions. Council has determined Development Contributions are the appropriate funding source to fund

growth related activities. Wherever possible developments should pay the full capital cost to the Council of servicing new developments. The total cost of forecast capital projects is set out in Table 3. Funding part of these costs through rates would otherwise result in an unfair burden being placed on the existing ratepayer community (that is, ratepayers would be subsidising development).

Council clearly identifies capital expenditure to meet demand from new residential and non-residential users and capital expenditure necessary to carry out asset renewals and increase the level of service for existing ratepayers (e.g. significant investments in upgrading water and wastewater treatment facilities). Only the former is funded by Development Contributions. Where there is a level of service component this proportion of the capital cost is funded from rates. In particular, see the analysis contained in Appendix E.

Growth related infrastructure costs make up less than 50% of Manawatū District Council's total planned capital expenditure. There are some specific growth investments that Council is undertaking that are partly driven from wider economic development and strategic reasons. These will be clearly shown in the project schedules in Appendix D.

1.4 Activities for Funding Capital Expenditure of Growth

Council activities for which Development Contributions will be used to fund growth related capital expenditure are:

- Network infrastructure for stormwater, wastewater, water supply, transportation;

- b) Reserve land acquisition and development for parks and open space (including Esplanade Reserves);
- c) Community infrastructure including playgrounds, public toilets and community centres.

1.5 When a Development Contribution is Required

In accordance with sections 197, 198 and 199 of the Local Government Act 2002, Council may require a Development Contribution when granting a resource consent, building consent or an authorisation for a service connection.

A Development Contribution is required in relation to a development when:

- A particular subdivision, construction of a building, land use, change of use or work generates a demand for reserves, network infrastructure, or community infrastructure.
- The development (either alone or in combination with another development) requires new or additional assets or assets of increased capacity (reserves or infrastructure) which causes the Council to incur capital expenditure.
- The Development Contribution Policy provides for the payment of a contribution in the circumstances of the development.

The effect of a development in terms of impact on assets includes the cumulative effect that a development may have in combination with another development. The Development Contribution Policy also enables Council to require a development contribution that is used to pay, in full or in part, for capital expenditure already incurred by the Council to provide infrastructure to service expected growth.

The Council may exercise its discretion to defer/postpone Development Contribution requirements, where allowed for in this Policy and considered appropriate. The processes detailing these issues are set out in section 4.1.7 and 4.1.8.

1.6 Limitations to the Application of Development Contributions

Development which does not either in itself or in combination with other developments generate additional demand for community facilities will not be liable to pay a Development Contribution.

Council will also not require a Development Contribution for network infrastructure, reserves or community infrastructure in the following cases:

- Where it has, under Section 108(2)(a) of the Resource Management Act 1991, imposed a condition on a resource consent in relation to the same development for the same purpose; or
- Where the Council has already required a Development Contribution for the same purpose or the same

building work (so long as there is no change in scale and intensity);

- Where agreed with the Council the developer will fund or otherwise provide for the same reserve, network infrastructure, or community infrastructure; or
- Where the Council has received or will receive sufficient funding from a third party to fund particular infrastructure.

1.7 Relationship to Resource Management Act

Development Contributions under the Local Government Act 2002 are in addition to, and separate from, financial contributions under the Resource Management Act 1991. Council intends to use Development Contributions under the Development Contribution Policy as its main means of funding infrastructure required as a result of growth over and above the works and services that may be required as conditions of subdivision or resource consent.

Council may require a Financial Contribution, as a condition of consent, in accordance with any relevant rule in the District Plan under the Resource Management Act 1991. Financial Contributions must not be applied as a condition on a consent where a Development Contribution has been required for the same purpose on the same development.

Financial Contribution provisions are detailed in the Manawatū District Plan: Strategy Section 7.1 Financial Contributions and Rule D Financial Contributions. This includes provisions for requiring:

- Reserve contributions (including Esplanade Reserves);
- Utility sites (for infrastructure, i.e. pumping stations, reservoirs);
- New roads or access ways;
- 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.

Council will also still have the authority to require works or services on new developments to avoid, remedy and mitigate the environmental effects of proposed developments through resource consent conditions or in accordance with any relevant rule in the District Plan. Development Contributions are for the acquisition, installation or expansion of assets over and above the works and services that may be required as a condition of consent.

For settlements other than Feilding, Council as service provider may also require other forms of capital contributions through fees and charges for properties who subsequently apply to connect to township water or wastewater services.

2. Vision, Strategy and Council Assumptions

The Council outlines its Vision, Strategy and Community Outcomes in Part One of the Long Term Plan.

Council has developed Vision statements for the District, its Villages, rural community and Feilding urban township. The Vision statement both guides Council in its activities and provides a clear and a compelling picture of the District's future.

Feilding is the main location for urban growth. Council has developed a detailed 30 year plus Feilding Urban Growth Framework Plan that was adopted in 2013. This Framework is the adopted urban growth strategy for the District and has driven a large part of the infrastructure planning and schedule of costings for this Development Contribution Policy.

Over the last few years water and wastewater infrastructure has been upgraded. Council is planning to connect the wastewater discharge of a number of these townships to the Feilding Waste Water Treatment Plant (WWTP) over the medium term. These treatment and quality of discharge investments have generally benefited all the ratepayers in each of the relevant networks and these costs will be funded from rates.

This Development Contribution Policy provides the means by which the Council may seek Development Contributions from new development where the effect of that development, either alone or in combination, requires the Council to incur capital expenditure to provide services and infrastructure.

2.1 Significant Assumptions of the Development Contributions Policy

2.1.1 Council Role

Council is assuming that it will act as the lead agency to ensure core infrastructure is available to service growth developments 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 for major developments, where agreed with Council through a development agreement, for developers to take the lead role in providing certain infrastructure.

The Council ensures, on behalf of current and future residents and ratepayers that land development is carried out in a manner that results in acceptable outcomes in terms of aesthetics, environmental impacts and service standards. See Council's Engineering Standards for Land Development (2017), as may be amended from time to time.

2.1.2 Development Contribution Areas

For the purposes of Development Contributions, the District is broken into 2 development contribution areas based on activity service catchments. (Refer to Map 1 in Appendix A of this policy).

² **Lumpy** infrastructure is where in any given year there are large sums assigned due to the discrete nature of the development work

Area	Activities for which Development Contributions will be Charged
Manawatū District	Roading, Parks, Reserves and other Community Infrastructure
Feilding Urban Area	Roading, Parks, Reserves and other Community Infrastructure, Water, Wastewater and Stormwater

An assessment of the allocation of benefits is contained in Appendix E.

The development contribution areas reflect the nature of each infrastructure service network. The Council has determined that the two identified service catchments are appropriate for the activities due to (at a high level) the impact of growth being independent of where the growth occurs, the benefits of the capital projects applying to specific locations and the district as a whole (by generating additional capacity, as one example) and for reasons of practicality in all of the circumstances. The catchment areas acknowledge that growth and related demand for water, wastewater and stormwater is specific to the Feilding Urban Area.

The rationale for each activity and the identified catchment area is set out in greater detail in section 5 of the Development Contribution Policy. Additional rationale in support of the areas to be covered for each activity is included in Appendix E.

2.1.3 Planning Horizons

A 20-year timeframe has been used as a basis for forecasting growth and applying a development contribution. Benefits will be distributed over that timeframe with averaging to avoid the effects of lumpy infrastructure works within any given year on Development Contributions.

This timeframe aligns to the expected development capacity of Precincts 4 and 5 in Feilding. Council has detailed planning and costings for infrastructure networks for these areas.

Development beyond this 20 year timeframe will involve additional growth precincts that have not yet been fully costed to service. These longer term infrastructure requirements to service growth, and the additional households, will be included in future Development Contribution Policies.

2.1.4 Projecting Growth

The Council is planning for new development that is occurring throughout the Manawatū District. This places demands on the Council to provide a range of new and upgraded infrastructure.

The successful application of the Development Contribution Policy is dependent on population projections and the

spatial allocation of growth within the District. These projections are required to inform infrastructure planning and to reduce the investment risks to Council.

The Development Contribution Policy uses the growth projections as set out in the Forecasting Assumptions section of the Long Term Plan. These forecasts are largely based on the high growth scenario from Statistics NZ. Manawatū is currently experiencing moderate population and household growth as a result of positive immigration and solid economic growth. Forecasts will be updated each year based on actual growth, census results (March 2018 census) and annual estimates from Statistics NZ.

District growth has been split into Feilding greenfield (Precinct 4), infill, balance of the district residential and non-residential development. The forecasts are informed by the Feilding Framework Plan and Urban Growth Strategy, Manawatū District Plan, Council Asset Management Plans and actual historic developments. The impact of non-residential development varies depending on the nature of each business.

This Development Contribution Policy applies an assessment of the demand for services generated by each development to determine the number of HUEs for Water, Wastewater, Roading and Stormwater.

A summary table of the key forecasts is shown below. Council is forecasting steady and moderate household growth of 1.4% a year to 2021, gradually slowing to 1% a year by 2034.

Table 2: Forecast Household Unit Equivalent numbers

	2018 Households (HUEs)	2028 Households (HUEs)	2038 Households (HUEs)
Feilding Precinct 4	572	1,472	2,360
Feilding Other	6,162	6,442	6,644
Balance of District	5,595	6,095	6,546
Manawatū District	12,329	14,009	15,550

2.1.5 Other Assumptions

- Timing of expenditure – the timing of specific projects is likely to vary over time as they are reliant on actual growth rates, demand for greenfield housing, the state of the economy, developer profit margins and many other economic and societal factors that Council has little control over. Council is carefully monitoring the actual level of development and aims to be just ahead of service demands on infrastructure. Faster or slower overall development rates will be reflected in the levels of investment.

- Method of service delivery – Council is planning to fund, design and manage the provision of core infrastructure needed to service forecast growth. This is currently assessed as the most efficient model for delivery. Council will reassess this assumption at least every six years as part of meeting the requirements of section 17A of the Local Government Act 2002.
- 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 the schedule and reduce total funding required through Development Contributions. Funding by NZTA for Roading currently only includes renewals and maintenance, and this is expected to continue.
- Debt servicing – From time to time Council Development Contribution activities 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.

2.1.6 Best Available Knowledge

This Development Contribution Policy is based on the best available knowledge that Council has at the time the policy is adopted. The Asset Schedule in Appendix D is consistent with the adopted Long Term Plan but will be updated each year and the Development Contribution Policy reviewed every three years. As time passes discrepancies may emerge between historic Council documents and the updated Asset Schedules. For Development Contribution purposes the Schedule will prevail.

2.2 Capital Expenditure Council Expects to Incur as a Result of Growth

Council has estimated the extent of growth within the District and the capital expenditure necessary to meet the demands of the growth. Each capital project is identified as level of service (Rates funded) or growth (Development Contribution funded). The total growth costs for each activity covered by this Development Contribution Policy are then divided by the number of additional HUEs in each activity, including the non-residential component. This results in Development Contribution charges by activity for each additional HUE.

The total estimated capital expenditure Council expects to incur, as a result of growth, to meet increased demand, is summarised below in Table 3. Note that the estimated expenditure includes an allowance for professional services, including investigations, option assessment, detailed design and construction management

Table 3: Summary of 20 year Estimated Council Capital Expenditure and Funding for Growth

Activity	Growth related expenditure pre July 2018 to be funded (as at Dec 2017)	Total estimated Capital Expenditure Work	Total Level of Service Component	Renewals	Total Estimated Growth Component	Total Estimated to be Funded by Development Contributions
	\$ million \$2018/19			\$ million		
<i>Water</i>	\$0.6	\$43.7	\$11.8	\$22.4	\$9.5	\$10.1
<i>Wastewater</i>	\$2.5	\$47.3	\$11.7	\$28.2	\$7.3	\$10.0
<i>Stormwater</i>	\$5.4	\$22.5	\$5.3	\$1.4	\$15.8	\$19.3
<i>Roading</i>	\$-0.8 (surplus)	\$162.2	\$31.6	\$124.8	\$5.8	\$11.2
<i>Parks, Reserves and other Community Infrastructure</i>	\$-0.6 (surplus)	\$28.1	\$13.1	\$7.7	\$7.3	\$5.8
Total Infrastructure	\$7.1	\$303.8	\$73.6	\$184.5	\$45.7	\$56.4

In determining the total estimated growth component to be funded by Development Contributions, careful consideration was given to those matters listed under sections 101(3) and 106 of the Local Government Act 2002 for each individual activity (network infrastructure or community facility). At a high level (and without limitation) key considerations included:

- The nature and operation of the activity;
- An analysis of who will benefit from the planned capital expenditure work; and
- An analysis of who will cause the need for the planned capital expenditure work.

A more detailed description of each activity, the funding approach taken for each activity and justification for the funding approach taken for each activity is included in section 6 and Appendix E of this Policy.

The level of service component of Council’s identified infrastructure works, relates to increasing the level of infrastructure provision due to higher public expectation, environmental or statutory obligations e.g. environmental standards for water quality or technological improvements. Asset Management Plans for each activity define the relevant level of service for that activity.

Where the infrastructure works to service growth also result in an increase in the level of service to the community, then the value of the improved service is treated separately. This is noted as Total Level of Service Component in Table 3. Renewal of all assets is also identified separately and makes

up the largest proportion of capital expenditure. Levels of service and renewals are not funded through Development Contributions.

2.3 Capital Expenditure Council has already Invested in Anticipation of Development

Development Contributions will also be required to meet the cost of capital expenditure for growth already incurred over the past ten years, but which has not yet been funded. This applies only where Council has previously made the decision to carry out the work on the basis that it is to be fully or partly funded by future Development Contributions.

2.4 Unit of Demand

A Development Contribution for network infrastructure is required where additional units of demand are created. A unit of demand is a Household Equivalent Unit (HUE), being the average demand for infrastructure services created by one additional house developed. A HUE is equivalent to one residential lot containing one residential unit. All residential and rural (including farms and lifestyle developments but excluding rural commercial) lots are assumed to contain one HUE as this is efficient, equitable and appropriate.

It is assumed that these demand levels will remain the same for the forecast period. Reviews of the Development Contribution Policy will consider the relativities between residential, rural and non-residential developments. Further detail is included in Section 5.1 and Table 4.

2.5 Schedules forecast Values

All capital expenditure schedules in this policy are exclusive of GST.

The schedules are in 2018 dollars. Asset schedules will be updated annually to ensure relevance and transparency. The Development Contribution charge applied in future years will be adjusted for inflation using the Producers Price Index Outputs for Construction (PPI) as at 30 June each year. This policy anticipates reassessment annually to account for PPI on any unpaid development contributions.

3. Application of Development Contributions Policy

3.1 Trigger for a Development Contribution Charge

Under Section 198 of the Local Government Act 2002 Council may apply a development contribution, including GST, for developments generating increased reserves, network or community infrastructure demands upon the granting of:

- A resource consent
- A building consent
- An authorisation for a service connection.

As a general rule, Development Contribution will be assessed, and any requirement for payment of contributions advised, at the earliest opportunity.

This is generally at the subdivision consent stage. Council considers that the subdivision consent stage is normally the most appropriate stage to take a development contribution for residential and non-residential developments for the following reasons:

- Practicality of implementation
- Economies of scale in implementation costs
- Best available knowledge for projections and allocating budgets.

In the absence of subdivision, Council will apply Development Contributions at any other time where additional units of demand are created by additions to land or buildings. Land use resource consents also provide an opportunity for the Council to assess any development which is independent of subdivision or building activity.

For the avoidance of doubt, if the Council does not require the Development Contribution at the first opportunity in any particular case, it does not forgo its right to do so at a later opportunity.

For the purposes of the Development Contribution Policy, Council has decided not to rely on a service connection authorisation as a trigger to apply Development Contribution charges. Council considers this option as administratively complex, difficult to enforce and can inadvertently result in costs being imposed on property

owners who had not been made aware of the charges before purchasing the property. However, Council reserves the right to charge Development Contributions for service connections in a future Development Contribution Policy (or on review of this policy) should the need arise.

An assessment of Development Contributions advises the applicant of the charges payable. The Development Contribution charges will be calculated in accordance with section 3.2 of the Development Contributions Policy.

An invoice will be issued when the development progresses to particular trigger points – see section 3.1.2 below – or on the request of the developer.

The Council may reassess Development Contributions in relation to the same development at each stage in the development process and may require additional development contributions where the development has been shown to have increased in size or scale. Council also reserves the right to revise an assessment or require the Development Contribution at a later stage, if there has been an error in calculation or wording in the Development Contribution Policy.

The Development Contribution Policy does not allow, as part of the assessment process, for remissions or reductions to be applied for or granted other than through the reconsideration process described in 4.1.1 - 4.1.4 of this Development Contribution Policy. There are also objection processes available to Council in accordance with the provisions of the Local Government Act 2002; see section 4.1.4 of the Policy.

3.1.1 Assessment of Development Contributions

An assessment of Development Contributions advises the applicant of the charges payable. The Development Contribution charges will be calculated in accordance with section 3.2 of the Development Contributions Policy.

An invoice will be issued when the development progresses to particular trigger points – see section 3.1.2 below – or on the request of the developer.

The Council may reassess Development Contributions in relation to the same development at each stage in the development process and may require additional development contributions where the development has been shown to have increased in size or scale. Council also reserves the right to revise an assessment or require the Development Contribution at a later stage, if there has been an error in calculation or wording in the Development Contribution Policy.

The Development Contribution Policy does not allow, as part of the assessment process, for remissions or reductions to be applied for or granted other than through the reconsideration process described in 4.1.1-4.1.4 of this Development Contribution Policy. There are also objection processes available to Council in accordance with the

provisions of the Local Government Act 2002; see section 4.1.4 of the Policy.

3.1.2 Timing of Payment of Development Contributions

Development Contributions as assessed by Council are payable prior to resource consents or building consents being issued by Council. Council will invoice for the charges. Having a Development Contribution levied upon the granting of consent does not assume final payment. Where subdivision or land use is staged the Council will invoice for Development Contribution charges for each stage based on an assessment when the 224 certificate or building consent is applied for.

In the event that an invoice has not already been raised at the request of the developer, Development Contributions must be paid prior to:

- a) The release of the section (224c) certificate, including, in the event of a staged subdivision consent, prior to the release of the section (224c) certificate for each stage; or
- b) The release of the Code Compliance Certificate for a building consent; or
- c) Commencement of the consented development for land use consents.

Refer also to clause 3.2 for additional detail (Amount, Payment and Collection of Development Contributions).

Invoices for Development Contributions will be subject to the normal Council invoice payment policies.

3.1.3 Determining the Contribution Payable based on the Type of Development

There are three types of development categories in assessing a Development Contribution. These include:

- Residential Feilding
- Non-Residential
- Rural and rural township.

When Council levies a development contribution, the expected dominant nature of activities in the underlying zone will generally determine the type of development contribution payable. Where there is a development that does not reflect the underlying zone the actual type of use will be assessed and the appropriate HUE levied.

3.1.4 Activities Requiring a Development Contribution to Meet the Costs of Growth

Council may require a Development Contribution from any development for the following:

- Capital expenditure expected to be incurred as a result of growth
- Capital expenditure already incurred in anticipation of development.

Council will only recover the costs of capital expenditure required to service growth. Funding Council's capital expenditure for growth with Development Contributions must also be considered alongside Council's other funding tools. Development Contributions will be required from development under this Policy to meet the growth component of the future capital expenditure budgets, not met from other sources, for the following activities:

- Parks, Reserves and other Community Infrastructure (toilets, playgrounds and community centres)
- Roading
- Wastewater
- Stormwater
- Water Supply.

Council will no longer accept land as Development Contributions. All land requirements for reserves purposes will be obtained through sale and purchase agreements outside of the Development Contribution Policy. The exception is esplanade reserves, which will still be required to be set aside in accordance with the provisions of the Manawatū District Plan. Future land requirements for reserves purposes are budgeted for in Council's Parks and Reserves Asset Management Plan. Council will use structure plans and where appropriate, designation processes under the Resource Management Act 1991 to identify future reserve requirements.

Appendix D sets out a schedule of assets that form Council's capital expenditure for growth for which Development Contributions will fund. The schedule of assets provides information regarding the planned programmes of capital works that are yet to take place and capital works that have already taken place in anticipation of development.

3.2 Amount, Payment and Collection of Development Contributions

The Development Contribution payable during the life of this Policy shall be reassessed or adjusted annually on 1 July of each year, in accordance with the following formula:

$$DC = BC \times (PPIC / PPIB).$$

DC = the development contribution charge for the relevant service or infrastructure payable under the Policy.

BC = the base development contribution charge payable under the Policy as set out in the schedule of fees.

PPIC = the Producers Price Index Outputs – Construction for the current year.

PPIB = the Producers Price Index Outputs – Construction for the base year.

Developments can occur in stages. A further assessment of Development Contributions will occur at the time of each stage to ensure it is occurring in a manner which is consistent with the consent. A final stage assessment will occur at the time s224 is applied for (subdivision) or on

application for building consent or prior to commencement of the land use permitted by a resource consent or such other time as specified in any advice note to a consent.

3.2.1 Reassessment

The Development Contribution payable upon assessment will apply for 12 months from the assessment date. If the Development Contribution is not paid within 12 months of this date, the amount payable will be reassessed to take into account any fee/schedule changes. Where there are reassessed or adjusted Development Contributions:

- Any reassessment undertaken of a Development Contribution assessed under this Development Contribution Policy will also occur under this policy. Otherwise, a reassessment will occur in accordance with the Development Contributions Policy in force at the time that the initial assessment of the Development Contribution occurred.
- A reassessment will incorporate any increases to the Development Contribution charges as a result of indexing (for example, the PPI) as set out in clauses 3.4 Implementation and Review and 3.2 Amount, Payment and Collection of Development Contributions.
- Any reassessed contribution will be formally notified when the invoice issues under the Development Contribution Policy.
- Deferred or postponed Development Contributions will be reassessed under the conditions of the Deferral Agreement and any related encumbrance.
- Only the initial assessment of the Development Contribution is subject to the right of reconsideration or objection, not any reassessed Development Contributions. A reassessed Development Contribution will only be eligible for reconsideration at the Council's discretion.
- If the consent or authorisation lapses or expires, a new consent will be required and the Development Contribution will be assessed afresh in accordance with the Development Contributions Policy.

As noted above, the Council reserves its right to revise a Development Contribution if an error is identified in the assessment and the Development Contribution has not been paid.

3.3 Council Use of Development Contributions

Council will use Development Contributions only on the activity for which they are collected. Where Council anticipates funding from a third party for any part of the growth component of the capital expenditure budget, then this proportion is excluded from the total estimated growth component to be funded by Development Contributions in Table 3. Similarly, third party funding received for capital expenditure, which Council will incur in anticipation of

development, will also be excluded from the Development Contribution calculation.

3.4 Implementation and Review

While Council may review this Policy at any time, it is anticipated that this Policy will be updated on a three yearly basis. Any review of the policy may take account of:

- Any changes to significant assumptions underlying the Development Contribution Policy.
- Any changes in the capital development works programme for growth.
- Any changes in the pattern and distribution of development consents in the District.
- Changes to the District Plan and / or urban growth strategies.
- Legislative changes relating to Development Contributions or infrastructure funding.
- Changes to the Horizons Regional Council policies and plans (One Plan).
- Any changes that reflect new or significant modelling of the networks.
- The regular reviews of the Funding and Financial Policies, Infrastructure Policy and the Long Term Plan 2018-2028.
- Any issues associated with the implementation of the Policy.
- Any other matters Council considers relevant.

The schedules are expected to be updated annually and adjusted for price changes as measured by the Producers Price Index Outputs Construction index.

The Development Contribution Policy will only be reviewed at a shorter interval than the preferred three year period where there is a significant change in the projected growth rates and assumptions, or major issues associated with the implementation of the Policy arise, or a large growth capital work is required that was not anticipated by Council.

4. Administration of Development Contributions

4.1 Additional Considerations: Reconsiderations, Postponements, Refunds and Exceptional Circumstances of Development Contributions

4.1.1 Reconsiderations

An applicant for a resource consent³ or building consent, which has been assessed for Development Contributions, may request that the Council reconsider the Development Contribution which is being required under this Development Contribution Policy.

³ Authorisations for service connections do not trigger a Development Contribution under the current Development Contribution Policy.

4.1.2 Reconsideration Criteria

An applicant may request, under section 199A, that the Council reconsider a requirement for a development contribution if the person has grounds to believe that one or more of the following applies:

- a) The development contribution was incorrectly calculated or assessed under the Council's Development Contribution Policy; or
- b) The Council incorrectly applied its Development Contribution Policy; or
- c) The information used to assess the applicant's development against the Development Contribution Policy, or the way the Council has recorded or used the information when requiring a development contribution, was incomplete or contained errors.

A person may not apply for a reconsideration of a requirement for a development contribution if the person has already lodged an objection to that requirement under 199C and Schedule 13A of the Local Government Act 2002.

A reconsideration must be applied for within the timeframes stipulated in the Local Government Act 2002 and this Development Contribution Policy (see section 4.1.3 below). Council will not consider reconsiderations retrospectively and/or where the Development Contribution has been paid. Council will advise an applicant if the Council is not processing its request for any of these reasons.

4.1.3 Process for Reconsideration of Development Contribution

A request for reconsideration must be lodged within 10 working days after the date on which the person lodging the request received communication from the Council of the Development Contribution amount that the Council requires.

A request for reconsideration must be made in writing to the Council and any request needs to identify which ground(s) the applicant is relying on under s199A, and why. The application should include all relevant details regarding the development for which the Development Contribution was assessed and clearly outline the basis for reconsideration. Council reserves the right to request further information once the application is first reviewed. A reconsideration request form can be found on the Council's website.⁴

The Council will consider the request for reconsideration with respect to the criteria set out in clause 4.1.2 of the Policy. If one or more of the grounds for reconsideration set out in 4.1.2 are met, the Council will reconsider its development contribution assessment, and give written notice of its decision within 15 working days of the date the application and any supporting information is received.

⁴ http://www.mdc.govt.nz/Services_Information/Resource_Consents/Development_Contribution/Reconsiderations_or_objections

Council may confirm the Development Contribution payable or increase or decrease the Development Contribution, as considered appropriate having regard to the information provided by the Applicant, the Development Contribution Policy and any other information the decision maker considers appropriate.

A person who requested the reconsideration may object to the outcome of the reconsideration in accordance with section 199C and schedule 13A of the Local Government Act 2002.

4.1.4 Objections

A person who has been required to pay a Development Contribution may, under section 199C of the Local Government Act 2002, object to the assessed amount of Development Contribution. Only applications for resource consent or building consents since 8 August 2014 can be the subject of an objection application.

The right to make an objection applies irrespective of whether a reconsideration of a requirement for a Development Contribution has been requested.

4.1.5 Objection Criteria

Under section 199D of the Local Government Act 2002, an objection can only be made on the grounds that the Council has:

- a. Failed to properly take into account features of the objector's development that, on their own or cumulatively with those of other developments, would substantially reduce the impact of the development on requirements for Council's community facilities; or
- b. Required a Development Contribution for community facilities not required by, or related to, the objector's development, whether on its own or cumulatively with other developments; or
- c. Required a development contribution in breach of section 200 of the Local Government Act 2002 (Limitations applying to requirement for a development contribution); or
- d. Incorrectly applied the Development Contribution Policy to the objector's development.

The right to make an objection does not extend to challenges to the content of the Development Contribution Policy.

4.1.6 Process for Objecting to a Development Contribution

A request for an objection must be made to Council within 15 working days after the date on which the applicant/agent receives communication from the Council of the level of Development Contribution that the Council requires. Similarly, if the objection relates to the outcome of a reconsideration request under the Development Contribution Policy, the 15 working day period begins the

day following on from receipt of notice of the outcome.

The request to the Council for an objection must:

- a) be in writing (an application form is available on Council's website); and
- b) set out the grounds and reasons for the objection; and
- c) state the relief sought; and
- d) state whether the objector wishes to be heard on the objection.

Objections will be decided by Development Contribution commissioners selected by the Council from a register of commissioners appointed by the Minister of Local Government. The Council's role involves administering the objection process. That process is set out in Schedule 13A of the Local Government Act 2002.

A hearing may be required in some cases. If a hearing is required, certain timeframes apply to the exchange of evidence. The hearing process is set out in Schedule 13A.

Written copies of the Development Contribution Commissioners' decision must be served on the objector and the Council within 15 working days of the end of the hearing, or the day of the commissioners' consideration of the evidence.

The Council has the ability to recover costs incurred by it from the objector, including the costs of:

- a) selecting, engaging and employing the Development Contributions Commissioners and
- b) secretarial and administrative support of the objection process; and
- c) preparing for, organising, and holding the hearing.

Staff time will be calculated in accordance with the hourly rates set out for the relevant staff members in Council's Fees and Charges.

4.1.7 Postponements / Deferrals

In limited circumstances Council may, at its sole discretion, agree to postpone the payment of Development Contributions on written request by the developer. Instead the requirements for those contributions will be deferred until a future subdivision, or future building consent or certificate of acceptance that relates to land use consents. Postponement of the development contribution required on a development does not indicate that the development does not create additional units of demand.

All written requests must set out why a postponement is appropriate in the circumstances and identify the timeframe for payment.

The decision of the Council will be made on the papers, without any hearing in line with Council Delegations.

Postponement decisions will be made on a case by case basis and any previous decision by Council will not create a precedent or expectation of a similar decision.

4.1.8 Postponements / Deferral Agreement Details

All postponement arrangements will be at the discretion of the Council and recorded in a written agreement (Deferral Agreement) between the Council and the developer.

The Deferral Agreement will set out the terms of the postponement, including, among others, the charges assessed, the agreed timing for payment and the method for securing the Development Contributions payable (encumbrance instrument) over the term agreed to by Council.

Council will require an enforceable security (encumbrance) instrument registered against the developer's land. The instrument will need to, to Council's sole satisfaction, adequately secure the full amount of the Development Contribution in the event of payment default. It is possible that the encumbrance will secure Development Contributions owing on a stage(s) of a development.

The terms of any encumbrance 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 an interest rate determined by the Council,
- reassessment of the Development Contributions; and
- payment of all related costs.

Payment will be required sooner if the following events occur:

- the developer has settled on the last of the lots that apply to the postponement; or
- the developer ceases to be the registered owner of the lots deferred.

In some limited circumstances a bank bond, memorandum of agreement, or solicitor arrangement may be relied on to secure the payment of the postponed Development Contributions.

Any bond must be guaranteed by a registered bank. The bond and guarantee shall be prepared by the Council's lawyers to the Council's satisfaction, for which purposes instructions will be given by the Council upon payment of a suitable sum towards legal costs. Use of a bond as security for the Development Contributions payable may be in addition to an encumbrance instrument or Private Development Agreement (PDA), as discussed in section 4.5.

The costs of the encumbrance instrument and any related documentation and the Deferral Agreement will be met by the developer.

Payment is only in respect of Development Contributions and does not apply to other Council fees and charges associated with the resource or building consents and section 224 (c) certificates under the Resource Management Act 1991.

4.1.9 Refunds

The refund of money will occur in accordance with Sections 209 and 210 of the Local Government Act 2002 in the following circumstances:

- if the development (activity) does not proceed,⁵
- the consent lapses or is surrendered,
- the Council does not provide any reserves, network or community infrastructure or the Council has not used land within 10 years.

Any refunds, less any costs already incurred by Council, will be issued to the consent and/or title holder of the development to which they apply and will not be subject to any interest or inflationary adjustment.

4.1.10 Enforcement

If any Development Contribution (including any reassessed Development Contribution) is not paid within the timeframe required under the Development Contribution Policy, a Deferral Agreement, or a PDA, then, the Council may exercise the powers available to it under section 208 of the Local Government Act 2002.

Until a Development Contribution required in relation to a development has been paid or made under section 198, a territorial authority may:

- a) in the case of a development contribution required under section 198(1)(a), -
 - i. Withhold a certificate under section 224(c) of the Resource Management Act 1991:
 - ii. Prevent the commencement of a resource consent under the Resource Management Act 1991:
- b) in the case of a development contribution required under section 198(1)(b), withhold a code compliance certificate under section 95 of the Building Act 2004:
- c) in the case of a development contribution required under section 198 (4a), withhold a certificate of acceptance under section 99 of the Building Act 2004:
- d) in each case, register the development contribution under the Statutory Land Charges Registration Act 1928, as a charge on the title of the land in respect of which the development contribution was required.

Interest will be charged on any outstanding Development Contribution and is payable from the date the debt became due at a rate equal to the Council's borrowing rate as contained in the current Long Term Plan plus 2% per annum.

The Council may also commence debt recovery action for any outstanding Development Contribution and recover its reasonable costs of doing so on a solicitor/client basis. Where a Deferral Agreement is entered into (with the encumbrance instrument) and payment is not made in the stipulated time, recovery of the debt and Council's costs will be in accordance with that agreement, or, if the agreement is silent as to the debt recovery process, under the terms of this Development Contribution Policy.

4.2 Transitional Provisions

The Development Contributions Policy will apply to all applications for resource consents, building consents and/or service connections submitted to Council from 28 June 2018. Those Development Contributions policies in force at the time applications for resource consents, building consents or service connections were submitted⁶ to Council before 28 June 2018 will continue to apply when requiring Development Contributions for the development, building work or service connection. This includes those instances where a Development Contribution is being reassessed by Council under clause 3.2.1 of the Development Contributions Policy.

4.3 Non-Residential Brownfield development

Non-residential brownfield redevelopment⁷ generally places negligible increased demand on the capacity of the network infrastructure. This is because it occurs in established areas and the new or altered activities and buildings established on the site generally place a similar demand on the network infrastructure as the previous activity or building. For this reason, non-residential brownfield redevelopment does not create additional units of demand.

Non-residential brownfield redevelopment will generally occur on allotments that have not paid Development Contributions in the past based on additional allotments (2006 Policy).

The alteration of an existing non-residential building or construction of a new non-residential building may still create additional units of demand and be subject to Development Contributions (refer to sections 5 and 6 for further guidance) e.g. the extension of a non-residential building established after 1 July 2006 located on an allotment that has not paid any Development Contributions in the past at the subdivision stage.

The applicant shall provide sufficient information to enable the Council to determine whether or not a development is a non-residential brownfield redevelopment.

⁵ Council has listed in the Schedule in Appendix D the projects required to service growth. These projects are considered the most efficient way to achieve the required levels of service for future developments. The timing and detailed costing of individual projects may change, but not the overall expenditure required for growth related infrastructure investment within each activity

⁶ Being an application submitted with all required information (section 198(2A) of the Local Government Act 2002)

⁷ Brownfield redevelopment means further development of existing commercial / industrial sites that are developed at or over 40% site coverage, or were at some time in the past at or over 40% site coverage, provided the buildings located on the site were established prior to 1 July 2006, and specifically includes:

- further subdivision of the site;
- alterations and additions to existing buildings; and
- the demolition of existing buildings and construction of new buildings

4.4 Individual / Special Assessments

For non-residential developments individual or special assessments are sometimes required to provide an accurate assessment of the number of HUEs. To assist Council making an initial assessment the developer is to provide any information required of it including detailed calculations of present and future demand on facilities. Where an individual assessment is undertaken by Council the following matters will be taken into account when determining the final development contributions amount payable:

- i. The schedules of contributions per HUE (fees) applicable at the time the application is received.
- ii. The factors used to portion out the 20-year residential and non-residential growth costs.
- iii. Previous contributions paid.
- iv. The current or previous level of demand placed on the network infrastructure, reserves and community facilities.
- v. The level of demand the proposed development will place on the network infrastructure, reserves and community facilities.
- vi. Any other matters Council considers relevant.

4.5 Development Agreements

Under section 207A of the Local Government Act 2002, either the Council or a developer may request that the other party enter into a contractual agreement to provide infrastructure as an alternative to paying all or part of a development contribution (Private Development Agreement (PDA)). A PDA will need to better meet the needs of the Council, the developer and the community than requiring payment of a Development Contribution in accordance with the Development Contribution Policy.

Guidance as to process, content and application of a PDA is set out in sections 207A-F of the Local Government Act 2002.

Under section 207B of the Local Government Act 2002, the Council will consider the request for PDA and provide written notice to the developer of its decision on the request, and reasons for the decision without unnecessary delay. Council will take into account the provisions contained in the Development Contribution Policy, as well as any other matters considered relevant. Similarly, where the Council requests that a developer enter into a PDA, the request must be considered by the developer without unnecessary delay, with their / its response provided in writing.

A PDA may record specific arrangements with a developer for the provision of particular infrastructure to meet the special needs of a development. This could be:

- 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 involves future Feilding residential precinct areas (other than Precinct 4) where Council is not currently planning to provide infrastructure for in the 20 year period covered by the Development Contribution Policy. In those cases, a Development Contribution Policy, private sector funding of infrastructure and an agreed Structure Plan would be required at first instance.

The content and effect of a PDA must comply with the Local Government Act 2002. A PDA must be in writing. It will identify the terms of the agreement, how it departs from the Development Contribution Policy approach, and the reasons for entering the agreement. Without limitation, the terms of any agreement will include calculation of Development Contributions, funding arrangements, agreement on timing of payments, and administrative matters.

5. Community Facilities

Different types of measurements are used to allocate units of demand for each community facility to residential, rural and non-residential developments (refer to 5.1 and Table 4 – Units of Demand and Measure for Community Facilities for further guidance). For all activities a differentiation is made between residential, rural and non-residential development due to the demand they place on the network activities. A specific explanation of units of demand allocated for each activity is provided in Sections 5.2 to 5.6 of this policy. Sections 5.7 to 5.9 provide specific guidance for measuring units of demand for certain types of activities and different development scenarios e.g. Multi-unit residential development and development in the absence of subdivision. 1 HUE is equal to the demand of an average household for each Council provided service resulting from growth. In the rural area residential growth is allocated charges for Roading and Parks, Reserves and Community Infrastructure only. The HUE divisor needs to account for both residential growth and non-residential growth. Residential is assumed at 1 HUE per additional allotment. Non-residential growth (Feilding) and Rural is converted to Household Unit Equivalents using the following assumptions:

- Water = 1 HUE per 1 m³ per day usage (Feilding only)
- Wastewater = 1 HUE per 0.8 m³ per day of discharge (80% of Water usage) (Feilding only)
- Stormwater = 1 HUE per 300 m² of impervious surface area (ISA), including roof area (Feilding only)
- Roading = 1 HUE = 8 vehicle movements (District wide)
- Parks, Reserves and Community Infrastructure = 1 HUE per additional allotment (District wide Residential and Rural only).

There will be circumstances where no HUE assessment is necessary. For example, where the development is providing all its own infrastructure, thereby creating no demand on Council assets.

5.1 Units of Demand for All Community Facilities Requiring a Development Contribution

5.1.1 Key Criterion in Assessing Contributions under the Policy

The key criterion that Council uses to assess whether a development contribution is payable on a proposed development is 'units of demand' and the characteristics of that unit of demand.

Units of demand can be assessed at subdivision, land use and building consent stages.

It is Council's preference to assess and apply a development contribution at the first stage of development, namely the subdivision consent stage. The reasons for this are set out in Section 3.1 of this Policy and Council will apply this preference consistently.

4.1.7 Applying Units of Demand

Individual developments may create multiple units of demand for any of the given community facilities. To determine the number of units of demand created by a particular development for a particular community facility the unit of demand factor is multiplied by the number of measures associated with the development as defined in section 5 and shown in Table 4. Examples of applying the units of demand to development can be found in Section 7 of this policy.

Table 4 – Units of Demand and Measure for Community Facilities

	Unit of Demand			Measure: Subdivision Stage	Measure: Building Consent Stage
	Residential	Rural	Non-Residential		
Feilding Water	1	0	1	Per additional allotment.	Per connected equivalent Household Unit.
Feilding Wastewater	1	0	1	Per additional allotment.	Per connected equivalent Household Unit.
Feilding Stormwater	1	0	1	Per additional allotment.	Per 300 m ² of ISA
District Roding	1	1	1	Residential and Rural - Per additional allotment. Non-Residential – Per 600 m ² of Allotment Area	Residential and Rural - Per household equivalent unit. Non-Residential and Rural (other) – Per number of car equivalent movements*. 1 HUE = 8.
District Parks Reserves and other Community Infrastructure	1	1	0	Per additional allotment.	Per Equivalent Household Unit

For fees applied at the building consent stage for non-residential or rural development a minimum of one HUE applies.

The number of car equivalent movements is from the Manawatū District Plan.

5.2 Water Supply

This policy includes only the Feilding water service catchment as defined on Map 2 in Appendix A of this policy. Detailed concept maps of precincts 4 and 5 are defined in Appendix C. The effect of forecast development in rural townships has been assessed as not resulting in any requirement to increase reticulation or treatment capacity.

The Feilding service catchment is characterised by interdependent components. For the purposes of Development Contributions, the water reticulation network is optimised to include only those components necessary to the effective operation of the system. Interdependence within the network creates a need for integrated management of the operation of these necessary components. As such, the management of this network is undertaken with network-wide supply and demand issues in mind.

An amount of 100% growth has been assumed where the works are purely to service future development and include extensions of the existing network to and within future development areas. Where existing reticulation is being duplicated or upgraded, and there are currently deficiencies in the level of service, i.e. marginal capacity with regard to fire-fighting capacity or low-pressures during peak demand, a proportion of the cost has been included as level of service. This has been assessed as a level of service component of between 10% and 35% based on the proportion of existing to new allotments or equivalent household units to be served off the upgraded reticulation.

5.2.1 Development Contributions Approach

A development contribution for the Feilding water service catchment will be based on the value of future identified growth works, and any works already completed since June 2006 (the adoption of the first Development Contributions Policy) for the key network in anticipation of growth.

5.2.2 Who Gets Charged?

Under the above outlined method, all new developments in the Feilding water service catchment will be subject to a development contribution.

5.2.3 Justification for Approach

All growth works within the service catchment are considered to service any allotment within the specified boundary, up to a uniform service level, at any time. All components of the network also have excess capacity that will cater for anticipated future capacity uptake. Any identified capital development growth-related works undertaken on the identified key network add to the capacity of the existing network directly.

5.2.4 Unit of Demand

The development contribution is subject to a form of measurement to allocate units of demand to development. This allows for differences between residential, rural and non-residential demand. All residential development is assumed to create one unit of demand (HUE). All rural development is assumed to create zero HUE. All non-residential development is assumed to create a minimum of one HUE, with additional assessed HUEs based on the number of household equivalents of forecast water demand. Note these are relative units of demand between each type of development.

The following volume of water will be used as part of any assessment under clauses 4.4 or 5.8 for non-residential development:

- Average residential household water use 2016/17 – 1,000 litres per day.
- The measure for a residential and non-residential unit of demand is:
 - o Per additional allotment at subdivision; or
 - o Per connected equivalent household unit at building consent.

The measures for units of demand are summarised in Table 4 at the beginning of this section.

Each existing lot within the development that is connected to the water network or is paying a rates half-charge as at June 2018 will be treated as being one existing unit of demand. The development contribution payable will be levied on the number of additional units of demand being created in excess of any such existing (as at June 2018) units of demand.

Refer also to clause 4.3 (Non-Residential Brownfield Redevelopment) and clause 4.4 (Individual / Special Assessments).

Further guidance on measuring units of demand is provided in section 5.1.

5.3 Wastewater

This policy includes only the Feilding wastewater service catchment as defined on Map 1 in Appendix A of this policy. Detailed concept maps of precincts 4 and 5 are defined in Appendix C. The effect of forecast development in rural townships has been assessed as not resulting in any requirement to increase reticulation or treatment capacity.

The Feilding service catchments is characterised by interdependent components. For the purposes of Development Contributions, the wastewater reticulation network is optimised to include only those components necessary to the effective operation of the system. Interdependence within the network creates a need for integrated management of the operation of these necessary components. As such, the management of this network is undertaken with network-wide supply and demand issues in mind.

The infrastructure works identified include significant upgrades to the existing trunk sewer network to provide capacity for future growth. The growth component of the infrastructure works has been assessed as the additional cost to provide a larger size pipe than currently exists. Where the sewer needs to be upgraded in advance of the currently assessed renewal date, then the proportion of asset value lost, is apportioned to the growth component. Generally, the growth component for trunk upgrades is assessed at between 0% and 50%. Extension of the wastewater network or new pump stations are assessed as 100% growth component.

The major upgrade of the Feilding wastewater treatment plant has been proportioned on the basis of 75% level of service and 25% allowance for future growth, which is in accordance with the additional capacity to be built into the upgrade works.

5.3.1 Development Contributions Approach

A development contribution for the identified Feilding wastewater service catchment will be based on the value of future identified growth works, and any works already completed since June 2006 (the adoption of the first Development Contributions Policy) for the key network in anticipation of growth.

5.3.2 Who Gets Charged?

Under the above outlined method, all new developments in the service catchment will be subject to a development contribution.

5.3.3 Justification for Approach

All growth works within the service catchment are considered to service any allotment within the specified boundary, up to a uniform service level, at any time. All components of the networks also have excess capacity that will cater for anticipated future capacity uptake. Any identified capital development growth-related works undertaken on the identified key network add to the capacity of the existing network directly.

5.3.4 Unit of Demand

The development contribution is subject to a form of measurement to allocate units of demand to development. This allows for differences between residential, rural and non-residential demand. All residential development is assumed to create one unit of demand. All rural development is assumed to create zero units of demand. All non-residential development is assumed to create one unit of demand. Note these are relative units of demand between each type of development.

The following volume of wastewater will be used as part of any assessment under clauses 4.4 or 4.6 for non-residential development:

- Average residential household wastewater discharge 2016/17 – 800 litres per day.

The measure for a residential and non-residential unit of demand is:

- Per additional allotment at subdivision; or
- Per **connected equivalent household unit** at building consent.

The measures for units of demand are summarised in Table 4 at the beginning of this section.

Each existing lot within the development that is connected to the wastewater network or is paying a half-charge as at June 2018 will be treated as being one existing unit of demand. The development contribution payable will be levied on the number of additional units of demand being created in excess of any such existing (as at June 2018) units of demand.

Refer also to clause 4.3 (Non-Residential Brownfield Redevelopment) and clause 4.4 (Individual / Special Assessments).

Further guidance on measuring units of demand is provided in section 5.1.

5.4 Rooding

The rooding network service catchment is the **entire District** within the Manawatū District Council boundary. The rooding network is characterised by a combination of interdependent components. Interdependence within the network creates a need for integrated management of operation of these components. As such, the management of the network is undertaken with network-wide supply and demand issues in mind.

For the purposes of Development Contributions, the rooding network is considered to be an unrestricted system. This means that the rooding network can be accessed by anyone at any time in the District.

5.4.1 Development Contributions Approach

A district wide development contribution is applied and is based on the value of future identified capital development works on the key rooding network for growth, and any works already completed since June 2006 (the adoption of the first Development Contributions Policy) for the key network in anticipation of growth. The anticipated future growth capital development works are identified in the Rooding Asset Management Plan. For this Policy the rooding projects included in the growth schedules are in the Feilding growth areas (precincts 4 and 5).

The development contribution for the rooding network is based only on the component of these works that result from increased demand generated by new residential, and non-residential development in Feilding. Any improvement in existing level of service is deducted from the total capital expenditure to be funded by Development Contributions.

Industrial development in the rural area will be treated the same as the equivalent development in the Feilding area. The development will be assessed on the number of HUEs, as set out / described in section 5.1.

5.4.2 Who Gets Charged?

Under the above outlined method, all new developments in all development contribution areas will be subject to a development contribution for the roading network.

5.4.3 Justification for Approach

All components included in the development contribution for the roading network are considered to service any allotment within the specified boundary, up to a uniform service level, at any time. The current network also has excess capacity that has been planned to and will cater for anticipated future capacity uptake. Any identified capital development works undertaken on the network enhance the capacity of the existing integrated network directly.

5.4.4 Unit of Demand

The development contribution is subject to a form of measurement to allocate units of demand to development. This allows for differences between residential, rural and non-residential demand. All residential development is assumed to create one unit of demand (HUE). All rural and non-residential development is also assumed to create at least one unit of demand. Note these are relative units of demand between each type of development.

The measure for a residential and rural (dwellings) unit of demand is:

- Per additional allotment at subdivision; or
- Per connected equivalent household unit at building consent.

The basis for the following units of demand is an average residential HUE. The measure for a non-residential unit of demand is:

- Per 600 m² of allotment area at subdivision; or
- The number of vehicle movements at building consent where:
 - o One Residential HUE = 8 car equivalent movements
 - o Truck = 6 car equivalent movements
 - o Truck and Trailer = 10 car equivalent movements

The measure for a rural (other) unit of demand is:

- The number of vehicle movements at building consent where:
 - o One Residential HUE = 8 car equivalent movements
 - o Truck = 6 car equivalent movements
 - o Truck and Trailer = 10 car equivalent movements

The measures for units of demand are summarised in Table 4 at the beginning of this section.

Each existing lot within the development will be treated as being one existing unit of demand. The development contribution payable will be levied on the number of additional units of demand being created in excess of any such existing units of demand.

Refer also to clause 4.3 (Non-Residential Brownfield Redevelopment) and clause 4.4 (Individual / Special Assessments).

Further guidance on measuring units of demand is provided in section 5.1.

5.5 Stormwater

This policy includes only the Feilding stormwater service catchment as defined on Map 1 in Appendix A of this policy. Detailed concept maps of precincts 4 and 5 are defined in Appendix C. No future growth works have been identified for the other urban areas.

The Feilding stormwater network is defined using an integrated catchment approach as all stormwater runoff within the urban catchment area has to be catered for, regardless of where the stormwater originates from. Runoff from areas with no stormwater issues flows into areas that do require capital works, so all areas are covered by the catchment area. The network has interdependent network components and there is an integrated system of services and facilities designed to protect property from flooding. New requirements set by the One Plan has resulted in Council having to plan for large retention ponds to intercept runoff collected from the entire Feilding catchment.

For the purposes of this policy there is one defined service catchment for Feilding. Other catchments where there are no capital works programmed to cater for growth are not subject to Development Contributions for stormwater. Likewise areas, where only rural subdivision (4 ha average) is possible, have been excluded from the stormwater service catchment on Map 1. Such subdivision does not generally incur the need for provision of stormwater infrastructure.

Stormwater infrastructure development within the Feilding catchment will be based on a defined level of service, as outlined in Council's Stormwater Asset Management Plan, under a fully developed catchment scenario. The Asset Management Plan reflects the requirements of Horizons One Plan, and the existing consent conditions for stormwater discharges into the Taonui Basin. For the purpose of determining the amount of Development Contributions, specific demand analysis has been undertaken on the existing and forecast future service catchment, and infrastructure requirements have been identified as a result.

5.5.1 Development Contributions Approach

A stormwater development contribution for the Feilding catchment is based on the value of future growth components, and any works already completed since June 2006 (the adoption of the first Development Contributions Policy) to be located within the entire catchment in order to meet the defined level of service under the fully developed catchment scenario. Anticipated future components are identified in Council's Stormwater Asset Management Plan capital development budgets.

5.5.2 Who Gets Charged?

Under the above outlined method, all new developments in the defined Feilding service catchment will be subject to a development contribution. New developments in other catchments will not be required to pay any Development Contributions for stormwater.

5.5.3 Justification for Approach

Demand investigations, undertaken by Council, tested stormwater catchments under a fully developed scenario. Additional development in areas with existing developed stormwater assets still creates additional runoff and this has to be catered for as it flows through the network. Additional development in partially developed or new areas can have a significant effect on the demand for additional stormwater infrastructure.

5.5.4 Unit of Demand

The development contribution is subject to a form of measurement to allocate units of demand (HUE) to development. This allows for differences between residential, rural and non-residential demand. The allotment area of development and hence information related to site coverage and impermeable surface area (ISA) has been used to calculate a unit of demand. Note these are relative units of demand between each type of development.

All residential and nodal development is assumed to create one HUE. All rural development is assumed to create zero HUE. All non-residential development is assessed on the amount of ISA (site coverage) compared with residential development, with a minimum of one HUE.

HUE are based on the typical residential unit. Houses have been increasing in size for many years, and lot sizes have been declining. With driveways and paths the ISA of an average residential lot is now assessed at 300 m². This is the ISA used to determine the number of HUE's for each non-residential development.

The measure for a residential and non-residential unit of demand is:

- Per additional allotment at subdivision; or
- Per 300 m² ISA at building consent.

The measures for units of demand are summarised in Table 4 at the beginning of this section.

Each existing lot within the development will be treated as being one existing unit of demand. The development contribution payable will be levied on the number of additional units of demand being created in excess of any such existing units of demand.

Refer also to clause 4.3 (Non-Residential Brownfield Redevelopment) and clause 4.4 (Individual / Special Assessments).

Further guidance on measuring units of demand is provided in section 5.1.

5.6 Parks, Reserves and other Community Infrastructure

The Manawātū District Parks, Reserves and Community Infrastructure assets are composed of two distinct parts. They are: land zoned as reserve and identified for recreational purposes ("reserves"), and infrastructure associated with that zoned land or other land owned or controlled by the Council for public amenities ("community infrastructure").

Community infrastructure is composed of capital developments and facilities associated with the identified reserves and other land or controlled by the Council. This includes, but is not limited to playgrounds, carparks, local halls and recreational complexes, and public toilets – both on and off reserves.

The reserves and community infrastructure provide active and passive recreational facilities to the District community.

For new community infrastructure, park and reserve facilities established specifically for new growth areas, 100% of these infrastructure works are to be funded by growth. For new facilities that include improvements to existing levels of service, various proportions of the cost have been attributed to future growth over the next 20 years depending on the details of each project.

5.6.1 Development Contributions Approach

The Development Contributions are district wide and are based on the value of identified future provision, and any works already completed since June 2006 (the adoption of the first Development Contributions Policy), of district wide parks, reserves and community infrastructure associated with growth. Increased numbers of households and residents create additional demand for sportsfields, passive reserves, walkways and associated assets such as toilets and playgrounds. Council purchases key new land for reserves significantly before the developments are completed in order to minimise the cost of land purchase and reduce unnecessary servicing costs.

5.6.2 Who Gets Charged?

All residential and rural residential developments in all development contribution areas will pay a district wide development contribution for parks reserves and other community infrastructure. Development Contributions cannot be charged on non-residential development, or the non-residential component of mixed use developments.

5.6.3 Justification for Approach

The assumed demand for parks reserves and other community infrastructure is created and driven as a result of additional people, or residential households, being located within the Manawatū District territorial boundary. Increased demand for parks reserves and other community infrastructure can come from anywhere within the defined district boundary from residential and rural development.

Non-residential development generally has no impact on the demand for reserves and community infrastructure networks and therefore Development Contributions for parks reserves and other community infrastructure do not apply.

Parks, reserves and community infrastructure will be provided and developed on the basis of being a district wide network of parks and reserves, rather than discrete reserves throughout the district. A district wide development contribution is therefore appropriate.

5.6.4 Legislative Considerations

A development contribution for reserves may not exceed the greater of 7.5% of the value of additional allotments created by a subdivision or the value equivalent of 20 square metres of land for each additional household unit created by the development.

A development contribution for community infrastructure must not exceed the amount calculated by multiplying the cost of the relevant unit of demand by the number of units of demand assessed for a development or type of development, as provided for in clause 1 and 2 of Schedule 13 of the Local Government Act 2002.

5.6.5 Unit of Demand

The development contribution is subject to a form of measurement to allocate units of demand to development. This allows for differences between residential and rural. All residential and rural development is assumed to create one unit of demand. All non-residential development is assumed to create zero units of demand. Note these are relative units of demand between each type of development.

The measure for a residential, and rural unit of demand is:

- Per additional allotment at subdivision; or
- Per *connected equivalent unit household* (HUE) at building consent.

The measures for units of demand are summarised in Table 3 at the end of this section.

Each existing lot within the development shall be treated as being one existing unit of demand. The development contribution payable will be levied on the number of additional units of demand being created in excess of any such existing units of demand.

Refer also to clause 4.4 (Individual /Special Assessments).

Further detail on measuring units of demand is provided in section 5.1.

5.7 Measuring Units of Demand – Specific Guidance, Principles and Notes (Residential)

Multi-unit or Communal Residential Development:

For the purposes of establishing the number of equivalent household units that apply for multi-unit or communal residential developments, the maximum possible number of occupants on any given night is to be divided by 2.5, which is the average number of occupants per dwelling in the Manawatū District (2013 Census).

Family Flats

Building consents for single accessory buildings in the residential and rural areas, used for sleepouts or 'granny flats', throughout the District (Areas A and B) that have a maximum gross floor area of 70 m² or less excluding the attached garaging/carport of up to 18 m² and any sized decks and verandahs will not be subject to Development Contributions. Council considers that these buildings are part of the existing adjacent household. Developments or building consents for multiple small dwelling units will be liable for Development Contributions as set out in the Multi-unit or Communal Residential Development, visitors accommodation or retirement villages policies.

Visitors' Accommodation:

For the purposes of establishing the number of equivalent household units that apply for visitors' accommodation, the number of individual units that meet the definition of an equivalent household unit is to be multiplied by 0.48 (48%), which is the average occupancy rate for motels in the combined Manawatū District (Statistics New Zealand Accommodation Survey June 2017). For units that do not meet the definition of a household equivalent unit, the multi-unit or communal residential development measure can be used in combination with the average occupancy rate multiplier (0.48).

Retirement Villages:

For the purposes of establishing the number of equivalent household units that apply for retirement villages, the total number of units within a development that meet the definition of a dwelling shall be multiplied by 0.44. Any part of a retirement village that does not meet the definition of

a dwelling shall be assessed as a multi-unit or communal residential development.

In determining the final number of equivalent household units that apply to a particular development, a combination of the general measure of an equivalent household unit, the multi-unit or communal residential development measure of equivalent household units and the travellers' accommodation measure of equivalent household units may be used to recognise the specific composition of a particular development. For example, a retirement village that includes a combination of independent dwellings and communal living arrangements or a travellers' accommodation that includes a combination of fully serviced units, hostel accommodation and a managers unit.

Refer to the residential development contributions assessment flowchart for further guidance.

5.8 Measuring Units of Demand – Specific Guidance, Principles and Notes (Rural)

It is assumed that each additional rural allotment may accommodate an additional dwelling. Each additional rural allotment therefore creates one unit of demand for roading, parks, reserves and other community infrastructure.

While most new rural development is likely to be dwellings, occasionally a more general rural activity may establish in the rural area e.g. a rural industry. These types of activities are identified in Table 4 above as Rural (Other) and attract one unit of demand per HUE (8 car equivalent movements per day) at the building consent stage for roading only.

For the purposes of assessing units of demand for rural developments, Rural (Other) does not include accessory buildings.

Refer to the rural development contributions assessment flowchart for further guidance.

5.9 Measuring Units of Demand – Specific Guidance, Principles and Notes (Non-Residential)

General

New non-residential subdivisions are assessed and measured based on allotment area (per 600 m²) for roading, per additional allotment for water and wastewater (where applicable) and per equivalent area of ISA (per 300 m²) for stormwater. Subsequent non-residential building development on sites that have paid Development Contributions based on per additional allotment are assumed to have paid in full and therefore do not create additional units of demand.

Refer to the non-residential development contributions assessment flowchart for further guidance.

Subdivision

Where the underlying allotment has not paid any Development Contributions in the past based on per

additional allotment (2006 Policy) and there is (or was) a building located on the site, the remaining lot is to be excluded from the final allotment area calculation.

Where the underlying allotment has not paid any Development Contributions in the past based on per additional allotment (2006 Policy) and a building has never been located on the site, the entire site is subject to additional units of demand.

Non-residential boundary adjustments and amalgamations will be assessed on a case-by-case basis. Refer to clause 10.1 Boundary Adjustments / Amalgamations for further guidance. Refer to the non-residential development contributions assessment flowchart for further guidance.

Building Consent

Where the underlying allotment of a particular development has not paid any Development Contributions in the past based on per additional allotment (2006 Policy) and there is or was a building located on the site, the following principles shall apply when measuring units of demand:

- Buildings established or approved between 1 July 2006 and 30 June 2018 (under previous Policies) are not assumed to have paid in full should further development occur. Further development of these buildings may create additional units of demand. This is particularly the case for commercial and industrial developments.
- A new or additional building on an allotment with remaining development potential is assumed to create additional units of demand.
- As provided by clause 4.6 of this Policy, non-residential brownfield redevelopment does not create additional units of demand.

Where the underlying allotment has not paid any Development Contributions in the past based on per additional allotment (2006 Policy) and a building has never been located on the allotment, it is assumed that development on the site will create additional units of demand.

Where Development Contributions are applied at the building consent stage they will be assessed and measured based on:

- per ISA (per 300 m²) or the overall increase in ISA (per 300 m²) for stormwater; and
- per car equivalent movements (1 HUE = 8, where 1 movement is a trip to or from the lot) or the overall increase in car equivalent movements (1 HUE = 8) for Roading; and
- per connected household unit equivalent (HUE) for water (1 m³ per day of demand) and wastewater (0.8 m³ of discharge per day) (except if a special circumstance applies, refer to clause 4.4).

For fees applied at the building consent stage for non-residential development a minimum threshold of one

HUE applies to ensure small insignificant buildings and alterations and additions to existing buildings are not levied Development Contributions. This will also ensure the application of the Policy does not become administratively onerous. Refer to the non-residential development contributions assessment flowchart for further guidance.

Non-Residential Brownfield Redevelopment

Refer to clauses 4.2 for further guidance on non-residential brownfield redevelopment.

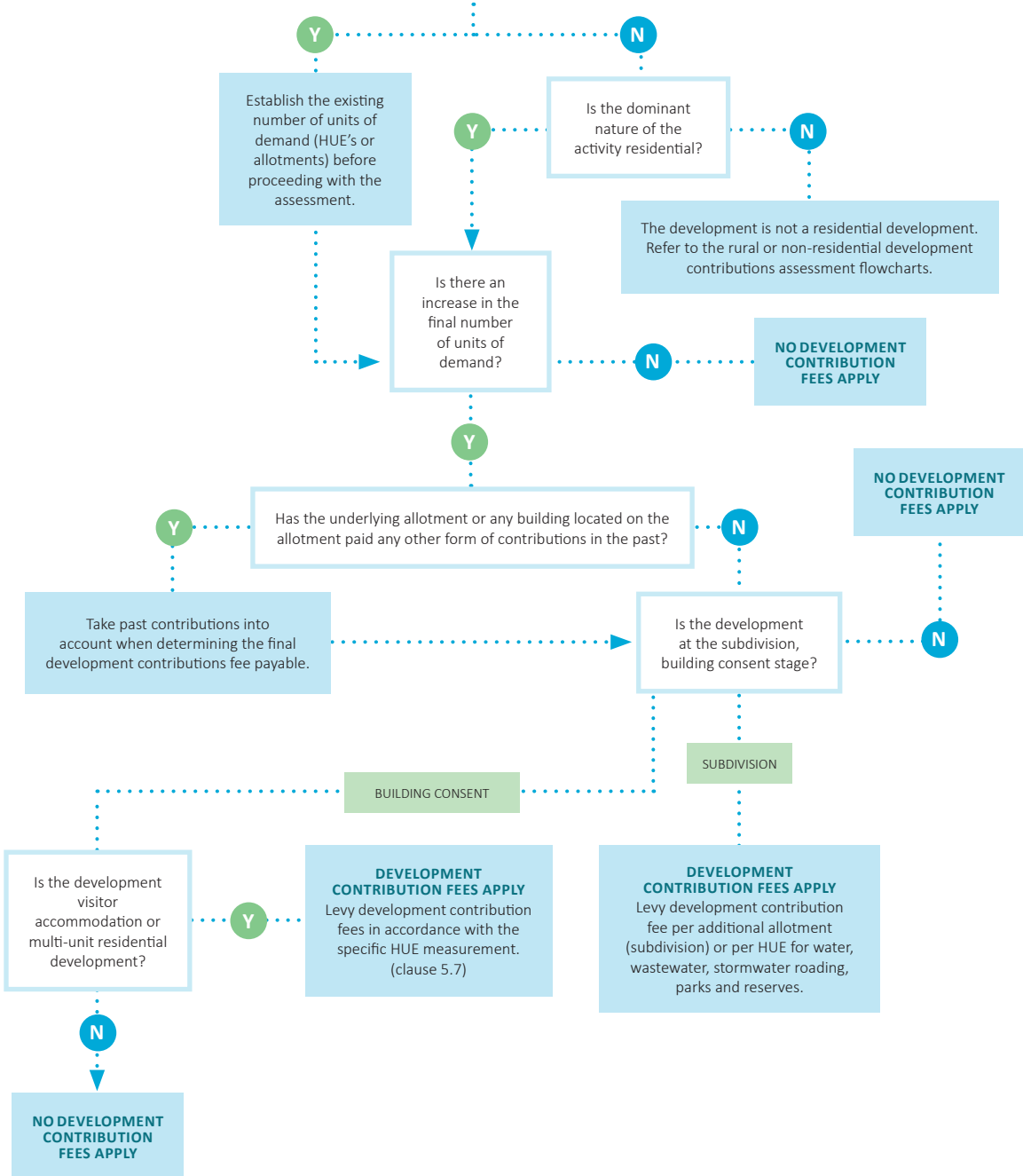
Refer to the non-residential development contributions assessment flowchart for further guidance.

6. Development Contributions Assessment Flowcharts

The following flowcharts have been included in the Policy to assist with determining whether or not Development Contributions fees apply. The flowcharts are for guidance purposes only.

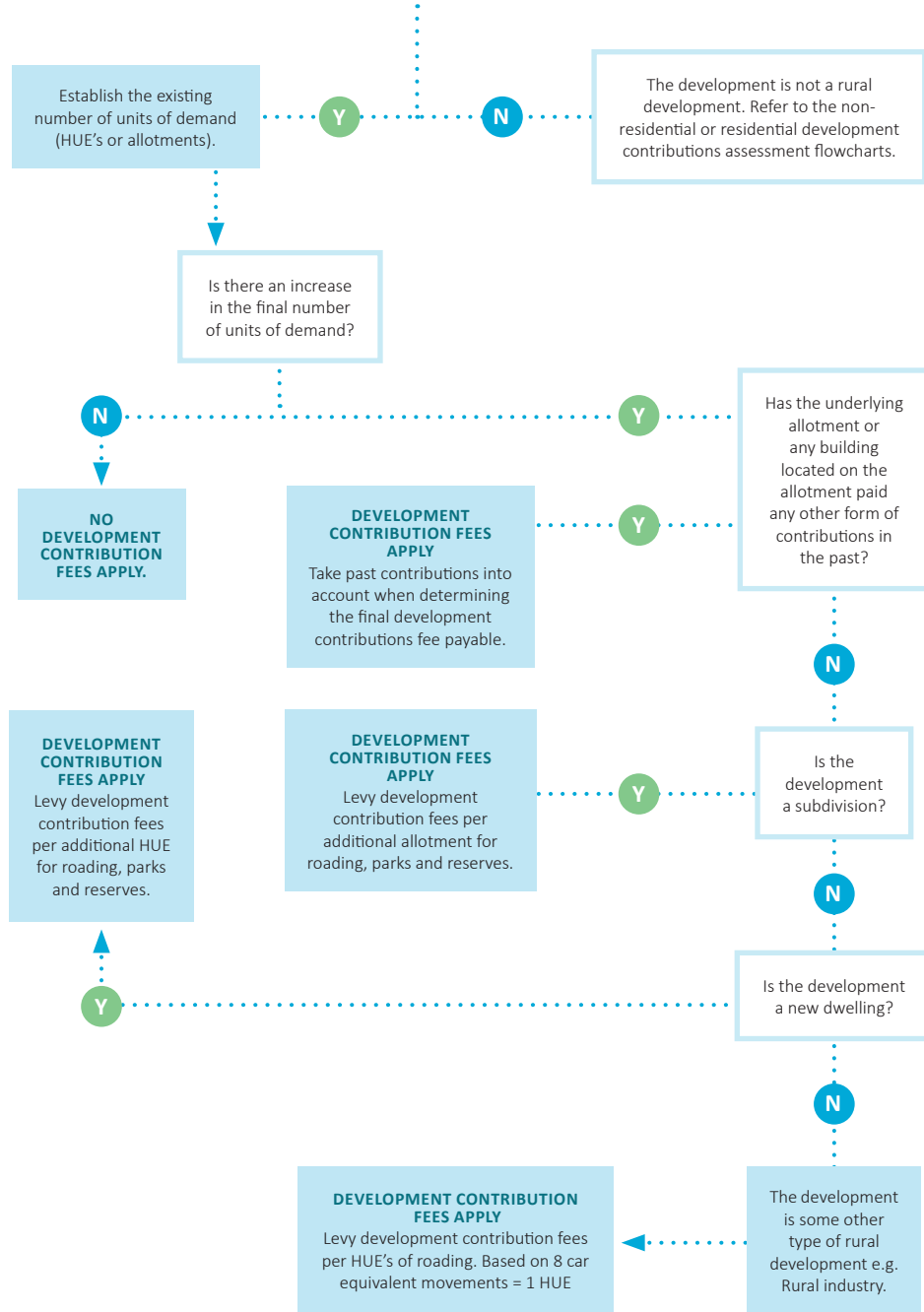
6.1 Residential Development Contributions Assessment Flowchart

Is the development in the residential zone (Area B)?



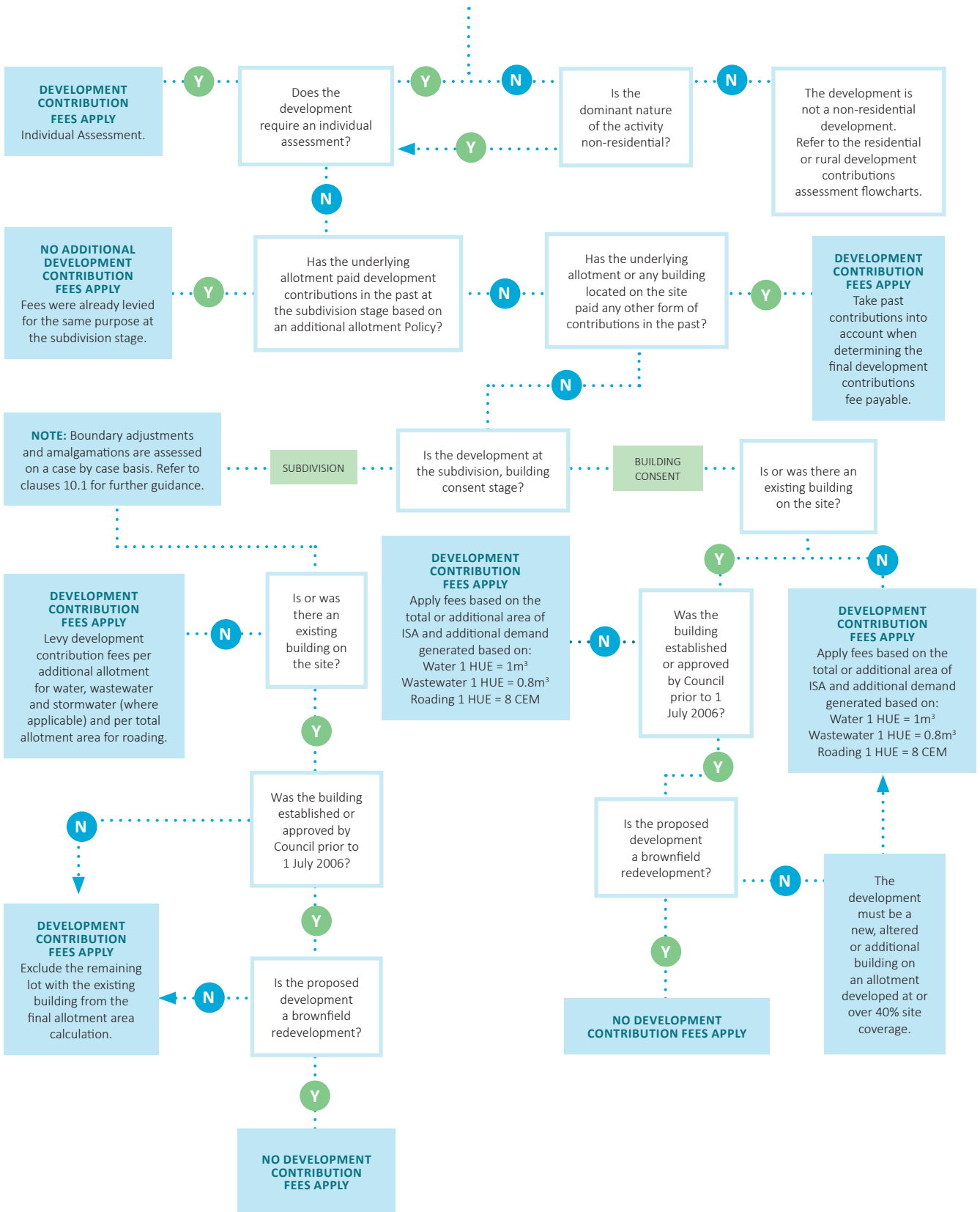
6.2 Rural Development Contributions Assessment Flowchart

Is the development in the rural zone? (Area A)?



6.3 Non-Residential Development Contributions Assessment Flowchart

Is the development a non-residential zone?



7. Schedule of Contributions Per Unit of Demand

The schedule of Development Contributions fees payable is set out in a table in Council's current schedule of Fees and Charges. The table contained within the current schedule of Fees and Charges refers to the Development Contribution Area. These are areas A and B which are geographically defined in Appendix A: Map 1.

The Development Contribution fee table sets out the various community facilities and the contributions per unit of demand for each respective community facility.

Section 8 describes how to work out your total development contribution for particular developments.

This Development Contribution fees schedule should be read in conjunction with Table 4 - Units of Demand and Measure for Community Facilities.

8. How to Work Out Development Contribution Payable

Step 1

Go to Appendix A, Map 1 and check what development contribution area your development lies within.

Step 2

Establish what type of development it is i.e. residential, rural or non-residential.

Determine the stage of development i.e. subdivision or building consent.

Step 3

Check clauses 5.7 - 5.9, Measuring Units of Demand – Specific Guidance and Notes.

Check the relevant Development Contribution Flowchart contained in section 6 to ensure Development Contributions Fees are applicable.

Using the Unit of Demand (Table 4) in Section 5.1.2 establish how many units of demand your development will create for each of the community facilities.

Step 4

Go to the relevant Development Contributions fees schedule in Council's current schedule of Fees and Charges and identify the fees payable per unit of demand for your development contribution area.

Step 5

Apply the Units of Demand to your development i.e. multiply the charges by the number of units of demand applicable.

Calculate your total development contribution by summing the individual community facilities charges established in steps 1-5.

Examples

In Section 9.1-9.7 worked examples of steps 1 through to 5 are provided to help you work out your development

contribution payable. Note each of the examples exclude assessment for escalation that would apply after the first year of this policy, i.e. after 30 June 2019.

9. Examples

9.1 Development Contributions Calculation – Example 1 (Residential):

Consider the example of a proposed residential subdivision as shown in diagrams 1 and 2 below. The proposed subdivision is from an original lot size of 4000 m² that is located within **Area B (Feilding)**. The proposed subdivision will result in the creation of three new additional allotments each consisting of an area of 1000 m². The Development Contribution will be worked out in relation to the new units of demand created (three new additional lots) that will contain a total area of 3000 m². An example to work out the appropriate contribution is set out below.

Diagram 1

Original Lot Size

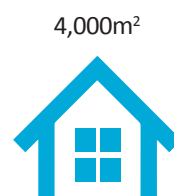
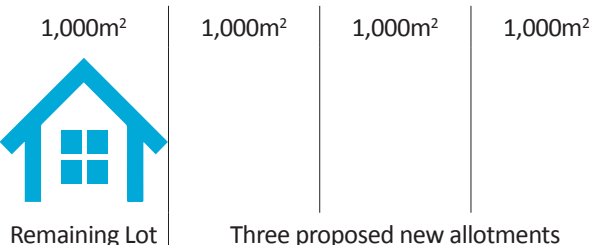


Diagram 2

Proposed New Allotments for Original Lot



Step 1 What Development Contribution Area is the development in? Area B

Step 2 Establish what type of development and stage of development? Residential activity at subdivision stage.

Step 3 What is the demand for each Community Facility being created for the proposed development?

Water	3 additional units (4 final units less 1 existing unit)
Wastewater	3 additional units (4 final units less 1 existing unit)
Roading	3 additional units (4 final units less 1 existing unit)

Stormwater	3 additional units (4 final units less 1 existing unit)
Parks, Reserves and other Community Infrastructure	3 additional units (4 final units less 1 existing unit)

(Note: An existing unit of demand is determined by either an existing equivalent residential unit on the site such as a dwelling or a past contribution has been paid in respect to that development.)

Step 4: Determine Fees payable per unit of demand using Council's current schedule of Fees and Charges. PLEASE NOTE THE FOLLOWING ARE EXAMPLES ONLY. PLEASE CHECK COUNCIL'S FEES AND CHARGES FOR THE CURRENTLY APPLICABLE FEES.

Water	\$3,787
Wastewater	\$3,727
Roading	\$2,911
Stormwater	\$7,235
Parks, Reserves and other Community Infrastructure	\$1,841

Step 5: Calculate Fees payable

Water	3	x	\$3,787	=	\$11,361
Wastewater	3	x	\$3,727	=	\$11,181
Roading	3	x	\$2,911	=	\$8,733
Stormwater	3	x	\$7,235	=	\$21,705
Parks, Reserves and other Community Infrastructure	3	x	\$1,841	=	\$5,523
TOTAL DEVELOPMENT CONTRIBUTIONS PAYABLE					\$58,503+GST

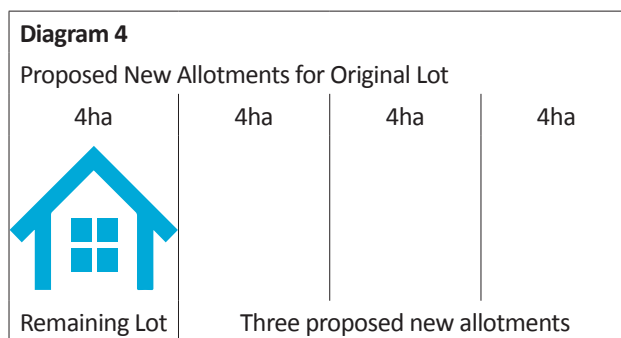
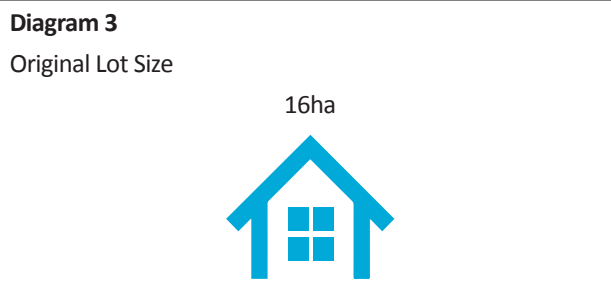
Notes:

1. The 'Remaining Lot' of 1000 m² as shown in Diagram 2 is assumed to be already connected to the Feilding water and wastewater networks and is therefore considered an existing unit of demand.
2. In the stormwater calculation for Diagram 2 the 'Remaining Lot' is given credit for an existing unit of demand. The 3 proposed new allotments are liable for Development Contributions.

9.2 Development Contributions Calculation – Example 2 (Rural):

Consider the example of a proposed rural subdivision as shown in diagram 3 and 4. The proposed subdivision is from an original lot size of 16 ha. The proposed subdivision will result in the creation of three new additional allotments each consisting of an area of 4 ha. The Development

Contributions applied will be worked out in relation to the new units of demand being created (three additional allotments) that will contain a total area of 12 ha. An example to work out the appropriate contribution is set out below.



- Step 1** What Development Contribution Area is the development in? Area A
- Step 2** Establish what type of development and stage of development? Rural activity at subdivision stage.
- Step 3** What is the demand for each Community Facility being created for the proposed development?

Water	Not applicable
Wastewater	Not applicable
Roading	3 additional units (4 final units less 1 existing unit)
Stormwater	Not applicable
Parks, Reserves and other Community Infrastructure	3 additional units (4 final units less 1 existing unit)

(Note: An existing unit of demand is determined by either an existing equivalent residential unit on the site such as a dwelling or a past contribution has been paid in respect to that development.)

Step 4: Determine Fees payable per unit of demand

Roading	\$2,911
Parks, Reserves and other Community Infrastructure	\$1,841

Step 5: Calculate Fees payable

Roading	3	x	\$2,911	=	\$8,733
Parks, Reserves and other Community Infrastructure	3	x	\$1,841	=	\$5,523
TOTAL DEVELOPMENT CONTRIBUTIONS PAYABLE					\$14,256 +GST

9.3 Development Contributions Calculation – Example 3 (Non-Residential):

Consider the example of a proposed non-residential subdivision. The proposed subdivision is from an original lot size of 10,000 m² that has not paid any Development Contributions in the past at the subdivision stage. The original lot has an existing non-residential building located on it that was established prior to 1 July 2006. The proposed development does not meet the definition of a non-residential brownfield redevelopment. The proposed subdivision will result in the creation of three additional allotments each consisting of an area of 2000 m², leaving a 4000 m² remaining lot that will provide for the existing building. The Development Contributions applied will be worked out in relation to the three new allotments that will contain a total area of 6000 m². The remaining lot of 4000 m² with the existing building established prior to 1 July 2006 is excluded from the allotment area calculation.

Step 1 *What Development Contribution Area is the development in?* Area B

Step 2 *Establish what type of development and stage of development?* Non-residential activity at subdivision stage.

Step 3 *What is the demand for each Community Facility being created for the proposed development?*

Water	3 additional HUEs (4 final HUEs less 1 existing HUE)
Wastewater	3 additional HUEs (4 final HUEs less 1 existing HUE)
Roading	6000 m ² additional (10,000 m ² less 4,000 m ²) or 10 HUEs (600 m ² of allotment area)
Stormwater	3 additional units (4 final HUEs less 1 existing HUE)
Parks, Reserves and other Community Infrastructure	Not applicable

Step 4: Determine Fees payable per unit of demand

Water	\$3,787
Wastewater	\$3,727
Roading	\$2,911
Stormwater	\$7,235

Step 5: Calculate Fees payable

Water	3	x	\$3,787	=	\$11,361
Wastewater	3	x	\$3,727	=	\$11,181
Roading	10	x	\$2,911	=	\$29,110
Stormwater	3	x	\$7,235	=	\$21,705
TOTAL DEVELOPMENT CONTRIBUTIONS PAYABLE					\$73,357 +GST

9.4 Development Contributions Calculation – Example 4 (Non-Residential):

Consider the example of a proposed extension to an existing non-residential building. The existing 2000 m² building is located on an allotment which has not paid any Development Contributions in the past at the subdivision stage. The existing building was established after 1 July 2006. The proposed development does not meet the definition of a non-residential brownfield redevelopment. The proposed extension will add 1000 m² of single story to the building. There is 200 m² of additional sealed car parking. Water use is assessed at <1 m³ a day, and 24 car equivalent movements a day. The Development Contributions applied will be worked out in relation to the 1000 m² extension and the additional demand for water, wastewater, stormwater and roading only.

Step 1 *What Development Contribution Area is the development in?* Area B

Step 2 *Establish what type of development and stage of development?* Non-residential activity at building consent stage.

Step 3 *What is the demand for each Community Facility being created for the proposed development?*

Water	Increased demand for 1 HUE = 1 m ³ per day
Wastewater	Increased demand for 1 HUE = 0.8 m ³ per day
Roading	24 additional car equivalent movements (CEM) where 1 HUE = 8 CEMs
Stormwater	Additional runoff from ISA at 4 HUE (1000 m ² of building ISA area plus additional 200 m ² of carparking ISA)
Parks, Reserves and other Community Infrastructure	Not applicable

Step 4: Determine Fees payable per unit of demand

Water	\$3,787
Wastewater	\$3,727
Roading	\$2,911
Stormwater	\$7,235

Step 5: Calculate Fees payable

Water	1	x	\$3,787	=	\$3,787
Wastewater	1	x	\$3,727	=	\$3,727
Roading	3	x	\$2,911	=	\$8,733
Stormwater	4	x	\$7,235	=	\$28,940
TOTAL DEVELOPMENT CONTRIBUTIONS PAYABLE					\$45,187 +GST

9.5 Development Contributions Calculation – Example 5 (Non-Residential):

Consider the example of a proposed new 5,000 m² non-residential building. The new building is to be located on a vacant allotment which is 20,000 m² in size and which has not paid any Development Contributions in the past. The proposed development does not meet the definition of a non-residential brownfield redevelopment. The new building will two story and have a roof area of 3,000 m² and associated ISA (driveways and parking) of 2,000 m². Water use is assessed at 3 m³ a day. Car equivalent movements are assessed at 76 (6 truck and trailer movements plus 16 car movements). The Development Contributions applied will be worked out in relation to the additional ISA of 5,000 m², and the additional demand for water, wastewater, stormwater and roading.

Step 1 What Development Contribution Area is the development in? Area B

Step 2 Establish what type of development and stage of development? Non-residential activity at building consent stage.

Step 3 What is the demand for each Community Facility being created for the proposed development?

Water	3 HUEs (1 HUE = 1 m ³ per day)
Wastewater	2 HUEs (1 HUE = 0.8 m ³ per day)
Roading	76 car equivalent movements (CEM) = 9 HUEs (at 8 CEMs per HUE) 1 truck movement = 6 CEM 1 truck and trailer = 10 CEM
Stormwater	5,000 m ² of additional ISA = 16 HUEs
Parks, Reserves and other Community Infrastructure	Not applicable

Step 4: Determine Fees payable per unit of demand

Water	\$3,787
Wastewater	\$3,727
Roading	\$2,911
Stormwater	\$7,235

Step 5: Calculate Fees payable

Water	3	x	\$3,787	=	\$11,361
Wastewater	2	x	\$3,727	=	\$7,454
Roading	9	x	\$2,911	=	\$26,199
Stormwater	16	x	\$7,235	=	\$115,760
TOTAL DEVELOPMENT CONTRIBUTIONS PAYABLE					\$160,774 +GST

Notes: 1. The existing lot in this example is not already connected or paying a half charge to the Feilding water and wastewater networks, and therefore the development results in additional units of demand.

9.6 Development Contributions Calculation – Example 6 (Non-Residential):

Consider the example of a proposed redevelopment involving the demolition of four existing non-residential buildings established prior to 1 July 2006 and the construction of one new non-residential building. The proposed redevelopment is located in an established area and meets the definition of non-residential brownfield redevelopment. Non-residential brownfield redevelopment generally places negligible increased demand on the capacity of the network infrastructure and therefore does not create additional units of demand.

TOTAL DEVELOPMENT CONTRIBUTIONS PAYABLE	\$0
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9.7 Development Contributions Calculation – Example 7 (Non-Residential):

Consider the example of a proposed new 300 m² non-residential building. The new building is to be located on a recently subdivided 1500 m² allotment that paid Development Contributions based on allotment area at the time of subdivision under the 2015 Development Contributions Policy. The proposed new 300 m² building is assessed to use no more than 1 HUE of Water, Wastewater, Stormwater and Roading. The new building does not create any additional units of demand.

TOTAL DEVELOPMENT CONTRIBUTIONS PAYABLE	\$0
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10. Guidance Notes

10.1 Boundary Adjustments/Amalgamations

The Policy does not exempt boundary adjustments or amalgamations from being assessed for Development Contributions. Boundary adjustments and amalgamations create new lots, but not necessarily additional lots or additional allotment area, through subdivision. Where the new lot and the characteristics of that new lot are determined to create additional units of demand then a development contribution will be payable. Each circumstance will be assessed on a case-by-case basis.

One example is where a boundary adjustment or an amalgamation includes land where all or part of that land has not had contributions previously paid on it. Council will, in this instance, assess the contributions payable related to the specific development application.

In the situation where a proposed development overlaps the two Development Contribution areas, the Development Contribution for the entire development will be calculated based on the contribution applicable to the area that contains the majority of the development.

The measure of a non-residential unit of demand for water and wastewater is per additional allotment at subdivision or per HUE at building consent, and for roading is per 600 m² of allotment area at subdivision or per car equivalent movements (1 HUE = 8 CEM) at building consent. In determining whether a non-residential boundary adjustment or amalgamation creates additional units of demand, the following matters will be taken into account:

- Previous contributions paid;
- Whether or not the existing allotment(s) meet the definition of non-residential brownfield redevelopment;
- Whether or not the proposed allotment(s) meet the definition of non-residential brownfield redevelopment;
- The current or previous level of demand placed on the network infrastructure, reserves and community facilities;
- The level of demand the proposed boundary adjustment or amalgamation may place on the network infrastructure, reserves and community facilities;
- Whether or not it is more appropriate to levy Development Contributions at the building consent stage; and
- Any other matters Council considers relevant.

10.2 Development Contribution applications for land within a Boundary Reorganisation Scheme under the Local Government Act 2002.

Development Contributions for subdivision or development of land within an area subject to a Boundary Reorganisation Scheme under the Local Government Act 2002 will be assessed and payable under the Development Contribution Policy only after the Scheme comes into effect. The expected dominant nature of activities in the underlying zone will generally determine the areas and type of development payable.

10.3 Past Contributions and Determining an Existing Unit of Demand

Past contributions will be taken into account in assessing new units of demand. It is incumbent on the applicant to provide the necessary information, where possible, to show contributions have been paid on a particular development. Where past contributions can be validated, what these cover in terms of units of demand under the new Policy, and how they apply to new developments, will depend on the original intent of the contribution or agreement at that time. As the new Policy is different in methodology and application to the previous policy there will need to be an assessment made by Council officers on a case-by-case basis.

Where it is proven a past contribution has not been paid on a proposed development, and that development creates a unit of demand as defined in the Policy, then a development contribution will be assessed accordingly.

One example is where no past contribution has been paid on a vacant lot and where an applicant now proposes to build a house or further subdivide the lot. An existing vacant lot does not necessarily mean that there is an existing unit of demand. A determination, by staff on the application, will assess if past contributions were paid and what they covered, and if they were not paid what units of demand the particular proposed development now creates, if any.

10.4 Development contributions on overlapping consents and future subdivision applications

In the case where two or more overlapping consent applications are being processed simultaneously in the same development area, full contributions (under whatever contribution regime existed at that time) will be levied on both applications until full payment has been received for one or the other as explained above. Once payment has been received for one of the two consents concerned, all contributions applicable to future subdivision applications will be revised to include those contributions already paid.

11. Glossary of Terms

In this policy, unless the context otherwise requires:

Accessory Building has the same meaning as accessory building in the Manawatū District Plan:

“means a building, the use of which is (or will be) incidental to that of any dwelling on the site. Accessory buildings include garages and carports, tool and garden sheds, pump sheds, aviaries, glasshouses, and water tanks”.

Accommodation Units means units, apartments, rooms in 1 or more buildings, or cabins or sites in camping grounds and holiday parks, for the purpose of providing overnight, temporary, or rental accommodation.

Activity means a good or service provided by the Council (as defined by section 5 Local Government Act 2002) and for which Development Contributions may be collected.

Allotment has the meaning given to it in section 218(2) of the Resource Management Act 1991 and for the purposes of the Development Contribution Policy only, excludes allotments to be vested with Council as roads.

Allotment Area is the total land area of an allotment.

Annual Plan means an Annual Plan adopted under section 95 of the Local Government Act 2002.

Applicant is the person/persons that apply for resource consent or building consent.

Asset Management Plans means detailed long term Council planning documents that outline how the Council

will provide, manage and renew infrastructure assets.

Balance Lot means a remaining allotment not yet intended for development that will be developed at a later date.

Brownfield Redevelopment means further development of sites that are developed at or over 40% site coverage, or were at some time in the past, provided the buildings located on the site were established prior to 1 July 2006, and specifically includes:

- a. further subdivision of the site;
- b. alterations and additions to existing buildings; and
- c. the demolition of existing buildings and construction of new buildings

Catchment means the area served by a particular infrastructure.

Capital Expenditure means the cost council expect to incur to provide infrastructure assets for the running of network infrastructure, reserves and community infrastructure.

CEM (Car Equivalent Movements) are defined as being the following within any given day:

- i) One car to and from the site = 2 car equivalent movements
- ii) One truck to and from the site = 6 car equivalent movements
- iii) One truck and trailer to and from the site = 10 car equivalent movements
- iv) A dwelling is deemed to generate 8 car equivalent movements

Community Facilities means reserves, network infrastructure, or community infrastructure for which Development Contributions may be required in accordance with section 199 of the Local Government Act 2002.

Community Infrastructure means the following assets when owned, operated, or controlled by a territorial authority:

- community centres or halls for the use of a local community or neighbourhood, and the land on which they are or will be situated;
- play equipment that is located on a neighbourhood reserve; and
- toilets for use by the public.

Community Outcomes, in relation to a district or region

- a) means the outcomes for that district or region that are identified as priorities in the Long Term Plan.

Connected Household Unit Equivalent (HUE) means an equivalent residential household unit with direct access to a service connection.

Consent Holder is the person/persons that are the applicants to which resource consent, building consent or service connection was granted.

Development means

- a) any subdivision building (as defined in section 8 of the

Building Act 2004), land use, or work that generates a demand for reserves, network infrastructure, or community infrastructure; but

- b) does not include the pipes or lines of a network utility operator.

Development Agreement means a voluntary contractual agreement made under sections 207A to 207F between 1 or more developers and 1 or more territorial authorities for the provision, supply, or exchange of infrastructure, land or money to provide network infrastructure, community infrastructure, or reserves in 1 or more districts or part of a district.

Development Contribution means a contribution -

- a) provided for in a development contribution policy under section 102(1) of the Local Government Act 2002; and
- b) calculated in accordance with the methodology; and
- c) comprising:
 - i. money; or
 - ii. land, including a reserve or esplanade reserve (other than in relation to a subdivision consent), but excluding Maori land within the meaning of Te Ture Whenua Maori Act 1993, unless that Act provides otherwise; or
 - iii. both.

Note: Council's policy is not to require land as a development contribution – See section 3.1.2.

Development Contributions Commissioner means a person appointed under section 199F of the Local Government Act 2002.

Development Contribution Objection means an objection lodged under clause 1 of Schedule 13A of the Local Government Act 2002 against a requirement to make a development contribution.

Development Contribution Policy means the policy on Development Contributions adopted under section 102(1) of the Local Government Act 2002.

District means the Manawātū District.

Enforceable security instrument means that the term of postponement will be recorded in a memorandum of agreement and will be conditional upon an enforceable security instrument being registered against the developer's land. This requirement does not limit Council from, at its discretion, considering other options available to it in securing the postponement of Development Contributions payable for a particular development, or stage of a development.

Household Unit Equivalent (HUE) has the same meaning as Dwelling in the Manawātū District Plan.

“means any building, whether permanent or temporary, that is occupied or intended to be occupied, in whole or in part, as a single residence. It includes any motor vehicle that is occupied on a permanent or long-term (6 months or longer) basis.”.

Impervious Surface Area (ISA) means the area of an allotment that will be covered by a development in hard surfaces such as concrete, tiles, pavers or similar surfaces that cause stormwater runoff.

Family Flat has the same meaning as in the Manawātū District Plan.

Feilding Urban Growth Framework Plan means the urban growth strategy for Feilding adopted in May 2013.

Financial Contribution has the same meaning as financial contributions in section 108(9)(a)-(c) of the Resource Management Act 1991.

Goods and Services Tax (GST) means goods and services tax under the Goods and Services Tax Act 1985 or any legislation substituted for the same.

Greenfield Areas are defined as those areas where building capacity exists on the perimeter of the existing residential areas. Where a land is zoned residential and has capacity to provide for future development it is considered a Greenfield site.

Gross Floor Area has the same meaning as in the Manawātū District Plan.

LGA means the Local Government Act 2002 or any legislation substituted for the same.

Local Authority means a regional council or territorial authority.

Manawātū District Plan means the District Plan prepared under the Resource Management Act 1991.

Methodology has the same meaning as methodology in section 197 of the Local Government Act 2002.

Multi-unit or **Communal Residential Development** means any form of residential development that does not meet the definition of a household equivalent unit.

Network Infrastructure means the provision of roads and other transport, water, wastewater, and stormwater collection and management.

Nodal Area has the same meaning as in the Manawātū District Plan.

Non-Residential Development means any activity in a non-residentially zoned area, excluding the rural zone and flood channel zones e.g. business, industrial etc.

Objector means a person who lodges a development contribution objection.

Remaining Lot means an allotment created as part of a new subdivision that remains with or provides for an existing building located on the original allotment.

Residential Development means any activity in a residentially zoned area or an area identified for future urban expansion.

Resource Consent has the meaning given to it in section 2 (1) of the Resource Management Act 1991 and includes a

change to a condition of a resource consent under section 127 of that Act.

Retirement Village means a comprehensive development which may include housing, recreational, welfare, and medical facilities which is intended principally or solely for retirees persons or people with disabilities.

RMA means the Resource Management Act 1991.

Rural Development means any activity in the district outside of the Feilding urban area.

Schedule of Development Contributions means the schedule to the Council's Development Contribution Policy required by section 201 of the Local Government Act 2002 and setting out the information required by section 202, namely;

- the contributions payable in each district in respect of reserves, network infrastructure and community infrastructure
- the events giving rise to the requirement for development contribution
- specified by area and by activity.

Service Catchment means a catchment defined by reference to the characteristics of the service and the common characteristics of the geographical area (for example Feilding stormwater catchment).

Service Connection means a physical connection to a service provided by, or on behalf of, a territorial authority.

Site means the area covered by the development being assessed for Development Contributions, being made up of one or more lots or part lots

Site Coverage has the same meaning as in the Manawatū District Plan.

“means that portion of the net site area, expressed as a percentage, which may be covered by buildings, including eaves, balconies and verandahs in excess of 0.6m wide. The following are not included in the calculation of site coverage:

- a) Eaves, balconies and verandahs less than 0.6m wide.
- b) Pergolas and other similar open structures.
- c) Conservatories encroaching into any living court required by this Plan.
- d) Outdoor swimming pools.
- e) Special modifications to houses to suit the needs of those with disabilities, e.g. ramps”.

Subdivision has the same meaning as Section 218 of the Resource Management Act 1991.

Third Party Funds means funding or subsidy, either in full or in part, from a third party.

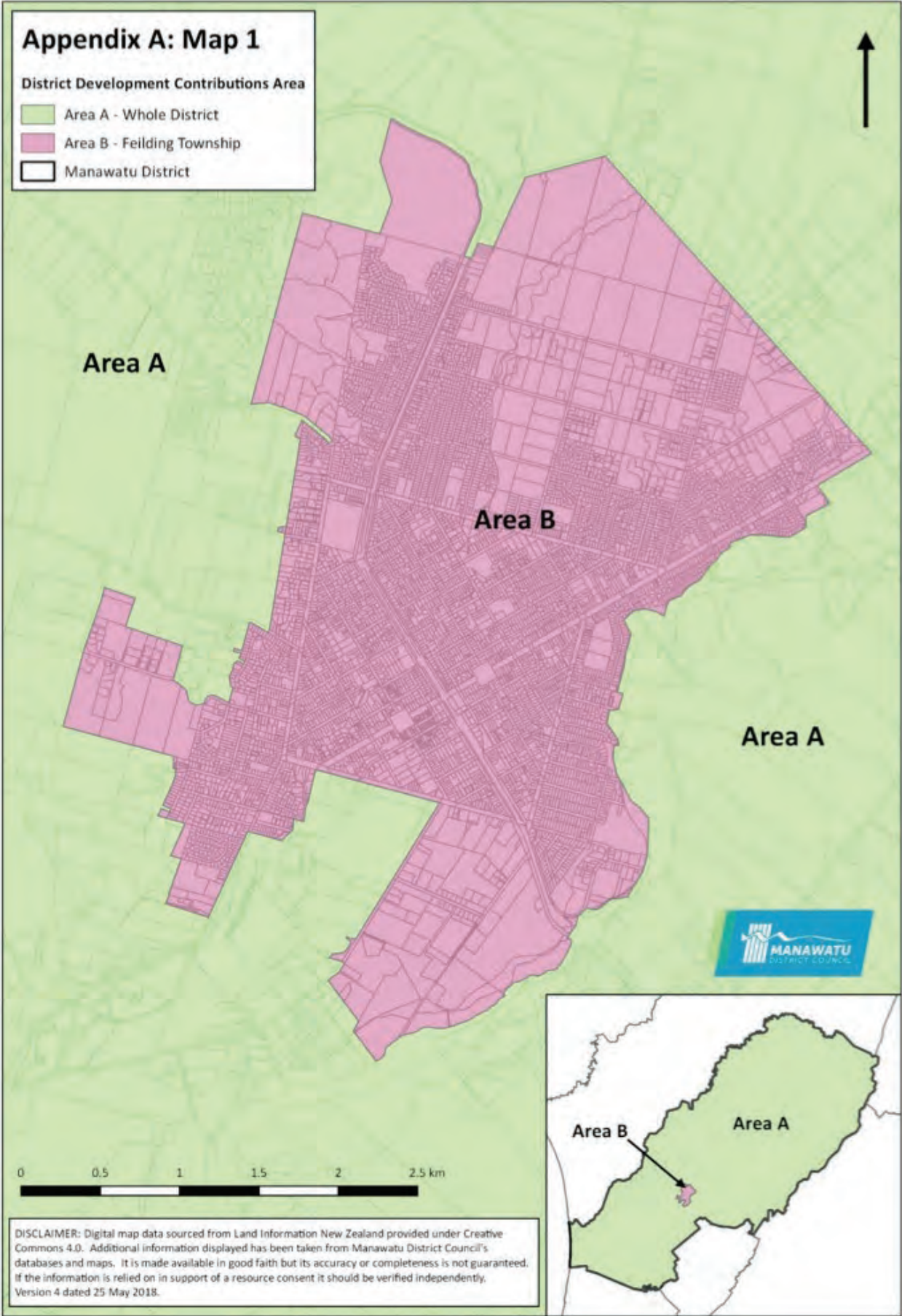
Visitor Accommodation has the same meaning as the Manawatū District Plan.

“places used for accommodating tourists and residents away from their normal place of residence and includes any ancillary service or amenity provided on the site such as a restaurant, café or other eating place, swimming pool or playground. It includes, without limitation, any of the following:

- Hotels
- Motels
- Motor camps, camping grounds and caravan parks
- Self-catering accommodation
- Tourist lodges, backpackers”.

Unit of Demand means a Household Unit Equivalent (HUE) - the typical demand for an activity by an average household.

Appendix A – Map 1: Development Contributions Service Catchments



Appendix B - Refund of Development Contributions

209 Refund of money and return of land if development does not proceed

- [1] A territorial authority must refund or return to the consent holder or to his or her personal representative a development contribution paid or land set aside under this subpart if:
- (a) the resource consent:
 - (i) lapses under section 125 of the Resource Management Act 1991; or
 - (ii) is surrendered under section 138 of that Act; or
 - (b) the building consent lapses under section 41 of the Building Act 1991; or
 - (c) the development or building in respect of which the resource consent or building consent was granted does not proceed; or
 - (d) the territorial authority does not provide the reserve, network infrastructure, or community infrastructure for which the development contribution was required.
- [2] A territorial authority may retain any portion of a development contribution or land referred to in subsection (1) of a value equivalent to the costs incurred by the territorial authority in relation to the development or building and its discontinuance.

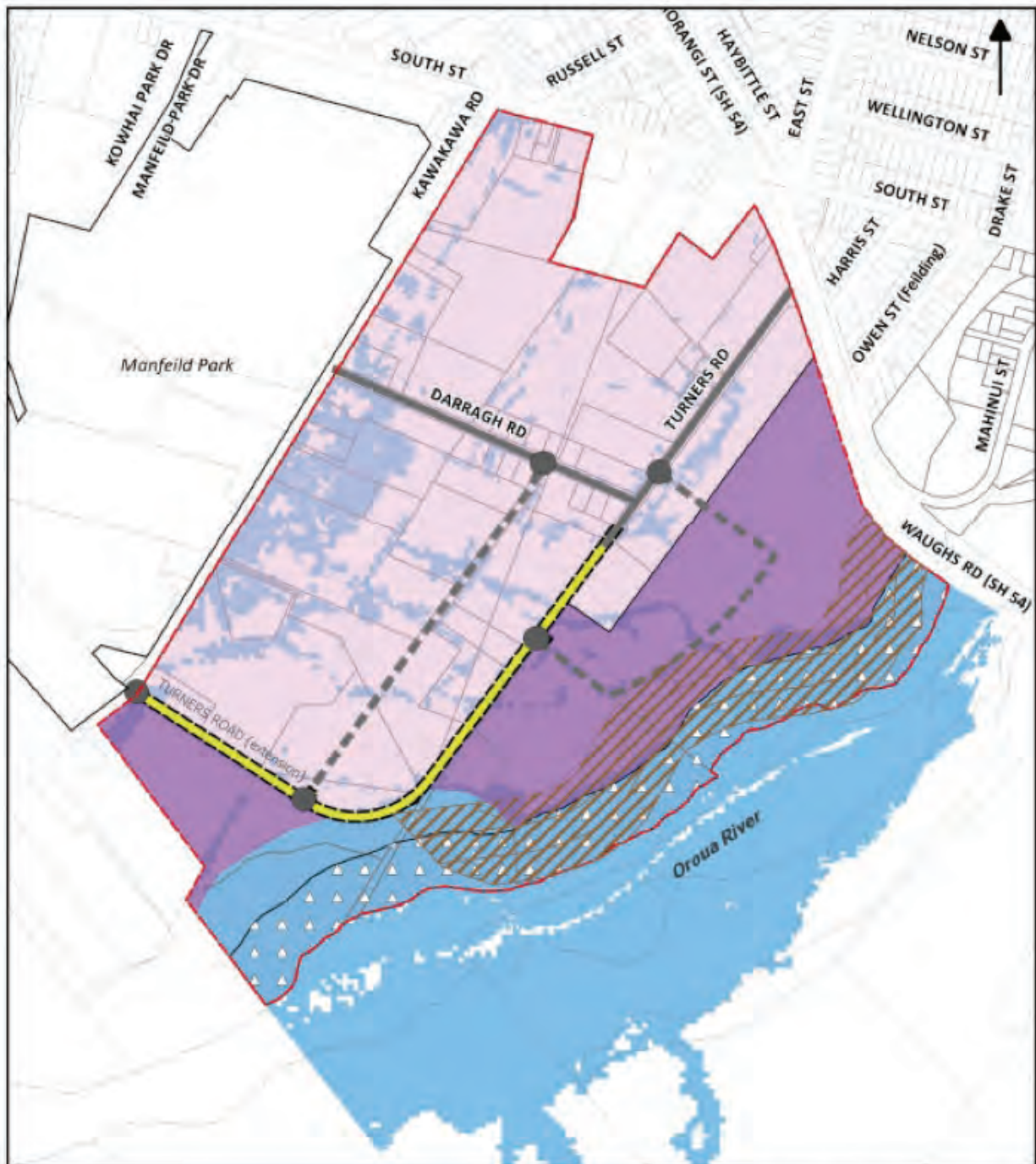
210 Refund of money or return of land if not applied to specified reserve purposes

- [1] If a development contribution has been required for a specified reserve purpose, a territorial authority must:
- (a) refund money received for that purpose, if the money is not applied to that purpose within 10 years after the authority receives the money or other period specified in the development contribution policy; or
 - (b) return land acquired for the specified reserve purpose, if the authority does not use the land for that purpose within 10 years after the authority acquires the land or other period agreed by the territorial authority and the person who paid the development contribution.
- [2] A territorial authority may retain part of the money or land referred to in subsection (1) of a value equivalent to the costs of the authority in refunding the money or returning the land.

Appendix C – Infrastructure Service Plans – Growth Precincts

Precinct 4





Reference

- | | |
|--|-------------------------|
| Existing Industrial Zone | Precinct Roads |
| Rural land proposed to be zoned industrial | Existing Roads |
| Structure Plan Area | Local Road "indicative" |
| Lateral Spread Overlay | Proposed Intersections |
| Open Space | Turner Road Designation |
| 0.5% AEP (1 in 200 Year) modelled floodable land (Horizons Regional Council)
(Information not part of plan change) | |

Plan Change 52 Kawakawa Industrial Park Growth Area



Appendix D – Schedule of Assets funded by Development Contributions

Parks, Reserves and other Community Infrastructure

Project	Year of Project	Estimated Total Cost	% Funded from Development Contributions	% Funded from Other Sources	Cost to be Funded from Development Contributions
Timona Park Toilets – Simon Street	2018/2019	\$49,811	100%	0%	\$49,811
Pharazyn New Park - Land Purchase (4 ha)	2018/2019	\$936,560	100%	0%	\$936,560
Johnston Park - Prepare and seal road from Awa Street to Nelson Street	2018/2019	\$35,121	25%	75%	\$8,780
Quail Ave Walkway Development	2018/2019	\$279,950	100%	0%	\$279,950
Kowhai Park - Playground Development	2019/2020	\$245,847	60%	40%	\$147,508
Makino Precinct Skate Park and development	2019/2020	\$399,374	26%	74%	\$104,154
Makino Precinct - Carpark/planting/seats	2019/2020	\$234,140	25%	75%	\$58,535
Rimu Park - connected to the Makino Stream Reserve/walkway linkage project	2019/2020	\$804,220	100%	0%	\$804,220
Planting and Development of Waughs Road Amenity Strip	2019/2020	\$25,450	75%	25%	\$19,088
Walkways/Reserve Linkages - James Palmer to Rimu - Port St to Root Street section - Land Acquisition	2019/2020	\$198,510	100%	0%	\$198,510
Rimu Park - relocation of the existing Playground	2020/2021	\$76,350	50%	50%	\$38,175
Mt Lees Reserve - Playground upgrade of existing Mt Lees Reserve playground	2021/2022	\$86,530	50%	50%	\$43,265
Pharazyn - Purchase of Pharazyn Walkway: Purchase of Makino Stream Walkway Land	2021/2022	\$865,300	100%	0%	\$865,300
Pharazyn New Park - Playground	2022/2023	\$257,912	100%	0%	\$257,912
Pharazyn New Park - Sports fields including subsurface drainage	2022/2023	\$85,971	100%	0%	\$85,971
Pharazyn New Park - Shelter	2022/2023	\$34,388	100%	0%	\$34,388
Pharazyn New Park - Walkways	2022/2023	\$85,971	100%	0%	\$85,971
Pharazyn New Park - Planting	2022/2023	\$68,777	100%	0%	\$68,777
Pharazyn New Park - Fencing	2022/2023	\$103,165	100%	0%	\$103,165

Project	Year of Project	Estimated Total Cost	% Funded from Development Contributions	% Funded from Other Sources	Cost to be Funded from Development Contributions
James Palmer to Rimu (Fences and path)	2022/2023	\$175,605	100%	0%	\$175,605
Himatangi Beach Sandown Subdivision Walkway - Land Acquisition	2023/2024	\$132,340	100%	0%	\$132,340
Rimu Park - Walkways	2023/2024	\$96,386	100%	0%	\$96,386
Rimu Park - Subsurface drainage of sports fields	2023/2024	\$96,386	100%	0%	\$96,386
Victoria Park - Playground - Development of new playground	2023/2024	\$96,710	50%	50%	\$48,355
Waugh's Road Amenity Strip Purchase	2023/2024	\$458,100	100%	0%	\$458,100
Johnston Park - Upgrading provision of toilets at park to provide accessible toilets	2023/2024	\$117,070	75%	25%	\$87,803
Himatangi Beach Sandown Subdivision Walkway Development	2024/2025	\$21,378	100%	0%	\$21,378
Kowhai Park - Stream access/natural water play	2024/2025	\$69,224	80%	20%	\$55,379
Planting and Development of Waugh's Road Amenity Strip	2024/2025	\$86,530	100%	0%	\$86,530
Walkways/Reserve Linkages - James Palmer to Rimu - Sherwill Street Footbridge	2024/2025	\$188,330	100%	0%	\$188,330
Walkways/Reserve Linkages - James Palmer to Rimu - Port St to Root Street section - Development	2024/2025	\$276,896	100%	0%	\$276,896
Kowhai Park - Rose Garden Seating	2025/2026	\$18,324	100%	0%	\$18,324
Awahuri Forest- Kitchener Park - Cycleway Link	2025/2026	\$162,880	100%	0%	\$162,880
Kowhai Park - Boardwalk and wetland/riparian planting	2026/2027	\$48,864	80%	20%	\$39,091
Precinct Four / Pharazyn New Public Toilet	2026/2027	\$264,680	100%	0%	\$264,680
Pharazyn – Development of Bailey Subdivision walkway	2028/2029	\$534,450	100%	0%	\$534,450
Based on 10 year projection					\$6,932,954
Growth Separate Fund Balance at start period (Surplus)					\$994,607
Amount to be funded by DCs					\$5,938,347

Roading

Projects Location - Precinct 4 Feilding unless stated	Year of Project	Estimated Total Cost	% Funded from Development Contributions	% Funded from Other Sources	Cost to be Funded from Development Contributions
Hiwinui Township Intersection Improvement	2018/2019	\$250,000	50%	0%	\$125,000
Hiwinui Walkway	2018/2019	\$125,000	100%	0%	\$125,000
Roading Turners Rd Precinct 5	2018/2019	\$101,800	100%	0%	\$101,800
Port Street East Stage 1 (Pharazyn St to Proposed Road 3)	2018/2019	\$755,356	85%	15%	\$642,053
Roading Turners Rd Precinct 5	2019/2020	\$1,170,700	100%	0%	\$1,170,700
Port Street East Stage 2 (Proposed Road 3 to Churcher Street)	2019/2020	\$427,560	85%	15%	\$363,426
Roots Street East Stage 1 (Pharazyn St to Proposed Road 3)	2020/2021	\$570,080	85%	15%	\$484,568
Roots Street East Stage 2 (Proposed Road 3 to Churcher Street)	2021/2022	\$605,710	85%	15%	\$514,854
Churcher Street Extension (Port St East to Roots St East)	2022/2023	\$641,340	85%	15%	\$545,139
Churcher Street Extension (Roots St East to Proposed Road 2)	2023/2024	\$610,800	85%	15%	\$519,180
Churcher Street Extension (Proposed Road 2 to Reids Line West)	2024/2025	\$794,040	85%	15%	\$674,934
Arnott Street Stage 1 (Pharazyn Street half)	2025/2026	\$661,700	85%	15%	\$562,445
Arnott Street Stage 2 (Reids Line West half)	2026/2027	\$643,172	85%	15%	\$546,697
Port Street East Stage 3 (Churcher Street to Makino Stream)	2027/2028	\$534,450	85%	15%	\$454,283
Roots Street East Stage 3 (Churcher Street to Makino Stream)	2028/2029	\$381,750	85%	15%	\$324,488
Proposed Road 3 Stage 1 (Port Street East to Proposed Road 1)	2029/2030	\$397,020	100%	0%	\$397,020
Proposed Road 3 Stage 2 (Proposed Road 1 to Roots Street)	2029/2030	\$291,148	100%	0%	\$291,148
Proposed Road 3 Stage 3 (Roots Street East to Proposed Road 2)	2030/2031	\$529,360	100%	0%	\$529,360

Projects Location - Precinct 4 Feilding unless stated	Year of Project	Estimated Total Cost	% Funded from Development Contributions	% Funded from Other Sources	Cost to be Funded from Development Contributions
Proposed Road 3 Stage 4 (Proposed Road 2 to Reid Line West)	2031/2032	\$397,020	100%	0%	\$397,020
Proposed Road 1 Stage 1 (Pharazyn Street to Proposed Road 3)	2032/2033	\$529,360	100%	0%	\$529,360
Proposed Road 1 Stage 2 (Proposed Road 3 to Churcher Street)	2033/2034	\$569,062	100%	0%	\$569,062
Proposed Road 2 Stage 1 (Pharazyn Street to Proposed Road 3)	2034/2035	\$570,080	100%	0%	\$570,080
Proposed Road 2 Stage 2 (Proposed Road 3 to Churcher Street)	2035/2036	\$605,710	100%	0%	\$605,710
Proposed Road 2 Stage 3 (Churcher Street Extension to Makino Stream)	2036/2037	\$330,850	100%	0%	\$330,850
Based on 20 year projection					\$11,374,175
Growth Separate Fund Balance at start period (Surplus)					\$531,610
Amount to be funded by DCs					\$10,842,565
Order of projects may change due to actual development pressure areas					
Order may change depending on impending consents					
Proposed Road 3 may be accelerated forward to create services corridor for development					
#Overall Estimate includes Roading, footpaths, kerb and channel, stormwater sumps & leads, street lighting, power and fibre installation					

Water

Projects	Year of Project	Estimated Total Cost	% Funded from Development Contributions	% Funded from Other Sources	Cost to be Funded from Development Contributions
Water Supply Growth, Pt Roots St Stg 2	2018/19	\$300,000	100%	0%	\$300,000
Water Supply - New Works	2018/19	\$50,000	100%	0%	\$50,000
Water Supply Growth Pt Churcher Stg 2	2019/20	\$341,939	100%	0%	\$341,939.00
Water Supply - New Works	2019/20	\$48,848	100%	0%	\$48,848.00
Water Supply Growth, Pt Roots St Stg 2	2020/21	\$324,845	100%	0%	\$324,845.00
Water Supply - New Works	2020/21	\$47,659	100%	0%	\$47,659.00
Water Supply Growth, Prop Roads 1,2,3	2021/22	\$424,353	100%	0%	\$424,353.00
Water Supply - New Works	2021/22	\$46,612	100%	0%	\$46,612.00
Water Supply Growth, Roots Stg 3	2022/23	\$361,673	100%	0%	\$361,673.00
Water Supply - New Works	2022/23	\$45,528	100%	0%	\$45,528.00
Water Supply Growth, Arnott Stg 1	2023/24	\$362,746	100%	0%	\$362,746.00
Water Supply - New Works	2023/24	\$44,454	100%	0%	\$44,454.00
Water Supply Growth, Arnott Stg 2	2024/25	\$363,845	100%	0%	\$363,845.00
Water Supply - New Works	2024/25	\$43,356	100%	0%	\$43,356.00
Water Supply Growth, Churcher Ext Stg1	2025/26	\$364,925	100%	0%	\$364,925
Water Supply - New Works	2025/26	\$42,276	100%	0%	\$42,276
Water Supply Growth, Prop Road Roots to Prop 2	2026/27	\$366,019	100%	0%	\$366,019
Water Supply - New Works	2026/27	\$41,181	100%	0%	\$41,181
Water Supply Growth, Stg 3 Prop Road	2027/28	\$367,122	100%	0%	\$367,122
Water Supply - New Works	2027/28	\$40,079	100%	0%	\$40,079
Water Supply Growth, Reid Line West, Stg 1	2028/29	\$470,026	100%	0%	\$470,026
Water Supply - New Works	2028/29	\$38,974	100%	0%	\$38,974
Water Supply Growth, Prop Road 2, Stg 1	2029/30	\$433,692	100%	0%	\$433,692
Water Supply - New Works	2029/30	\$75,313	100%	0%	\$75,313
Water Supply Growth, Prop Road 2, Stg 2	2030/31	\$436,241	100%	0%	\$436,241
Water Supply - New Works	2030/31	\$72,766	100%	0%	\$72,766
Water Supply Growth Stg 4 Makino West, Prop Road 1	2031/32	\$438,696	100%	0%	\$438,696

Projects	Year of Project	Estimated Total Cost	% Funded from Development Contributions	% Funded from Other Sources	Cost to be Funded from Development Contributions
Water Supply - New Works	2031/32	\$70,304	100%	0%	\$70,304
Water Supply Growth Stg 4 Makino West, Prop Road 2	2032/33	\$441,073	100%	0%	\$441,073
Water Supply - New Works	2032/33	\$67,927	100%	0%	\$67,927
Water Supply Growth Stg 4 Makino West, Prop Road 3	2033/34	\$443,370	100%	0%	\$443,370
Water Supply - New Works	2033/34	\$65,630	100%	0%	\$65,630
Water Supply Growth Stg 4 Makino West, Prop Road 4	2034/35	\$445,589	100%	0%	\$445,589
Water Supply - New Works	2034/35	\$63,411	100%	0%	\$63,411
Water Supply Growth Stg 4 Makino West, Prop Road 5	2035/36	\$447,734	100%	0%	\$447,734
Water Supply - New Works	2035/36	\$61,266	100%	0%	\$61,266
Water Supply Growth Stg 4 Makino West, Prop Road 6	2036/37	\$449,805	100%	0%	\$449,805
Water Supply - New Works	2036/37	\$59,195	100%	0%	\$59,195
Water Supply Growth, Reid Line West, Stg 2	2037/38	\$451,807	100%	0%	\$451,807
Water Supply - New Works	2037/38	\$57,193	100%	0%	\$57,193
Water metering and backflow	2029/30 to 2037/38	\$407,200	100%	0%	\$407,200
Based on 20 year projection					\$9,524,671
Growth Separate Fund Balance at start period (Deficit)					\$601,734
Amount to be funded by DCs					\$10,126,405
Order of projects may change due to actual development pressure areas					
Order may change depending on impending consents					

Wastewater

Projects	Year of Project	Estimated Total Cost	% Funded from Development Contributions	% Funded from Other Sources	Cost to be Funded from Development Contributions
Wastewater Growth, Pt Churcher St Stg 1	2018/19	\$408,100	100%	0%	\$408,100
Wastewater Supply - New Works	2018/19	\$50,000	100%	0%	\$50,000
Wastewater Growth, Pt Churcher Stg 2	2019/20	\$205,652	100%	0%	\$205,652
Wastewater Supply - New Works	2019/20	\$48,848	100%	0%	\$48,848
Wastewater Growth, Pt Roots St Stg 2	2020/21	\$206,841	100%	0%	\$206,841
Wastewater Supply - New Works	2020/21	\$47,659	100%	0%	\$47,659
Wastewater Supply Growth, Prop Roads 1,2,3	2021/22	\$207,888	100%	0%	\$207,888
Wastewater Supply - New Works	2021/22	\$46,612	100%	0%	\$46,612
Wastewater Supply Growth, Roots Stg 3	2022/23	\$208,972	100%	0%	\$208,972
Wastewater Supply - New Works	2022/23	\$45,528	100%	0%	\$45,528
Wastewater Supply Growth, Arnott Stg 1	2023/24	\$210,046	100%	0%	\$210,046
Wastewater Supply - New Works	2023/24	\$44,454	100%	0%	\$44,454
Wastewater Supply Growth, Arnott Stg 2	2024/25	\$211,144	100%	0%	\$211,144
Wastewater Supply - New Works	2024/25	\$43,356	100%	0%	\$43,356
Wastewater Supply Growth, Churcher Ext Stg1	2025/26	\$212,225	100%	0%	\$212,225
Wastewater Supply - New Works	2025/26	\$42,276	100%	0%	\$42,276
Wastewater Supply Growth, Reid Line West, Stg 1	2028/29	\$470,026	100%	0%	\$470,026
Wastewater Supply - New Works	2028/29	\$38,974	100%	0%	\$38,974
Wastewater Supply Growth, Prop Road 2, Stg 1	2029/30	\$433,692	100%	0%	\$433,692
Wastewater Supply - New Works	2029/30	\$75,313	100%	0%	\$75,313
Wastewater Supply Growth, Prop Road 2, Stg 2	2030/31	\$436,241	100%	0%	\$436,241
Wastewater Supply - New Works	2030/31	\$72,766	100%	0%	\$72,766
Wastewater Supply Growth Stg 4 Makino West, Prop Road 1	2031/32	\$438,696	100%	0%	\$438,696
Wastewater Supply - New Works	2031/32	\$70,304	100%	0%	\$70,304

Projects	Year of Project	Estimated Total Cost	% Funded from Development Contributions	% Funded from Other Sources	Cost to be Funded from Development Contributions
Wastewater Supply Growth Stg 4 Makino West, Prop Road 2	2032/33	\$441,073	100%	0%	\$441,073
Wastewater Supply - New Works	2032/33	\$67,927	100%	0%	\$67,927
Wastewater Supply Growth Stg 4 Makino West, Prop Road 3	2033/34	\$443,370	100%	0%	\$443,370
Wastewater Supply - New Works	2033/34	\$65,630	100%	0%	\$65,630
Wastewater Supply Growth Stg 4 Makino West, Prop Road 4	2034/35	\$445,589	100%	0%	\$445,589
Wastewater Supply - New Works	2034/35	\$63,411	100%	0%	\$63,411
Wastewater Supply Growth Stg 4 Makino West, Prop Road 5	2035/36	\$447,734	100%	0%	\$447,734
Wastewater Supply - New Works	2035/36	\$61,266	100%	0%	\$61,266
Wastewater Supply Growth Stg 4 Makino West, Prop Road 6	2036/37	\$449,805	100%	0%	\$449,805
Wastewater Supply - New Works	2036/37	\$59,195	100%	0%	\$59,195
Wastewater Supply Growth, Reid Line West, Stg 2	2037/38	\$451,807	100%	0%	\$451,807
Wastewater Supply - New Works	2037/38	\$57,193	100%	0%	\$57,193
Based on 20 year projection					\$7,329,613
Growth Separate Fund Balance at start period (Deficit)					\$2,637,609
Amount to be funded by DCs					\$9,967,222
Order of projects may change due to actual development pressure areas					
Order may change depending on impending consents					

Stormwater

Projects	Year of Project	Estimated Total Cost	% Funded from Development Contributions	% Funded from Other Sources	Cost to be Funded from Development Contributions
Stormwater Growth, Port St Stg 2	2018/19	\$618,900	100%	0%	\$618,900
Stormwater, Whole of Feilding Kawa Kawa S/W Detention ponds	2018/19	\$50,000	100%	0%	\$50,000
Stormwater Poplar grove detention ponds S/W	2018/19	\$100,000	100%	0%	\$100,000
Stormwater Makino Road rail underpass S/W	2018/19	\$50,000	100%	0%	\$50,000
Stormwater Development - New Works	2018/19	\$100,000	100%	0%	\$100,000
Stormwater Satori Way Stormwater works S/W	2018/19	\$150,000	100%	0%	\$150,000
Stormwater Growth, Pt Churcher Stg 2	2019/20	\$531,568	100%	0%	\$531,568
Stormwater, Whole of Feilding Kawa kawa S/W Detention ponds	2019/20	\$488,484	100%	0%	\$488,484
Stormwater Development - New Works	2019/20	\$48,848	100%	0%	\$48,848
Stormwater Growth, Pt Roots St Stg 2	2020/21	\$830,604	100%	0%	\$830,604
Stormwater, Whole of Feilding Kawa kawa S/W Detention ponds	2020/21	\$190,637	100%	0%	\$190,637
Stormwater Development - New Works	2020/21	\$47,659	100%	0%	\$47,659
Stormwater Supply Growth, Prop Roads 1,2,3	2021/22	\$695,447	100%	0%	\$695,447
Stormwater, Whole of Feilding Kawa kawa S/W Detention ponds	2021/22	\$326,282	100%	0%	\$326,282
Stormwater Development - New Works	2021/22	\$46,612	100%	0%	\$46,612
Stormwater Supply Growth, Roots Stg 3	2022/23	\$536,226	100%	0%	\$536,226
Stormwater, Whole of Feilding Kawa Kawa S/W Detention ponds	2022/23	\$487,147	100%	0%	\$487,147
Stormwater Development - New Works	2022/23	\$45,528	100%	0%	\$45,528
Stormwater Supply Growth, Arnott Stg 1	2023/24	\$33,118	100%	0%	\$33,118
Stormwater Development - New Works	2023/24	\$17,782	100%	0%	\$17,782
Stormwater Supply Growth, Arnott Stg 2	2024/25	\$33,558	100%	0%	\$33,558
Stormwater Development - New Works	2024/25	\$17,342	100%	0%	\$17,342
Stormwater Supply Growth, Churcher Ext Stg1	2025/26	\$33,990	100%	0%	\$33,990
Stormwater Development - New Works	2025/26	\$16,910	100%	0%	\$16,910

Projects	Year of Project	Estimated Total Cost	% Funded from Development Contributions	% Funded from Other Sources	Cost to be Funded from Development Contributions
Stormwater Growth, Prop Road Roots to Prop 2	2026/27	\$34,428	100%	0%	\$34,428
Stormwater Development - New Works	2026/27	\$16,472	100%	0%	\$16,472
Stormwater Growth, Stg 3 Prop Road	2027/28	\$34,869	100%	0%	\$34,869
Stormwater Development - New Works	2027/28	\$16,031	100%	0%	\$16,031
Stormwater Supply Growth, Reid Line West, Stg 1	2028/29	\$979,027	100%	0%	\$979,027
Stormwater Development - New Works	2028/29	\$38,974	100%	0%	\$38,974
Stormwater Supply Growth, Prop Road 2, Stg 1	2029/30	\$867,383	100%	0%	\$867,383
Stormwater Development - New Works	2029/30	\$150,625	100%	0%	\$150,625
Stormwater Supply Growth, Prop Road 2, Stg 2	2030/31	\$650,000	100%	0%	\$650,000
Stormwater Development - New Works	2030/31	\$100,000	100%	0%	\$100,000
Stormwater Supply Growth Stg 4 Makino West, Prop Road 1	2031/32	\$650,000	100%	0%	\$650,000
Stormwater Development - New Works	2031/32	\$100,000	100%	0%	\$100,000
Stormwater Supply Growth Stg 4 Makino West, Prop Road 2	2032/33	\$650,000	100%	0%	\$650,000
Stormwater Development - New Works	2032/33	\$100,000	100%	0%	\$100,000
Stormwater Supply Growth Stg 4 Makino West, Prop Road 3	2033/34	\$650,000	100%	0%	\$650,000
Stormwater Development - New Works	2033/34	\$100,000	100%	0%	\$100,000
Stormwater Supply Growth Stg 4 Makino West, Prop Road 4	2034/35	\$650,000	100%	0%	\$650,000
Stormwater Development - New Works	2034/35	\$100,000	100%	0%	\$100,000
Stormwater Supply Growth Stg 4 Makino West, Prop Road 5	2035/36	\$650,000	100%	0%	\$650,000
Stormwater Development - New Works	2035/36	\$100,000	100%	0%	\$100,000
Stormwater Supply Growth Stg 4 Makino West, Prop Road 6	2036/37	\$650,000	100%	0%	\$650,000
Stormwater Development - New Works	2036/37	\$100,000	100%	0%	\$100,000

Projects	Year of Project	Estimated Total Cost	% Funded from Development Contributions	% Funded from Other Sources	Cost to be Funded from Development Contributions
Stormwater Supply Growth, Reid Line West, Stg 2	2037/38	\$650,000	100%	0%	\$650,000
Stormwater Development - New Works	2037/38	\$100,000	100%	0%	\$100,000
Based on 20 year projection					\$13,634,450
Growth Separate Fund Balance at start period (Deficit)					\$5,710,980
Amount to be funded by DCs					\$19,345,430
Order of projects may change due to actual development pressure areas					
Order may change depending on impending consents					

Appendix E - Analysis of Benefits – Section 101(3) Local Government Act 2002 Requirements

The Council has determined the appropriate funding sources to meet the expected total capital cost of growth capital expenditure identified in the schedules of this Development Contribution Policy. Council has elected to fund through Development Contributions the total cost of growth related capital expenditure. Section 101(3) of the Local Government Act 2002 requires that the following be considered:

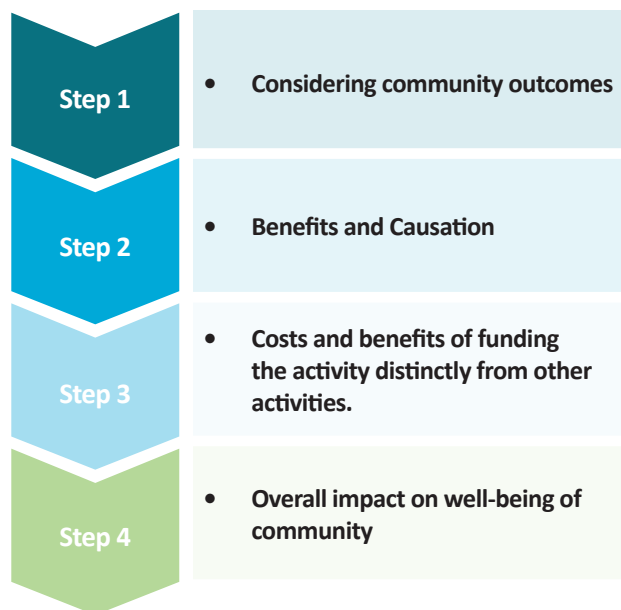
The funding needs of the local authority must be met from those sources that the local authority determines to be appropriate, following consideration of:

(a) in relation to each activity to be funded:

- (i) the community outcomes to which the activity primarily contributes;
- (ii) the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals;
- (iii) the period in or over which benefits are expected to occur;
- (iv) the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and
- (v) the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities; and

(b) The overall impact of any allocation of liability for revenue needs on the community.

The Council has followed the four steps outlined below in making the above assessment. These steps are discussed in detail right.



Step 1 - Considering community outcomes (section 101(3)(a)(i))

Community outcomes are as identified in the Introduction section to the current Long Term Plan. For the purposes of the Development Contribution Policy, activities have been grouped into:

- Parks and Reserves;
- Water supply,
- Wastewater,
- Stormwater, and
- Roading.

Development Contributions have been established to support these activities and help deliver the community outcomes to which each group of activities contributes as shown in Table 1:

Table 1 – Manawatū District Council infrastructure activities contributions to Community Outcomes

	Water	Wastewater	Stormwater	Roading	Parks and Reserves
Manawatū District protects the natural environment through stewardship of the District’s natural and physical resources.	✓	✓	✓		✓
Manawatū District attracts and retains residents and businesses.	✓	✓	✓	✓	✓
Manawatū District develops a broad economic base from its solid foundation in the primary sector.	✓	✓		✓	
Manawatū District is connected via quality infrastructure, services and technology.				✓	
Manawatū District’s built environment is safe, resilient and attractive.				✓	✓
Manawatū District Council is a customer-focussed and efficient organisation.	✓	✓	✓	✓	✓

Step 2 – Benefits and Causation

Under sections 101(3)(a)(ii) through (iv), Council also has to consider who benefits from the community facilities, over what time period, and who created the need.

When having regard to how Council activities contribute to identified community outcomes, the Council develops a programme of infrastructural capital works and reserves purchases. For each of the individual capital projects included in the programme, the Council assesses who created the need for that project, who will benefit from the asset that it creates and how long that benefit will last.

The Council has:

- estimated the extent of growth within the overall District and Feilding, translated this estimated growth into an expected number of Household Unit Equivalents (HUE); and
- identified the capital expenditure necessary to meet the needs of the growth community (summarised in Table 3).

Where the existing capacity of community facilities is insufficient to provide the levels of service to new residential and non-residential users specified by the Council in the Long Term Plan, those new developments create the need for new community facilities which requires the Council to incur capital expenditure.

The Council also recognises that there may be capital expenditure necessary to increase the level of service for all, due to:

- ratepayers who want increased levels of service;
- obligations on the Council to raise the levels of service to meet resource consent or statutory obligations and conditions; and
- visitors to the District using the facilities.

The allocation of the benefits and the costs has had regard to these factors.

For each of the individual projects that require capital expenditure to cater for growth, the Council makes an assessment about whether the asset being created will benefit the existing community or the new developments, or both of those groups. In making this assessment, the Council will consider a number of factors, including:

- the capacity of existing facilities to meet stated levels of service;
- the extent to which the relevant capital project will provide:
 - i. an increased level of service; or
 - ii. a new service.

For each individual project that requires capital expenditure, the Council determines the length of time over which the asset created by that expenditure will provide a benefit to the community.

Step 3 – Costs and benefits of funding the activity distinctly from other activities

On an activity by activity basis, the Council considers the costs and benefits of funding each activity distinctly from other activities as required by s101(3)(a)(v). This analysis is contained in the Revenue and Finance Policy. The benefits of additional community infrastructure capacity generally accrue to the improved or new properties generating demand for that capacity.

The Council considers that the use of Development Contributions to fund the cost of growth in community facilities, in proportion to the benefit received by forecast developments, provides the benefits of greater transparency, greater accountability and intergenerational equity.

The current community facilities for Stormwater, Water and Wastewater servicing the Feilding urban area are not sufficient to cater for growth. In contrast the rural townships have considerable capacity in these facilities after many years of static or declining population and household numbers, and Council has a strategic goal of supporting and growing these townships.

Step 4 – Overall impact on well-being of community

Finally, the Council considers how funding each activity will impact on the wellbeing of the community.

Development Contributions are considered to be fair because they allocate growth costs to the section of the community that creates the need for Council to incur that expenditure, i.e. developers, new residents and new business activities.

Council must balance the overall impact of rates and fees and charges. Development Contributions need to be set at a level which still enables development and they must be levied in a fair, reasonable and equitable manner. Setting Development Contributions at a level that does not fund growth would impose an unfair burden on the economic wellbeing of the existing ratepayer community.

Additional analysis for each of the following types of community facilities is set out in chapter 5:

- Water: section 5.2
- Wastewater: section 5.3
- Roothing: section 5.4
- Stormwater: section 5.5
- Parks and Reserves: section 5.6

The following analysis sets out the rationale for Council identifying two catchment areas for Development Contribution charges for Water, Stormwater and Wastewater, and one catchment for Roothing and Parks and Reserves and other Community Infrastructure.

Roothing

Roothing is considered one network for the district.

All properties have access to the network and levels of service are standardised across the network as set by the Council and the One Network Road Classification system of the New Zealand Transport Authority. The vehicle movements generated from a development can access all parts of the network without further charges by Council. Traffic modelling and counts show an interconnected network as residents and businesses access work, home, recreation and friends.

Development creates additional traffic flows onto the network. While individual households and businesses will generate different levels of traffic movement it is not feasible to identify the individual impacts. For households a uniform impact of one HUE is assumed, equal to eight

vehicle movements a day. For commercial and industrial developments an assessment based on this number of vehicle movements will be carried out at the building consent stage.

This is consistent with the way Council rates for Roothing. Further analysis is contained in the Revenue and Finance Policy.

Parks and Reserves and other Community Infrastructure

Parks and reserves assets are open to all residents and visitors to access free of charge. New developments increase the number of residents and generate increased demand for passive and active recreational facilities, as well as assets such as toilets and community halls.

Regardless of the location of the development, additional residents utilise a range of facilities. Council has reserve land, halls and other assets located across the District. While the majority of growth related projects are focused on Feilding, many of these will be utilised by residents from throughout the district. Walkways, major playgrounds and premier parks are located in the areas of greatest population density.

Water

The water networks service urban and industrial areas and are funded by properties connected to each network. Across the district only Feilding requires additional capacity to cater for expected growth. As such Development Contribution charges only apply to the Feilding network area, and developments that will be serviced by the Feilding network.

The Feilding network is operated as a single network system, and all properties connected are charged the same for operating costs. The network is designed to achieve the same level of service for water quality and delivery. There is a single source of water and one treatment plant. For these reasons there is a single Development Contribution charge for the costs that growth creates for the Feilding water network area.

Wastewater

The wastewater networks service urban and industrial areas and are funded by properties connected to each network. Across the district only Feilding required additional capacity to cater for expected growth. As such Development Contribution charges only apply to the Feilding network area, and developments that will be serviced by the Feilding network.

The Feilding network is operated as a single network system, and all properties connected are charged the same for operating costs. The network is designed to achieve the same level of service for water quality and delivery. There is a single treatment plant and discharge. For these reasons

there is a single Development Contribution charge for the costs that growth creates for the Feilding water network area.

Stormwater

The networks service urban and industrial areas and are funded by properties connected to each network. Existing stormwater flows within catchments are also generated from flows from rural areas upstream of urban areas. Stormwater within urban areas is generated as runoff of rainfall from impervious hard surfaces and saturated ground. Across the district only Feilding required additional capacity to cater for expected growth. The need for additional stormwater network services is generated by development and the downstream impacts have to be catered for.

There have been significant changes to the requirements to control and capture stormwater since the previous Development Contribution Policy was adopted. Rules set by Horizons now require stormwater neutrality from new developments during peak stream / river flows. The result is that Council and developers cannot plan to discharge parts of stormwater runoff during peak flow events. Council has invested, and is planning to continue to invest, significant sums in additional / larger piped networks in the north and central parts of Feilding, and retention ponds in the south of Feilding to meet the new requirements.

This has led to Council changing stormwater Development Contribution areas from seven areas in Feilding to one. Regardless of where the development is located in Feilding it will add to the need for larger pipes and retention ponds to reduce runoff into the waterways during peak flows.

Council Controlled Organisations

The Council does some of its work through Council Controlled Organisations (CCOs).

A CCO is defined in Section 6 of the Local Government Act 2002 and means a council organisation that is:

- a) **a company** in which one or more local authorities hold or control, directly or indirectly, 50% or more of the voting rights at the meeting of the shareholders of the company; or have the right, directly or indirectly, to appoint 50% or more of the directors of the company; or
- b) **an entity** in respect of which one or more local authorities control, directly or indirectly, 50% or more of the votes at any meeting of the members or controlling body of the entity; or the right, directly or indirectly, to appoint 50% or more of the trustees, directors, or managers (however described) of the entity.

CCOs are mostly set up to independently manage Council facilities or deliver specific services to local residents.

Council may choose to work through a CCO when they consider governance by a Trust Board or Company with specialist skills in a specific area is required. CCOs can also attract funding from sources other than ratepayers.

CCOs operate at arm's length to the Council. CCOs are run by Trust Boards or Companies, not by the Council. Every year CCO's provide the Council with a completed Statement of Intent which outline its activities for the year ahead and describes how it will meet the Council's objectives.

Manawatū District Council's Council Controlled Organisations:

- Central Economic Development Agency (CEDA)
- Feilding Civic Centre Trust
- Manawatū Community Trust
- Awahuri Forest/Kitchener Park Trust
- Heartland Contractors
- MW LASS Limited

CEDA

CEDA is a jointly owned Council Controlled Organisation (CCO) between the Manawatū District Council and the Palmerston North City Council which was established 1 September 2016 for the purpose of driving and facilitating the creation and growth of economic wealth in Manawatū and beyond. The strategic focus of CEDA is to:

1. Grow and retain education and talent in the region so businesses have the skills to grow;
2. support the growth of business so our region continues to thrive and prosper; and,
3. enhance the brand and experience of the Manawatū region to build the identity and reputation of the region.

CEDA's vision for 2025 is to be New Zealand's most progressive region 'where great minds, future focused businesses and diverse cultures come together to grow the prosperity of, and deliver for, its communities, New Zealand and beyond.'

We monitor CEDA's performance by measuring the following indicators for each activity:

Activities	Performance indicators
To 'Grow and retain education and talent in the region so businesses have the skills to grow.'	<ol style="list-style-type: none"> 1. Increase in the value of international students in the region measured against 2016 baseline. 2. The development of two programmes and/or initiatives to meet needs identified through the regional skills gap analysis.
To 'Enhance the brand and experience of the region.'	<ol style="list-style-type: none"> 1. 10 per cent year-on-year growth of unique visitors to the regional website www.ManawatūNZ.co.nz 2. 10 per cent growth in consumer social media and e-Newsletter access. 3. The release of five direct media publications for the visitor sector. 4. The development of a Destination Management Plan and Strategy. 5. 10 per cent growth in Manawatū's share of delegate days. 6. 33 per cent win/loss ratio in attracting business events to the region. 7. 80 per cent customer satisfaction with visitor information services in the region.

Activities	Performance indicators
To 'Support the growth of businesses.'	<ol style="list-style-type: none"> 400 businesses engaged in the Regional Business Partner Programme. Access of 100 unique businesses to CEDA's additional support services. Engagement of at least 12 Maori businesses through the Regional Business Partner Programme. The development of a Local Iwi Engagement Strategy. The development and implementation of a Distribution and Logistics business attraction plan. Tertiary sector and Defence Committee partnership agreements and work plans in place. Scoping and definition of opportunities in the Health and Wellbeing Sector. At least 3 businesses assisted by CEDA to relocate to the region. The development of an Inward Investment Strategy. At least 80 per cent satisfaction with Building Clever Companies (BCC) support services.

Feilding Civic Centre Trust

The Feilding Civic Centre Trust has been a Council Organisation since July 2005. It is exempt from the reporting requirements of a Council Controlled Organisation as per Councils resolution set in accordance with section 7 (3) of the Local Government Act 2002. The exemption is reviewed every three years.

Since July 2005, Feilding Civic Centre Trust has leased the Feilding Civic Centre property in Stafford Street, Feilding from Council. The Trust is responsible for day-to-day operations and promotion of the Feilding Civic Centre. Council reviews its lease arrangement with the Trust every three years. Council, as the Settlor, appoints Trustees to the Trust.

Council established the Feilding Civic Centre Trust for the following purposes:

- The promotion of any purpose or purposes within the Manawatū region for the advancement of education particularly in the arts, culture, environment, recreation and sport and the fostering of a sense of community;
- Engendering a feeling of regional pride through

strategies reflecting the positive image within the Manawatū region;

- Creating an awareness of the arts, culture, environment, recreation and sport of the Manawatū region;
- Encouraging participation of the community of all ages and persuasions including youth amateur in the arts, culture, environment, recreation and sport;

To manage, control, develop, promote, market, enhance and maintain the Civic Centre for the use and enjoyment of the Manawatū Community and the wider New Zealand community.

The Feilding Civic Centre Trust is exempt from the requirement to provide a Statement of Intent to Council as prescribed under Section 7(5) of the Local Government Act 2002. The Trust however is required to demonstrate prudent financial management through the provision of audited financial accounts, and to provide six-monthly and annual reports to Council on operations. The operational update provides important information to Council on maintenance and repairs, bookings and utilisation of facilities, foot traffic, and operational considerations such as health and safety.

Manawatū Community Trust

The Manawatū Community Trust has been a Council Controlled Organisation (CCO) since June 2008. Council established the Manawatū Community Trust for the following purposes:

- Any charitable purpose within the Manawatū District
- To create a fund to be used for:
 - The promotion of any purpose or purposes within the Manawatū District for the relief of poverty and for the benefit of the residents of the Manawatū District;
 - The promotion of health services for the residents of the Manawatū District;
 - The promotion of wellbeing services for residents of the Manawatū District - these services shall include services promoting the improvement of the lifestyle, health and welfare of residents of the Manawatū District and creating a sense of community for the benefit of the residents of the Manawatū District;
 - The promotion of housing for the elderly and disabled residents of the Manawatū District; and to accept gifts and grants of whatever description, provided that any private benefit conferred on any individual is incidental to the above purposes.

We monitor the Manawatū Community Trust's performance by measuring the following indicators for each activity:

Activities	Performance indicators
To deliver a housing portfolio that provides a modern, healthy living environment for the elderly and disabled	<ol style="list-style-type: none"> 1. The refurbishment or upgrade of 8 flats per annum to ensure appropriate housing standards are met. 2. The investigation of funding for additional housing stock.
To be responsive to urgent maintenance requirements or resident health and safety needs.	<ol style="list-style-type: none"> 1. Response to maintenance requirements requests within 48 hours. 2. Response to resident safety needs within 12 hours.
To maintain a high occupancy level	<ol style="list-style-type: none"> 1. An average occupancy rate of 95 per cent per annum.
To facilitate the redevelopment of Cleverly Wing Duke Street to accommodate the expansion of Feilding Health Care	<ol style="list-style-type: none"> 1. Redevelopment of Cleverly Wing to become operational.
To support the development of the Manawatū Community by promoting wellbeing services	<ol style="list-style-type: none"> 1. Collaboration and partnering with groups working with older persons to provide and improve wellbeing services.
To comply with all legislative and regulatory provisions relating to operational performance.	<ol style="list-style-type: none"> 1. Capital improvements and maintenance expenditure to equal 30 to 40 per cent of rental income. 2. Six-monthly and Annual financial reports to be provided to Council by 28 February and 30 September each year. 3. Maintenance of 60 per cent consolidated Trust funds to total assets.

Heartland Contractors

The Council has a 100% shareholding in Heartland Contractors Ltd. It is exempt from the reporting requirements of a Council Controlled Organisation as per Councils resolution set in accordance with section 7 (3) of the Local Government Act 2002. The exemption is reviewed every three years.

The business of this company was sold on 1 March 2002 and has ceased to trade. Accordingly, no details of the company have been included in this Long Term Plan.

Heartland Contractors Limited has been inactive for a number of years and does not provide any services to the community. As such the company is exempt from being a CCO for the purposes of Section 7(5) of the Local

Government Act. The company therefore is not required to provide audited financial or operational reports to Council on their activities.

Awahuri Forest/Kitchener Park Trust

The Awahuri Forest/Kitchener Park Trust has been a Council Organisation since July 2014. It is exempt from the reporting requirements of a Council Controlled Organisation as per Councils resolution set in accordance with section 7 (3) of the Local Government Act 2002. The exemption is reviewed every three years.

Council established the Awahuri Forest/Kitchener Park Trust for the following purposes:

1. To assist in the ecological restoration, management and enhancement of the land at Kitchener Park and for this purpose to maintain a five year plan which, with an annual budget, will be made available to the Settlor for its approval prior to the commencement of each financial year;
2. To steer and co-ordinate the raising of funds to assist the restoration, management, enhancement, promotion and further development of the land at Kitchener Park;
3. To encourage community access to Kitchener Park, and foster knowledge of and interest in the ecological restoration activity at Kitchener Park;
4. To ensure the continued protection and restoration of Kitchener Park where possible and restore biodiversity values;
5. To create a safe haven for native plant and animal species, controlled for plant and animal pests;
6. To collaborate with other relevant organisations and individuals to reintroduce locally extinct or threatened plant and animal species, to ensure their long term survival;
7. To develop self-sustaining threatened species populations which will act as source populations for the creation of future community restoration projects in the Manawatū District;
8. To care for some special collections, including the podocarp, epiphyte and lichen collections presently established at Kitchener Park;
9. To support scientific and historic research of the Kitchener Park ecosystem or components thereof;
10. To educate the general public, especially school children, about the need to conserve and protect native forest environments in New Zealand.

We monitor the Awahuri Forest-Kitchener Park Trust's performance by measuring the following indicators for each activity:

Activities	Performance indicators
To mitigate flood risk	Implementation of better water control mechanisms Fewer major flood incidents
To reduce incidence of Tradescantia	Eradication of 4000sqm in identified sections of the park
To plant 2,000 additional native species	Planting of 2,000 seedlings in identified areas of the park
To improve amenities	Installation of toilets by Manawatū District Council
To achieve a safer environment with fewer acts of vandalism	Installation of solar-powered Street Lamp at Park entrance
To increase public use through publicity in media and contact with Schools	Increased number of visitors to the park
To improve identity and visibility of workers and trustees	Identification vests, jackets and badges purchased
To improve identification of the park and information to visitors	The installation of new signage identifying the park, general information and tree species
To improve access to more specimen trees	The installation of an additional 40m of boardwalk
To improve successful grant applications	The recruitment of a part-time support person to improve administrative efficiency
To increase access and use of park by Enviro Schools	Increased number of schoolchildren involved in park activities
To plan for future transition and succession	Increased training to ensure skill development for curator and assistant positions
To support scientific and ecological research	Contact established with key scientists and ecologists
To improve use of west side cycle track	Realignment and resurfacing of track has increased the number of cyclists
To increase ITO Group Horticultural Training	Contact with authorised ITO providers has increased use of park by Horticultural Training Groups
To strengthen cultural links with local Iwi	Contact with local Iwi has led to a greater understanding of significant issues and historical information
To update information book	The book has been updated and republished and is available to the public
To induct new Trustee	The new Trustee is confident and knowledgeable on Trust affairs and processes

MW LASS Limited

MW LASS Limited is a council-controlled organisation (CCO) set up in 2008 by seven councils (Horizons Regional Council and Horowhenua, Manawatū, Rangitikei, Ruapehu, Tararua and Wanganui District Councils) within the Region to investigate efficiencies and cost savings for the participating councils. The company is considered to be a CCO under the Local Government Act 2002, but the member councils have resolved that it is exempt for the purposes of Section 6(4)(i) of that Act for three years until 30 June 2019.

The focus of the company is to find cost savings and efficiencies for participant councils in any way it can. Activities range from joint tendering projects to actually employing staff to more effectively run Council operations such as archives.

As an exempt CCO, MW LASS does not have performance measures and targets.

Assessment of Water and Sanitary Services

The Assessment of Water and Sanitary Services was a mandatory requirement under the original Local Government Act 2002. This requirement was removed as part of the 2010 amendment to Local Government Act 2002. Council is now expected to carry out an assessment “from time to time”. The Local Government Act 2002 requires that the Council identify and explain any significant differences between the Assessment of Water and Sanitary Services and the Long Term Plan.

A full Assessment of Water and Sanitary Services was completed in 2005. A review was completed in 2009. Council has been making progress addressing all the major issues identified in the assessment. In 2014/15, Council commissioned a new wastewater system at Himatangi Beach, and a reticulated water scheme at Rongotea. In 2017, a new bore/water supply facility was commenced for Sanson for which a grant from Central Government was provided, and a new water reservoir commissioned for Himatangi. Also in 2017, the Feilding Waste Water Treatment Plant consent was granted and substantial works have been undertaken to give effect to this consent.

Additional land has been purchased at the Feilding Wastewater Treatment Plant for waste water irrigation purposes. Investigations have been undertaken for Feilding to assess the effect of increased stormwater runoff on urban systems, in particular in Precinct 4, in response to the recent residential developments. Up-grades to the stormwater network in Feilding in Pharazyn Street and Port St are currently underway with more works scheduled in the Long Term Plan to cope with growth (see below).

Council has included proposed funding to achieve greater monitoring of water use and leakages across the Feilding water reticulation system.

Water Safety Plans (WSPs) are required under the Health Act for Manawatū District Council water supplies. These replace Public Health Risk Management Plans (PHRMPs). Existing PHRMPs will be updated to Water Safety Plans within the timeframes required. The status of these plans is shown in the following table.

Water Safety Plan Status

Scheme	Category	WSP Status
Feilding	Large supply	Approved
Sanson	Minor supply	Approved
Himatangi Beach		Approved
Stanway-Halcombe	Small supply ⁸	Approved
Waituna West		Approved
Rongotea		Approved
Kiwitea Rural		Not required
Oroua No. 1 Rural		Not required

The upgrade works to the Feilding Wastewater Treatment Plant are continuing with the primary focus on Irrigation to Land. This project is included in this Long Term Plan.

Overall, Council considers that this Long Term Plan contains no significant variation to the strategies and major issues contained in the Assessment of Water and Sanitary Services. The full review of all Council Asset Management Plans has provided updated costs and confirmation of the strategies.

⁸ May be reclassified as “minor supply” depending on latest Census data

To the reader:

Independent auditor's report on Manawatu District Council's 2018-28 Long-Term Plan

I am the Auditor-General's appointed auditor for Manawatu District Council (the Council). Section 94 of the Local Government Act 2002 (the Act) requires an audit report on the Council's long-term plan (the plan). Section 259C of the Act requires a report on disclosures made under certain regulations. We have carried out this work using the staff and resources of Audit New Zealand. We completed our report on 28 June 2018.

Opinion

In my opinion:

- the plan provides a reasonable basis for:
 - long-term, integrated decision-making and co-ordination of the Council's resources; and
 - accountability of the Council to the community;
- the information and assumptions underlying the forecast information in the plan are reasonable; and
- the disclosures on pages 224 to 227 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations) and accurately reflect the information drawn from the plan.

This opinion does not provide assurance that the forecasts in the plan will be achieved, because events do not always occur as expected and variations may be material. Nor does it guarantee the accuracy of the information in the plan.

Basis of opinion

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. In meeting the requirements of this standard, we took into account particular elements of the Auditor-General's Auditing Standards and the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information that were consistent with those requirements.

We assessed the evidence the Council has to support the information and disclosures in the plan and the application of its policies and strategies to the forecast information in the plan. To select

appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the plan.

Our procedures included assessing whether:

- the Council's financial strategy, and the associated financial policies, support prudent financial management by the Council;
- the Council's infrastructure strategy identifies the significant infrastructure issues that the Council is likely to face during the next 30 years;
- the information in the plan is based on materially complete and reliable information;
- the Council's key plans and policies are reflected consistently and appropriately in the development of the forecast information;
- the assumptions set out in the plan are based on the best information currently available to the Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast financial information has been properly prepared on the basis of the underlying information and the assumptions adopted, and complies with generally accepted accounting practice in New Zealand;
- the rationale for the Council's activities is clearly presented and agreed levels of service are reflected throughout the plan;
- the levels of service and performance measures are reasonable estimates and reflect the main aspects of the Council's intended service delivery and performance; and
- the relationship between the levels of service, performance measures, and forecast financial information has been adequately explained in the plan.

We did not evaluate the security and controls over the electronic publication of the plan.

Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements affecting its procedures, decisions, consultation, disclosures, and other actions relating to the preparation of the plan;
- presenting forecast financial information in accordance with generally accepted accounting practice in New Zealand; and
- having systems and processes in place to enable the preparation of a plan that is free from material misstatement.

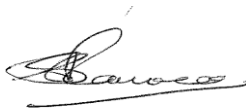
I am responsible for expressing an independent opinion on the plan and the disclosures required by the Regulations, as required by sections 94 and 259C of the Act. I do not express an opinion on the merits of the plan's policy content.

Independence

In carrying out our work, we complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 (Revised); and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended).

In addition to this report on the Council's long term plan and all legally required external audits, we have provided an assurance report on certain matters in respect of the Council's Debenture Trust Deed. These assignments are compatible with those independence requirements. Other than these assignments, we have no relationship with or interests in the Council or any of its subsidiaries.



Clint Ramoo, Audit New Zealand
On behalf of the Auditor-General, Wellington, New Zealand

Governance Structure

Manawatū District Mayor



Helen Worboys

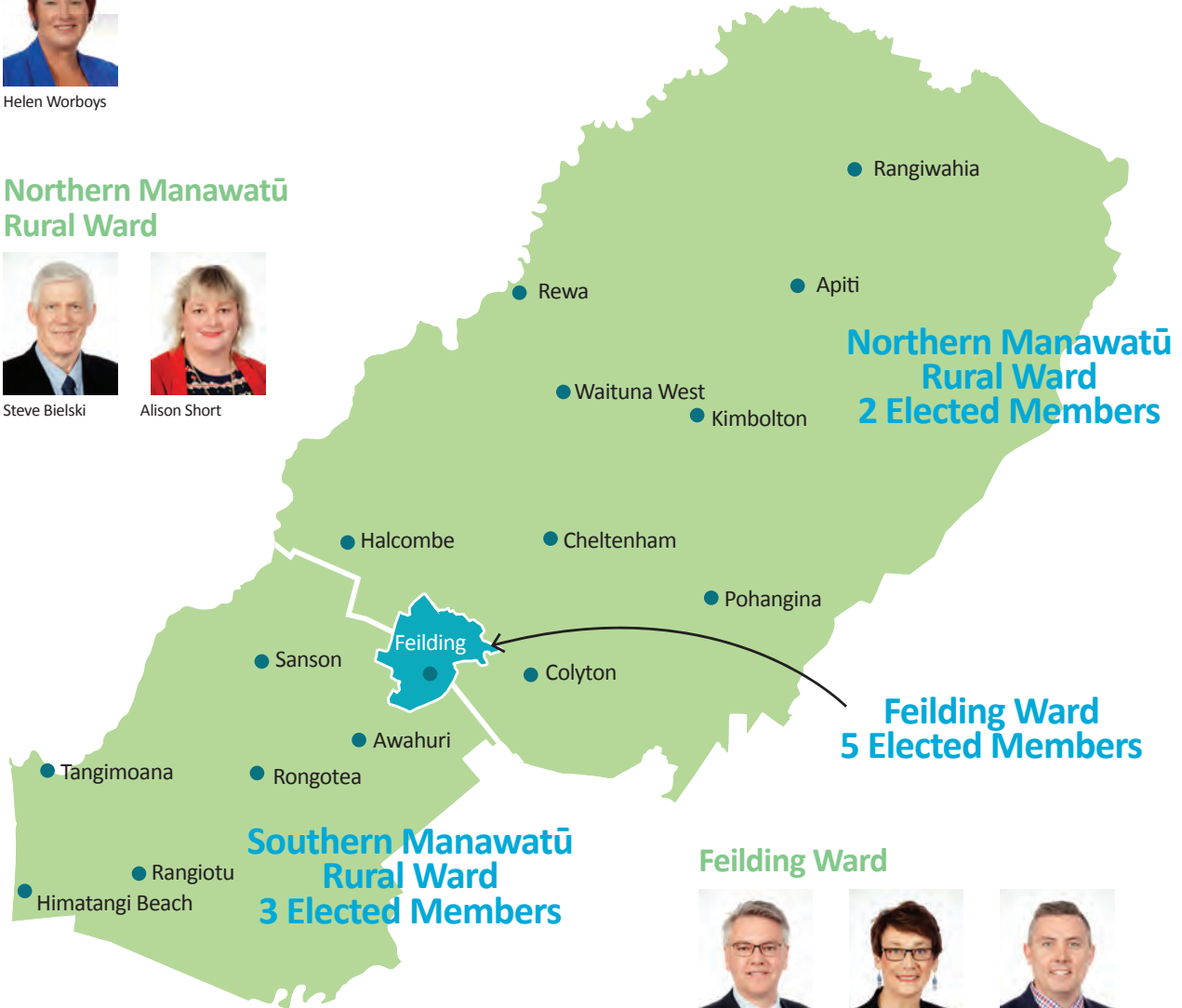
Northern Manawatū Rural Ward



Steve Bielski



Alison Short



Southern Manawatū Rural Ward



Phil Marsh



Howard Voss



Andrew Quarrie

Feilding Ward



Michael Ford
(Deputy Mayor)



Barbara Cameron



Shane Casey



Hilary Humphrey



Stuart Campbell

Executive Team



Chief Executive
Dr Richard Templer



**Community and Strategy
General Manager**
Brent Limmer



**Infrastructure
General Manager**
Hamish Waugh



**Corporate and
Regulatory
General Manager**
Shayne Harris



**People and Culture
General Manager**
Frances Smorti

Glossary

Activity – a good or service provided by or on behalf of a local authority.

Annual Plan – a document adopted by a local authority which sets out the budget for the year, and the sources of funding for the year.

Annual Report – a document that a local authority prepares each year, which provides the public with information on the performance of the local authority during the year (both in financial and non-financial terms).

Asset – assets are land, buildings and facilities owned by Council.

Asset Management Plan – plans that detail the future development and maintenance of Council's community and infrastructural assets to a specified level of service.

Capital Project – A project to acquire, develop, improve and/or maintain a capital asset.

Community – a network of people and organisations linked together by common factors, e.g. linked by place (that is, a geographic community), common interest or identify (e.g. a hapu or voluntary organisation), or an administrative community (such as a district).

Council Organisation (CO) – any organisation in which one or more local authorities own or control any proportion of the voting rights or has the right to appoint one or more of the directors, trustees, etc.

Council Outcomes – outcomes that a local authority aims to achieve.

Council-Controlled Organisation (CCO) – any organisation in which one or more local authorities own or control 50 per cent or more of the voting rights or have the right to appoint 50 per cent or more of the directors of the organisation.

Decision – a resolution or agreement to follow a particular course of action, including an agreement not to take any action in respect of a particular matter.

Exacerbator Costs – additional or unplanned costs incurred by Council through deliberate acts of vandalism and other forms of damage.

Financial Prudence - making decisions or spending money with care to avoid unnecessary financial risks.

Fly-tipping – Illegally dumping waste.

Forecasting Assumption – A scenario or circumstance that Council accepts as true for the purpose of developing its plan.

Funding Impact Statement (FIS) – written information that sets out the funding mechanisms that a local authority will use, their level, and the reason for their selection in terms of the principles of financial management. Funding impact

statements must be included in a Long Term Plan and in an Annual Plan.

Generally Accepted Accounting Practice (GAAP) – approved financial reporting standards (as defined by section 5(1) of the Financial Reporting Act 2013) in so far as they apply to local authorities or CCOs, or statements that are not approved but which are appropriate to the local authority or CCO and have the authoritative support of the accounting profession in New Zealand.

Group of Activities – two or more related activities.

Levels of Service – the defined service parameters or requirements for a particular activity or service areas against which service performance may be measured. Usually relate to quality, quantity, reliability, responsiveness, environmental acceptability and cost.

Local Government Cost Index (LGCI) – examines the main cost drivers for local government activity and measures their annual changes.

Long Term Plan (LTP) – a plan, covering at least 10 years, adopted under section 93 of the Local Government Act 2002, that describes the activities the local authority will engage in over the life of the plan, why the local authority plans to engage in those activities and how those activities will be funded.

Local Authority – a territorial authority or regional council as defined by the Local Government Act 2002.

Māori Ward – allows those who are registered on the Māori Electoral Role to elect a person to specifically represent Māori in the governance decision making team of council.

One Network Road Classification (ONRC) - a classification system, which divides New Zealand's roads into six categories based on how busy they are, whether they connect to important destinations, or are the only route available.

Pavement – in the context of roads, pavement refers to the sealed part of the road that vehicles drive on (not a footpath).

Potable Water - water that is safe to drink or to use for food preparation.

Residents Perception Survey - Council uses an independent survey company to contact residents about their satisfaction levels with Council services or proposals.

Seismic - relating to earthquakes or other vibrations of the earth.

Significance – means the degree of importance of the issue, proposal, decision or matter, as assessed by the authority, in terms of its likely impact and consequences for the future social, economic, cultural and environmental well-being of the District.

Water Reticulation Network System – stores and distributes water using a network of pumps, pipes and water storages.



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